

Unreliable Sources 4: How the Media Help the Kochs and ExxonMobil Spread Climate Disinformation

By: Elliott Negin – May 20, 2013

This six-part series, "Unreliable Sources: How the Media Help the Kochs and ExxonMobil Spread Climate Disinformation," documents that the press routinely cites climate contrarian think tanks without reporting their ties to the fossil fuel industry. For part 1, [click here](#); part 2, [click here](#); and part 3, [click here](#).

Part 4: The Koch Brothers Overtake ExxonMobil as Top Contrarian Patron

For several decades, Charles G. and David H. Koch -- owners of the Wichita-based oil, gas and coal conglomerate, Koch Industries -- surreptitiously financed political and policy organizations favoring "free enterprise" and opposing government regulation. At the same time, the billionaire brothers developed an unsavory reputation with at least one philanthropy watchdog.

In 2004, the National Committee on Responsive Philanthropy (NCRP) published a comprehensive study on the funding strategies of 79 conservative foundations to support 350 public policy think tanks at the national, state and local level. Three of those foundations were ones controlled by the Kochs -- the Charles G. Koch Charitable Foundation, the David H. Koch Charitable Foundation and the Claude R. Lambe Charitable Foundation.

The NCRP's take on the Kochs' funding agenda? It concluded that their family foundations support think tanks that "do research and advocacy on issues that impact the profit margin of Koch Industries." "In touting limited government and free markets," the NCRP found, "these organizations doubt the dangers of various chemicals, environmental pollutants and global warming, as well as challenge research efforts documenting these hazards."

"... It makes sense that the Kochs would fund such anti-environment organizations," the study authors added, "given their seedy past of environmental violations and lawsuits."

To be sure, Koch Industries has a long environmental crime rap sheet. Over the years, the company has had to pay tens of millions of dollars in fines and hundreds of millions in cleanup costs. At the same time, the brothers' grantees have been particularly critical of environmental safeguards on the books as well as proposed ones, such as a carbon emissions cap-and-trade system, which would certainly have a significant impact on Koch Industries' bottom line.

As it turns out, a number of the think tanks the Kochs began supporting more than 25

years ago -- the Cato Institute, Competitive Enterprise Institute, Heartland Institute and Heritage Foundation, among them -- are the very same policy shops that represented the tobacco and pharmaceutical industries in their fight against the Food and Drug Administration in the mid-1990s. And, as I pointed out earlier in this series, ExxonMobil, General Motors and other fossil fuel interests enlisted these same think tanks at the turn of the century to sow doubt about the reality of global warming and blunt any attempts in Congress to pass climate change legislation.

In the early 2000s, there was a bipartisan bill kicking around Congress that would cap and reduce carbon emissions from power plants, refineries and other industries. The legislation -- first introduced in the Senate in 2003 by John McCain (R-Ariz.) and Joe Lieberman (D-Conn.) and in the House in 2004 by Wayne Gilchrest (R-Md.) and John Olver (D-Mass.) -- was reintroduced in both houses in 2005. In contrast with the Bush administration's unsuccessful voluntary approach, the proposed bill called for establishing a mandatory, market-based cap-and-trade system to cut emissions.

The McCain-Lieberman bill apparently spooked the Kochs, who operate oil refineries in Alaska, Minnesota and Texas and supply coal to Midwestern utilities. In 2005, their three main family foundations doubled their contrarian group contributions from the previous year to \$4.2 million, surpassing ExxonMobil, which spent \$3.48 million. A year later, the Kochs' donations doubled again, reaching a peak of \$8.59 million, more than three times what ExxonMobil gave that year. All told, the three main Koch family funds would funnel more than \$43 million to the contrarian network from 2005 through 2011, while ExxonMobil would hand out \$12 million -- less than a third -- to many of the same groups.

The Kochs Fly Under the Media Radar

By 2005, the Kochs had quietly replaced ExxonMobil as the uber patron of climate contrarianism, but nobody knew it. The news media were only just beginning to pay attention to ExxonMobil's funding activities and, outside of the fossil fuel industry -- and Koch grantees, of course -- who had ever heard of Koch Industries? As David Koch liked to joke, his family-owned conglomerate, whose annual revenues are now estimated at \$100 billion, was "the largest company you've never heard of."

At least one national news organization, however, was on to the Kochs -- for about a news-cycle nanosecond. Thirteen years ago, on January 29, 2000, the *Washington Post* ran a front-page story by Dan Morgan, "Think Tanks: Corporations' Quiet Weapon; Nonprofits' Studies, Lobbying Advance Big Business Causes," which profiled a conservative, multi-issue, small government policy group called Citizens for a Sound Economy (CSE).

"CSE was founded by two free-spirited Midwestern oil and gas tycoons, the brothers David H. and Charles G. Koch, principal owners of Koch Industries of Wichita," Morgan reported. "Foundations they controlled helped found Cato, CSE and other less-known think tanks committed to the Koch's libertarian beliefs."

Morgan's investigation turned up documents that, as he explained, "provide a rare look at think tanks' often hidden role as a weapon in the modern corporate political arsenal. The groups provide analyses, TV advertising, polling and academic studies that add an air of authority to corporate arguments -- in many cases while maintaining the corporate donor's anonymity."

Sound familiar?

After Morgan's story, however, it was radio silence, at least at the national level. There was no follow up by the *Post*, and no attention paid by any other news organizations besides local papers in Houston, Seattle, St. Louis and Wichita, which ran one-off stories over the next five years that linked the Kochs to conservative think tanks. The "Kochs as under-writers" story essentially died, despite the fact that, between 2002 and 2007, they spent nearly \$24 million on climate contrarian policy groups -- and millions more on think tanks and lobbyists working on their other pet issues.

It wasn't until 2008 when the news media -- at least at the local level -- began to take notice again. What piqued reporters' interest, appropriately enough, was Americans for Prosperity (AFP), one of the two multi-issue, tea party-affiliated groups that Citizens for a Sound Economy spawned in 2004 when it broke up, the other being FreedomWorks. David Koch, who is credited as AFP's founder, is the chairman of the group's foundation.

In 2008, AFP kicked off a cross-country "Hot Air Tour" featuring hot air balloon rides and the slogan "Global Warming Alarmism: Lost Jobs, Higher Taxes, Less Freedom." The national print press ignored the story. Besides Fox and MSNBC, national television and cable news shows didn't pay much attention, either, and only MSNBC's *Rachel Maddow Show* mentioned the Koch-AFP link. Local newspapers where the tour touched down, on the other hand, covered it like the circus coming to town. But only five out of 38 briefs and articles those papers ran on the tour in 2008 and 2009 reported that the Kochs backed AFP.

So where was the *Washington Post*?

Remarkably, it took the paper nearly a decade to rediscover the Koch-think tank connection that Dan Morgan reported back in 2000. Although the paper ran 24 stories on AFP from 2004 through 2009, only one -- which ran in August 2009 -- linked the group to the Kochs. It also was the only story that mentioned that AFP disputed climate science. Most of the other stories merely identified it as a "conservative" or "small government" group.

A Public Interest Group Blows the Whistle (Again)

The Kochs' years of relative anonymity came to an end in early 2010 and, as in the case of ExxonMobil, it was largely due to the work of a public interest group.

As I reported earlier in this series, ExxonMobil was thrust into the public eye in the summer of 2005 by the Exxpose Exxon campaign, which was sponsored by a dozen public interest groups, and again in early 2007, when a Union of Concerned Scientists report disclosed the company's role in bankrolling climate contrarians. The Koch brothers, meanwhile, were outed by a March 2010 Greenpeace report revealing that between 2005 and 2008, the Kochs spent significantly more than ExxonMobil on virtually the same network of contrarian groups to attack climate science and undermine government attempts to address global warming.

Before Greenpeace released "Koch Industries Secretly Funding the Climate Denial Machine," the group's research director, Kert Davies, met with journalists at a number of news organizations, including ABC, *Newsweek* and the *New York Times*, to go over the report's findings. "The number of serious journalists who didn't even know the name

David Koch or Koch Industries was stunning," Davies, a lead author of the report, told Politico, a political trade journal. "It was because they were intentionally invisible. They really liked it the way it was. So one of our main objectives was to make them a household name...."

The Greenpeace report definitely created a media buzz. In July, *New York* magazine profiled David Koch, who told the magazine that global warming is a good thing because it will lengthen growing seasons in the northern hemisphere. Around the same time, economist Paul Krugman disclosed the Koch-climate contrarian link in the *New York Times* for the first time. A month later, the *Washington Post* profiled AFP, delving into the details of its Koch connection. And the *New Yorker* ran a 10,000-word opus on the brothers' family history, libertarian philosophy, and influence on conservative politics that prominently cited Greenpeace's findings. All of the sudden, the Kochs were fair game.

News Media Tie AFP to the Kochs, But Fail to Connect Other Grantees

Despite the fact that more journalists are now aware of the Koch brothers, many still miss the fact that AFP is not the only policy group that lives off Koch largesse. For instance, AFP is just one of approximately 40 think tanks and advocacy groups the Kochs underwrite to promote their climate and energy agenda. Regardless, journalists still more often than not fail to mention they're Koch surrogates.

If you've read any of the previous installments in this series, you know that I recently reviewed climate and energy coverage from 2011 and 2012 to see how often top news organizations disclosed funding sources for AFP and seven other climate contrarian groups I call the "Oil Eight." My survey included stories, editorials, opinion columns and interviews from the Associated Press, NPR, *Politico*, and six leading newspapers: the *Los Angeles Times*, *New York Times*, *USA Today*, *Washington Post* and *Wall Street Journal*. Given there's a brighter spotlight on the Kochs and a heightened awareness of post-*Citizens United* money flooding the political system, it's not surprising that these news outlets mentioned AFP more than any other of the Oil Eight. Overall, nearly 30 percent of the 357 climate and energy stories in my sample cited AFP at least in passing, and a number focused squarely on the group and its activities. Many of the stories referenced the group's multimillion-dollar TV political ad campaign last year. A number of the news organizations in my survey--the *Los Angeles Times*, *New York Times*, *Politico* and *Washington Post*, in particular--devoted considerable space to that story.

Likewise, the news organizations did a better job identifying AFP as fossil fuel industry-funded group. Seventy of 102 pieces citing AFP -- 69 percent -- linked the group to the Kochs, whose family foundations gave AFP more than \$5.75 million between 2005 and 2010. (For more on my survey results, [click here](#).)

Discounting their AFP coverage, the news outlets cited fossil fuel industry funding sources in only 24 percent of 255 pieces that mentioned the other seven climate contrarian groups. Those seven groups -- the American Enterprise Institute, Cato Institute, Competitive Enterprise Institute, Heartland Institute, Heritage Foundation, Institute for Energy Research (and its political arm, American Energy Alliance), and Manhattan Institute for Policy Research -- together received \$10 million from the three main Koch family foundations between 2001 and 2011. (For more details, see this list of the Oil Eight's fossil fuel industry funding.)

American Energy Alliance vs. Obama Campaign: Dueling Ads

Another Oil Eight member -- the American Energy Alliance (AEA) -- also got caught in the glare of political campaign coverage last year. Although the eight news outlets in my survey were not as attentive to its funding as they were with AFP, they still managed to tie the alliance to the fossil fuel industry in 43 percent of the 61 stories that cited the group in 2011 and 2012.

Most of the stories citing the alliance -- the political arm of a small, single-issue group called the Institute for Energy Research -- focused on its TV ad battle with the Obama reelection campaign. A number of those stories that mentioned the alliance's funding relied on the Obama camp's charge that the AEA is a "front group for big oil" without going the extra mile to nail down that fact. For example, an April 3, 2012, story by Associated Press political reporter Andrew Miga stated: "There's no way of knowing if Obama's claim that the American Energy Alliance ad is funded by Big Oil is true; the alliance does not disclose its donors or contribution amounts."

If Miga had checked either the Conservative Transparency or Foundation Center website, he would have been able to confirm that during the last decade, the alliance's parent organization received \$160,000 from the American Petroleum Institute (2008-10), \$337,000 from ExxonMobil (2002-07), and \$227,500 from Charles Koch's Claude R. Lambe Charitable Foundation (2001-07).

To his credit, Miga did report that AEA's president, Thomas Pyle, is a former Koch Industries lobbyist and that AEA's arguments "are the same ones made by oil companies and their allies." All told, the Associated Press cited AEA's fossil fuel industry connection in three of the six stories it ran over the two-year period I checked.

Politico, meanwhile, mentioned the alliance's funding in 11 of the 23 stories it ran citing the group. The *Washington Post*, on the other hand, reported it in only one of five stories. That story, "Energy issue gets jolt of ads," by T.W. Farnum, called the alliance "an advocacy group that pushes for less government regulation of the [energy] industry," and reported that it "spent \$3.6 million on an ad attacking Obama over gas prices, Solyndra, the Keystone pipeline and his opposition to drilling in the Arctic National Wildlife Refuge."

Farnum then paraphrased an alliance spokesman, who told him the group "received most of its funding in its last tax year from individual families, including many with newfound wealth from domestic drilling." That does make it clear that the alliance represents the oil and gas industry, but most readers would presume that the AEA is a mom and pop operation. Little would they know that the American Petroleum Institute, ExxonMobil and the Koch brothers have been funding the group for years.

Note: Last Friday in part 3 of this series I mentioned that Heritage Foundation fellow David Kreutzer previously worked for Richard Berman, who runs a network of corporate front groups. Yesterday, the Boston Globe published a front page exposé of Berman, focusing on his Center for Consumer Freedom, which represents the interests of the restaurant and food industries.

On Wednesday, this six-part series, "Unreliable Sources: How the Media Help the

Kochs and ExxonMobil Spread Climate Disinformation," continues with a look at how top news organizations covered the Cato Institute and the Heartland Institute. Elliott Negin, the director of news and commentary at the Union of Concerned Scientists, is a former NPR news editor and former managing editor of American Journalism Review.