

Inside the Koch World convention

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The Koch brothers' political operation has increasingly come to resemble its own political party — and later this month in San Diego, it will hold what amounts to its most ambitious convention to date.

Many of the dozens of rich conservative invitees are expected to write huge checks to a pool of cash distributed among Koch-approved groups, potentially boosting the Kochs' 2012 spending plan beyond their historic **\$395 million goal**. And it's also a chance for the Kochs to show off their increasingly robust political machine, including a growing voter database project called Themis that played a major role in **conservatives' recent efforts in Wisconsin** and in which POLITICO has learned Koch operatives have discussed investing \$20 million.

It's part of an ambitious expansion of the billionaire brothers' political operation that includes the recruitment of new donors and fundraisers into their network by a development team led by summit emcee Kevin Gentry, and their recent hiring of in-house political operative Marc Short to oversee the spending of funds raised at the summits.

The expansion is also reflected in Charles and David Kochs' **bid to take over** the libertarian Cato Institute as well as their operations steering cash to groups that **aren't commonly thought of as Koch affiliated**. The 60 Plus Association, American Energy Alliance, American Future Fund, Americans for Limited Government and National Right to Life have all received funds through the Koch donor network.

"They ask for support — and they get it because we all love our country and we have a different vision than do the liberals," said Stanley Hubbard, a Minnesota television station owner who has attended the Koch donor summits for years and plans to be in San Diego for this month's meeting. "I've gotten friends to be involved, and I think others have, too, so I would guess, yes, that's expanding."

Yet, even as Koch World has increasingly flexed its muscles in conservative politics, its inner sanctum — comprised of the brothers and their longtime right-hand man Richard Fink — has remained all but impenetrable to even big GOP players who want a piece of the Koch action or invitations to the summits, according to numerous operatives.

The specific location of the San Diego summit could not be determined. And a Koch spokesman declined to comment on details of the summit, which starts the weekend of June 23, or the brothers' political plans.

"The Koch groups are very complex in the way they do things. They're difficult to penetrate from the outside, which is smart," said one GOP operative who has worked with Koch-backed groups. "You often need a Sherpa."

That's what makes Gentry, Short and Tim Phillips so powerful. They came up together in the good-ol'-boy universe of Virginia GOP politics, and they're now the Kochs' liaisons to Washington's professional conservative class.

A number of sources with knowledge of Koch World — who did not want to speak publicly about it for fear of being cut out of the loop — said the trio carry with them the full confidence of the brothers and Fink, and the ability to make and execute decisions on their behalf, not to mention access to the mega-donors who make the network so potent.

The roles break down thusly: Phillips runs the Kochs' primary political vehicle Americans for Prosperity and Short oversees the spending of Koch network cash by other approved groups, some of which air among the sharpest attack ads against Democrats, and Gentry raises the Koch network's cash.

Gentry's fundraising appeals can strike an urgent tone, as was the case in a letter he sent to attendees of a 2008 Koch donor summit, warning that "our society faces dangerous and imminent threats." The letter, reported here for the first time, seemed to compare the Koch summit with the Continental Congress and asked, "Can a small but dedicated group of leaders make a difference?"

Gentry also leads a sort of informal network of fundraisers for top conservative think tanks and advocacy groups around the country, including The Heritage Foundation, Americans for Prosperity and the Texas Public Policy Foundation, POLITICO has learned.

In a weekly email to the network, Gentry passes along tips on donor prospecting and maintenance and cites best practices. For example, in a February email obtained by POLITICO, he shared advice from a Heritage fundraiser who suggested his group won the loyalty of a million-dollar donor who attended Koch summits by introducing him to big names who spoke at Heritage events, including Supreme Court Justice Clarence Thomas.

Short, who attends the same church as Gentry, is by far the newest member of the inner circle, having been hired only last year to oversee the spending of Koch donor network cash by other groups. Previously, the Kochs had tasked a contractor named Sean Noble with the responsibility. Short — who most recently had worked with Koch-favorite Rep. Mike Pence, leading an unsuccessful effort to [lure him into the presidential race](#) — has been representing Koch World at the Karl Rove-conceived Weaver Terrace Group [meetings](#) where conservative groups coordinate ad spending.

But Koch World's expansion has raised hackles among critics in the conservative movement who see the Kochs and their operatives as secretive control freaks who [don't always play well with others](#) and are trying to leverage their cash to expand their influence.

"Koch has been angling for the last three or four years to consolidate more of the conservative movement within their network," said a conservative operative who has worked with donors in the Koch network. "That's why they do these seminars — to try to consolidate more big donors' money and direct it into their projects," said the operative, who asserted that groups that attend the summits become beholden to the Kochs, but also marveled at the effectiveness of the gatherings as a fundraising technique.

"Some of the donors believe giving to one source makes it easier for them instead of having to give to a dozen different places," said the operative, "and others just want to come out to hang with the billionaire brothers and be part of a very elite universe."

Koch Industries, the brothers' privately owned oil, chemical and household products company, has sponsored the summits twice a year since 2003 and they are where it all comes together in Koch World. The donors, like regulars [Foster Friess](#) and Rich DeVos and first-timers like [Sheldon Adelson](#), are gently pressured to give while the invited operatives jockey to impress the Kochs and their donors with presentations on campaign and legislative strategy.

There's also a collection of A-list dignitaries that has in recent years included rising political stars like Eric Cantor, Chris Christie, Bob McDonnell and Rick Perry, talkers like Rush Limbaugh, Glenn Beck — even

Supreme Court Justices Antonin Scalia and Thomas.

Koch summit donors over the years have donated more than \$120 million on their own to various federal candidates, committees and super PACs, according to an analysis of Federal Election Commission data, as well as numerous background interviews and confidential Koch documents reviewed by POLITICO.

But most of the cash raised at the Koch summits — typically in pledge sessions on the last day of the summit that have a revival-like feel — goes to nonprofit groups that do not disclose their donors. And the groups represented at recent conferences provide some hints as to the recipients. According to the documents reviewed by POLITICO and interviews, there are think tanks such as The Heritage Foundation, the American Enterprise Institute and The Federalist Society, as well as advocacy groups including the 60 Plus Association, National Right to Work, the Club for Growth and Americans for Prosperity.

The Kochs raised more than **\$150 million** at their winter conference this year in Indian Wells, Calif., on top of **\$49 million** at a summit a year earlier in Rancho Mirage, Calif.

There was one summit in between, in Beaver Creek, Colo., and even if donors only matched the lower tally, that would put the Koch network at about \$250 million raised for the cycle. That means they're within striking distance of their \$395 million goal, and could exceed it, given that sources said interest in the donor network has only increased since Democrats up to and including President Barack Obama have taken to **targeting the Kochs** as examples of the **corrupting influence of big money** in politics.

The attacks haven't bothered Koch network donors, asserted Hubbard, declaring, "All this nonsense over 'Well, they're oil people' — baloney! They will do the right thing for their country."

But at last year's summer conference, Gentry seemed to assure the donors they wouldn't catch flak for their donations. "There is anonymity that we can protect," he said in remarks that were surreptitiously recorded and leaked to **Mother Jones**.

Secrecy is the name of the game at the summits, much like at the Democracy Alliance **gatherings of big liberal donors**: Koch donors are required to wear name tags at all times, and security officers wearing gold lapel pins bearing Koch Industries' "K" logo, roamed the halls at last year's winter meeting, **removing** a POLITICO reporter under threat of arrest.

Attendees are warned not to "post updates or information about the meeting on blogs, social media such as Facebook and Twitter, or in traditional media articles," according to a packet distributed to participants at the June 2010 session that was obtained and posted by the liberal blog **ThinkProgress**. The summits had gone off without a peep of publicity until that packet, which included an invitation to the winter 2011 meeting in Rancho Mirage, Calif., **leaked to The New York Times** and **ThinkProgress**, paving the way for raucous protests outside the Rancho Mirage resort hosting the conference.

Attendees are expected to wear business casual attire for panels, according to a packet for an earlier meeting that was reviewed by POLITICO, but "For our evening meals, cocktail attire is appropriate for women. Men should wear a sport coat, though most forgo wearing a tie." Justice Thomas was the featured guest at one such dinner, while another included a menu of "shiitake mushroom and roasted vegetable strudel with goat cheese crema" and "tomato water poached halibut with heirloom tomato salad and mint couscous."

Aesthetics aside, the Koch summits are regarded as a holy grail of sorts for conservatives seeking cash for their initiatives. Decisions about who gets invited, and who doesn't, can lead to raw feelings, as Gentry learned firsthand at a dinner meeting of the Cato board, to which he had been appointed by the Kochs in their bid to wrest control of the libertarian think tank from a faction led by President Ed Crane.

“Kevin Gentry sitting over there has never once — never once! — invited me to one of the Koch donor events that he organizes for Charles!” Crane bellowed at Gentry, according to an account in the [Washingtonian](#). “Nor has he invited anyone from Cato!”

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