



## **Kochs say they still have no ties to FreedomWorks**

By Laurie Bennett - December 6, 2012

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Now that former House Majority Leader Dick Armey has resigned as chairman of FreedomWorks, will there be a power shift?

We had to wonder whether the Koch brothers were lurking somewhere in the background.

Melissa Cohlma, spokeswoman for Koch Industries, says no. "We have no ties to and have never given money to FreedomWorks," she writes, in response to our email.

The FreedomWorks news has plenty of intrigue even without Koch involvement.

Mother Jones reported Monday that Armey had resigned, a move that had not been announced by the organization.

"The top management team of FreedomWorks was taking a direction I thought was unproductive, and I thought it was time to move on with my life," Armey told Mother Jones.

The departure clearly was not amicable. The magazine reprinted a Nov. 30 memo to FreedomWorks President Matt Kibbe, in which Armey demanded that his name, image and signature be removed from all organization materials.

Then the Associated Press obtained a Sept. 24 contract showing that Armey was being paid \$8 million in consulting fees by FreedomWorks director Richard Stephenson, the wealthy founder of Cancer Treatment Centers of America.

Armey told the AP that he decided to quit in August, but Stephenson and other board members encouraged him to stay until after the election on Nov. 6.

As further details emerged, discord at FreedomWorks became more evident.

Politico reported that Armev had problems with a book deal Kibbe had cut.

The book, “Hostile Takeover: Resisting Centralized Government’s Stranglehold on America,” was released in June. Although FreedomWorks staff helped research, write and promote it, profits go to Kibbe.

Roll Call now reports that Armev’s resignation has been followed by several others, including Max Pappas, former vice president for public policy and government affairs, and Brendan Steinhauer, director of campaigns.

Armev and Kibbe had long been an effective team, working for the election of tea party candidates across the country.

Together, they headed a predecessor group called Citizens for a Sound Economy. That organization was affiliated with the Citizens for a Sound Economy Foundation, which had been launched by Charles and David Koch, Richard Fink and the late Jay Humphreys.

As the Muckety map above shows, the two initial groups split and were renamed.

Citizens for a Sound Economy became FreedomWorks. The Citizens for a Sound Economy Foundation became the Americans for Prosperity Foundation, the fundraising arm of the similarly named group that also wielded tremendous influence in the last election.

In a 2010 Q&A, published on the Koch Industries web site, Fink was asked about the Kochs’ involvement with FreedomWorks.

“We applaud anyone willing to advance economic freedom and opportunity in an effective and civil manner,” he said. “We don’t – and can’t – support every group out there. We’ve never funded FreedomWorks, but to the extent they productively advance a free and prosperous society we certainly wish them well.”