

**From:** Justin Cooper  
**Sent:** 8/23/2010 4:11:33 PM +00:00  
**CC:** Huma Abedin <Huma@clintonemail.com>  
**Subject:** Fw: H: Yes, there is a vast right wing conspiracy. Sid

RELEASE IN PART B6

I hear ur there  
Did u print this for her?

----- Original Message -----

**From:** H  
**To:** Huma Abedin; Justin Cooper  
**Sent:** Mon Aug 23 10:26:01 2010  
**Subject:** Fw: H: Yes, there is a vast right wing conspiracy. Sid

Pls print.

----- Original Message -----

**From:** sbwhoep  
**To:** H  
**Sent:** Mon Aug 23 10:22:15 2010  
**Subject:** Re: H: Yes, there is a vast right wing conspiracy. Sid

B6

Or I could send the endless pieces on Obama and his troubles or Haaretz on the new negotiations. I'll skip the torrent of Obama pieces (see Politico lead piece today, if you want to catch the full updraft of new conventional wisdom), but include Haaretz below from its editorial editor and Teddy Kolk's former spokesman:

<[http://www.haaretz.com/images/l\\_ogoes/logoGrey.gif](http://www.haaretz.com/images/l_ogoes/logoGrey.gif)>

- \* Home <<http://www.haaretz.com/>>
- \* Print Edition <<http://www.haaretz.com/print-edition>>
- \* News <<http://www.haaretz.com/print-edition/news>>
- \* Published 01:58 23.08.10
- \* Latest update 01:58 23.08.10

With a victory like this...

The direct negotiations between Israel and the Palestinians have preconditions - dictated by Israel.

By Akiva Eldar <<http://www.haaretz.com/misc/writers/akiva-eldar-1.264>> Tags: Israel news <<http://www.haaretz.com/meta/Tag/Israel%20news>> Middle East peace <<http://www.haaretz.com/meta/Tag/Middle%20East%20peace>>

Two years ago, a basketball tournament was held at Tel Aviv University with the participation of student teams from 14 countries, including a Palestinian team from the occupied territories. The games were purportedly held "without preconditions," and every team put its best players on the court and aimed to win.

But unsurprisingly, the Shin Ben security service permitted only seven Palestinian players, including bench players, to enter Israel. Some of the key players on the team were compelled to stay at home. After several losses (by 30 to 40 points), when it was the Palestinians' turn to face a team from one of the Israeli colleges, their coach announced that he had decided to spare his players another humiliation, and requested that the game be canceled.

The illuminating movie "Friendship Games, to be shown tonight on the PBS Docu Channel (directed by Rami Levy, along with Iyusam Wala and, Dani Dror and Yoav Shamir), documents the tournament, which was the initiative of Ed Peskowitz, an American Jew and co-owner of the Atlanta Hawks basketball team in the NBA. The camera follows the Israeli coach to the Palestinian locker room. After a long while, he tells his players that in order to even out the teams, two of them will join the other side. He tells two of the Israeli bench players, including one known as Fatso, to don the shirts of the Palestinian team. The game ends with a decisive victory for the Israeli team and a strong sense of missed opportunity.

The direct negotiations between Israel and the Palestinians, like the basketball game, have preconditions. Not the conditions demanded by the Palestinians, but conditions dictated by Israel. The refusal to freeze Israeli building in East Jerusalem is a precondition, just like the demand to freeze it. The refusal to resume negotiations from the point where talks between the previous prime minister, Ehud Olmert, and Palestinian President Mahmoud Abbas left off after the Annapolis conference is no less a precondition than the demand to resume talks from square one.

The head referee, the president of the United States, has twisted the arms of his colleagues in the Quartet and is dragging Abbas to Washington. Barack Obama decided that the negotiations will be held without any commitment regarding building in East Jerusalem, and will be opened without even a declaration of principles stating that the talks will be held on the basis of a general formula, like peace and security for Israel and a state along the 1967 borders for the Palestinians. It's time to jump into the fountain in Rabin Square and cheer: The Palestinians have been shafted!

If Benjamin Netanyahu's aim is to play around as much as possible with the ball, and sometimes kick the opponent, then he can really chalk up another victory. But Israel's success in the negotiations, like the success of the student team in the tournament, is not measured by the terms "victory" or "defeat." What is victory over a weak Palestinian team worth, if it was won in friendly games that ended with virtually no interaction between the participants? What is a political process with the Palestinians worth if it erodes Abbas' standing and leads nowhere?

What have we to gain from humiliating our partner before his constituency on the way to the negotiating table? If Israel's approach on every one of the core issues is that winning is everything, there's no point in bothering so many VIPs with another unnecessary summit. Let's assume that we'll succeed, with the help of the Jewish power around Obama, to twist Abbas' arm some more and extract, for example, an agreement in which he concedes sovereignty over the Temple Mount. How many hours would such an agreement last?

All we need is a few more "victories" like the invitation to the launch of direct negotiations, "without preconditions," and we'll lose our last partners to a settlement that will prevent Israel from turning into an apartheid state or a Palestinian state (the binational model is a nightmare, as far as I'm concerned).

What will we do if Abbas announces that he's had enough of losing in purportedly friendly games, and that he's decided the time has come to step down? Will we declare another victory and invite Hamas leader Khaled Meshal and Iranian president Mahmoud Ahmadinejad to the party?

This story is by:

\* Akiva Eldar <<http://www.haaretz.com/misc/writers/akiva-eldar-1.264>> Akiva Eldar <<http://www.haaretz.com/misc/writers/akiva-eldar-1.264>>

Akiva Eldar is the chief political columnist and an editorial writer for Haaretz. His columns also appear regularly in the Ha'aretz-Herald Tribune edition. In May 2006 The Financial Times selected him among the most prominent and influential commentators in the world, "whose comments inspire callers from across the political spectrum". Between 1993 and 1996, Eldar served as the Haaretz U.S. Bureau Chief and Washington correspondent, covering the peace process, U.S.-Israel relations, American issues and Israel-Diaspora relations. Prior to this, Eldar spent 10 years as the diplomatic correspondent for Haaretz, as well as its municipal correspondent for Jerusalem from 1978 to 1983. Before joining Haaretz, Eldar was a reporter and editor for Israel Radio and spent two years as spokesperson for former Mayor of Jerusalem, Teddy Kollek.

Eldar is the author of several books on Israel and the Middle East, including "The ambush on Jerusalem", which deals with U.S.-Israel-Jewish community relations, and "Lords of the Land", an exploration of the Jewish settlements in the West Bank. In 2007 he received the annual "Search for Common Ground" award for Middle East journalism.

Eldar was a special consultant to Abba Eban's PBS television documentaries on the history of Israel and the Oslo peace initiative. He regularly appears on major television and radio networks in the U.S., Canada, Australia, Europe and Israel. He appeared many times on news programs such as Nightline, The Lehrer Show, Charlie Rose Show, CNN News and CBS Morning News, current affair programs on Israeli television, as well as NPR talk shows.

Eldar contributes to the op-ed pages of The New York Times, LA Times, The Philadelphia Inquirer, The International Herald Tribune and The New York Jewish Week. During his stay in the U.S. Mr. Eldar lectured extensively for the Jewish community and on campuses throughout the U.S., Canada and Australia. He has also participated in various Israeli-Arab-European seminars.

Mr. Eldar was born in Haifa, Israel in 1945. He is a graduate of the Hebrew University of Jerusalem, where he majored in Economics, Political Science and Psychology.

-----Original Message-----

From: H <HDR22@clintonemail.com>

To: 'sbwhoop' [redacted]

Sent: Mon, Aug 23, 2010 10:13 am

Subject: Re: H: Yes, there is a vast right wing conspiracy. Sid

B6

Ah, a little lite vacation reading!

----- Original Message -----

From: sbwhoop [redacted]

To: H

Sent: Mon Aug 23 10:06:23 2010

Subject: H: Yes, there is a vast right wing conspiracy. Sid

A must read piece that looks at the Koch brothers' control and funding of the

tea party and right wing.

[http://www.newyorker.com/reporting/2010/08/30/100830fa\\_fact\\_mayer?printable=true#ixzz0xQuvTcbT](http://www.newyorker.com/reporting/2010/08/30/100830fa_fact_mayer?printable=true#ixzz0xQuvTcbT)

<[http://www.newyorker.com/reporting/2010/08/30/100830fa\\_fact\\_mayer?printable=true#ixzz0xQuvTcbT](http://www.newyorker.com/reporting/2010/08/30/100830fa_fact_mayer?printable=true#ixzz0xQuvTcbT)>

A REPORTER AT LARGE

COVERT OPERATIONS

The billionaire brothers who are waging a war against Obama.

by Jane Mayer <[http://www.newyorker.com/magazine/bios/jane\\_mayer/search?contributor%20Name=jane%20mayer](http://www.newyorker.com/magazine/bios/jane_mayer/search?contributor%20Name=jane%20mayer)>

AUGUST 30, 2010

David H. Koch in 1996. He and his brother Charles are lifelong libertarians and

have quietly given more than a hundred million dollars to right-wing causes.

On May 17th, a black-tie audience at the Metropolitan Opera House applauded as a

tall, jovial-looking billionaire took the stage. It was the seventieth annual

spring gala of American Ballet Theatre, and David H. Koch was being celebrated

for his generosity as a member of the board of trustees; he had recently donated

\$2.5 million toward the company's upcoming season, and had given many millions

before that. Koch received an award while flanked by two of the gala's

co-chairs, Blaine Trump, in a peach-colored gown, and Caroline Kennedy

Schlossberg, in emerald green. Kennedy's mother, Jacqueline Kennedy Onassis, had

been a patron of the ballet and, coincidentally, the previous owner of a Fifth

Avenue apartment that Koch had bought, in 1995, and then sold, eleven years

later, for thirty-two million dollars, having found it too small.

The gala marked the social ascent of Koch, who, at the age of seventy, has

become one of the city's most prominent philanthropists. In 2008, he donated a

building, which now bears his name. He has given twenty million to the American

Museum of Natural History, whose dinosaur wing is named for him. This spring,

after noticing the decrepit state of the fountains outside the Metropolitan

Museum of Art, Koch pledged at least ten million dollars for their renovation.

He is a trustee of the museum, perhaps the most coveted social prize in the

city, and serves on the board of Memorial Sloan-Kettering Cancer Center, where,

after he donated more than forty million dollars, an endowed chair and a

research center were named for him.

One dignitary was conspicuously absent from the gala: the event's third honorary

co-chair, Michelle Obama. Her office said that a scheduling conflict had

prevented her from attending. Yet had the First Lady shared the stage with Koch

it might have created an awkward tableau. In Washington, Koch is best known as

part of a family that has repeatedly funded stealth attacks on the federal

government, and on the Obama Administration in particular.

With his brother Charles, who is seventy-four, David Koch owns virtually all of

Koch Industries, a conglomerate, headquartered in Wichita, Kansas, whose annual

spectacularly since their father, Fred, died, in 1967, and the brothers took

charge. The Kochs operate oil refineries in Alaska, Texas, and Minnesota, and

control some four thousand miles of pipeline. Koch Industries owns Brawny paper

towels, Dixie cups, Georgia-Pacific lumber, Stainmaster carpet, and Lycra, among

other products. Forbes ranks it as the second-largest private company in the

country, after Cargill, and its consistent profitability has made David and

Charles Koch—who, years ago, bought out two other brothers—among the richest men

in America. Their combined fortune of thirty-five billion dollars is exceeded

only by those of Bill Gates and Warren Buffett.

The Kochs are longtime libertarians who believe in drastically lower personal

and corporate taxes, minimal social services for the needy, and much less

oversight of industry—especially environmental regulation. These views dovetail

with the brothers' corporate interests. In a study released this spring, the

University of Massachusetts at Amherst's Political Economy Research Institute

named Koch Industries one of the top ten air polluters in the United States. And

Greenpeace issued a report identifying the company as a "kingpin of climate

science denial." The report showed that, from 2003 to 2008, the Kochs vastly

outdid ExxonMobil in giving money to organizations fighting legislation related

to climate change, underwriting a huge network of foundations, think tanks, and

political front groups. Indeed, the brothers have funded opposition campaigns

against so many Obama Administration policies—from health-care reform to the

economic-stimulus program—that, in political circles, their ideological network

is known as the Kochtopus.

In a statement, Koch Industries said that the Greenpeace report "distorts the

environmental record of our companies." And David Koch, in a recent, admiring

article about him in New York, protested that the "radical press" had turned his

family into "whipping boys," and had exaggerated its influence on American

politics. But Charles Lewis, the founder of the Center for Public Integrity, a

nonpartisan watchdog group, said, "The Kochs are on a whole different level.

There's no one else who has spent this much money. The sheer dimension of it is

what sets them apart. They have a pattern of lawbreaking, political

manipulation, and obfuscation. I've been in Washington since Watergate, and I've

never seen anything like it. They are the Standard Oil of our times."



few weeks after the Lincoln Center gala, the advocacy wing of the Americans for

Prosperity Foundation—an organization that David Koch started, in 2004—held a

different kind of gathering. Over the July 4th weekend, a summit called Texas

Defending the American Dream took place in a chilly hotel ballroom in Austin.

Though Koch freely promotes his philanthropic ventures, he did not attend the

summit, and his name was not in evidence. And on this occasion the audience was

roused not by a dance performance but by a series of speakers denouncing

President Barack Obama. Peggy Venable, the organizer of the summit, warned that

Administration officials “have a socialist vision for this country.”

Five hundred people attended the summit, which served, in part, as a training

session for Tea Party activists in Texas. An advertisement cast the event as a

populist uprising against vested corporate power. “Today, the voices of average

Americans are being drowned out by lobbyists and special interests,” it said.

“But you can do something about it.” The pitch made no mention of its corporate

fundors. The White House has expressed frustration that such sponsors have

largely eluded public notice. David Axelrod, Obama’s senior adviser, said, “What

they don’t say is that, in part, this is a grassroots citizens’ movement brought

In April, 2009, Melissa Cohlmiya, a company spokesperson, denied that the Kochs

had direct links to the Tea Party, saying that Americans for Prosperity is “an

independent organization and Koch companies do not in any way direct their

activities.” Later, she issued a statement: “No funding has been provided by

Koch companies, the Koch foundations, or Charles Koch or David Koch specifically

to support the tea parties.” David Koch told New York, “I’ve never been to a

tea-party event. No one representing the tea party has ever even approached me.”

At the lectern in Austin, however, Venable—a longtime political operative who

draws a salary from Americans for Prosperity, and who has worked for Koch-funded

political groups since 1994—spoke less warily. “We love what the Tea Parties are

doing, because that’s how we’re going to take back America!” she declared, as

the crowd cheered. In a subsequent interview, she described herself as an early

member of the movement, joking, “I was part of the Tea Party before it was

cool!” She explained that the role of Americans for Prosperity was to help

“educate” Tea Party activists on policy details, and to give them “next-step

training” after their rallies, so that their political energy could be

provided Tea Party activists with lists of elected officials to target. She said

of the Kochs, "They're certainly our people. David's the chairman of our board.

I've certainly met with them, and I'm very appreciative of what they do."

Venable honored several Tea Party "citizen leaders" at the summit. The Texas

branch of Americans for Prosperity gave its Blogger of the Year Award to a young

woman named Sibyl West. On June 14th, West, writing on her site, described Obama

as the "cokehead in chief." In an online thread, West speculated that the

President was exhibiting symptoms of "demonic possession (aka schizophrenia,

etc.)." The summit featured several paid speakers, including Janine Turner, the

actress best known for her role on the television series "Northern Exposure."

She declared, "They don't want our children to know about their rights. They

don't want our children to know about a God!"

During a catered lunch, Venable introduced Ted Cruz, a former solicitor general

of Texas, who told the crowd that Obama was "the most radical President ever to

occupy the Oval Office," and had hidden from voters a secret agenda—"the

government taking over our economy and our lives." Countering Obama, Cruz

proclaimed, was "the epic night of our generation! As the crowd rose to its

feet and cheered, he quoted the defiant words of a Texan at the Alamo: "Victory,  
or death!"

Americans for Prosperity has worked closely with the Tea Party since the  
movement's inception. In the weeks before the first Tax Day protests, in April,  
2009, Americans for Prosperity hosted a Web site offering supporters "Tea Party  
Talking Points." The Arizona branch urged people to send tea bags to Obama; the  
Missouri branch urged members to sign up for "Taxpayer Tea Party Registration"  
and provided directions to nine protests. The group continues to stoke the  
rebellion. The North Carolina branch recently launched a "Tea Party Finder" Web  
site, advertised as "a hub for all the Tea Parties in North Carolina."

The anti-government fervor infusing the 2010 elections represents a political  
triumph for the Kochs. By giving money to "educate," fund, and organize Tea  
Party protesters, they have helped turn their private agenda into a mass  
movement. Bruce Bartlett, a conservative economist and a historian, who once  
worked at the National Center for Policy Analysis, a Dallas-based think tank  
that the Kochs fund, said, "The problem with the whole libertarian movement is

that it's been all chiefs and no Indians. There haven't been any actual people,

like voters, who give a crap about it. So the problem for the Kochs has been

trying to create a movement." With the emergence of the Tea Party, he said,

"everyone suddenly sees that for the first time there are Indians out

there—people who can provide real ideological power." The Kochs, he said, are

"trying to shape and control and channel the populist uprising into their own

policies."

A Republican campaign consultant who has done research on behalf of Charles and

David Koch said of the Tea Party, "The Koch brothers gave the money that founded

it. It's like they put the seeds in the ground. Then the rainstorm comes, and

the frogs come out of the mud—and they're our candidates!"

The Kochs and their political operatives declined requests for interviews.

Instead, a prominent New York public-relations executive who is close with the

Kochs put forward two friends: George Pataki, the former governor of New York,

and Mortimer Zuckerman, the publisher and real-estate magnate. Pataki, a

Republican who received campaign donations from David Koch, called him "a

patriot who cares deeply about his country." Zuckerman praised David's "gentle

The Republican campaign consultant said of the family's political activities,

“To call them under the radar is an understatement. They are underground!”

Another former Koch adviser said, “They're smart. This right-wing, redneck stuff

works for them. They see this as a way to get things done without getting dirty

themselves.” Rob Stein, a Democratic political strategist who has studied the

conservative movement's finances, said that the Kochs are “at the epicenter of

the anti-Obama movement. But it's not just about Obama. They would have done the

same to Hillary Clinton. They did the same with Bill Clinton. They are out to

destroy progressivism.”

Oddly enough, the fiercely capitalist Koch family owes part of its fortune to

Joseph Stalin. Fred Koch was the son of a Dutch printer who settled in Texas and

ran a weekly newspaper. Fred attended M.I.T., where he earned a degree in

chemical engineering. In 1927, he invented a more efficient process for

converting oil into gasoline, but, according to family lore, America's major oil

companies regarded him as a threat and shut him out of the industry. Unable to

succeed at home, Koch found work in the Soviet Union. In the nineteen-thirties,

fifteen modern oil refineries. Over time, however, Stalin brutally purged

several of Koch's Soviet colleagues. Koch was deeply affected by the experience,

and regretted his collaboration. He returned to the U.S. In the headquarters of

his company, Rock Island Oil & Refining, in Wichita, he kept photographs aimed

at proving that some of those Soviet refineries had been destroyed in the Second

World War. Gus diZerega, a former friend of Charles Koch, recalled, "As the

Soviets became a stronger military power, Fred felt a certain amount of guilt at

having helped build them up. I think it bothered him a lot."

In 1958, Fred Koch became one of the original members of the John Birch Society,

the arch-conservative group known, in part, for a highly skeptical view of

governance and for spreading fears of a Communist takeover. Members considered

President Dwight D. Eisenhower to be a Communist agent. In a self-published

broadside, Koch claimed that "the Communists have infiltrated both the Democrat

and Republican Parties." He wrote admiringly of Benito Mussolini's suppression

of Communists in Italy, and disparagingly of the American civil-rights movement.

"The colored man looms large in the Communist plan to take over America," he

warned. Welfare was a secret plot to attract rural blacks to cities, where they

would foment "a vicious race war." In a 1963 speech that prefigures the Tea

Party's talk of a secret socialist plot, Koch predicted that Communists would

"infiltrate the highest offices of government in the U.S. until the President is

a Communist, unknown to the rest of us."

Koch married Mary Robinson, the daughter of a Missouri physician, and they had

four sons: Freddie, Charles, and twins, David and William. John Damgard, the

president of the Futures Industry Association, was David's schoolmate and

friend. He recalled that Fred Koch was "a real John Wayne type." Koch emphasized

rugged pursuits, taking his sons big-game hunting in Africa, and requiring them

to do farm labor at the family ranch. The Kochs lived in a stone mansion on a

large compound across from Wichita's country club; in the summer, the boys could

hear their friends splashing in the pool, but they were not allowed to join

them. "By instilling a work ethic in me at an early age, my father did me a big

favor, although it didn't seem like a favor back then," Charles has written. "By

the time I was eight, he made sure work occupied most of my spare time." David

Koch recalled that his father also indoctrinated the boys politically. "He was



told Brian Doherty, an editor of the libertarian magazine Reason, and the author

of "Radicals for Capitalism," a 2007 history of the libertarian movement. "It's

something I grew up with—a fundamental point of view that big government was

bad, and imposition of government controls on our lives and economic fortunes

was not good."

David attended Deerfield Academy, in Massachusetts, and Charles was sent to

military school. Charles, David, and William all earned engineering degrees at

their father's alma mater, M.I.T., and later joined the family company. Charles

eventually assumed control, with David as his deputy; William's career at the

company was less successful. Freddie went to Harvard and studied playwriting at

the Yale School of Drama. His father reportedly disapproved of him, and punished

him financially. (Freddie, through a spokesperson, denied this.)

In 1967, after Fred Koch died, of a heart attack, Charles renamed the business

Koch Industries, in honor of his father. Fred Koch's will made his sons

extraordinarily wealthy. David Koch joked about his good fortune in a 2003

speech to alumni at Deerfield, where, after pledging twenty-five million

dollars, he was made the school's sole trustee. He said, "You might

ask: How does David Koch happen to have the wealth to be so generous? Well, let

me tell you a story. It all started when I was a little boy. One day, my father

gave me an apple. I soon sold it for five dollars and bought two apples and sold

them for ten. Then I bought four apples and sold them for twenty. Well, this

went on day after day, week after week, month after month, year after year,

until my father died and left me three hundred million dollars!"

David and Charles had absorbed their father's conservative politics, but they

did not share all his views, according to diZerega, who befriended Charles in

the mid-sixties, after meeting him while browsing in a John Birch Society

bookstore in Wichita. Charles eventually invited him to the Kochs' mansion, to

participate in an informal political-discussion group. "It was pretty clear that

Charles thought some of the Birch Society was bullshit," diZerega recalled.

DiZerega, who has lost touch with Charles, eventually abandoned right-wing

views, and became a political-science professor. He credits Charles with opening

his mind to political philosophy, which set him on the path to academia; Charles

is one of three people to whom he dedicated his first book. But diZerega

believes that the Koch brothers have followed a wayward intellectual trajectory,

transferring their father's paranoia about Soviet Communism to a distrust of the

U.S. government, and seeing its expansion, beginning with the New Deal, as a

tyrannical threat to freedom. In an essay, posted on Beliefnet, diZerega writes,

"As state socialism failed . . . the target for many within these organizations

shifted to any kind of regulation at all. 'Socialism' kept being defined

downwards."

Members of the John Birch Society developed an interest in a school of Austrian

economists who promoted free-market ideals. Charles and David Koch were

particularly influenced by the work of Friedrich von Hayek, the author of "The

Road to Serfdom" (1944), which argued that centralized government planning led,

inexorably, to totalitarianism. Hayek's belief in unfettered capitalism has

proved inspirational to many conservatives, and to anti-Soviet dissidents;

lately, Tea Party supporters have championed his work. In June, the talk-radio

host Glenn Beck, who has supported the Tea Party rebellion, promoted "The Road

to Serfdom" on his show; the paperback soon became a No. 1 best-seller on

Amazon. (Beck appears to be a fan of the Kochs; in the midst of a recent on-air

for this information." Beck declined to elaborate on the relationship.)

Charles and David also became devotees of a more radical thinker, Robert

LeFevre, who favored the abolition of the state but didn't like the label

"anarchist"; he called himself an "autarchist." LeFevre liked to say that

"government is a disease masquerading as its own cure." In 1956, he opened an

institution called the Freedom School, in Colorado Springs. Brian Doherty, of

Reason, told me that "LeFevre was an anarchist figure who won Charles's heart,"

and that the school was "a tiny world of people who thought the New Deal was a

horrible mistake." According to diZerega, Charles supported the school

financially, and even gave him money to take classes there.

Throughout the seventies, Charles and David continued to build Koch Industries.

In 1980, William, with assistance from Freddie, attempted to take over the

company from Charles, who, they felt, had assumed autocratic control. In

retaliation, the company's board, which answered to Charles, fired William.

("Charles runs it all with an iron hand," Bruce Bartlett, the economist, told

me.) Lawsuits were filed, with William and Freddie on one side and Charles and

David on the other. In 1965, Charles and David bought out their brothers' share

in the company for nearly a billion dollars. But the antagonism remained, and

litigation continued for seventeen more years, with the brothers hiring rival

private investigators; in 1990, they walked past one another with stony

expressions at their mother's funeral. Eventually, Freddie moved to Monaco,

which has no income tax. He bought historic estates in France, Austria, and

elsewhere, filling them with art, antiques, opera scores, and literary

manuscripts. William founded his own energy company, Oxbow, and turned to

yachting; he spent an estimated sixty-five million dollars to win the America's

Cup, in 1992.

With Charles as the undisputed chairman and C.E.O., Koch Industries expanded

rapidly. Roger Altman, who heads the investment-banking firm Evercore, told me

that the company's performance has been "beyond phenomenal." Charles remained in

Wichita, with his wife and two children, guarding his privacy while supporting

community charities. David moved to New York City, where he is an executive

vice-president of the company and the C.E.O. of its Chemical Technology Group. A

financial expert who knows Koch Industries well told me, "Charles is the

bit of a lunk," enjoyed for years the life of a wealthy bachelor. He rented a yacht in the South of France and bought a waterfront home in Southampton, where he threw parties that the Web site New York Social Diary likened to an "East Coast version of Hugh Hefner's soirées." In 1996, he married Julia Flesher, a fashion assistant. They live in a nine-thousand-square-foot duplex at 740 Park Avenue, with their three children. Though David's manner is more cosmopolitan, and more genial, than that of Charles, Brian Doherty, who has interviewed both brothers, couldn't think of a single issue on which the brothers disagreed.

As their fortunes grew, Charles and David Koch became the primary underwriters of hard-line libertarian politics in America. Charles's goal, as Doherty described it, was to tear the government "out at the root." The brothers' first major public step came in 1979, when Charles persuaded David, then thirty-nine, to run for public office. They had become supporters of the Libertarian Party, and were backing its Presidential candidate, Ed Clark, who was running against Ronald Reagan from the right. Frustrated by the legal limits on campaign donations, they contrived to place David on the ticket, in the Vice-Presidential

slot; upon becoming a candidate, he could lavish as much of his personal fortune

as he wished on the campaign. The ticket's slogan was "The Libertarian Party has

only one source of funds: You." In fact, its primary source of funds was David

Koch, who spent more than two million dollars on the effort.

Many of the ideas propounded in the 1980 campaign presaged the Tea Party

movement. Ed Clark told The Nation that libertarians were getting ready to stage

"a very big tea party," because people were "sick to death" of taxes. The

Libertarian Party platform called for the abolition of the F.B.I. and the

C.I.A., as well as of federal regulatory agencies, such as the Securities and

Exchange Commission and the Department of Energy. The Party wanted to end Social

Security, minimum-wage laws, gun control, and all personal and corporate income

taxes; it proposed the legalization of prostitution, recreational drugs, and

suicide. Government should be reduced to only one function: the protection of

individual rights. William F. Buckley, Jr., a more traditional conservative,

called the movement "Anarcho-Totalitarianism."

That November, the Libertarian ticket received only one per cent of the vote.

The brothers realized that their brand of politics didn't sell at the ballot

be a nasty, corrupting business," he told a reporter at the time. "I'm

interested in advancing libertarian ideas." According to Doherty's book, the

Kochs came to regard elected politicians as merely "actors playing out a

script." A longtime confidant of the Kochs told Doherty that the brothers wanted

to "supply the themes and words for the scripts." In order to alter the

direction of America, they had to "influence the areas where policy ideas

percolate from: academia and think tanks."

After the 1980 election, Charles and David Koch receded from the public arena.

But they poured more than a hundred million dollars into dozens of seemingly

independent organizations. Tax records indicate that in 2008 the three main Koch

family foundations gave money to thirty-four political and policy organizations,

three of which they founded, and several of which they direct. The Kochs and

their company have given additional millions to political campaigns, advocacy

groups, and lobbyists. The family's subterranean financial role has fuelled

suspicion on the left; Lee Fang, of the liberal blog ThinkProgress, has called

the Kochs "the billionaires behind the hate."



Only the Kochs know precisely how much they have spent on politics. Public tax

records show that between 1998 and 2008 the Charles G. Koch Charitable

Foundation spent more than forty-eight million dollars. The Claude R. Lambe

Charitable Foundation, which is controlled by Charles Koch and his wife, along

with two company employees and an accountant, spent more than twenty-eight

million. The David H. Koch Charitable Foundation spent more than a hundred and

twenty million. Meanwhile, since 1998 Koch Industries has spent more than fifty

million dollars on lobbying. Separately, the company's political-action

committee, KochPAC, has donated some eight million dollars to political

campaigns, more than eighty per cent of it to Republicans. So far in 2010, Koch

Industries leads all other energy companies in political contributions, as it

has since 2006. In addition, during the past dozen years the Kochs and other

family members have personally spent more than two million dollars on political

contributions. In the second quarter of 2010, David Koch was the biggest

individual contributor to the Republican Governors Association, with a

million-dollar donation. Other gifts by the Kochs may be untraceable; federal

tax law permits anonymous personal donations to politically active nonprofit

groups.

In recent decades, members of several industrial dynasties have spent parts of their fortunes on a conservative agenda. In the nineteen-eighties, the Olin family, which owns a chemicals-and-manufacturing conglomerate, became known for funding right-leaning thinking in academia, particularly in law schools. And during the nineties Richard Mellon Scaife, a descendant of Andrew Mellon, spent millions attempting to discredit President Bill Clinton. Ari Rabin-Havt, a vice-president at the Democratic-leaning Web site Media Matters, said that the Kochs' effort is unusual, in its marshalling of corporate and personal funds:

"Their role, in terms of financial commitments, is staggering."

Of course, Democrats give money, too. Their most prominent donor, the financier George Soros, runs a foundation, the Open Society Institute, that has spent as much as a hundred million dollars a year in America. Soros has also made generous private contributions to various Democratic campaigns, including Obama's. But Michael Vachon, his spokesman, argued that Soros's giving is transparent, and that "none of his contributions are in the service of his own economic interests." The Kochs have given millions of dollars to nonprofit

industry. Gus diZerega, the former friend, suggested that the Kochs' youthful

idealism about libertarianism had largely devolved into a rationale for

corporate self-interest. He said of Charles, "Perhaps he has confused making

money with freedom."

Some critics have suggested that the Kochs' approach has subverted the purpose

of tax-exempt giving. By law, charitable foundations must conduct exclusively

nonpartisan activities that promote the public welfare. A 2004 report by the

National Committee for Responsive Philanthropy, a watchdog group, described the

Kochs' foundations as being self-serving, concluding, "These foundations give

money to nonprofit organizations that do research and advocacy on issues that

impact the profit margin of Koch Industries."

The Kochs have gone well beyond their immediate self-interest, however, funding

organizations that aim to push the country in a libertarian direction. Among the

institutions that they have subsidized are the Institute for Justice, which

files lawsuits opposing state and federal regulations; the Institute for Humane

Studies, which underwrites libertarian academics; and the Bill of Rights

organizations funded by the Kochs employ specialists who write position papers

that are subsequently quoted by politicians and pundits. David Koch has

acknowledged that the family exerts tight ideological control. "If we're going

to give a lot of money, we'll make darn sure they spend it in a way that goes

along with our intent," he told Doherty. "And if they make a wrong turn and

start doing things we don't agree with, we withdraw funding."

he Kochs' subsidization of a pro-corporate movement fulfills, in many ways, the

vision laid out in a secret 1971 memo that Lewis Powell, then a Virginia

attorney, wrote two months before he was nominated to the Supreme Court. The

antiwar movement had turned its anger on defense contractors, such as Dow

Chemical, and Ralph Nader was leading a public-interest crusade against

corporations. Powell, writing a report for the U.S. Chamber of Commerce, urged

American companies to fight back. The greatest threat to free enterprise, he

warned, was not Communism or the New Left but, rather, "respectable elements of

society"—intellectuals, journalists, and scientists. To defeat them, he wrote,

business leaders needed to wage a long-term, unified campaign to change public

opinion.

Charles Koch seems to have approached both business and politics with the

deliberation of an engineer. "To bring about social change," he told Doherty,

requires "a strategy" that is "vertically and horizontally integrated," spanning

"from idea creation to policy development to education to grassroots

organizations to lobbying to litigation to political action." The project, he

admitted, was extremely ambitious. "We have a radical philosophy," he said.

In 1977, the Kochs provided the funds to launch the nation's first libertarian

think tank, the Cato Institute. According to the Center for Public Integrity,

between 1986 and 1993 the Koch family gave eleven million dollars to the

institute. Today, Cato has more than a hundred full-time employees, and its

experts and policy papers are widely quoted and respected by the mainstream

media. It describes itself as nonpartisan, and its scholars have at times been

critical of both parties. But it has consistently pushed for corporate tax cuts,

reductions in social services, and laissez-faire environmental policies.

When President Obama, in a 2008 speech, described the science on global warming

as "beyond dispute," the Cato Institute took out a full-page ad in the Times to

contradict him. Cato's resident scholars have relentlessly criticized political

attempts to stop global warming as expensive, ineffective, and unnecessary. Ed

Crane, the Cato Institute's founder and president, told me that "global-warming

theories give the government more control of the economy."

Cato scholars have been particularly energetic in promoting the Climategate

scandal. Last year, private e-mails of climate scientists at the University of

East Anglia, in England, were mysteriously leaked, and their exchanges appeared

to suggest a willingness to falsify data in order to buttress the idea that

global warming is real. In the two weeks after the e-mails went public, one Cato

scholar gave more than twenty media interviews trumpeting the alleged scandal.

But five independent inquiries have since exonerated the researchers, and

nothing was found in their e-mails or data to discredit the scientific consensus

on global warming.

Nevertheless, the controversy succeeded in spreading skepticism about climate

change. Even though the National Oceanic and Atmospheric Administration recently

issued a report concluding that the evidence for global warming is unequivocal,

more Americans are convinced than at any time since 1997 that scientists have

exaggerated the seriousness of global warming. The Kochs promote this statistic

on their company's Web site but do not mention the role that their funding has played in fostering such doubt.

In a 2002 memo, the Republican political consultant Frank Luntz wrote that so long as "voters believe there is no consensus about global warming within the scientific community" the status quo would prevail. The key for opponents of environmental reform, he said, was to question the science—a public-relations strategy that the tobacco industry used effectively for years to forestall regulation. The Kochs have funded many sources of environmental skepticism, such as the Heritage Foundation, which has argued that "scientific facts gathered in the past 10 years do not support the notion of catastrophic human-made warming."

The brothers have given money to more obscure groups, too, such as the Independent Women's Forum, which opposes the presentation of global warming as a scientific fact in American public schools. Until 2008, the group was run by Nancy Pfothauer, a former lobbyist for Koch Industries. Mary Beth Jarvis, a vice-president of a Koch subsidiary, is on the group's board.

Naomi Oreskes, a professor of history and science studies at the University of

chronicles various attempts by American industry to manipulate public opinion on

science. She noted that the Kochs, as the heads of “a company with refineries

and pipelines,” have “a lot at stake.” She added, “If the answer is to phase out

fossil fuels, a different group of people are going to be making money, so we

shouldn't be surprised that they're fighting tooth and nail.”

David Koch told New York that he was unconvinced that global warming has been

caused by human activity. Even if it has been, he said, the heating of the

planet will be beneficial, resulting in longer growing seasons in the Northern

Hemisphere. “The Earth will be able to support enormously more people because

far greater land area will be available to produce food,” he said.

In the mid-eighties, the Kochs provided millions of dollars to George Mason

University, in Arlington, Virginia, to set up another think tank. Now known as

the Mercatus Center, it promotes itself as “the world's premier university

source for market-oriented ideas—bridging the gap between academic ideas and

real-world problems.” Financial records show that the Koch family foundations

have contributed more than thirty million dollars to George Mason, much of which



deregulation policy in Washington,” Rob Stein, the Democratic strategist, said.

It is an unusual arrangement. “George Mason is a public university, and receives

public funds,” Stein noted. “Virginia is hosting an institution that the Kochs

practically control.”

The founder of the Mercatus Center is Richard Fink, formerly an economist. Fink

heads Koch Industries’ lobbying operation in Washington. In addition, he is the

president of the Charles G. Koch Charitable Foundation, the president of the

Claude R. Lambe Charitable Foundation, a director of the Fred C. and Mary R.

Koch Foundation, and a director and co-founder, with David Koch, of the

Americans for Prosperity Foundation.

Fink, with his many titles, has become the central nervous system of the

Kochtopus. He appears to have supplanted Ed Crane, the head of the Cato

Institute, as the brothers’ main political lieutenant. Though David remains on

the board at Cato, Charles Koch has fallen out with Crane. Associates suggested

to me that Crane had been insufficiently respectful of Charles’s management

philosophy, which he distilled into a book called “The Science of Success,” and

Charles recommends instilling a company's corporate culture with the competitiveness of the marketplace. Koch describes M.B.M. as a "holistic system" containing "five dimensions: vision, virtue and talents, knowledge processes, decision rights and incentives." A top Cato Institute official told me that Charles "thinks he's a genius. He's the emperor, and he's convinced he's wearing clothes." Fink, by contrast, has been far more embracing of Charles's ideas.

(Fink, like the Kochs, declined to be interviewed.)

At a 1995 conference for philanthropists, Fink adopted the language of economics when speaking about the Mercatus Center's purpose. He said that grant-makers should use think tanks and political-action groups to convert intellectual raw materials into policy "products."

The Wall Street Journal has called the Mercatus Center "the most important think tank you've never heard of," and noted that fourteen of the twenty-three regulations that President George W. Bush placed on a "hit list" had been suggested first by Mercatus scholars. Fink told the paper that the Kochs have "other means of fighting [their] battles," and that the Mercatus Center does not

actively promote the company's private interests. But Thomas McGarity, a law

professor at the University of Texas, who specializes in environmental issues,

told me that "Koch has been constantly in trouble with the E.P.A., and Mercatus

has constantly hammered on the agency." An environmental lawyer who has clashed

with the Mercatus Center called it "a means of laundering economic aims." The

lawyer explained the strategy: "You take corporate money and give it to a

neutral-sounding think tank," which "hires people with pedigrees and academic

degrees who put out credible-seeming studies. But they all coincide perfectly

with the economic interests of their funders."

In 1997, for instance, the E.P.A. moved to reduce surface ozone, a form of

pollution caused, in part, by emissions from oil refineries. Susan Dudley, an

economist who became a top official at the Mercatus Center, criticized the

proposed rule. The E.P.A., she argued, had not taken into account that smog-free

skies would result in more cases of skin cancer. She projected that if pollution

were controlled it would cause up to eleven thousand additional cases of skin

cancer each year.

In 1999, the District of Columbia Circuit Court took up Dudley's smog argument.

disregarded" the "possible health benefits of ozone." In another part of the opinion, the court ruled, 2-1, that the E.P.A. had overstepped its authority in calibrating standards for ozone emissions. As the Constitutional Accountability Center, a think tank, revealed, the judges in the majority had previously attended legal junkets, on a Montana ranch, that were arranged by the Foundation for Research on Economics and the Environment—a group funded by Koch family foundations. The judges have claimed that the ruling was unaffected by their attendance.

ideas don't happen on their own," Matt Kibbe, the president of FreedomWorks, a Tea Party advocacy group, told me. "Throughout history, ideas need patrons." The Koch brothers, after helping to create Cato and Mercatus, concluded that think tanks alone were not enough to effect change. They needed a mechanism to deliver those ideas to the street, and to attract the public's support. In 1984, David Koch and Richard Fink created yet another organization, and Kibbe joined them.

The group, Citizens for a Sound Economy, seemed like a grassroots movement, but according to the Center for Public Integrity it was sponsored principally by the

“was to take these heavy ideas and translate them for mass America. . . . We

read the same literature Obama did about nonviolent revolutions—Saul Alinsky,

Gandhi, Martin Luther King. We studied the idea of the Boston Tea Party as an

example of nonviolent social change. We learned we needed boots on the ground to

sell ideas, not candidates.” Within a few years, the group had mobilized fifty

paid field workers, in twenty-six states, to rally voters behind the Kochs’

agenda. David and Charles, according to one participant, were “very controlling,

very top down. You can’t build an organization with them. They run it.”

Around this time, the brothers faced a political crisis. In 1989, the Senate

Select Committee on Indian Affairs investigated their business and released a

scathing report accusing Koch Oil of “a widespread and sophisticated scheme to

steal crude oil from Indians and others through fraudulent mismeasuring.” The

Kochs admitted that they had improperly taken thirty-one million dollars’ worth

of crude oil, but said that it had been accidental. Charles Koch told committee

investigators that oil measurement is “a very uncertain art.”

To defend its reputation, Koch Industries hired Robert Strauss, then a premier

was convened to investigate the allegations, but it eventually disbanded,

without issuing criminal charges. According to the Senate report, after the

committee hearings Koch operatives delved into the personal lives of committee

staffers, even questioning an ex-wife. Senate investigators were upset by the

Kochs' tactics. Kenneth Ballen, the counsel to the Senate committee, said,

"These people have amassed such unaccountable power!"

By 1993, when Bill Clinton became President, Citizens for a Sound Economy had

become a prototype for the kind of corporate-backed opposition campaigns that

have proliferated during the Obama era. The group waged a successful assault on

Clinton's proposed B.T.U. tax on energy, for instance, running advertisements,

staging media events, and targeting opponents. And it mobilized anti-tax rallies

outside the Capitol—rallies that NPR described as "designed to strike fear into

the hearts of wavering Democrats." Dan Glickman, a former Democratic congressman

from Wichita, who supported the B.T.U. tax, recalled, "I'd been in Congress

eighteen years. The Kochs actually engaged against me and funded my opponent.

They used a lot of resources and effort—their employees, too." Glickman suffered

a surprise defeat. "I can't prove it, but I think I was probably their victim,

he said.

The Kochs continued to disperse their money, creating slippery organizations with generic-sounding names, and this made it difficult to ascertain the extent of their influence in Washington. In 1990, Citizens for a Sound Economy created a spinoff group, Citizens for the Environment, which called acid rain and other environmental problems "myths." When the Pittsburgh Post-Gazette investigated the matter, it discovered that the spinoff group had "no citizen membership of its own."

In 1997, another Senate investigation began looking into what a minority report called "an audacious plan to pour millions of dollars in contributions into Republican campaigns nationwide without disclosing the amount or source," in order to evade campaign-finance laws. A shell corporation, Triad Management, had paid more than three million dollars for attack ads in twenty-six House races and three Senate races. More than half of the advertising money came from an obscure nonprofit group, the Economic Education Trust. The Senate committee's minority report suggested that "the trust was financed in whole or in part by

having secretly paid for the attack ads, most of which aired in states where

Koch Industries did business. In Kansas, where Triad Management was especially

active, the funds may have played a decisive role in four of six federal races.

The Kochs, when asked by reporters if they had given the money, refused to

comment. In 1998, however, the Wall Street Journal confirmed that a consultant

on the Kochs' payroll had been involved in the scheme. Charles Lewis, of the

Center for Public Integrity, described the scandal as "historic. Triad was the

first time a major corporation used a cutout"—a front operation—"in a

threatening way. Koch Industries was the poster child of a company run amok."

uring the Clinton Administration, the energy industry faced increased scrutiny

and regulation. In the mid-nineties, the Justice Department filed two lawsuits

against Koch Industries, claiming that it was responsible for more than three

hundred oil spills, which had released an estimated three million gallons of oil

into lakes and rivers. The penalty was potentially as high as two hundred and

fourteen million dollars. In a settlement, Koch Industries paid a record

thirty-million-dollar civil fine, and agreed to spend five million dollars on



environmental projects.

In 1999, a jury found Koch Industries guilty of negligence and malice in the deaths of two Texas teen-agers in an explosion that resulted from a leaky underground butane pipeline. (In 2001, the company paid an undisclosed settlement.) And in the final months of the Clinton Presidency the Justice Department levelled a ninety-seven-count indictment against the company, for covering up the discharge of ninety-one tons of benzene, a carcinogen, from its refinery in Corpus Christi, Texas. The company was liable for three hundred and fifty million dollars in fines, and four Koch employees faced up to thirty-five years in prison. The Koch Petroleum Group eventually pleaded guilty to one criminal charge of covering up environmental violations, including the falsification of documents, and paid a twenty-million-dollar fine. David Uhlmann, a career prosecutor who, at the time, headed the environmental-crimes section at the Justice Department, described the suit as "one of the most significant cases ever brought under the Clean Air Act." He added, "Environmental crimes are almost always motivated by economics and arrogance, and in the Koch case there was a healthy dose of both."

During the 2000 election campaign, Koch Industries spent some time raising

thousand dollars to support the candidacies of George W. Bush and other

Republicans. During the Bush years, Koch Industries and other fossil-fuel

companies enjoyed remarkable prosperity. The 2005 energy bill, which Hillary

Clinton dubbed the Dick Cheney Lobbyist Energy Bill, offered enormous subsidies

and tax breaks for energy companies. The Kochs have cast themselves as deficit

hawks, but, according to a study by Media Matters, their companies have

benefitted from nearly a hundred million dollars in government contracts since

2000.

In 2004, Citizens for a Sound Economy was accused of illegitimately throwing its

weight behind Bush's reelection. The group's Oregon branch had attempted to get

Ralph Nader on the Presidential ballot, in order to dilute Democratic support

for John Kerry. Critics argued that it was illegal for a tax-exempt nonprofit

organization to donate its services for partisan political purposes. (A

complaint was filed with the Federal Election Commission; it was dismissed.)

That year, internal rivalries at Citizens for a Sound Economy caused the

organization to split apart. David Koch and Fink started a new group, Americans

veteran who had worked with Ralph Reed, the evangelical leader and Republican

activist, co-founding Century Strategies, a campaign consulting company that

became notorious for its ties to the disgraced lobbyist Jack Abramoff.

Phillips's online biography describes him as an expert in "grassroots" and

"grassroots" political organizing. The Kochs' choice of Phillips signalled an

even greater toughness. The conservative operative Grover Norquist, who is known

for praising "throat slitters" in politics, called Phillips "a grownup who can

make things happen."

Last year, Phillips told the Financial Times that Americans for Prosperity had

only eight thousand registered members. Currently, its Web site claims that the

group has "1.2 million activists." Whatever its size, the Kochs' political

involvement has been intense; a former employee of the Cato Institute told me

that Americans for Prosperity "was micromanaged by the Kochs." And the brothers'

investment may well have paid off: Americans for Prosperity, in concert with the

family's other organizations, has been instrumental in disrupting the Obama

Presidency.

In January, 2008, Charles Koch wrote in his company newsletter that America

could be on the verge of “the greatest loss of liberty and prosperity since the

1930s.” That October, Americans for Prosperity held a conference of conservative

operatives at a Marriott hotel outside Washington. Erick Erickson, the

editor-in-chief of the conservative blog RedState.com, took the lectern, thanked

David Koch, and vowed to “unite and fight . . . the armies of the left!” Soon

after Obama assumed office, Americans for Prosperity launched “Porkulus” rallies

against Obama’s stimulus-spending measures. Then the Mercatus Center released a

report claiming that stimulus funds had been directed disproportionately toward

Democratic districts; eventually, the author was forced to correct the report,

but not before Rush Limbaugh, citing the paper, had labelled Obama’s program “a

slush fund,” and Fox News and other conservative outlets had echoed the

sentiment. (Phil Kerpen, the vice-president for policy at Americans for

Prosperity, is a contributor to the Fox News Web site. Another officer at

Americans for Prosperity, Walter Williams, often guest-hosts for Limbaugh.)

Americans for Prosperity also created an offshoot, Patients United Now, which

organized what Phillips has estimated to be more than three hundred rallies

was hung; at another, protesters unfurled a banner depicting corpses from

Dachau. The group also helped organize the "Kill the Bill" protests outside the

Capitol, in March, where Democratic supporters of health-care reform alleged

that they were spat on and cursed at. Phillips was a featured speaker.

Americans for Prosperity has held at least eighty events targeting cap-and-trade

legislation, which is aimed at making industries pay for the air pollution that

they create. Speakers for the group claimed, with exaggeration, that even

back-yard barbecues and kitchen stoves would be taxed. The group was also

involved in the attacks on Obama's "green jobs" czar, Van Jones, and waged a

crusade against international climate talks. Casting his group as a champion of

ordinary workers who would be hurt by environmentalists, Phillips went to

Copenhagen last year and staged a protest outside the United Nations conference

on climate change, declaring, "We're a grassroots organization. . . . I think

it's unfortunate when wealthy children of wealthy families . . . want to send

unemployment rates in the United States up to twenty per cent."

Grover Norquist, who holds a weekly meeting for conservative leaders in

that last summer's raucous rallies were pivotal in undermining Obama's agenda.

The Republican leadership in Congress, he said, "couldn't have done it without

August, when people went out on the streets. It discouraged deal-makers"—Republicans

who might otherwise have worked constructively with Obama. Moreover, the

appearance of growing public opposition to Obama affected corporate donors on K

Street. "K Street is a three-billion-dollar weathervane," Norquist said. "When

Obama was strong, the Chamber of Commerce said, "We can work with the Obama

Administration.' But that changed when thousands of people went into the street

and 'terrorized' congressmen. August is what changed it. Now that Obama is weak,

people are getting tough."

As the first anniversary of Obama's election approached, David Koch came to the

Washington area to attend a triumphant Americans for Prosperity gathering.

Obama's poll numbers were falling fast. Not a single Republican senator was

working with the Administration on health care, or much else. Pundits were

writing about Obama's political ineptitude, and Tea Party groups were accusing

the President of initiating "a government takeover." In a speech, Koch said,

"Days like today bring to reality the vision of our board of directors when we

started this organization, five years ago." He went on, "We envisioned a mass

movement, a state-based one, but national in scope, of hundreds of thousands of

American citizens from all walks of life standing up and fighting for the

economic freedoms that made our nation the most prosperous society in history. .

. . Thankfully, the stirrings from California to Virginia, and from Texas to

Michigan, show that more and more of our fellow-citizens are beginning to see

the same truths as we do."

While Koch didn't explicitly embrace the Tea Party movement that day, more

recently he has come close to doing so, praising it for demonstrating the

"powerful visceral hostility in the body politic against the massive increase in

government power, the massive efforts to socialize this country." Charles Koch,

in a newsletter sent to his seventy thousand employees, compared the Obama

Administration to the regime of the Venezuelan strongman Hugo Chávez. The Kochs'

sense of imperilment is somewhat puzzling. Income inequality in America is

greater than it has been since the nineteen-twenties, and since the seventies

the tax rates of the wealthiest have fallen more than those of the middle class.

Yet the brothers' message has evidently resonated with voters, a recent poll

found that fifty-five per cent of Americans agreed that Obama is a socialist.

Americans for Prosperity, meanwhile, has announced that it will spend an

additional forty-five million dollars before the midterm elections, in November.

Although the group is legally prohibited from directly endorsing candidates, it

nonetheless plans to target some fifty House races and half a dozen Senate

races, staging rallies, organizing door-to-door canvassing, and running ads

aimed at "educating voters about where candidates stand."

Though the Kochs have slowed Obama's momentum, their larger political battle is

far from won. Richard Fink, interviewed by FrumForum.com this spring, said, "If

you look at where we've gone from the year 2000 to now, with the expansion of

government spending and a debt burden that threatens to bankrupt the country, it

doesn't look very good at all." He went on, "It looks like the infrastructure

that was built and nurtured has not carried the day." He suggested that the

Kochs needed "to get more into the practical, day-to-day issues of governing."

In 1991, David Koch was badly injured in a plane crash in Los Angeles. He was the

sole passenger in first class to survive. As he was recovering, a routine



physical exam led to the discovery of prostate cancer. Koch received treatment,

settled down, started a family, and reconsidered his life. As he told Portfolio,

“When you’re the only one who survived in the front of the plane and everyone

else died—yeah, you think, ‘My God, the good Lord spared me for some greater

purpose.’ My joke is that I’ve been busy ever since, doing all the good work I

can think of, so He can have confidence in me.”

Koch began giving spectacularly large donations to the arts and sciences. And he

became a patron of cancer research, focussing on prostate cancer. In addition to

his gifts to Sloan-Kettering, he gave fifteen million dollars to New

York-Presbyterian Hospital, a hundred and twenty-five million to M.I.T. for

cancer research, twenty million to Johns Hopkins University, and twenty-five

million to the M. D. Anderson Cancer Center, in Houston. In response to his

generosity, Sloan-Kettering gave Koch its Excellence in Corporate Leadership

Award. In 2004, President Bush named him to the National Cancer Advisory Board,

which guides the National Cancer Institute.

Koch’s corporate and political roles, however, may pose conflicts of interest.

For example, at the same time that David Koch has been casting himself as a

champion in the fight against cancer, Koch Industries has been lobbying to

prevent the E.P.A. from classifying formaldehyde, which the company produces in

great quantities, as a "known carcinogen" in humans.

Scientists have long known that formaldehyde causes cancer in rats, and several

major scientific studies have concluded that formaldehyde causes cancer in human

beings—including one published last year by the National Cancer Institute, on

whose advisory board Koch sits. The study tracked twenty-five thousand patients

for an average of forty years; subjects exposed to higher amounts of

formaldehyde had significantly higher rates of leukemia. These results helped

lead an expert panel within the National Institutes of Health to conclude that

formaldehyde should be categorized as a known carcinogen, and be strictly

controlled by the government. Corporations have resisted regulations on

formaldehyde for decades, however, and Koch Industries has been a large funder

of members of Congress who have stymied the E.P.A., requiring it to defer new

regulations until more studies are completed.

Koch Industries became a major producer of the chemical in 2005, after it bought

Georgia-Pacific, the paper and wood-products company, for twenty-one billion

dollars. Georgia-Pacific manufactures formaldehyde in its chemical division, and

uses it to produce various wood products, such as plywood and laminates. Its

annual production capacity for formaldehyde is 2.2 billion pounds. Last

December, Traylor Champion, Georgia-Pacific's vice-president of environmental

affairs, sent a formal letter of protest to federal health authorities. He wrote

that the company "strongly disagrees" with the N.I.H. panel's conclusion that

formaldehyde should be treated as a known human carcinogen. David Koch did not

recuse himself from the National Cancer Advisory Board, or divest himself of

company stock, while his company was directly lobbying the government to keep

formaldehyde on the market. (A board spokesperson said that the issue of

formaldehyde had not come up.)

James Huff, an associate director at the National Institute for Environmental

Health Sciences, a division of the N.I.H., told me that it was "disgusting" for

Koch to be serving on the National Cancer Advisory Board: "It's just not good

for public health. Vested interests should not be on the board." He went on,

"Those boards are very important. They're very influential as to whether N.C.I.

goes into formaldehyde or not. Billions of dollars are involved in

formaldehyde.”

Harold Varmus, the director of the National Cancer Institute, knows David Koch

from Memorial Sloan-Kettering, which he used to run. He said that, at

Sloan-Kettering, “a lot of people who gave to us had large business interests.

The one thing we wouldn’t tolerate in our board members is tobacco.” When told

of Koch Industries’ stance on formaldehyde, Varmus said that he was “surprised.”

he David H. Koch Hall of Human Origins, at the Smithsonian’s National Museum of

Natural History, is a multimedia exploration of the theory that mankind evolved

in response to climate change. At the main entrance, viewers are confronted with

a giant graph charting the Earth’s temperature over the past ten million years,

which notes that it is far cooler now than it was ten thousand years ago.

Overhead, the text reads, “HUMANS EVOLVED IN RESPONSE TO A CHANGING WORLD.” The

message, as amplified by the exhibit’s Web site, is that “key human adaptations

evolved in response to environmental instability.” Only at the end of the

exhibit, under the headline “OUR SURVIVAL CHALLENGE,” is it noted that levels of

carbon dioxide are higher now than they have ever been, and that they are

projected to increase dramatically in the next century. No cause is given for

this development; no mention is made of any possible role played by fossil

fuels. The exhibit makes it seem part of a natural continuum. The accompanying

text says, "During the period in which humans evolved, Earth's temperature and

the amount of carbon dioxide in the atmosphere fluctuated together." An

interactive game in the exhibit suggests that humans will continue to adapt to

climate change in the future. People may build "underground cities," developing

"short, compact bodies" or "curved spines," so that "moving around in tight

spaces will be no problem."

Such ideas uncannily echo the Koch message. The company's January newsletter to

employees, for instance, argues that "fluctuations in the earth's climate

predate humanity," and concludes, "Since we can't control Mother Nature, let's

figure out how to get along with her changes." Joseph Romm, a physicist who runs

the Web site [ClimateProgress.org](http://ClimateProgress.org), is infuriated by the Smithsonian's

presentation. "The whole exhibit whitewashes the modern climate issue," he said.

"I think the Kochs wanted to be seen as some sort of high-minded company,

associated with the greatest natural-history and science museum in the country.

But the truth is, the exhibit is underwritten by big-time polluters, who are

underground funders of action to stop efforts to deal with this threat to

humanity. I think the Smithsonian should have drawn the line.”

Cristián Samper, the museum’s director, said that the exhibit is not about

climate change, and described Koch as “one of the best donors we’ve had, in my

tenure here, because he’s very interested in the content, but completely hands

off.” He noted, “I don’t know all the details of his involvement in other

issues.”

The Kochs have long depended on the public’s not knowing all the details about

them. They have been content to operate what David Koch has called “the largest

company that you’ve never heard of.” But with the growing prominence of the Tea

Party, and with increased awareness of the Kochs’ ties to the movement, the

brothers may find it harder to deflect scrutiny. Recently, President Obama took

aim at the Kochs’ political network. Speaking at a Democratic National Committee

fund-raiser, in Austin, he warned supporters that the Supreme Court’s recent

ruling in the Citizens United case—which struck down laws prohibiting direct

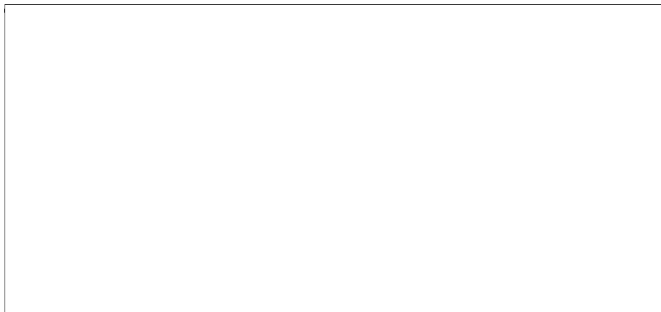
corporate spending on campaigns—had made it even easier for big companies to

hide behind “groups with harmless-sounding names like Americans for Prosperity.”

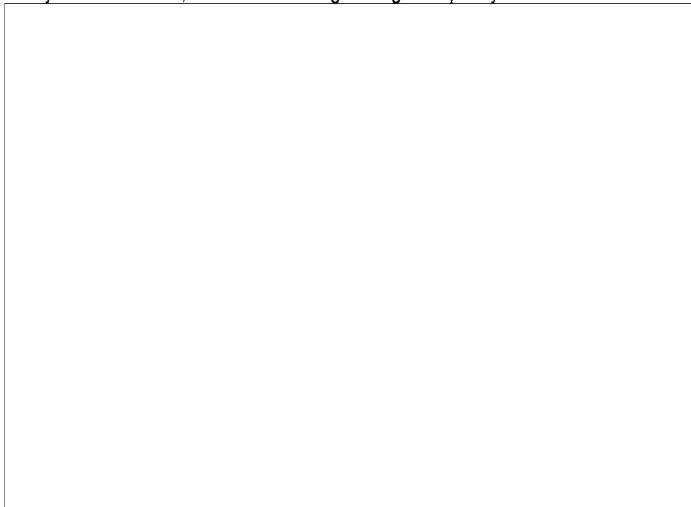
You don't know if it's a foreign-controlled corporation"—or even, he added, "a

big oil company." ♦

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**Message Headers:**



From: Justin Cooper [redacted]  
CC: Huma Abedin <Huma@clintonemail.com>  
Date: Mon, 23 Aug 2010 12:11:33 -0400  
Subject: Fw: H: Yes, there is a vast right wing conspiracy. Sid



PR\_RIM\_PAGER\_TX\_FLAG: true

PR\_RIM\_MSG\_REF\_ID: 1893989047

PR\_RIM\_MSG\_FOLDER\_ID: -3

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VICE:

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