

Rise of the Koch brothers: How the billionaire industrialists were shaped by their father's hatred of the Soviet Union, feuded with their family over money and built a powerful political network that changed America as David Koch dies at 79

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He was the scion to an oil fortune, a twin who has been closely aligned with his older brother Charles in both business and politics, and a one-time vice-presidential candidate that has given millions to Libertarian and conservative causes that have greatly influenced national politics.

Billionaire David Koch, a powerful donor and philanthropist and one of the richest people in the world, has died at age 79. His net worth has been estimated to be close to \$50 billion.

With his brother, Charles, who took the reins of the company their father, Fred Koch, had built, they greatly expanded Koch Industries beyond oil refinery to become the privately-held conglomerate it is today, boasting an estimated \$110 billion in revenue.

Fred Koch, who came to hate communism after building oil refineries in the Soviet Union under Stalin, was a founding member of the John Birch Society, which advocated for limited government. Charles and David - who fought over money for decades against their two other brothers, Frederick and William - followed their father's political path by founding the libertarian Cato Institute and became influential boosters of the conservative movement.

Koch, who in 1991 survived a plane crash that killed 33 people and was diagnosed with prostate cancer the following year, is survived by his wife, Julia Flesher, whom he married in 1996, and their three children, Mary, John and David Jr.

Born in Wichita, Kansas on May 3, 1940, Koch was minutes older than his fraternal twin, William, who goes by Bill. He was the third son for his father and his mother, Mary Clementine Robinson Koch. The eldest son, Frederick, was born August 26, 1933, and then Charles on November 1, 1935.

A chemical engineer, Fred Koch was in his twenties when he started his first engineering company in 1925, according to 1967 Wichita Beacon obituary. But it was not smooth sailing. Due to a process that he developed that allowed smaller oil companies to compete with larger firms, he was mired in lawsuits for a time. By 1929, his firm, called Winkler-Koch Engineering,

was building oil refineries in the Soviet Union. Witnessing Stalin's purges during this time led his anti-communist views, according to **Forbes**.

By 1940, Fred Koch started a new firm with partners that would ultimately become Koch Industries and he handed over the company to Charles in 1966, according to news reports and SEC filings. The following year, Fred died at the age of 67 on November 17.

Despite their wealth, Fred was a tough father who made the four boys work during their childhood, according to the 2014 book, *Sons of Wichita: How the Koch Brothers Became America's Most Powerful and Private Dynasty*.

'He put them to work milking cows, bailing hay, digging ditches, mowing lawns, and whatever else he could think of,' Daniel Schulman, author of *Sons of Wichita*, wrote. 'The never-ending routine of chores was especially torturous during the summer months, when other local kids from Wichita's upper crust whiled away the afternoons at the country club, the sounds of their delight literally wafting across 13th Street to the Kochs' property.'

After graduating from Deerfield Academy, a boarding school in Massachusetts, in 1959, David went to his father's alma mater, the Massachusetts Institute of Technology, where he played basketball along with his twin brother, Bill, and studied chemical engineering, also like his father. He graduated with a bachelor's degree in 1962 and earned a masters the following year.

He joined his brother Charles at Koch Industries in 1970, and together they built the company into the industrial juggernaut it is today.

However, there were family feuds along the way over the company. In 1980, David's twin, Bill, vied to gain control of Koch Industries but failed and was fired, according to *Forbes*. Bill and Frederick, the eldest, 'sold their stakes in the family oil conglomerate back to Charles and David for more than \$700 million in 1983. Feeling shortchanged, the two spent the next 18 years suing for more,' according to **Forbes**. After the years of litigation, the brothers settled for \$1.1 billion, according to **HuffPost**.

Fred influenced David and Charles politically. After Fred's time in the Soviet Union, he became a founding member of the John Birch Society. David once said that his father was 'a very conservative Republican and was not a fan of big government,' according to a 2011 *Weekly Standard* article.

By the 1970s, David and Charles were part of the founding of the libertarian Cato Institute, and in 1980 David ran for vice-president on Ed Clark's Libertarian Party ticket. Their platform included 'ending Social Security, welfare, minimum wage and labor laws, corporate taxes, and a host of government agencies including the FBI, CIA, Department of Energy, Securities and Exchange Commission and Occupational Health and Safety Administration.' The 'Clark-Koch ticket won just 1.1 percent,' according to *HuffPost*.

While Charles stayed in Wichita, David moved to New York City and became a man about town. He was known for his lavish parties and penchant for beautiful women. *New York Social Diary* likened his gatherings to an 'East Coast version of Hugh Hefner's soirées.'

But in 1996, the veteran playboy finally settled down at the age of 56 with Julia Margaret Flesher, daughter of an Iowa based antique dealer. 'After four and a half years, Julia gave me two

choices, I would be a live husband or a dead bachelor,' he told the New York Times. The couple went on to have three children, David Koch Jr., Mary Julia Koch and John Mark Koch.

Koch and Flesher first met in 1991 on a blind date that was arranged by mutual friends. Flesher was 27-years-old at the time and working as an assistant to the fashion designer Adolfo, the label that became known for dressing Nancy Reagan. Koch arranged for them to meet at the legendary East Side private diners establishment, Le Club and admitted in his 2010 New York Magazine profile that their first date was a complete flop: 'I was a little too, how should I say it, forward with my humor, Julia was smiling, but weakly.' Likewise, Flesher told the New York Times, 'I'm glad I met that man because now I know I never want to go out with him.'

A few months later, they ran into each other at a party. Koch had recently survived the plane crash and Flesher approached him to say how glad she was that he was alive. The couple began dating but it wasn't always easy for Flesher - particularly when it came to the female company Koch entertained at his extravagant parties. David Patrick Columbia, editor of New York Social Diary, explained to the Times, 'It was a little embarrassing for her, but he liked that Hugh Hefner-esque decoration and Julia was very patient with that.'

Friends of Koch didn't think he would ever settle down, but eventually Flesher prevailed. 'When I was a bachelor with a different girl on my arm every week, people didn't think I was quite legitimate,' he said to the New York Times. Shortly into their courtship, Koch was diagnosed with prostate cancer. 'I found mine too late to be curable,' he told Andrew Goldman of New York Magazine. All three of his brothers had also been diagnosed with the disease and cured. Facing his diagnoses with customary Koch stoicism he said: 'My doctor thinks the treatment I've been getting will work for many more years, but eventually it will fail.'

By 2010, the couple had been successfully married for 14 years, when he told Goldman: 'My wife knows that I'm as devoted as a choirboy to her. I would never, ever do anything to compromise my relationship with Julia.' But he explained that the hormone treatment for his cancer had an effect on his marriage, 'You get breast enlargement, you know. And it takes away your sex drive. Of course, I can still admire beautiful, attractive women, but that kind of primordial sex drive is sort of missing, you know. Do I miss it? Oh, yeah, sure.' Before adding, 'The power of the family overwhelms these other things.'

After his cancer diagnoses, Koch began generously donating money to medical research. Giving away close to \$1.3 billion, he is listed as one of the world's top 50 philanthropists according to Chronicle of Philanthropy, a non-profit trade magazine based in Washington, DC. 'The way I look at it is, cancer research is absolutely nonpartisan. Cancer is very democratic in the sense that it attacks people regardless of their race, their gender, their national background, or their political persuasions,' explained Koch to Forbes Magazine. His biggest contributions have been made to Memorial Sloan Kettering Cancer Center, New York- Presbyterian Hospital, the Massachusetts Institute of Technology (his alma mater), the John Hopkins School of Medicine in addition to so many others.

The David H. Koch Charitable Foundation, has also invested in some of New York City's greatest cultural institutions. In 2012, Koch donated \$35 million to the American Museum of Natural History to build a new dinosaur wing, it was a nod to his boyhood passion. Remembering fondly the first time he visited the museum as a young dinosaur-obsessed boy, he told New York Magazine, 'I was blown away. It's my favorite museum in the city.' Significant

contributions to the arts in New York City made Koch the belle of every ball in New York City's social circuit, he joked in his 2010 profile: 'Sometimes I feel like a beautiful girl, saying, 'God! Does every guy that goes out with me just want to sleep with me? Don't they like me for my personality?'