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## In suit, Koch brothers seek greater control over D.C. think tank

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The billionaire Koch brothers, whose outsized political spending has become an issue in the 2012 elections, are attempting to take control of a prominent Washington think tank in a move that would expand their influence in conservative politics, according to court records and interviews.

Charles and David Koch, owners of a Wichita-based conglomerate that ranks as one of the largest private corporations in the world, filed a lawsuit this week in Kansas seeking an option to increase their 50 percent control of the **Cato Institute**.

Cato President Ed Crane blasted the lawsuit Thursday as an attempted "hostile takeover" of a venerable Washington institution that he co-founded with Charles Koch in the 1970s.

"Mr. Koch's actions in Kansas court yesterday represent an effort by him to transform Cato from an independent, nonpartisan research organization into a political entity that might better support his partisan agenda," Crane said in a statement. He vowed to fight the move "vehemently."

Charles Koch said in a statement that he and his brother were only seeking to uphold the terms of the shareholder agreement that governs Cato and were not "acting in a partisan manner."

"We support Cato and its work," he said. "We want to ensure that Cato stays true to its fundamental principles of individual liberty, free markets, and peace into the future, and that it not be subject to the personal preferences of individual officers or directors."

With a \$39 million budget last year, Cato is one of the largest think tanks in Washington, espousing a libertarian ideology of limited government and free-market economics.

The conflict comes at the same time the Koch brothers are under attack from Democrats, including President Obama's reelection campaign, which has pointedly accused the duo of seeking to "destroy" Obama through donations to conservative front groups.

The Koch brothers, with an estimated personal wealth of \$25 billion each, have long been prominent donors to conservative causes.

Cato was most recently divided between four shareholders: the two Koch brothers, Crane and former Cato chairman William Niskanen.

The lawsuit centers on the fate of the shares owned by Niskanen, who died in October. The Koch brothers contend that they have the option to buy Niskanen's shares, but no offer has been made to them, according to the lawsuit. The shares now belong to Niskanen's widow, Kathryn Washburn.

Washburn, who is named as a target of the suit along with Cato and Crane, referred questions to Cato.

Cato's board chairman, Bob Levy, said in an interview that the Koch brothers, who have the power to appoint half of the board, have been choosing "Koch operatives" for members, with an eye to push Cato toward support of the Republican Party.

"None of the new directors, with the exception of one, has a reputation as a libertarian," Levy said. "There are a lot of murky areas between actively supporting candidates and what Cato does now, which is working on issues."

Cato scholars often differ with Republicans, holding an noninterventionist foreign policy, for example, and more liberal positions on immigration, same-sex marriage and several other social issues.

Charles Koch was the largest financial backer of Cato in its formative years. More recently, however, the brothers have cut back on their giving to the organization, donating nothing last year, according to Cato officials.

The Koches have given millions of dollars to a new libertarian center at George Mason University.

A Cato spokeswoman last year said that Charles Koch and Crane had a "falling-out" in 1991.

The Koches are at the center of a public feud that erupted this week with the Obama campaign, which has criticized the brothers for their ties to Americans for Prosperity, a conservative nonprofit group that does not have to report its donors and has aired millions of dollars worth of advertising attacking the president's policies.

Last week, Obama campaign manager Jim Messina sent out a fundraising letter characterizing the group as a front for the Koch brothers' energy interests and accusing Koch Industries of seeking to inflate gas prices and "destroy" Obama before Election Day.

Americans for Prosperity President Tim Phillips said his group would resist any disclosure of donors, in part because of fears of retribution from the Obama administration.

"They always try to have a bogeyman, a villain," Phillips said. "This administration has shown it will attempt to intimidate private citizens."