

The Palm Beach Post

David Koch intends to cure cancer in his lifetime and remake American politics

By **STACEY SINGER**

Palm Beach Post Staff Writer

Updated: 8:01 p.m. Monday, Feb. 20, 2012

Posted: 10:55 p.m. Saturday, Feb. 18, 2012

David Koch has become the face of conservative America's obsession with weakening organized labor, and for that, he believes, there have been death threats - 100 credible threats last year alone, he says.

Journalists tend to describe the lanky MIT-trained chemical engineer and his brother Charles with the phrase "secretive oil billionaires."

They describe a clandestinely built political machine that disdains government regulation and taxes, obfuscates the science on global warming, and now pulls the strings of decision-makers at every level, from Florida Tea Party members to Wisconsin state senators - even U.S. Supreme Court justices.

"They make me sound like a bully," David Koch says when asked about journalists, looking a little baffled. "Do I look like a bully?"

On this night, Koch wants to talk about the battle against cancer, not unions.

He is all smiles and charm as he hosts a fundraiser, wearing the unofficial Palm Beach uniform of a pink shirt and tie, a navy blazer and white pants, showing off Villa El Sarmiento, the 1920s Addison Mizner-designed mansion that he and his wife, Julia, painstakingly restored.

Standing in its grand entry hall, surrounded by Moorish tile work and marble statuary, he seems concerned about restoring something else - his media image.

Koch says he has held four or five benefit dinners at Villa El Sarmiento on behalf of the University of Texas' MD Anderson Cancer Center, where his prostate cancer is treated. He introduces Dr. Ronald DePinho, MD Anderson's new scientist-president, to a group of about 70 guests.

The night's subject is MD Anderson's new "moon-shot" plan to cure five types of cancer. Koch, 71, wants Palm Beachers to know about it.

With a security officer keeping watch in a corner, Koch answers all questions, enumerating his charitable connections, gushing about the John Wayne-like father who shaped his work ethic and worldview, and waxing passionate about his views on everything from the Obama administration's health overhaul to what he sees as the critical symbolic importance of the battle against union power in Wisconsin.

Conservatism controversy

With his brother Charles, he shares the No. 4 spot on the Forbes 400 list of wealthiest Americans. He holds board seats with 23 nonprofit groups and has pledged gifts totaling more than \$750 million for cancer research, the arts and cultural institutions, according to his foundation.

But what has drawn controversy is that the brothers give many millions to far-right organizations dedicated to spreading an Ayn Rand-infused ideology, one in which a benevolent business class flourishes, unfettered by taxes and regulations. Some have called it free-market fundamentalism.

The exact amount of the Koch brothers' politically oriented gifts isn't known, but David Koch's New York-based spokeswoman, Cristyne Nicholas, says she did some analysis a couple of years ago and found his philanthropic giving outpaced his political contributions by a ratio of 4-1.

"That's what his legacy will hopefully be: finding a cure for cancer," Nicholas says. "That is his goal in life right now and it far exceeds any political views he has. Which are strong."

Strong is putting it mildly.

Koch famously gave a double fist pump when then-presidential candidate Herman Cain called himself a Koch brother from another mother last fall. The Kochs haven't endorsed any presidential candidates, but their Americans for Prosperity Foundation is behind millions' worth of ad buys attacking the policies and leadership of President Obama.

Lately Americans for Prosperity has focused on drawing attention to the administration's ties to failed green-energy grantee Solyndra.

Asked about his efforts to sway public opinion, Koch acknowledges his group is hard at work in places such as Wisconsin, where Gov. Scott Walker is facing off with public unions and grappling with a likely recall vote.

"We're helping him, as we should. We've gotten pretty good at this over the years," he says. "We've spent a lot of money in Wisconsin. We're going to spend more."

By "we" he says he means Americans for Prosperity, which is spending about \$700,000 on an "It's working" television ad buy in the state. It credits Walker's public pension and union overhaul with giving school districts the first surpluses they've seen in years. The unions and the left see things differently.

A year ago, a blogger posing as David Koch famously prank-called Walker and goaded the governor to say it would be "outstanding" if Koch would fly him to "Cali" as a reward for crushing the public unions. The Koch brothers' conglomerate, Koch Industries, holds regular political meetings in Rancho Mirage, Calif., and the events have attracted the likes of U.S. Supreme Court Justices Antonin Scalia and Clarence Thomas.

At the time of the prank call, Koch told The New York Times, he didn't even know the Wisconsin governor's name. He knows it now.

"What Scott Walker is doing with the public unions in Wisconsin is critically important. He's an impressive guy and he's very courageous," Koch says after a benefit dinner of salmon and white wine. "If the unions win the recall, there will be no stopping union power."

Expanding on dad's ideas

Asked about union comments, Koch's spokeswoman is quick to moderate them.

"Koch companies support voluntary associations, and where they so choose, we recognize employees' rights to be represented and bargain collectively," Nicholas says in emailed remarks.

"We think the best workplace relationships are fostered when the employer works directly with its employees. It is a mischaracterization of our principles to say this means we oppose unions or want to dismantle all unions."

But as Koch speaks, he repeatedly uses the phrase "union power" as though it's interchangeable with the word "Bolshevik" - a new red scare for a new century.

The Koch brothers' father was obsessed with stopping the Bolsheviks, who had purchased his gasoline refining technology and then used it to finance the Soviet nuclear military complex.

David Koch says his father had no idea who the Bolsheviks were when they first came to his west Texas office asking for his help. Once Fred Koch saw the horrors of Stalin's purges, he was committed to fighting communism's spread. Trade unionism and the welfare state represented a creeping, insidious move toward the Bolsheviks, he believed. He became a founding member of the anticommunist John Birch Society in 1958.

"My dad was a great man. People loved him. I mean they loved him," David Koch says, a far-off look in his eyes. "He was like John Wayne. Just like John Wayne."

Through their personal foundations, their corporate political action committee and their checkbooks, the Kochs have broadened and popularized their father's views.

They have supported the Americans for Prosperity Foundation, The Kansas Policy Institute, the Cato Institute, the Heritage Foundation, the Republican Governor's Association, Florida State University's Economics Department, George Mason University's Mercatus Center and Institute for Humane Studies, and the American Legislative Exchange Council, where copy cat conservative legislation is passed among conservative state politicians.

Although the Kochs didn't start the tea party movement, they're helping channel it. The Florida director of Americans for Prosperity says his group helps tea party chapters develop their fundraising and organizational skills, and occasionally sponsors their rallies.

The Koch brothers also have dramatically expanded their father's successful Wichita, Kan.-based conglomerate, Koch Industries. It controls oil refineries and pipelines, paper and lumber mills, fertilizer plants, water-treatment technologies, commodities trading, ranching, and polymer fiber products.

In all, it has revenues of about \$100 billion annually. The Koch-owned brands are everywhere - in grocery aisles, hardware stores and shopping malls. There are Angel Soft and Quilted Northern toilet paper, Dixie cups, Brawny paper towels, Georgia-Pacific lumber, Stainmaster carpet, Lycra and CoolMax apparel.

And yes, says Koch spokeswoman Nichols, some of the 50,000 U.S. workers he employs belong to unions.

Charles G. Koch is the firm's chairman; David is its executive vice president and board member, and chairman and CEO of a subsidiary, Koch Chemical Technology Group.

The new Andrew Carnegie?

In 1983, Charles and David bought out the interests of their two other brothers, Bill and Frederick, paying \$1 billion for their share of Koch Industries, according to Forbes. It led to a protracted court battle that was finally settled in 2001.

David says he's friendly with twin brother Bill. Bill Koch lives full-time in Palm Beach but was unable to make the MD Anderson event, he says. Two years ago, the men's wives planned a fantastic joint birthday party on the beach behind Bill Koch's Palm Beach home, recalls friend and frequent golf partner Gerry Goldsmith, chairman of the First Bank of the Palm Beaches.

"That's ancient history," Goldsmith says of the fraternal friction.

In a sense, David Koch is becoming the Andrew Carnegie of his age. Carnegie, a Gilded Age steel tycoon, founded libraries and universities, and famously battled organized labor.

The parallels with David Koch exist on both scores. Koch's \$100 million pledge to MIT has created the David H. Koch Institute for Integrative Cancer Research.

A \$100 million pledge to Lincoln Center for the Performing Arts, where the New York City Ballet and the New York City Opera perform, resulted in the renaming of the New York State Theater in his name.

Memorial Sloan-Kettering Cancer Center in New York says it has received more than \$40 million from Koch, launching the David H. Koch Center for the Immunologic Control of Cancer.

New York's Hospital for Special Surgery has received \$25 million, noting it treated him for sports-related injuries over the years. Basketball was a passion of his - at 6-foot-7 he held the record as MIT's highest scorer until last year.

'Demonized unfairly'

His passion for fighting cancer dates back to 1992. That year, while treating him for injuries from a plane crash, doctors discovered Koch had advanced prostate cancer.

"I really thought I was going to die," he recalls.

He went through radiation treatments, but the cancer continued its march. His physician friends pointed him to MD Anderson.

"People are nice in Houston," they told him. He saw Dr. Christopher Logothetis, whose group has now grown from 10 to 200, aided by Koch's generosity. "They treat me like I'm a celebrity, and I like that," he chuckles.

Today, with occasional injections of a testosterone-blocking drug called Zoladex, he has no signs of cancer, he says.

He comes to Palm Beach to relax and is often seen on the weekends with his friend Goldsmith at the Palm Beach Country Club, where his three children learned to swim, play tennis and golf.

Although he ribs David about the Occupy Wall Street protests and the bloggers' attacks, Goldsmith says he's disturbed by the way his friend has been cast as the unfeeling billionaire.

"He has been demonized unfairly and unnecessarily," Goldsmith says. "He's very much a gentleman."