

Billionsaires' agents?

Conservative industrialist brothers donate to related think tanks

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The Yankee Institute's connections with the Cato Institute have sparked controversy primarily because the Washington, D.C.-based libertarian organization was co-founded by Charles G. Koch, whose sibling, David H. Koch, serves on its board of directors.

Second in a two-part series

The billionaire brothers own one of the largest private companies in the country and are among the nation's richest men. They are reported to be the biggest financial backers of tea party-related organizations, as well as major contributors in the drive to repeal collective bargaining for government employees in Wisconsin and other states.

Koch family foundations reportedly also have given at least \$1 million to the Washington, D.C.-based Heritage Foundation, whose "policy centers" include the Thomas A. Roe Institute for Economic Policy Studies, named for the late Republican businessman from South Carolina who served as a Heritage trustee for two decades.

The Yankee Institute is a member of the State Policy Network, and the Roe Foundation approved a total of \$80,000 in grants to Yankee between 2006 and 2009. The Roe Foundation reportedly had given grants totaling \$57,500 to Yankee between 2000 and 2005, bringing its nine-year total to \$137,500.

The coalition of Connecticut state employee bargaining units known as SEBAC — charging that the Yankee Institute subverted its members' vote on Gov. Dannel P. Malloy's labor concession package — has made much of Yankee's connections to the Cato and Heritage organizations and, in turn, to the Koch brothers.

"In our view the Yankee Institute is the Connecticut arm of the Koch brothers' nationwide attack on working families with deep ties to the Cato Institute, the Heritage Foundation, Wall Street hedge fund managers, and health insurance corporations," Larry Dorman, a spokesman for the American Federation of State, County, and Municipal Employees Council 4, says.

But both the president of the Yankee Institute, Andrew J. Cowin of Greenwich, who worked as a trade analyst for the Heritage Foundation, and its executive director, Fergus Cullen, say the unions are spreading falsehoods.

Cowin, for example, had argued in The Wall Street Journal that the unions' complaint lodged with Attorney General George C. Jepsen was "bizarre." Jepsen last week said he'd found no evidence Yankee had hacked into the state email system.

"Putting aside that this isn't true — although, believe me, we would like to become connected to the Koch brothers — why would the fact that we associate with like-minded people and institutions be of interest to a law-enforcement official?" he wrote. "That is our right, plainly protected by the First Amendment of the Constitution."

Meanwhile, Cullen, who the unions say worked for candidates who received campaign contributions from Charles Koch and Koch Industries' political action committee, has called their complaint "desperate" and "paranoid."

"I can tell you that since I've been here, the vast majority of our financial support comes from individuals who live in Connecticut," he said. "We have more than 1,000 contributing members. We receive a relatively small amount of support from foundations, and a couple of contributors give through their businesses, so I can't technically say we get no corporate support, but we effectively get zero corporate support, and I don't budget for getting any whatsoever.

"I go out of my way to reiterate this because it's become a shibboleth of the left that groups like ours are funded by corporate interests, the Koch brothers, etc.," he added. "It's completely untrue, and has no basis in facts."

Cullen acknowledged, however, that Yankee is listed among the "host" organizations involved in the Charles G. Koch Summer Fellow Program. The program is funded by the Koch brothers' charitable foundation and based at the Institute for Humane Studies at George Mason University in Virginia.

But Cullen said that while Yankee had talked with the program about participating and is "open to doing so," it is not now involved.

"We admire the Kochs' success, and appreciate their commitment to helping others succeed in a free-market economy as they have," he said, but added, "they are not financial supporters of the Yankee Institute."

The Charles G. Koch Charitable Foundation, however, has for years made grants not only to the Cato Institute and Trinity College in Hartford, but also to the Virginia-based Atlas Economic Research Foundation, a source of funding for Lewis M. Andrews, Yankee's former president.

The Koch foundation, for example, between 2007 and 2009 paid or approved the future payment of a total of \$98,800 to Atlas, which between 2006 and 2009 also received a total of \$85,500 from the Roe Foundation.

Moreover, the Koch foundation paid or approved the future payment of another \$173,500 between 2007 and 2009 to the Tennessee-based Association of Private Enterprise Education, at which the Yankee treasurer, Gerald Gunderson, a business economics professor at Trinity, formerly served as president and remains as editor of its Journal of Private Enterprise.

Similarly, Jessica Buchanan, who became Yankee's director of operations last year, had the year before participated in the Charles G. Koch Foundation Associate Program. The group says the program is for "professionals who are passionate about free-market ideas, and want to become more effective at advancing liberty throughout their careers."

Asked about Yankee's financial backers, Cullen suggested that questions about Hanley and the Koch foundation appeared to focus "on a couple of trees among our forest of supporters," and that "such a focus gives you a very outdated view of the organization." Like many small nonprofits, he said, Yankee initially relied on the generosity of a small number of supporters, but once more established it earned broader support "on our own merits."

"Yankee today does things differently than it did three years ago," he said. "I like to think we've become more effective, and SEBAC's attacks point to that."

Limited government, lower taxes

The unions' foes — the Cato Institute, the Heritage Foundation, and the Koch brothers — are associated with calls for limited government, lower corporate taxes, reductions in social services, "free-market" approaches to environmental policy, and the privatization of Social Security.

But Cullen said Yankee intentionally avoids "federal" issues, including hot-button social

matters such as abortion and same-sex marriage, which he said are "important issues, just not our issues."

"We try to be more like Heritage and Cato in our approach to cities and towns," he said.

"You're not going to see us get involved in Social Security, although we support" its privatization. "And we'd be interested in Medicaid reform to the extent that it impacts state budgets.

"We do favor limited government and lower taxes and that does frame how we approach almost all issues," Cullen continued. "If there is a private-sector solution to this issue that could solve the public policy question more quickly and more effectively and for less money, we're always going to be in favor of that. We don't shy away from being identified as a conservative-leaning group, but we're independent."

Cullen cited as an example Yankee's criticism of Malloy, a Democrat, for his handling of the state budget, and that of Malloy's predecessor, M. Jodi Rell, a Republican, when she supported a large tax increase in 2009.

Yankee, which for years largely focused on state tax and budget issues, last year launched a "government transparency" website, CTSunlight.org, which posts the salaries and benefits of state employees. Cullen says the site has received as many as 5,000 "hits" weekly and continues to exceed expectations.

Yankee lately also has been commissioning polls. A poll last month showed a big dip in Malloy's approval rating and suggested that most voters think the state spends and taxes too much and that state employee unions "didn't give up enough and should have been asked for more."

And last month Yankee trumpeted its friend-of-the-court role in a U.S. Supreme Court decision that publicly funded campaign finance programs like that in Connecticut violated the First Amendment.

Cullen said then that using tax dollars to pay for election campaigns amounts to "welfare for politicians." Advocates of public financing argue its elimination will strengthen the influence of big campaign donors, including many connected to business interests that back Republicans.

Asked about the sizable contributions made to Republicans by Yankee board members, Cullen said that as a "conservative" organization it "shouldn't surprise anyone that Republicans tend to be more receptive to our ideas and our research."

Facing eviction

Meanwhile, Yankee's higher profile in the state apparently has taken a toll on its relationship with Trinity, its landlord. College officials last week notified the group to vacate its 800-square-foot office and declined to offer it other rental space on campus.

"We're a free market think tank," Cullen said. "We believe in property rights. It's Trinity's building, and it's entirely within their rights to kick us out. We've had a great internship program at Trinity which has been mutually beneficial. We're grateful to have been there as long as we have. I can only hope the decision to kick us out now, coming as it does while we've been in the news a lot after 13 years, was not influenced by politics."