



## Koch Network Uses National Philanthropic Trust to Conceal Transaction

By Connor Gibson

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The National Philanthropic Trust helped Charles Koch’s tightly controlled network of nonprofits shield close to \$100 million in donations and grants from public view between 2019 and 2021.

The Center for Media and Democracy (CMD) recently reported on the network’s [2019–20 finances](#), which ballooned to \$2.2 billion in revenues in 2020, and the emergence of Chase Koch’s [CCKC4](#) as a potentially major player on the U.S. political scene.

Despite receiving \$1.2 billion in 2020, CCKC4 only disclosed making a single grant of [\\$12.5 million](#) to the National Philanthropic Trust (NPT). A massive donor-advised fund—independent from the Koch family—the NPT routes billions of dollars to thousands of charities, policy organizations, and nonprofits every year.

The NPT does not disclose its donors nor their designated recipients, an [advantage](#) it advertises to potential donors. While it *does* disclose the organizations it finances and some of its donors voluntarily disclose payments to the NPT, the information available makes it impossible to draw a line between specific donors and grantees.

This appears to be part of a recent [trend](#). Corporate mega-donors use donor advised funds to anonymize funding to groups that influence policy making, including longtime [climate change denial organizations](#) with a history of support from the Koch family’s foundations.

CMD contacted a Koch Industries executive who serves as director of several of Charles Koch’s nonprofits for comment, but received no response.

“Having a 501(c)(4) make grants to a 501(c)(3) charity such as the Charles Koch Foundation or the National Philanthropic Trust is tax inefficient, as the 501(c)(4) is already exempt from tax and so does not need a charitable contribution deduction,” said Lloyd Hitoshi Mayer, a professor at the University of Notre Dame Law School. But “if the original, individual funder of the 501(c)(4) has already maxed out their charitable contribution deduction,” he added, “then it does not matter if they make a gift directly to a 501(c)(3) or have the 501(c)(4) do it instead.”

In recent years, the NPT also made major anonymous grants to two other organizations controlled by the Koch family.

One of those groups, [Stand Together Trust](#), is central to Koch’s policy influence operation. Run by the Kochs and Koch Industries, it funds “social entrepreneurs” in education and a variety of

public policy areas, and provides major financial support for [Americans for Prosperity](#), Koch's astroturf political advocacy group.

Annual grants from NPT to Stand Together Trust have soared from [\\$1.05 million](#) in 2019 to [\\$9.75 million](#) in 2020 and [\\$20.15 million](#) in 2021, according to a recent IRS filing obtained by CMD and previous filings compiled by [ProPublica](#).

Another of Charles Koch's organizations, the [Stand Together Foundation](#), received more than \$80 million from NPT between [July 2019](#) and [June 2021](#).

This philanthropic organization is focused on anti-poverty initiatives, but also serves to amplify Charles Koch's free-market ideology. Virtually every [grantee](#) of the Foundation appears to be required to [complete](#) an "intensive six-month training designed to coach nonprofit leaders on business principles." Called the [Catalyst Program](#), it promulgates his trademarked business management philosophy, "Market-Based Management."

### **Stand Together Foundation Key to Koch Rebranding Efforts**

For the first eight decades of his life, Charles Koch was generally averse to charity. He [preferred](#) to send the vast majority of his "philanthropic" donations to political organizations that would advance his ideological and business interests, as Jane Mayer points out in her 2016 book [Dark Money](#) (pp. 147–148).

The Stand Together Foundation [emerged](#) publicly in 2015 as part of a public relations [makeover](#) in the wake of a decade of sustained public criticism of the Koch brothers' business and political pursuits. Koch Industries was best known for its [pollution](#), its support for climate change [denial](#), its alleged [theft](#) of oil from the Osage Nation, and its [pervasive](#) political [influence](#).

The rebrand appears to be working. In the past five years, Charles Koch and his staff have managed partnerships with musicians like [Snoop Dogg](#) and Guns 'N' Roses drummer [Matt Sorum](#). Celebrity athletes have also participated. Koch's "Prime 5" collaboration involved retired football player [Deion Sanders](#), and the [LeBron James Family Foundation](#) received a \$575,000 grant from Koch's [Stand Together Chamber of Commerce](#) in 2020. Charles Koch touts his collaboration with former political foe Van Jones, who allegedly thinks of his primary contact at Koch "[like a brother](#)."

In sharp contrast, Koch's historical political extremism—dating back to [his work with the John Birch Society](#) during the height of the Civil Rights Movement in the 1960s—continues unabated.

The Bill of Rights Institute, an organization operating out of Koch's compound in Arlington, Virginia, was involved in efforts to [whitewash the history of slavery](#) in the U.S. in its lesson plans. Koch cash flowed to members of a [network](#) of [neo-Confederates](#) and white supremacists [as recently as 2017](#). Since then, he has continued to support groups that [manufacture](#) hysteria over critical race theory, despite his public [statements](#) disavowing the trend.

Most recently, the Atlantic Council [ceased](#) its [\\$4.5 million](#) collaboration with the [Charles Koch Institute](#) after new staff hired from the Koch-founded Cato Institute advocated against focusing on Russia's violations of human rights. This followed Koch Industries' controversial refusal to discontinue its business operations in Russia immediately after Vladimir Putin ordered the invasion of Ukraine in February. By April, the company [reversed](#) its position following weeks of dogged [investigations](#) by journalist Judd Legum.

Still, many journalists seem less interested in scrutinizing Charles Koch's controversial activities than they were during the Obama presidency. Whether or not his rebranding efforts have won over the media and the public, Charles Koch's political operation and his influence continue to grow and spread as fast as his fortune.

*David Armiak contributed research to this report.*