

## Myths And Facts About The Koch Brothers

By Denise Robbins  
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Charles and David Koch, brothers and the oil barons who are already shaping the 2014 midterm elections according to recently leaked audio recordings, are often portrayed as environmentally responsible advocates of the free-market that are unfairly targeted by Democrats. However, their political influence, which benefits the fossil fuel industry and their own bottom line, is unparalleled.

### Koch Brothers Are Shaping Politics In 2014 Elections

**Associated Press: Koch Brothers Are "Reshaping Politics."** From an Associated Press primer on "the Koch brothers and their role in politics":

Charles and David Koch, ages 78 and 74, are billionaire brothers who helped create a broad network of nonprofit groups that control hundreds of millions of dollars flowing into politics. Through their deep pockets, they are reshaping politics with an uncompromising agenda of reducing regulation, advancing libertarian ideas, promoting free-market Republican candidates and ousting Democrats. [Associated Press, 8/25/14]

**Top GOP Candidates Cite Koch Network For Their Success.** Three Republican Senate candidates credited the Koch brothers' political network for catapulting them forward in their political races, according to an audio recording that was obtained by *The Nation* and *The Undercurrent*. The Huffington Post reported that Sens. Joni Ernst (R-IA), Rep. Tom Cotton (R-AR), and Rep. Cory Gardner (R-CO), "heaped praise on the political network built by the conservative billionaires" for "propelling them forward." Huffington Post expanded:

During their speeches, both Cotton and Ernst noted that this was actually the second Koch brothers' retreat they had attended. Last year, the two had gone to the New Mexico event as politicians of less stature. The Koch network has since helped usher them to the doorsteps of the United States Senate.

"I was not known at that time," Ernst said. "A little-known state senator from a very rural part of Iowa, known through my National Guard service and some circles in Iowa.

But the exposure to this group and to this network and the opportunity to meet so many of you, that really started my trajectory."

"We are going to paint some very clear differences in this general election," she said earlier in her talk. "And this is the thing that we are going to take back -- that it started right here with all of your folks, this wonderful network."

Cotton went further, crediting Koch-funded groups for helping change the political landscape of Arkansas.

"Americans for Prosperity in Arkansas has played a critical role in turning our state from a one-party Democratic state [inaudible] building the kind of constant engagement to get people in the state involved in their communities," he said. [Huffington Post, 8/27/14]

**Kochs Planned To Raise Almost \$300 Million, Target Energy.** The Daily Beast reported that the Koch brothers, who made billions in the oil industry and are major Republican donors, are seeking to raise hundreds of millions for conservative Republicans in the 2014 midterm races:

In the face of expanding energy regulations, stepped-up Democratic attacks and the ongoing fight over Obamacare, the billionaire Koch brothers and scores of wealthy allies have set an initial 2014 fundraising target of \$290 million which should boost GOP candidates and support dozens of conservative groups--including a new energy initiative with what looks like a deregulatory, pro-consumer spin, The Daily Beast has learned.

This weekend, at a posh California resort near Laguna Beach, energy is expected to be among the topics as Charles and David Koch and their extensive donor network hold a semiannual fundraising and policy seminar. Political allies including Sen. Marco Rubio of Florida and libertarian political scientist Charles Murray are slated to speak, according to conservatives familiar with the Koch network. [The Daily Beast, 6/13/14; Seminar Agenda, 6/10/14, via *The Nation*]

**Kochs Launched Their Own Super PAC As Part Of Effort.** Politico reported that as part of their overall election strategy, the Koch brothers have founded their own super PAC, an organization that is able to engage in unlimited political spending:

During a closed-door gathering of major donors in Southern California on Monday, the political operation spearheaded by the Koch brothers unveiled a significant new weapon in its rapidly expanding arsenal -- a super PAC called Freedom Partners Action Fund.

The new group aims to spend more than \$15 million in the 2014 midterm campaigns -- part of a much larger spending effort expected to total \$290 million, sources told Politico. [Politico, 6/16/14]

## MYTH: Liberals Use Koch Brothers As A Scapegoat

- A *New York Daily News* article called David Koch the "biggest straw man" in New York City politics and suggested that Democratic critics "worried about 'dark money' should look in the mirror." [*New York Daily News*, 11/5/13]
- *The Washington Post's* Jennifer Rubin wrote that it is "daft" to "run against two private citizens not on the ballot" in a misleading op-ed that falsely suggested Sen. Harry Reid (D-NV) is more disliked than the Kochs, excluding that Reid received a higher percentage of "favorable" opinions, as a majority of respondents hadn't heard of the Kochs. [*Washington Post*, 3/25/14; Tarrance Group Lake Research, accessed 8/25/14]
- The *New York Post's* John Podhoretz wrote that the Koch brothers are being used by liberals to fundraise, writing that Democrats have "helped create this two-headed monster to scare their own people into coughing up dollars they might not give otherwise." [*New York Post*, 3/26/14]
- An opinion piece in RedState stated that: "[Liberals] are just like the Germans in the 1930s being whipped into a frenzy about a perceived, false threat and scapegoat. For liberals, the Koch brothers are the closest thing they have to a German Jew circa 1934." [RedState, 5/26/13]

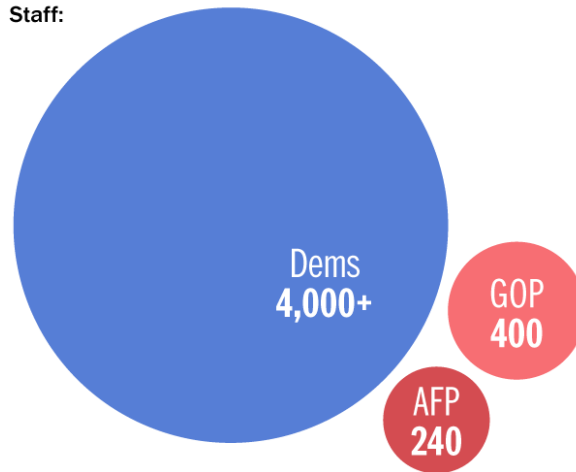
## FACT: The Koch Network Influences Policies Across The Nation

**Wash. Post: "Americans For Prosperity May Be America's Third-Biggest Political Party."** *Washington Post's* Philip Bump detailed how the Koch-controlled group, Americans for Prosperity, influences politics by comparing its numbers on political spending and state operations to the top political parties in the United States:

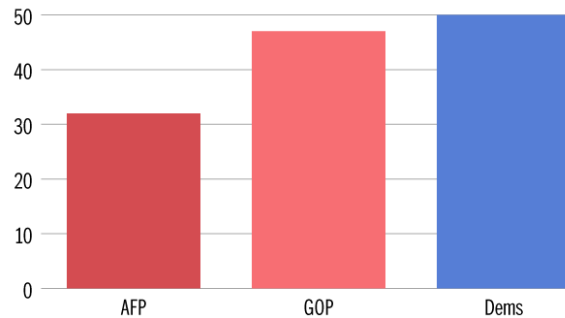
What do you call an organization that operates in multiple states, staffs up for elections, and does local endorsements for political campaigns? You call it a political party. And by that measure, the Koch brothers' Americans For Prosperity is the third-largest political party in the United States.

### Comparing party infrastructure

Staff:



States targeted:



[Washington Post, 6/19/14]

**Koch Network Raised \$400 Million In 2012 Elections.** The *Washington Post* reported that the Koch-backed political network, including groups such as Americans for Prosperity and the American Energy Alliance, raised over \$400 million for the 2012 elections, and that its "resources and breadth" make it "singular in American politics":

The filings show that the network of politically active nonprofit groups backed by the Kochs and fellow donors in the 2012 elections financially outpaced other independent groups on the right and, on its own, matched the long-established national coalition of labor unions that serves as one of the biggest sources of support for Democrats.

The resources and the breadth of the organization make it singular in American politics: an operation conducted outside the campaign finance system, employing an array of groups aimed at stopping what its financiers view as government overreach. Members of the coalition target different constituencies but together have mounted attacks on the new health-care law, federal spending and environmental regulations.

[...]

But they have substantial firepower. Together, the 17 conservative groups that made up the network raised at least \$407 million during the 2012 campaign, according to the analysis of tax returns by The Washington Post and the Center for Responsive Politics, a nonpartisan group that tracks money in politics. [*Washington Post*, 1/5/14]

**Kochs Have Deep Ties To State Policy Network.** The Kochs are a major funder of the State Policy Network, which is a web of state-level conservative "think tanks" across the country. Lisa Graves, of the Center for Media and Democracy, said in a *Moyers & Company* interview that both Koch Industries and David Koch personally help fund the organization:

You have a number of other corporations that have been supporting these groups, including Koch Industries itself - and David Koch himself, out of his own checkbook. [BillMoyers.com, 11/19/13]

## **MYTH: The Koch Brothers Are Equivalent To Liberal Donors**

- CNN host Jake Tapper dismissed the Kochs' singularity in a segment critical of Tom Steyer, saying: "The left doesn't have many billionaire backers? Oh really? You could name George Soros, David Shaw, Irwin Jacobs... let's not forget, of course, Tom Steyer." [CNN, *The Lead With Jake Tapper*, 6/19/14]
- An editorial in the *New York Post* claimed there is no difference between the Koch brothers and Michael Bloomberg's "use of his money to ... fund[] his Everytown for Gun Safety initiative." [*New York Post*, 4/18/14]
- In the June 25 edition of Fox News' *Special Report with Bret Baier*, correspondent Doug McKelway claimed that Sen. Harry Reid's criticism of the Koch brothers "alleges a democratic hypocrisy," as the left has "their own shadowy billionaire, Tom Steyer, a San Francisco area environmentalist who pledged \$100 million this year to elect Democrats committed to fight global warming." [Fox News, *Special Report with Bret Baier*, 6/25/14]
- The conservative Media Research Center berated networks for covering the Koch brothers more often than "liberal billionaires," writing: "There are billionaires on both sides of nearly every political battle. The big donors all have influence - Soros, his son Jonathan, Steyer and David and Charles Koch. But the Kochs' donation history was the only one that tended to make news." [Media Research Center, 6/24/14]

## **FACT: Kochs Spend In Conjunction With Their Financial Interests, And Spend More**

**ABC News: Kochs Are Worth Over 50 Times As Much As Tom Steyer.** ABC News reported that the Koch brothers are worth over 50 times as much as Tom Steyer: \$81.2 billion to \$1.6 billion. The news organization also noted that while the Koch brothers "rarely" make public appearances, Steyer "plans to travel to" many of the states he is campaigning in and "it looks as if he's prepared to be the public face of these efforts." [ABCNews.com, 5/22/14]

**Kochs Spend More Than Steyer Or Soros On Elections.** The Kochs have spent, and continue to spend, far more to influence elections than Tom Steyer or George Soros who are often portrayed as the Kochs' liberal counterparts:

- In the 2012 election cycle, the Koch brothers channeled over \$400 million through their groups "active in the 2012 elections," according to the *Washington Post*. [Washington Post, 1/5/14]
- This year, the Daily Beast reported that Koch groups plan to spend \$290 million on elections. [Daily Beast, 6/13/14]
- George Soros personally spent \$1 million in the last election, and all his donations were disclosed in "publicly accessible records." [Huffington Post, 4/9/14]
- Tom Steyer announced in February that he aimed to raise and match \$50 million (for a total of \$100 million) through his super PAC for the 2014 elections. [New York Times, 2/17/14]

**The Kochs' Political Work Benefits Them Financially.** The *New York Times* reported that the Koch brothers have a "significant interest" financially in seeing that "future government regulation is limited," a goal for which their political organizations campaign:

Americans for Prosperity turned the Florida contest into its personal electoral laboratory to fine-tune get-out-the-vote tools and messaging for future elections as it pursues its overarching goal of convincing Americans that big government is bad government.

[...]

Leaders of the effort say it has great appeal to the businessmen and businesswomen who finance the operation and who believe that excess regulation and taxation are harming their enterprises and threatening the future of the country. The Kochs, with billions in holdings in energy, transportation and manufacturing, have a significant interest in seeing that future government regulation is limited. [New York Times, 3/21/14]

**NY Times Editorial: Koch Hired Firm To "Press Their Interests."** The *New York Times* editorial board wrote that a Koch organization hired a firm to "lobby Congress against any limits on their ability to buy elections" and to lobby on "issues related to the wind energy production tax credit," both of which are in their favor:

They hired the lobbying firm of a well-known former senator, Don Nickles, Republican of Oklahoma, to press their interests. Mr. Nickles started his firm a few months after leaving the Senate in 2005, and he takes in up to \$8 million a year from big firms like Exxon Mobil, General Motors and Walmart.

To take one example, the Nickles group has been paid \$75,000 every quarter for years by Anadarko Petroleum to lobby on tax and energy issues, including stopping the Close Big Oil Tax Loopholes Act, a Democratic bill that would have repealed \$21 billion in tax breaks for energy companies in order to reduce the deficit. (Republicans filibustered it.) That kind of work made the firm the perfect place for the Kochs to take their business, particularly because campaign finance isn't the only issue they are concerned about. They also hired the firm to lobby on "issues related to the wind energy production tax credit."

The Kochs, with heavy investments in fossil fuels, aren't in favor of the wind credit. Mr. Nickles made that clear with a letter to The Times earlier this month: "As the Senate considers the credit's extension, it should keep in mind the estimated \$13 billion that this would cost American taxpayers. It's time to end it." [*New York Times*, 6/14/14]

## **MYTH: It's Unfair To Characterize Kochs As Big Oil**

- *Washington Post* Fact Checker decided that the Obama 2012 campaign went "too far" for labeling the Koch brothers "Big Oil" "because their privately held empire is comprised of many businesses, some not related to petroleum." [*Washington Post*, 5/9/12]
- FactCheck.org claimed that Koch Industries is "hardly in the league of the truly 'big oil' companies." [FactCheck.org, 4/26/12]
- Powerline distanced the Kochs from oil extraction in a blog post, stating: "Koch Industries refines oil, it doesn't extract it. Koch doesn't do offshore drilling, or drilling, period." [Powerline, 6/28/13]

## **FACT: The Koch Brothers Are Big Oil**

**Koch Industries, America's Second Largest Private Company, Began As An Oil Refining Company.** Koch Industries began as an oil refining company called Wood River Oil and Refining Co," founded by Fred C. Koch. According to Forbes, Koch Industries is America's second largest private company (Cargill has the top slot as of 2013), and is currently involved in "industries such as refining and chemicals; service process & pollution control equipment; minerals; fertilizers; fibers and polymers; commodity and financial trading; forest and consumer products; ranching; and business development." [KochInd.com, accessed 6/18/14; Forbes, accessed 6/18/14]

**The Koch Brothers Made Their Fortune On Oil Refining.** David and Charles Koch inherited Koch Industries from their father, and they currently own 84 percent of

Koch Industries, which has contributed to their status as being counted among the world's richest billionaires; together they come in second for world's richest families. [Forbes, accessed 8/25/14; Politifact, 4/2/14]

**Koch Industries Continues To Have Significant Oil And Gas Operations.** From a 2010 Greenpeace report on Koch Industries:

Koch operates crude oil gathering systems and pipelines across North America. Its Flint Hills Resources subsidiary owns refineries in Alaska, Minnesota, and Texas that process more than 800,000 barrels of crude oil daily. The company owns a 3% stake in the Trans Alaska Pipeline System, 4,000 miles of oil and products pipelines in the US, and an 80,000 barrels-per day refinery in Rotterdam. In addition, Koch Industries has held multiple leases on the polluting tar sands of Alberta, Canada since the 1990s and the Koch Pipeline Company operates the pipelines that carry tar sands crude from Canada into Minnesota and Wisconsin where Koch's Flint Hill Resources owns oil refineries. [Greenpeace, March 2010]

**Kochs' Carbon Footprint Is Vast; One Single Koch Subsidiary Responsible For Five Percent Of U.S. Emissions Alone.** Koch Industries has an extraordinary carbon footprint of approximately 300 million tons of carbon dioxide emissions, according to Think Progress. One Koch subsidiary, Flint Hills Resources, processes "300 million barrels of oil a year," and is solely responsible for up to five percent of the carbon emissions in the country:

**The Koch Industries Carbon Footprint Is About 300 Million Tons.** With the assumption that Koch has a carbon intensity on the order of oil majors such as Chevron and ExxonMobil, each billion dollars of revenue corresponds to 2 to 4 million tons of carbon dioxide-equivalent greenhouse gases. Therefore, each year, Koch Industries is likely responsible for about 300 million tons of carbon dioxide pollution every year. Flint Hills Resources, Koch's refining subsidiary, processes 300 million barrels of oil a year. This one company "" with its refining, pipeline, chemical, fertilizer, cattle, and forestry operations "" is involved in up to five percent of the entire United States 7-gigaton carbon footprint. [Think Progress, 2/2/11]

**Koch Industries Is The Top Oil & Gas Donor To Political Campaigns.**

According to data from the Center for Responsive Politics, Koch Industries has been the top donor classified as "Oil & Gas" to political campaigns for the past three elections, surpassing Exxon Mobil and Chevron. [Center for Responsive Politics, accessed 6/18/14; accessed 6/18/14; accessed 6/18/14]

## **MYTH: Kochs Want Economic Freedom For All Energy Sources**

- Politico uncritically repeated a statement from a Koch spokesman that "Koch opposes all mandates and subsidies, even when they exist for businesses in which



we operate. In doing so, we act against our self-interest. We have been consistent in this position for over 40 years." [Politico, 4/22/14]

- The *Los Angeles Times* amplified a letter from a Koch Industries official, which stated that "We oppose ethanol subsidies and, indeed, all government mandates and subsidies... We do not believe government should be picking 'winners and losers' in the marketplace based on which industries or products it chooses to subsidize." [Los Angeles Times, 6/22/11]
- The *Wall Street Journal* published an op-ed by Charles Koch claiming that he has "spent decades opposing cronyism and all political favors, including mandates, subsidies and protective tariffs--even when we benefit from them." [Wall Street Journal, 4/2/14]

## **FACT: Kochs Attack Renewables Exclusively**

**Kochs Finance ALEC, Which Pushes Legislation That Serves Their Special Interests.** The American Legislative Exchange Council connects legislators to corporations to craft model bills that support its members' interests -- particularly those of the Kochs, which help fund the organization, *The Nation* reported:

Hundreds of ALEC's model bills and resolutions bear traces of Koch DNA: raw ideas that were once at the fringes but that have been carved into "mainstream" policy through the wealth and will of Charles and David Koch. Of all the Kochs' investments in right-wing organizations, ALEC provides some of the best returns: it gives the Kochs a way to make their brand of free-market fundamentalism legally binding.

No one knows how much the Kochs have given ALEC in total, but the amount likely exceeds \$1 million--not including a half-million loaned to ALEC when the group was floundering. ALEC gave the Kochs its Adam Smith Free Enterprise Award, and Koch Industries has been one of the select members of ALEC's corporate board for almost twenty years. The company's top lobbyist was once ALEC's chairman. As a result, the Kochs have shaped legislation touching every state in the country. Like ideological venture capitalists, the Kochs have used ALEC as a way to invest in radical ideas and fertilize them with tons of cash. [The Nation, 7/12/11]

**ALEC Coordinated Nationwide Attack On Renewable Energy Policies.** The Guardian reported on ALEC's nationwide campaign to dismantle or roll back states' renewable energy policies in 34 states during 2013:

The group sponsored at least 77 energy bills in 34 states last year. The measures were aimed at opposing renewable energy standards, pushing through the Keystone XL pipeline project, and barring oversight on fracking, according to an analysis by the Centre for Media and Democracy.

Until now, the biggest target in Alec's sights were state Renewable Portfolio Standards, which require electricity companies to source a share of their power from wind, solar, biomass, or other clean energy. Such measures are seen as critical to reducing America's use of coal and oil, and to the fight against climate change. RPS are now in force in 30 states.

In 2012, Alec drafted a model bill pushing for the outright repeal of RPS.

In the confidential materials, prepared for the August board meeting, Alec claimed to have made significant inroads against such clean energy policies in 2013.

"Approximately 15 states across the country introduced legislation to reform, freeze or repeal their state's renewable mandate," the taskforce reported. [The Guardian, 12/4/13]

**Kochs Pushing For A Tax On Solar Energy.** In addition to rolling back renewable energy standards, the Kochs are behind a push to place a new tax on customers that use distributed solar power. There are efforts in several states to roll back or dismantle a process called "net metering," where a solar customer generates more electricity than they use and sends the remaining electricity back to the grid for a rebate. The Kochs want to place a tax on this process, as reported in the *New York Times*:

At long last, the Koch brothers and their conservative allies in state government have found a new tax they can support. Naturally it's a tax on something the country needs: solar energy panels.

For the last few months, the Kochs and other big polluters have been spending heavily to fight incentives for renewable energy, which have been adopted by most states. They particularly dislike state laws that allow homeowners with solar panels to sell power they don't need back to electric utilities. So they've been pushing legislatures to impose a surtax on this increasingly popular practice, hoping to make installing solar panels on houses less attractive.

Oklahoma lawmakers recently approved such a surcharge at the behest of the American Legislative Exchange Council, the conservative group that often dictates bills to Republican statehouses and receives financing from the utility industry and fossil-fuel producers, including the Kochs. As The Los Angeles Times reported recently, the Kochs and ALEC have made similar efforts in other states, though they were beaten back by solar advocates in Kansas and the surtax was reduced to \$5 a month in Arizona. [*New York Times*, 4/27/14]

**Koch Front Group Americans For Prosperity Denies That Oil And Gas Subsidies Exist.** A statement from Americans for Prosperity denied that the oil and gas industry receives subsidies, calling said subsidies a "myth" that "has been repudiated many times." [AmericansForProsperity.org, 3/31/14]

**Koch Has Received Millions Of Dollars In Subsidies.** The taxpayer watchdog Good Jobs First has a subsidy tracker database detailing the amount of subsidies big

corporations have received through state and local economic development awards. According to their database, Koch Industries has received over \$89 million in subsidies since 1990. [Good Jobs First, accessed 8/26/14]

## **MYTH: Kochs Are Environmentally Responsible**

- An op-ed in the National Review was headlined: "The Koch Brothers: Award-Winning Eco-Stewards." The article praised the Kochs for receiving awards for "environmental quality" among other things. [National Review Online, 8/14/14]
- Charles Koch penned an op-ed in the *Wall Street Journal* touting Koch Industries' allegedly good track record on environmental issues, writing that "EPA officials have commended us for our 'commitment to a cleaner environment' and called us 'a model for other companies.'" [*Wall Street Journal*, 4/2/14]
- A National Review Online article praised Koch Industries for "steward[ing] the environment" by allegedly "tak[ing] a leadership role in the promotion of biodiversity, wildlife habitat enhancement, land restoration and conservation education," donating to the Nature Conservancy, and planting trees. [National Review Online, 3/22/14]

## **FACT: Kochs Have Terrible Environmental Track Record**

**Politifact Rates Claim That EPA Has Praised Koch Industries "Mostly False."** Politifact dissected Charles Koch's claim that the EPA has "commended" Koch for their "commitment to a cleaner environment." The fact-checker explained that the EPA complimented "one specific agreement" about a Texas refinery but that the positive quotes gave a "lopsided picture of the EPA's dealings with the company in the last two decades" as the agency has forced the company to "pay hefty fines "and forced action on their "multiple violations":

Since the late 1990s, Koch companies have repeatedly found themselves in the crosshairs of the EPA for various environmental violations. On numerous occasions they were forced to pay hefty fines and settlements and change their practices as a result of EPA and Justice Department action. The bulk of the more serious violations occurred years ago, but there have been other actions taken recently as well.

[...]

In his op-ed, Charles Koch wrote that "EPA officials have commended us for our 'commitment to a cleaner environment' and called us 'a model for other companies.'" "Actually, the EPA was focusing on very limited aspects of Koch Industries and not the company as a whole. Further, Koch Industries has a history with the EPA that was completely glossed over, and it includes multiple violations of rules. [Politifact, 4/4/14]

**Koch Industries Paid "The Largest Civil Fine Ever Imposed" For Environmental Penalties For Causing Hundreds Of Oil Spills.** Koch Industries was fined \$30 million in 2000 by the EPA for causing over 300 oil spills, the "largest civil fine ever imposed on a company under any federal environmental law":

Koch Industries Inc., will pay the largest civil fine ever imposed on a company under any federal environmental law to resolve claims related to more than 300 oil spills from its pipelines and oil facilities in six states, the Justice Department and the U.S. EPA announced. A settlement filed today requires Koch, the second-largest privately held company in the United States, to pay a \$30 million civil penalty, improve its leak-prevention programs and spend \$5 million on environmental projects.

"This record civil penalty sends a clear message to those who transport hazardous materials: You cannot endanger public health or the environment," said Attorney General Janet Reno. "We will not let you foul our water and spoil our land by breaking the law." [EPA.gov, 1/13/2000]

**Koch Industries' Environmental Crimes Cost Millions In Penalties.** Politifact included a sampling of more environmental crimes committed by Koch Industries, which summed up to several millions in penalties:

- In March 2000, the Koch Petroleum Group was sentenced to pay \$6 million in criminal fines and \$2 million in remediation costs -- the largest federal fine ever paid in Minnesota at the time -- after it was found that one of their refineries polluted waterways and wetlands in Minnesota before 1997. According to a press release, "Koch admitted that it negligently discharged aviation fuel into a wetland and an adjoining waterway. Even though Koch was aware of the problem, it did not develop a comprehensive plan to recover between 200,000-600,000 gallons of released fuel until June 1997."
- In September 2000, Koch Industries was indicted for environmental crimes at a refinery the company owned in Texas. They eventually paid a \$25 million fine after pleading guilty to one criminal charge. [Politifact, 4/4/14]
- "Companies that produce dangerous pollutants simply cannot focus on profit and efficiency at the expense of a community's health," said Lois Schiffer, Assistant Attorney General in charge of the environment at the Justice Department. "We will continue to find and prosecute those who would flout our environmental laws."
- In February 2013, Koch Nitrogen Company paid a \$380,000 fine for failing to create a risk management program for facilities producing and storing ammonia products in Iowa and Kansas.
- In March 2014, Flint Hills Resources paid a \$350,000 fine for leaky equipment at a Texas chemical plant that allowed hazardous air pollutants into the atmosphere. Though the EPA also credited the company for implementing what it described as "innovative technologies" in the plant to capture pollutants.

**Agency Determined That Koch Failures Were Likely Reason For Deaths.** The National Transportation Safety Board cited safety oversight from Koch Industries as "the probable cause" of the deaths of two teenagers, who died when "sparks from their truck ignited the gas cloud" from a leaky pipeline. Greenpeace detailed the case:

**Koch's** negligence toward environmental safety has led to tragic **losses of life**. In 1996, a rusty **Koch** pipeline **leaked flammable butane** near a Texas residential neighborhood. Warned by the smell of gas, two teenagers drove their truck toward the nearest payphone to call for help, but they never made it. Sparks from their truck ignited the gas cloud and the two burned alive. The **National Transportation Safety Board** determined that "the probable cause of this accident was the **failure of Koch** to adequately protect its pipeline from corrosion" and the **ineffectiveness of Koch's program to educate local residents** about how to respond during a pipeline leak. [Greenpeace, March 2010]

**Koch Brothers Are The Number One Funder Of Anti-Scientific Climate Change Denial.** According to data collected by Greenpeace, the Koch brothers have donated over \$67 million to fund organizations that work to promote an anti-science agenda on climate change between 1997 and 2011. Mother Jones expanded on the organizations funded by the Kochs and how they have contributed to climate change denial:

The report lists 35 organizations who have directly or indirectly received money from Koch Industries, affiliates, or Koch family foundations. They include the libertarian think-tank Cato Institute, which received a \$1 million grant from the Kochs. Cato runs the climate-change-denial site GlobalWarming.org, and is suing the Environmental Protection Agency to block its finding that climate change threatens human health. The Koch family has also directed more than \$5 million to Americans for Prosperity, which has campaigned against efforts to cut greenhouse gas emissions. They have also supported Citizens for a Sound Economy (which later merged with another group to form FreedomWorks).

[...]

Between the foundation-funded groups, lobbying, political action contributions, Koch Industries and the Koch brothers are "among the most formidable obstacles to advancing clean energy and climate policy in the U.S.," Greenpeace states.

The report also looks at Koch's role in the so-called "ClimateGate" scandal, in which emails between scientists were hacked and made public. There's been little doubt that this and other recent attacks on climate science were a coordinated attack by well-organized and well-funded groups hoping to sow doubt about the validity of climate change. Greenpeace notes that "Twenty organizations, roughly half of the Koch-funded groups profiled in this report, have contributed to the "ClimateGate" echo chamber." The groups have posted articles, hosted events, and landed their in-house skeptics on cable news. Cato, for example, recently boasted that its senior fellow, Pat Michaels, was

"at the center of the 'ClimateGate' controversy" in their newsletter.[Greenpeace.org, accessed 7/3/14; Mother Jones, 4/1/10]

## **MYTH: The Kochs Have No Stake In Canadian Tar Sands Extraction**

- The conservative blog Powerline's John Hinderaker pushed back on a *Washington Post* article citing the Koch's stake in the Alberta tar sands, writing, "Koch Industries has no interest in the Keystone Pipeline... and construction of Keystone would actually damage Koch's economic interests by raising the price of midwestern oil that flows to Koch's Pine Bend refinery." [Powerline, 3/26/14]
- Powerline's Hinderaker published another post which claimed the *Washington Post* "collaborated" with Democrats on the "ostensible relationship to the Keystone Pipeline" merely to "smear the Koch brothers" [Powerline, 3/31/14]
- Conservative blog RedState published an op-ed which stated that "Oil sands in Alberta don't have any of the big oil companies heavily involved, not that Koch Industries is a big oil company. Or really prepared to make money off of Keystone. Or even likely to." [RedState, 3/21/14]
- A Washington Examiner editorial wrote that the claim of the Kochs profiting from the Keystone XL is "false," repeating Powerline's claim that "The Keystone Pipeline, in short, has nothing whatsoever to do with the Koch brothers." [Washington Examiner, 3/24/14]

## **FACT: Kochs Have A Financial Interest In Approving KXL**

**Pembina Institute: Keystone XL "Will Be A Key Driver For Oilsands Growth."** The Pembina Institute, a Canadian think tank, released a report finding that the Keystone XL and other pipelines are "essential" to grow the tar sands industry in northern Canada. They stated that approval of the Keystone XL "will lead to substantial expansion of oilsands production" and "be a key driver for oilsands growth":

If built, Keystone XL will be a key driver for oilsands growth. Other alternatives to ship oilsands to the west or east coast of Canada will, for the short to medium term, play a less dominant role in accelerating oilsands development. These other proposals are smaller in pipeline capacity than Keystone XL, are in the very early stages of development, or face major public opposition.

**Regardless of whether other oilsands transport options move ahead, approval of Keystone XL will lead to substantial expansion of oilsands production and therefore an increase in global greenhouse gas emissions.**  
[Pembina Institute, January 2013]

**Koch Industries Is One Of The Largest Leaseholders Of Canadian Tar Sands.** The *Washington Post* reported that the numbers are unclear but that Koch Industries may be the "largest leaseholder in Alberta" tar sands, and ranks "no lower than the third-largest overall" in Canadian tar sands:

A March 20 *Washington Post* Web article and a March 21 print article stated that Koch Industries was the largest leaseholder in Canada's oil sands. Further reporting has indicated that Koch Industries on a net acreage basis is the largest American and foreign holder of leases in Canada's oil sands but it might narrowly trail two Canadian companies overall.

[...]

An oil industry official with direct knowledge of Koch's lease holdings, who spoke on the condition of anonymity to protect his relationship with the firm, has said that Koch's leases in the oil-sands region are "closer to 2 million." This is possible because big companies frequently use brokers or private affiliates to quietly buy rights without triggering a scramble for nearby acreage. If that is the case, Koch Industries ranks as the largest leaseholder in Alberta.

Koch did not reply to questions about its acreage holdings.

Even without counting possible acreage acquired through such means, what's clear is this: **Koch Industries through its wholly owned subsidiaries ranks as the largest leaseholder among U.S. or non-Canadian firms and no lower than the third-largest overall.** [*Washington Post*, 4/7/14, emphasis added]

**Koch Groups Behind Pro-KXL Ads.** American Energy Alliance (AEA), a nonprofit support by the Kochs and run by former Koch Industries lobbyist Thomas Pyle, has launched multiple campaigns attacking candidates for opposing the Keystone XL pipeline. In 2012, the group targeted President Obama for high gasoline prices with a \$3.6 million ad campaign, "hammer[ing]" his decision on the Keystone XL, according to Politico:

The group launching a \$3.6 million ad campaign hitting President Barack Obama on gasoline prices has deep ties to the billionaire libertarian industrialists Charles and David Koch.

The American Energy Alliance is the political arm of the Institute for Energy Research, and sources tell POLITICO that both groups are funded partly by the Koch brothers and their donor network.

The groups are run by Tom Pyle, a former lobbyist for Koch Industries. Pyle regularly attends the mega-donor summits organized by the Koch brothers, including the 2012 winter summit in Indian Wells, Calif., where the Kochs raised more than \$150 million to be directed to groups ahead of the general election.

In all, the brothers' network is aiming to steer significantly more than \$200 million to conservative groups for political advertising and organizing ahead of Election Day.

The American Energy Alliance's ad campaign, which launches Friday in eight states, hammers Obama for his decision on the Keystone XL pipeline and recycles a 2008 quote from Energy Secretary Steven Chu about the benefits of European-level gas prices. [Politico, 3/29/12]

The Daily Beast reported that AEA has spent over \$400,000 on ads targeting Colorado Sen. Mark Udall's Keystone XL stance alone:

On the 2014 electoral front, other Koch donor supported non-profit groups like the American Energy Alliance (AEA) have poured funds into ads targeting Democrats in close Senate and House races, knocking their opposition to building the Keystone XL pipeline. In May, the AEA spent over \$400,000 on ads in Colorado attacking Sen. Mark Udall for his stance opposing the Keystone pipeline. [Daily Beast, 6/13/14]

## **MYTH: The Kochs Are Transparent In Their Donations And Work**

- Mike Huckabee asked about the Koch brothers, "What's shadowy about them? They're pretty outspoken and I think pretty visible, especially in the New York social circles." [Fox News, *Fox & Friends Saturday*, 3/8/13 via *Media Matters*]
- Kochfacts.com defended the Kochs' transparency, writing: "Every contribution to a state or federal political campaign made by Koch or any other person or group must be disclosed to the government and publicly catalogued. Indeed, Koch scrupulously complies with all disclosure requirements, which the New York Times and other partisan media have used as a way to harass and attack us in the past." [Kochfacts.com, 6/20/12]
- A *New York Daily News* article called David Koch the "biggest straw man" in New York City politics suggested that Democratic critics "worried about 'dark money' should look in the mirror." [*New York Daily News*, 11/5/13]

## **FACT: Kochs Use Shady Operations And "Dark Money" To Fund Their Interests**

**Kochs' Political Network "Cloaks Its Donors," Is "Unrivaled" In Complexity.** An analysis from the *Washington Post* called the Koch political network a "far-reaching operation of unrivaled complexity" and "singular in American politics," using a system that "cloaks its donors":

The political network spearheaded by conservative billionaires Charles and David Koch has expanded into a far-reaching operation of unrivaled complexity, built around a maze



of groups that cloaks its donors, according to an analysis of new tax returns and other documents.

[...]

Lloyd Hitoshi Mayer, a University of Notre Dame Law School professor who studies the tax issues of politically active nonprofits, said he has never seen a network with a similar design in the tax-exempt world.

"It is a very sophisticated and complicated structure," said Mayer, who examined some of the groups' tax filings. "It's designed to make it opaque as to where the money is coming from and where the money is going. No layperson thought this up. It would only be worth it if you were spending the kind of dollars the Koch brothers are, because this was not cheap." [*Washington Post*, 1/5/14]

**Charles Koch Defended Not Disclosing His Financial Donations.** When *Forbes* asked why the Kochs work "to hide their political activities" by "funneling money" through front groups, Charles Koch defended "anonymous giving as necessary" for protection. From the interview:

Given their strict adherence to the principals of transparent free markets, the Kochs' secrecy seems hypocritical... The Kochs' large-scale efforts to hide their political activities by funneling millions through Americans for Prosperity and other putative charitable organizations-something both sides of the spectrum do, and something widely acknowledged as a blatant end-run around disclosure requirements-don't seem to jibe with their convictions.

Charles responds that he follows the law and defends anonymous giving as necessary. "We get death threats, threats to blow up our facilities, kill our people, we get Anonymous and other groups trying to crash our IT systems," he says. "So long as we're in a society like that, where the President attacks us and we get threats from people in Congress, and this is pushed out and becomes part of the culture-that we are evil, so we need to be destroyed, or killed-then why force people to disclose?" [*Forbes*, 12/5/12]

**Kochs' Use Of State Policy Network Is "Classic Example Of A Front Group."**

In an interview with *Moyers & Company's* Joshua Holland, Lisa Graves of the Center for Media and Democracy detailed how the Kochs operate with front groups so that "you don't know it's Koch money":

What you see with the [State Policy Network] groups is how big money is throwing its voice in these states, so that you don't know it's Koch money, you don't know that it's tobacco money. And that's the classic example of a front group, where you have these groups in the state - they're branded as a state group - but in fact, they're moving a national agenda of a pretty narrow percentage of the American people, some of the most elite, and in fact the most extreme millionaires and billionaires in the country.

[*BillMoyers.com*, 11/19/13]

## **MYTH: Kochs Are The Voice Of Everyday Conservatives**

- Fox News host Andrea Tantaros said that the Koch brothers are "actually not these crazy right wingers," they are "Republicans that liberals can love." [Fox News, *The Five*, 3/25/14]
- The Associated Press published a fact sheet titled "Koch 101," reporting that "what motivates them" is "an aversion to government intrusion." [Associated Press, 8/25/14]
- A Forbes contributor wrote that the Kochs' views as expressed in curriculums developed by them could only be described as "'libertarian' if you're looking at it from some rather far left stance" and that their positions are "pretty milquetoast." [Forbes, 8/26/14]

## **FACT: Kochs Push An Extreme Agenda**

**William Koch Thinks His Brother's Views Are "Extreme."** In an interview with the Associated Press, William Koch said of Charles Koch's political views that he is a "born-again libertarian or a born-again conservative and sometimes born-again take positions that are a bit extreme." [Associated Press, 8/25/14]

**Even Tea Party Members Oppose Kochs' Attack On Solar.** The Koch brothers' attacks on solar have led them to an "unexpected" foe in the tea party conservatives, according to the *Los Angeles Times*:

The question is how a Republican governor in a deep red state can go against the Kochs, the most notable financial contributors to right wing causes in the country. The answer is that among the thousands of people who are installing solar panels on their roofs (at an estimated rate of one new system every four minutes) are a whole bunch of independent-minded folks with strong libertarian impulses. They may or may not belong to the tea party, but they want to be able to fend for themselves without big government or big business telling them what they can and can't do.

To these conservative-minded citizens, the extra fee being pushed by the Kochs and the utilities is the worst thing in the world: a tax.

"Monopoly utilities want to extinguish the independent rooftop solar market in America to protect their socialist control of how we get our electricity." That assertion comes from the website of a group named TUSK, or Tell Utilities Solar Won't Be Killed. It is a coalition of conservatives led by former California Congressman Barry Goldwater Jr. that, so far, has been very successful in beating back the energy industry attack. [*Los Angeles Times*, 5/2/14]

**Center for Media and Democracy's Graves: Koch Policies "Dressed Up To Sound Like It's Liberty, But It's Actually Not."** In an interview with *Moyers &*

*Company*, the Center for Media and Democracy's (CMD) Lisa Graves detailed how the "freedom-boosting" policies pushed by Koch groups and other organizations are "limiting the rights and opportunities of Americans," and that it works with other organizations to move an "extreme agenda that has real-world negative impacts on ordinary working Americans." Graves added:

In many instances, these policies [sic] are limiting the rights and opportunities of Americans. For example, a number of the SPN [State Policy Network] groups are in support of trade bills that have really wreaked havoc on the American economy, that have shipped jobs overseas. They're also proponents of the privatization scheme - the outsourcing of America's public sector to the private sector, which, again, has reduced good-paying jobs in the public sector and pushed them into the private sector for lower-wage jobs with less security and where CEOs get paid huge salaries and benefits. You also see the way they've moved the tort agenda to make it harder to sue if your parent or child is killed or injured by a corporate product.

So it's a pretty extreme agenda. It's dressed up to sound like it's liberty, but it's actually not. [BillMoyers.com, 11/19/13]