

## Silicon Valley billionaire Thiel invests in Kobach, Hawley and rise of nationalism

Bryan Lowry

September 29, 2019

Silicon Valley billionaire Peter Thiel, who believes Google should be investigated for treason and once wrote that American democracy has been in decline since women won the right to vote, is investing heavily in two of the Kansas City region's most ambitious political startups.

Thiel steered six figures into a dark money group that backed Republican Kris Kobach's failed campaign for Kansas governor, according to two sources with direct knowledge of the matter.

And now that Kobach is running for U.S. Senate, the PayPal co-founder is upfront about his financial support. Last week at his New York City apartment, Thiel and conservative pundit Ann Coulter co-hosted a fundraiser for the former Kansas secretary of state.

Thiel is one of the few tech entrepreneurs to embrace President Donald Trump.

He claims that Google should be investigated for treason because of its business dealings with China and its decision not to renew a contract with the Department of Defense. Google denies any wrongdoing. He has invested heavily in anti-aging technology and told Bloomberg in 2014 that he plans to live to 120.

In record and rhetoric, Kobach and Hawley reflect different aspects of Thiel's worldview.

Kobach helped lay the groundwork for the immigration-focused Trump movement, while Hawley has championed two of Thiel's pet issues with his call for more accountability in the tech industry and higher education.

In Thiel, Kobach and Hawley have a highly controversial patron, a self-described libertarian with an outspoken antipathy for the democratic process.

In a 2009 essay for the Cato Institute, he argued that democracy and liberty are incompatible, blaming the decline of U.S. democracy partly on women gaining the right to vote in 1920.

“The 1920s were the last decade in American history during which one could be genuinely optimistic about politics,” Thiel wrote. “Since 1920, the vast increase in welfare beneficiaries and the extension of the franchise to women — two constituencies that are notoriously tough for libertarians — have rendered the notion of ‘capitalist democracy’ into an oxymoron.”

As secretary of state, Kobach faced criticism for championing some of the nation's toughest restrictions on voting. His signature policy, which required voters to prove their citizenship with

a birth certificate or other documentation, was struck down last year after a federal judge concluded the law had blocked citizens from exercising their right to vote.

Thiel and Hawley were both keynote speakers at the National Conservatism Conference in Washington in July, where Thiel presented nationalism as an alternative to outdated notions of American exceptionalism that failed to reckon with competition from other countries.

“Nationalism is not blind patriotism. It’s not my country right or wrong without any questions. Nationalism is going to ask hard questions. It’s going to ask, how does our country stack up against other countries, how does it compare? And it may find it very wanting,” Thiel said.

“It’s long past time for us to grow out of exceptionalism and I think we should settle for greatness.”

Thiel has donated millions to Republican campaigns in recent years, helping bankroll Club For Growth Action, a group that played a key role in the rise of the Tea party movement in the wake of Barack Obama’s election in 2008.

He gave Club For Growth Action \$1 million two months ahead of the 2018 election.

Thiel’s spokesman, Jeremiah Hall, declined to answer questions about his involvement in Midwest politics. He did not confirm nor deny the billionaire’s support for Kobach in the 2018 race for governor.

One Republican political consultant, who asked for anonymity to speak candidly, said Thiel’s interest in Kobach is consistent with his outlook.

“Thiel and Kobach’s connection dates back years ago and he was an early supporter of his run for governor. His support for his campaign for the Senate should not be a big surprise,” the consultant said.

“Thiel has a well-documented history of supporting anti-establishment candidates and immigration hardliners.”

Peter Thiel, co-founder of PayPal and an openly gay man, spoke at the Republican National Convention in Cleveland Thursday, supporting Donald Trump as his pick for the next president of the United States. Thiel described the bathroom debates as a

Kobach has been one of the most outspoken supporters of increasing efforts to prevent illegal immigration. His record earned him a place on Trump’s transition team alongside Thiel following the 2016 election.

During his run for Kansas governor, Kobach sent the names of 289 Nebraska residents to U.S. Immigration and Customs Enforcement in a failed attempt to get the agency to investigate their immigration status.

One of Thiel’s companies, the data mining firm Palantir, has provided software supporting ICE’s case management system since 2014. The company has faced criticism from immigration activists because of the software’s reported use in deportations.

Two sources familiar with the inner workings of Kobach's 2018 campaign said Thiel gave a contribution worth six figures to Per Aspera Policy, a 501(c)4 organization that paid for digital and television ads.

Both of the sources, who spoke on condition of anonymity, said Thiel's previously undisclosed contributions to the dark money group occurred after Kobach and Thiel discussed the race on the phone. One source said Kobach was giddy when Thiel agreed to spend money in the race.

Kobach did not consent to an interview about his relationship with Thiel. His campaign declined to answer any questions, including about whether Thiel and Kobach had discussed the race for governor.

Sen. Pat Roberts announced that he will not seek reelection in 2020. Take a look at the Republican and Democratic contenders that are running to replace him.

Per Aspera Policy also declined to comment. The group, formed last year, appears to have been created primarily to support Kobach's campaign for governor.

A contribution made directly to Kobach's campaign or to a political action committee would have to be disclosed to the Kansas Governmental Ethics Commission. But as a 501(c)4 tax-exempt organization, the group is exempt from disclosing its donors under federal law.

The sources who revealed the contribution said Thiel was adamant about donating in a way that protected his identity.

Brendan Fischer, director of federal reform at the Washington-based Campaign Legal Center, said at a minimum the situation "sounds like an illustration of the problems with dark money. Dark money is often only dark when it comes to the public's knowledge—the candidates who benefit often know where the money is coming from."

Mark Skoglund, the executive director of the Kansas Governmental Ethics Commission, said in an email that Kansas law does not prohibit candidates from helping raise money for outside groups.

However, the state requires entities expressly advocating for a candidate's election to register with the commission as political action committees or to file a verified statement identifying those in charge of the organization regardless of their federal tax status.

The Ethics Commission has no record of Per Aspera filing either of the required forms. However, forms filed with the Federal Communications Commission specifically list "Kris Kobach for Kansas Governor" as the issue the group was advocating for during the 2018 election.

Per Aspera Policy paid Kansas City TV station KMBC \$30,000 to air a gun-themed television ad during the final week of Kobach's race against Democrat Laura Kelly, who went on to win the race.

The ad, highlighting Kobach's endorsement from the National Rifle Association and accusing Kelly of flip flopping on gun rights, featured him firing a rifle and posing with rocker Ted Nugent.

Sandlot Strategic, a Kansas City-based consulting firm, purchased the airtime on behalf of Per Aspera Policy.

The same consulting firm also handled buying television airtime for Kobach's campaign, according to disclosure forms filed with the FCC, and conducted phone polling to gauge support for a Senate run by Kobach in January.

Colin Hoffman, the president of Sandlot Strategic, said his firm maintains a strict internal firewall to prevent improper coordination between campaigns and independent expenditure groups.

Sen. Pat Roberts announced that he will not seek reelection in 2020. Take a look at the Republican and Democratic contenders that are running to replace him.

Kobach's Senate candidacy has been panned by the National Republican Senatorial Committee, which has pointed to his loss in the race for governor as a reason to doubt his capability as a Senate candidate.

The Kansas Republican struggled to keep pace with Kelly in fundraising during the campaign.

Rep. Roger Marshall, R-Kansas, who entered the GOP primary with more than \$1 million in his federal campaign account, said Thiel's involvement in the Senate race could be critical in helping Kobach close the fundraising gap.

In a radio interview following the fundraiser with Thiel, Coulter said of the turnout: "Boy, you couldn't turn around last night without stepping on a billionaire."

Coulter, who said on Twitter last year that the state of Kansas was dead to her following Kobach's defeat in the race for governor, touted his credentials as a Harvard University grad and Yale-educated attorney who "made it through the Chinese-style brainwashing of these Ivy League schools" with a love of God and country intact.

She went on to connect Kobach to Hawley, another Yale Law graduate who has won Thiel's political favor. Hawley, the freshman Missouri Republican, has emerged as one of the toughest critics of the tech industry.

"Sen. (Tom) Cotton, Sen. (Ted) Cruz and Sen. Hawley, they could use some help with another articulate Republican," Coulter told radio host Mark Simone in an interview clip Kobach promoted on Twitter.

Thiel's contribution to Hawley's Senate campaign came four days before Hawley, as Missouri attorney general, launched an investigation into Google, the company Thiel has frequently criticized.

Hawley has also been vocal in targeting Facebook, a company where Thiel is a board member.

During his time at Stanford in the early 2000s, Hawley wrote for The Stanford Review, a conservative newspaper founded by Thiel in the 1980s.

Despite his status as a Stanford University graduate and a board member of Facebook, Thiel has been an outspoken critic of higher education and one of the Silicon Valley voices most skeptical of the wider tech industry.

“Silicon Valley is sort of a very insular place... It’s something I’ve been on a crusade about for the better part of the decade,” Thiel said in his speech at the National Conservatism Conference hosted by the Edmund Burke Foundation, a Dutch think tank that promotes social and fiscal conservatism.

Hawley spoke at the same conference and has pursued legislation intended to hold the tech industry and universities more accountable.

But he downplayed his connection to Thiel when asked if they had any conversations about the bills.

“Zero,” Hawley said in July after the conference. “I haven’t talked to him about the higher ed bill or these tech amendments. I don’t think we appeared together.”

In his speech, Hawley argued that the left’s emphasis on multiculturalism had degraded a common national identity.

At the same conference, Thiel hammered the left for what he argued was a wrong-headed focus on identity politics.

“Identity politics is an insane distraction... I always have this hope that it’s about to end in some sort of paroxysm of insanity and that the identity politics monster is going to get a heart attack from flopping its tail as wildly as it is,” Thiel said later in the speech.

Kobach has hit at similar themes on the campaign trail in Kansas.

When told of the New York fundraiser, Hawley declined to speculate this week on the reasons that Thiel might have for backing Kobach’s Senate campaign

“I have no insight on who he supports. I don’t track who he supports. I didn’t realize he had done that for Kobach,” Hawley said. “It’s interesting.”