

Wonkette

KOCH ON THE MIND

Koch Brothers Sue Their Own Crown Jewel Think Tank

By **JIM NEWELL**

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The Cato Institute, originally conceived as the Charles Koch Foundation in 1974, is the proud upper-crust luxury hotel for all of DC's most erudite corporate libertarians, as well as Glenn Greenwald. It is a popular vehicle for right-wing economic ideology to sneak its way into conservative legislation. And it is, of course, one of the many Washington fronts for executing the every whim of cartoon billionaire oil tycoons Charles and David Koch, who have decided that they don't have quite enough control over it and are [thus suing Cato, Cato's president, and a widow](#) for her dead husband's 25% ownership stake. The "Battle for Cato" is underway! You each have 100 erections over this, don't you?

Cato had four shareholders — Charles Koch, David Koch, President Ed Crane, and chairman emeritus William A. Niskanen — until Niskanen died last year. Crane thinks Niskanen's 25 percent share should go to Niskanen's widow. Charles and David Koch think there should no longer be a fourth share, because then they would control two of three remaining shares. From MIKE ALLEN at THE POLITICO:

Koch officials tell POLITICO that the brothers think the shareholder agreement is clear that there should now only be three shareholders, while Crane thinks Niskanen's 25-percent control should go to his widow, Kathryn Washburn.

"We've proposed a stand-still agreement and third-party mediation," said Wes Edwards, deputy general counsel of Koch Companies Public Sector LLC. "We feel that we've been refused. ... We haven't alleged any wrongdoing or sought any damages. This is not about money. We view this as a matter of shareholder rights."

Spare the legal poop. What's really going on here, Cato staffers? We know that Wonkette is the #1 most favorite publication/warblog among Cato staffers, so surely you'd all like to write in to jim@wonkette.com to tell us the secret true story behind this power struggle, yes? And no, we don't mean *you*, Cato PR person. You should never write us.

Update: Wow! [From Ed Crane:](#)

Charles G. Koch has filed a lawsuit as part of an effort to gain control of the Cato Institute, which he co-founded with me in 1977. While Mr. Koch and entities

controlled by him have supported the Cato Institute financially since that time, Mr. Koch and his affiliates have exercised no significant influence over the direction or management of the Cato Institute, or the work done here.

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. We view Mr. Koch's actions as an attempt at a hostile takeover, and intend to fight it vehemently in order to continue as an independent research organization, advocating for Individual liberty, limited government, free markets and peace.

Update II: Here's a response statement from Charles Koch!

We support Cato and its work. We are not acting in a partisan manner, we seek no "takeover," and this is not a hostile action. All we seek is adherence to the shareholders' agreement, which was agreed to by each of the shareholders. 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.