

# THE KOCH GOVERNMENT



## HOW THE KOCH BROTHERS' AGENDA HAS INFILTRATED THE TRUMP ADMINISTRATION

November 30, 2017



## **Acknowledgments**

This report was written Alan Zibel, Research Director for Public Citizen's Corporate Presidency Project, with contributions from Mary Bottari of the Center for Media and Democracy, Scott Peterson of the Checks and Balances Project, Rick Claypool, research director for Public Citizen's president's office and Tyson Slocum, director of Public Citizen's energy program. It was edited by Claypool and Public Citizen President Robert Weissman. Photo illustration by Zach Stone using caricatures by DonkeyHotey.

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**Donald J. Trump** ✓  
@realDonaldTrump

Following

I really like the Koch Brothers (members of my P.B. Club), but I don't want their money or anything else from them. Cannot influence Trump!

8:00 PM - 29 Jul 2015 from [Manhattan, NY](#)

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362 1.7K 3.3K

## EXECUTIVE SUMMARY

Donald Trump and the Koch brothers had a rocky relationship during the 2016 presidential campaign, despite the Kochs' status as Republican mega-donors and kingmakers. Now, as the one-year anniversary of Trump's inauguration approaches, political operatives and policy experts who have worked at numerous Koch-funded organizations have fanned out through the Trump Administration, taking jobs influencing education, energy, the environment, health care and taxes — all in service of a hard-right anti-government agenda.

A Public Citizen review of the Koch brothers' connections to the Trump administration and their policy agenda in Washington, D.C. finds:

- 44 Trump administration officials have close ties to the Koch brothers and their political groups, particularly Vice President Mike Pence, White House Legislative Affairs Director Marc Short, EPA Administrator Scott Pruitt and White House budget director Mick Mulvaney.
- The bulk of Koch allies are in the White House, with 21 officials working there or nominated for White House jobs.
- Koch allies are also staffing jobs at the Environmental Protection Agency, Interior Department, Energy Department and the Treasury Department. The positions they are advocating overlap with the Kochs' economic interests, in weakening regulatory enforcement, lowering corporate taxes, loosening environmental regulations and opening up public land to oil and gas extraction.
- The Kochs have already achieved the majority of goals contained in "Roadmap to Repeal" — a policy document<sup>1</sup> published in January 2017 by Freedom Partners, a Koch group.

## METHODOLOGY

Public Citizen's analysis includes officials who have worked at Koch-created groups such as Americans for Prosperity, Freedom Partners, Libre Initiative, Concerned Veterans for America, and Generation Opportunity. It includes lawyers and lobbyists who have represented Koch businesses or political groups. It also includes individuals who worked at think tanks and advocacy groups and academic centers with Koch funding and close Koch ties, such as the American Legislative Exchange Council, Independent Women's Forum, Americans for Tax Reform, Cato Institute, George Mason University's Mercatus Center, and state-level think tanks such as the Texas Public Policy Foundation, and politicians heavily funded by the Koch network. It excludes officials who have worked at the American Enterprise Institute, Heritage Foundation and U.S. Chamber of Commerce, all of which have received significant Koch funding but are not as intimately tied to the Kochs and their political agenda.

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<sup>1</sup> FREEDOM PARTNERS, *A ROADMAP TO REPEAL: REMOVING REGULATORY BARRIERS TO OPPORTUNITY*, (January 2017). <http://bit.ly/2z8exUW>.

## INTRODUCTION: FROM SUSPECT PUPPET-MASTERS TO TRUSTED PARTNERS

The billionaire Koch brothers control Koch Industries, the second-largest private company in America. They have built a sprawling political empire dedicated to the promotion of their extreme anti-government philosophy. Charles Koch, chairman and CEO of Koch Industries, is based in Wichita, Kan. David Koch, from New York City, is the company's executive vice president and a board member. They are the company's main shareholders, controlling a vast corporate empire that includes paper products, carpets, and oil refineries, among other activities.<sup>2</sup>

With hundreds of millions in donations, the Kochs have transformed Republican politics. *Politico* wrote in 2015 that the Koch political machine "has exploded in size and influence in the past few elections and now eclipses the official GOP in key areas."<sup>3</sup> The political groups created by the Kochs, nicknamed the Kochtopus, have spent several decades pulling the party toward an extreme anti-government, corporate libertarian agenda.<sup>4</sup> Political groups financed by the Kochs and other ultra-rich donors<sup>5</sup> advocate against taxes, regulations and social services at the federal, state and local level.

The influence of these two extremely wealthy individuals on the American political system has mushroomed since the U.S. Supreme Court's 2010 ruling in *Citizens United v. Federal Election Commission*. This decision permitted unlimited corporate political spending and resulted in unprecedented amount of money flooding into U.S. elections. Through infusions of dark money, Koch-funded groups are able to influence elections and ballot initiatives without telling the public who is funding their efforts. Americans for Prosperity, the Kochs' lead political advocacy group, coordinates national campaigns, has 36 state chapters,<sup>6</sup> and has even started a "grassroots" training program.<sup>7</sup> Freedom Partners is the largest grant-maker among Koch organizations, reporting nearly \$450 million in awards since 2011, according to a federal tax returns.<sup>8</sup> "We want to grow this into a movement of millions," Mark Holden, general counsel of Koch Industries and chairman of the board of Freedom Partners, the Koch network's funding arm, told the *Washington Post* in 2016.<sup>9</sup>

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<sup>2</sup> Jane Mayer, *Covert Operations*, THE NEW YORKER (August 30, 2010) <http://bit.ly/2j1mW1B>.

<sup>3</sup> Kenneth P. Vogel, *How the Koch Network Rivals the GOP*, POLITICO (Dec. 30, 2015) <http://politi.co/2j0i0K9>.

<sup>4</sup> Daniel Schulman, *The Making of the Kochtopus*, MOTHER JONES (Nov. 3, 2014) <http://bit.ly/2Bmhe1A>

<sup>5</sup> Daniel Schulman and Andy Kroll, *The Koch Brothers Left a Confidential Document at Their Donor Conference*, MOTHER JONES (Feb. 5, 2014) <http://bit.ly/2jft80X>.

<sup>6</sup> Press Release, Americans for Prosperity, *AFP Praises Bold Plan to Unrig the Economy* (Sept. 27, 2017) <http://bit.ly/2yCkd59>.

<sup>7</sup> Mary Bottari and David Armiak, *Kochs' Grassroots Leadership Academy Training Astro turf Army*, CENTER FOR MEDIA AND DEMOCRACY (May 16, 2016) <http://bit.ly/2jxtV64>.

<sup>8</sup> Public Citizen calculated this total based on line 13 of IRS Form 990s for Freedom Partners Chamber of Commerce Inc. Forms accessed at: <http://bit.ly/2A6H0wx>.

<sup>9</sup> Matea Gold, *In Major Shift, Koch Consolidates Network of Advocacy Groups Into Americans for Prosperity*, WASHINGTON POST (Sept. 16, 2016) <http://wapo.st/2iGx8Mw>

For the 2018 election cycle, the Kochs have said they aim to spend between \$300 million to \$400 million, spreading out their money among groups including Americans for Prosperity, Freedom Partners Action Fund, Concerned Veterans for America, the Libre Initiative and Generation Opportunity.<sup>10</sup> Seventeen groups connected to the Kochs raised more than \$400 million during the 2012 election cycle alone, mainly to target former President Barack Obama and congressional Democrats, *The Washington Post* and Center for Responsive Politics calculated.<sup>11</sup> The Checks and Balances Project calculated that Koch foundations and the Koch nonprofit network donated \$192 million to 72 groups associated with climate change denial and opposition to clean energy solutions from 1997-2013.<sup>12</sup> On its own, Koch Industries has made nearly \$41 million in political contributions since 1990 and spent nearly \$127 million on lobbying since 1998, according to the Center for Responsive Politics.<sup>13</sup>

### The Kochs' Conflict with Trump

During the presidential campaign, Donald Trump's policy proposals sometimes contradicted the Kochs. Trump pledged several times to avoid cuts to Social Security and Medicare<sup>14</sup>, a challenge to the Koch goal of massive cuts to government services and spending. Trump bashed Wall Street and major donors like the Kochs, even mocking rival candidates who took the Koch brothers' money by calling them "puppets."

The Kochs' disputes with Trump were centered on Trump's opposition to trade deals as well his criticisms of U.S. immigration policy. Asked in July 2016 which candidate he would support, Charles Koch said: "If I had to vote for cancer or heart attack, why would I vote for either?"<sup>15</sup> In August 2016, as the election neared, some Koch network donors unsuccessfully pushed the Kochs to back Trump's candidacy.

Trump's donors even tried to set up a meeting between Charles Koch and Trump to bridge this dispute. They were rejected by Koch aides,<sup>16</sup> leading Trump to claim on Twitter that he had declined the Kochs' invitation for a meeting. However, Koch insiders told *Reuters* an invitation to Trump "was never extended."<sup>17</sup>

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<sup>10</sup> James Hohmann and Matea Gold, *Koch Network to Spend \$300 Million to \$400 Million on Politics, Policy in 2018 Cycle* WASHINGTON POST (Jan. 28, 2017) <http://wapo.st/2j2lT1i>.

<sup>11</sup> Matea Gold, *Koch-Backed Political Network, Built to Shield Donors, Raised \$400 Million in 2012 Elections*, WASHINGTON POST (January 5, 2014) <http://wapo.st/2j38oyd>.

<sup>12</sup> Press Release, *Checks and Balances Project Documents Accelerated Attacks on Clean Energy by Koch Bros.* (October 2017) <http://bit.ly/2zWof9P>.

<sup>13</sup> Center for Responsive Politics data accessed 11/1/2017 <http://bit.ly/2jwstRu>.

<sup>14</sup> Philip Bump, *Another Core Trump Campaign Promise Falls by the Wayside*, WASHINGTON POST (May 22, 2017) <http://wapo.st/2iFt13g>.

<sup>15</sup> Transcript of Interview with Charles Koch, *FORTUNE* (JULY 12, 2016) <http://for.tn/2gXp8X4>

<sup>16</sup> Kenneth P. Vogel, *Kochs Reject Push To Meet With Trump* POLITICO (July 29, 2016) <http://politi.co/2iZtCgk>.

<sup>17</sup> Michelle Conlin, *Powerful Koch Brothers Rebuff Big Donors' Calls to Back Trump for White House*, REUTERS, (Aug. 1, 2016) <http://reut.rs/2z8nVrH>.



Though the Koch brothers and their donors certainly would have preferred another Republican president, the lack of policy expertise in Trump circles presented an opportunity. Trump's need to fill out his administration with staffers matched the Kochs longstanding push to lower taxes for the rich and undermine regulations. A Koch donor was candid in a post-election interview with *Politico*:

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*"In creating the Koch network, I don't think that we ever envisioned that we would be supplying staffers to this semi-free market, semi-populist president. But we're happy that he's picking people who have that free market background, particularly because **on many issues, [Trump] is a blank slate, so anybody with expertise is in an amazing position to shape his agenda.**" - Koch network donor Frayda Levin.<sup>18</sup>*

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After the inauguration, Lisa Nelson, chief executive of the American Legislative Exchange Council, a Koch-tied group of state lawmakers funded by corporate foundations, big companies and trade associations,<sup>19</sup> wrote to her members: "This administration does have the potential to be an ALEC administration...It is full of the people and ideas we've advanced since 1973."<sup>20</sup>

At the White House, Vice President Mike Pence appears to have helped bridge the divide between the Trump and Koch camps. Pence is a longtime Koch ally<sup>21</sup> who received \$300,000 in campaign donations from David Koch.<sup>22</sup> In the words of *Time Magazine*: "The mind meld between the Koch

<sup>18</sup> Kenneth P. Vogel and Eliana Johnson, *Trump's Koch Administration*, POLITICO (Nov. 28, 2016) <http://politi.co/2mflF17>.

<sup>19</sup> CENTER FOR MEDIA AND DEMOCRACY: A CMD SPECIAL REPORT ON ALEC'S FUNDING AND SPENDING (July 13, 2011) <http://bit.ly/2zZ9X8B>.

<sup>20</sup> Lee Fang and Nick Surgey, *This Group Helps Lobbyists Influence Public Officials. The Trump Hotel is Hosting its 2018 Gala*, THE INTERCEPT, (Oct 11, 2017) <http://bit.ly/2j2R3Wc>.

<sup>21</sup> Kenneth P. Vogel and Maggie Haberman, *Mike Pence's Koch Advantage*, POLITICO (Aug. 28, 2014) <http://politi.co/2zO6byK>.

<sup>22</sup> Data accessed Nov 20 at NATIONAL INSTITUTE ON MONEY IN STATE POLITICS, FOLLOWTHEMONEY.ORG <http://bit.ly/2ioosuQ>.

world and Pence's office is strong."<sup>23</sup> The White House's legislative director, Marc Short, is a former Pence chief of staff<sup>24</sup> who worked at Koch Industries as vice president of special projects<sup>25</sup> and was president of Freedom Partners. "The Kochs were very excited about the Vice-Presidential pick," Short told the *New Yorker*.<sup>26</sup> "There are areas where they differ from the Administration, but now there are many areas they're partnering with us on." Pence appeared at an October Koch event in New York to pitch the Trump administration's tax-cut plan, which would deliver massive benefits to the corporate class.<sup>27</sup>

Some tensions between the Koch and Trump camps still exist, particularly on the issue of immigration. *Breitbart News*, the extreme right-wing outlet led by former White House strategist Steve Bannon, has slammed Short as soft on immigration, saying that he has a history of "opposing the president and his agenda, as well as working alongside the Koch brothers, two pro-mass immigration billionaires who are major donors to the Republican establishment"<sup>28</sup>

## THE KOCH WHITE HOUSE

Wring for *The Intercept*, Lee Fang aptly described the close ties between the Kochs and the White House. "If the billionaire Koch brothers turn to the White House for favors, they will see many familiar faces,"<sup>29</sup> Fang wrote.

According to Public Citizen's count, 21 current or nominated White House officials have close ties to the Kochs. Besides Pence and Short, other prominent White House officials with Koch ties include presidential counselor Kellyanne Conway, who has consulted for Americans for Prosperity and Freedom Partners<sup>30</sup> as well as Neomi Rao, administrator of the Office of Information and Regulatory Affairs. Rao formerly was the founding director of the Center for the Study of the Administrative State at George Mason University's Antonin Scalia Law School, which benefited from \$10 million in funding from the Charles Koch foundation.<sup>31</sup> Mick Mulvaney, the White House budget director and former Congressman from South Carolina, received \$35,000 in campaign donations<sup>32</sup> from the Koch Industries political action committee as well as dark money from Koch-affiliated groups.<sup>33</sup> During

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<sup>23</sup> Philip Elliott, *Mike Pence Will Help the Koch Brothers Plot Their 2018 Strategy*, TIME (Sept. 29, 2017) <http://ti.me/2A00Ep0>

<sup>24</sup> Kenneth P. Vogel, *Pence 'Grateful' for David Koch*, AFP POLITICO (Aug 29, 2014) <http://politi.co/2z039dU>

<sup>25</sup> Federal Election Commission record accessed at <http://bit.ly/2zYQk0w>

<sup>26</sup> Jane Mayer, *The Danger of President Pence* THE NEW YORKER (Oct 30, 2017) <http://bit.ly/2z4ROHM>

<sup>27</sup> Alex Kotch, *The Koch Brothers Want a Tax Cut, Pence is Ready to Help*, INTERNATIONAL BUSINESS TIMES, (Oct. 18, 2017) <http://bit.ly/2A5sm6r>

<sup>28</sup> John Binder *Marc Short, Former Leader of Koch Never-Trump Effort, Now Pushing DACA Amnesty as White House Staffer* BREITBART NEWS (September 13, 2017) <http://bit.ly/2iHpotF>

<sup>29</sup> Lee Fang, *Koch Brothers' Operatives Fill Top White House Positions, Ethics Forms Reveal* THE INTERCEPT, (April 4, 2017) <http://bit.ly/2oxTjVU>

<sup>30</sup> See Conway's disclosure form at: <http://bit.ly/2AfbreV>

<sup>31</sup> Steve Eder, *Neomi Rao, the Scholar Who Will Lead Trump's Regulatory Overhaul* NEW YORK TIMES (July 9, 2017) <http://nyti.ms/2sWfbBC>

<sup>32</sup> CENTER FOR RESPONSIVE POLITICS DATA accessed Nov. 22, 2017 <http://bit.ly/2zYcHD7>

<sup>33</sup> Nick Lyell, *Freshman Rep. Mulvaney (R-SC) Won His Seat With Koch Industries Support, Now Offers Earmarks To His Benefactor*, REPUBLIC REPORT (July 2, 2012) <http://bit.ly/2zXSmxO>.



this time in Congress, Mulvaney he introduced legislation to suspend tariffs on two chemicals – a move that would benefit a Koch subsidiary, Invista, which makes fabrics and carpeting and has operations in South Carolina.<sup>34</sup> After joining the Trump administration, Mulvaney met with two Koch lobbyists in July 2017, according to calendars obtained by ProPublica.<sup>35</sup>

Yet another White House aide, Republican researcher Mike Roman<sup>36</sup>, formerly led a Koch research group in Virginia. According to a 2015 *Politico* report, this 25-person group tracked “canvassing, phone-banking and voter-registration efforts of labor unions, environmental groups and their allies” and used “high-tech tactics to track the movements of liberal organizers, including culling geo-data embedded in their social media posts.”<sup>37</sup>

The Kochs appear to have solidified their alliance with Trump at an April meeting at Trump’s Mar-A-Lago resort. The meeting was between Trump, David Koch, and a third brother, Bill Koch who supported Trump during the election, according to *Politico*.<sup>38</sup>

### The Koch Deregulatory Roadmap

Starting before Trump’s inauguration, Koch groups helped promote the repeal of Obama-era regulations in January 2017. Freedom Partners released a two-page “action plan” labeled “Roadmap to Repeal.”<sup>39</sup> In a press release, Andy Koenig, vice president of policy at Freedom Partners, called on Congress to “end the government overreach of the past eight years.”<sup>40</sup> Freedom Partners urged Congress to “put lawmakers on record on as many of these regulations as possible so that voters can see where they stand and hold them accountable in 2018.”<sup>41</sup> The *Los Angeles Times* reported on the centrality of Koch political aides to this repeal effort:

*The Koch network sent advisors to Capitol Hill to meet with Republican leaders and help prioritize the agenda with rank-and-file lawmakers. Activists from the network’s state chapters — many who knocked on doors to help get out the November vote — showed up in lawmakers’ offices to urge support. They focused Republicans on a little-known procedural tool — the Congressional*

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<sup>34</sup> Nick Lyell, *Freshman Rep. Mulvaney (R-SC) Won His Seat With Koch Industries Support, Now Offers Earmarks To His Benefactor*, REPUBLIC REPORT (July 2, 2012) <http://bit.ly/2zXSmxO>.

<sup>35</sup> Justin Elliott, *Koch Lobbyists and Opus Dei — Who’s Dropping in on Trump Budget Czar Mick Mulvaney?*, PROPUBLICA (NOV. 21, 2017) <http://bit.ly/2A3H4Ie>.

<sup>36</sup> Kenneth P. Vogel, *The Koch Intelligence Agency*, POLITICO, (Nov. 18, 2015) <http://politi.co/2jekl4q>

<sup>37</sup> Id.

<sup>38</sup> Kenneth P. Vogel, *Trump Makes Nice With Koch Brothers* POLITICO (April 9, 2017) <http://politi.co/2jquGdH>.

<sup>39</sup> FREEDOM PARTNERS, *A ROADMAP TO REPEAL: REMOVING REGULATORY BARRIERS TO OPPORTUNITY*, (January 2017). <http://bit.ly/2z8exUW>.

<sup>40</sup> Press Release, Freedom Partners, *Report Provides First Policy Strategy To Cut Red Tape & Repeal Regulatory Overreach In 2017* (January 6, 2017) <http://bit.ly/2j2pFrw>

<sup>41</sup> FREEDOM PARTNERS, *A ROADMAP TO REPEAL: REMOVING REGULATORY BARRIERS TO OPPORTUNITY*, (January 2017). <http://bit.ly/2z8exUW>.

*Review Act — that allows Congress to disapprove of new regulations within a short time frame after the rules are issued.*<sup>42</sup>

In March, after promoting the Freedom Partners action plan, Koenig was hired as a White House policy aide. As of the end of October 2017, Congress has nullified 15 public protections<sup>43</sup> with many other rules delayed, rescinded or tied up in court.

**Table 1: The Koch Hit List: Major Items Targeted By Freedom Partners and Current Status**

Koch Target	Status
Executive order putting a moratorium on new federal coal leases	<b>Koch Win:</b> Rescinded by Interior Department in March
Paris Climate Agreement requiring greenhouse gas emissions reductions	<b>Koch Win:</b> Trump announced the U.S. will exit
Proposed Environmental Protection Agency (EPA) programs incidental to the Clean Power Plan	<b>Koch Win:</b> Withdrawn in April
Proposed Consumer Financial Protection Bureau (CFPB) payday and vehicle title loan rules	<b>Fate unclear:</b> CFPB has finalized regulations, legislation introduced to repeal
Proposed CFPB arbitration rules	<b>Koch Win:</b> Congress voted to repeal
Final Stream Protection Rule regarding coal mine permitting	<b>Koch Win:</b> Congress voted to repeal
Bureau of Land Management federal lands methane rule	<b>Fate Unclear:</b> Delayed by Interior Department in October
EPA Renewable Fuel Standard 2017 and 2018 obligations	<b>Koch Loss:</b> EPA Administrator Scott Pruitt backed off on changes to this regulation amid heavy opposition from Midwestern lawmakers.
EPA Greenhouse Gas Emissions Standards: Medium- and Heavy-Duty Engines and Vehicles	<b>Koch Win:</b> Repeal proposed in November
EPA Rule defining The Waters of the United States	<b>Koch Win:</b> Two-year delay proposed in November
EPA Clean Power Plan	<b>Koch Win:</b> Repeal proposed in October
HHS Establishment of Exchanges and Qualified Health Benefits	<b>Koch Loss:</b> Health insurance exchanges and qualified health benefits have survived so far despite efforts to repeal the Affordable Care Act.
Labor Department Overtime Rule	<b>Koch Win:</b> Rule killed after Justice Department didn't defend Obama position
Labor Department Fiduciary Rule	<b>Fate Unclear:</b> Labor Department reviewing. Trump administration will enforce Obama-era rule.
FCC "Net Neutrality" Rule	<b>Likely Koch Win:</b> Vote on repeal plan expected in December
USDA Calorie Labeling for Vending Machines	<b>Fate Unclear:</b> FDA proposed guidance in November that was praised by consumer advocates and industry groups

<sup>42</sup> Lisa Mascaro, *With Trump in the Limelight, Congress Has Been Quietly Working to Undo Obama-Era Regulations* LOS ANGELES TIMES (February 14, 2017) <http://lat.ms/2zv0zln>.

<sup>43</sup> See: <http://rulesatrisk.org/resolutions/>

**Table 2: White House Officials with Koch Ties**

First Name	Last Name	Title	Koch Tie
Brian	Blasé	Special assistant to the president for healthcare policy	Economist who formerly worked as a senior research fellow at George Mason University's Koch-funded Mercatus Center <sup>44</sup>
Andrew	Bremberg	Director of Domestic Policy Council	Former aide to Senate Majority Leader Mitch McConnell (R-Ky.) who worked on Wisconsin Gov. Scott Walker's presidential campaign <sup>45</sup> and consulted for Freedom Partners <sup>46</sup>
Mark	Calabria	Chief Economist, Vice President Mike Pence	Former director of financial regulation studies at the Cato Institute, a libertarian think tank founded by Charles Koch in 1974 <sup>47</sup>
Andeliz	Castillo	Deputy Director of Public Engagement and Intergovernmental Affairs for Vice President Mike Pence	Former chief of staff for the Libre Initiative, <sup>48</sup> a Koch brothers group that promotes anti-government ideology to Latinos <sup>49</sup>
Michael	Catanzaro	Special Assistant to the President for Domestic Energy and Environmental Policy <sup>50</sup>	Former Capitol Hill staffer who worked as a lobbyist representing fossil fuel interests, including Koch Industries <sup>51</sup>
Kellyane	Conway	Counselor to the President	Consulted for Americans for Prosperity and Freedom Partners <sup>52</sup>
Ann	Donaldson	Chief of Staff for White House Counsel Don McGahn	Former lawyer for Jones Day who had Freedom Partners Chamber of Commerce and the Koch network's data firm, i360 as clients <sup>53</sup>
Stephen	Ford	Director of Speechwriting, Vice President Mike Pence	Former director of writing, Freedom Partners Chamber of Commerce <sup>54</sup>
DJ	Gribbin	Special Assistant for Infrastructure Policy	Former director of public sector business development for Koch Industries <sup>55</sup>

<sup>44</sup> Press Release, *White House National Economic Council Announces Senior Staff Appointments* (Feb. 27, 2017) <http://bit.ly/2A1bTxv>

<sup>45</sup> Amie Parnes, *Donald Trump's Details Man*, THE HILL (Feb. 8, 2017), <http://bit.ly/2jcjLnw>.

<sup>46</sup> Lee Fang, *Koch Brothers' Operatives Fill Top White House Positions, Ethics Forms Reveal* THE INTERCEPT, (April 4, 2017) <http://bit.ly/2oxtJVU>

<sup>47</sup> See Calabria's bio at: <https://www.cato.org/people/mark-calabria>

<sup>48</sup> Maureen Groppe, *Pence Tapping Former Aides, and Some Lobbyists, for VP Office Staff*, INDIANAPOLIS STAR (Jan. 25, 2017) <http://indy.st/2zvzlm4>

<sup>49</sup> Chris Moody, *Koch-Affiliated Group Ramps Up Hispanic Outreach*, YAHOO NEWS, (Jan. 17, 2014) <https://yhoo.it/2jclgID>.

<sup>50</sup> Press Release, *White House National Economic Council Director Announces Senior Staff Appointments*, (Feb. 27, 2017) <http://bit.ly/2A1bTxv>

<sup>51</sup> Steve Horn, *Koch Industries and Fracking Lobbyist Mike Catanzaro to Lead Trump Energy Team*, DESMOG BLOG, (Oct 4, 2016) <http://bit.ly/2jqgAJ8>.

<sup>52</sup> See Conway's disclosure form at: <http://bit.ly/2AfbreV>

<sup>53</sup> See Donaldson's financial disclosure form at: <http://bit.ly/2iqhMw6>

<sup>54</sup> See Ford's financial disclosure form at: <http://bit.ly/2jsleFh>

<sup>55</sup> See Gribbin's LinkedIn page at <https://www.linkedin.com/in/dj-gribbin-47210258/>

First Name	Last Name	Title	Koch Tie
Kathleen	Hartnett White	Director (nominated) White House Council on Environmental Quality	Senior Fellow at Koch-funded Texas Public Policy Foundation <sup>56</sup>
Andy	Koenig	Special Assistant for Legislative Affairs	Former Vice President of Policy, Freedom Partners Chamber of Commerce <sup>57</sup>
Mario	Loyola	Associate Director, White House Council on Environmental Quality	Senior Fellow, Texas Public Policy Foundation <sup>58</sup>
Don	McGahn	White House Counsel	Represented Freedom Partners and affiliated super PAC. <sup>59</sup>
Mick	Mulvaney	Director, Office of Management and Budget	While in Congress, a favorite candidate of Koch network <sup>60</sup>
Mike	Pence	Vice President	Longstanding ties to the Koch network <sup>61</sup>
Chris	Prandoni	Associate Director for Natural Resources, White House Council on Environmental Quality	Worked for <sup>62</sup> Americans for Tax Reform, which has received Koch funding <sup>63</sup> and collaborated with Koch network
Neomi	Rao	Administrator, Office of Information and Regulatory Affairs	Founding director of Koch-funded Center for the Study of the Administrative State at George Mason University's Antonin Scalia Law School <sup>64</sup>
Mike	Roman	Director of Special Projects and Research	Former Freedom Partners VP of Research <sup>65</sup>
Darrin	Selnick	Domestic Policy Council	Former senior advisor, Concerned Veterans for America <sup>66</sup>
Bethany	Scully	Legislative Affairs	Worked for Freedom Partners, Koch Industries <sup>67</sup>
Marc	Short	White House Director of Legislative Affairs	Former President of Freedom Partners <sup>68</sup>

<sup>56</sup> Forrest Wilder, *Revealed: The Corporations and Billionaires that Fund the Texas Public Policy Foundation*, TEXAS OBSERVER (Aug. 24, 2012) <http://bit.ly/28MR3Tj>

<sup>57</sup> Press Release, Freedom Partners, *Report Provides First Policy Strategy To Cut Red Tape & Repeal Regulatory Overreach In 2017* (January 6, 2017) <http://bit.ly/2j2pFrw>

<sup>58</sup> See Loyola's LinkedIn page at: <https://www.linkedin.com/in/mario-loyola-57968040/>

<sup>59</sup> Kenneth P. Vogel and Eliana Johnson, *Trump's Koch Administration*, POLITICO (Nov, 28, 2016) <http://politi.co/2mflFJ7>

<sup>60</sup> Nick Lyell, *Freshman Rep. Mulvaney (R-SC) Won His Seat With Koch Industries Support, Now Offers Earmarks To His Benefactor*, REPUBLIC REPORT (July 2, 2012) <http://bit.ly/2zXSmxO>.

<sup>61</sup> Jane Mayer, *The Danger of President Pence*, THE NEW YORKER (Oct 30, 2017) <http://bit.ly/2z4ROHM>

<sup>62</sup> See Prandoni's LinkedIn Profile: <https://www.linkedin.com/in/christopher-prandoni-96039718/>

<sup>63</sup> See Sourcewatch.org: <http://bit.ly/2j36qyV>

<sup>64</sup> Steve Eder, *Neomi Rao, the Scholar Who Will Lead Trump's Regulatory Overhaul* NEW YORK TIMES (July 9, 2017) <http://nyti.ms/2sWfbBC>

<sup>65</sup> Kenneth P. Vogel, *The Koch Intelligence Agency*, POLITICO, (Nov. 18, 2015) <http://politi.co/2jekl4q>

<sup>66</sup> Lisa Rein and Dan Lamothe, *To Keep Promises To Veterans, Trump Taps Koch-Backed Group*, WASHINGTON POST (December 1, 2016) <http://wapo.st/2j3OPpB>

<sup>67</sup> Lee Fang, *Koch Brothers' Operatives Fill Top White House Positions, Ethics Forms Reveal* THE INTERCEPT, (April 4, 2017) <http://bit.ly/2il6T8D>

<sup>68</sup> Richard Eskow, *Marc Short: Koch Dark-Money Operative Is Trump's Liaison to Congress*, CENTER FOR MEDIA AND DEMOCRACY, (Jan. 23, 2017) <http://bit.ly/2A3reNS>

## THE KOCH AGENDA FOR TAXES



*Americans for Prosperity President Tim Phillips (left) speaks with Treasury Secretary Steven Mnuchin (center) and White House Legislative Affairs Director Marc Short at Freedom Partners/Americans for Prosperity “Unrig The Economy” event at the Newseum in Washington, D.C. on July 31, 2017. Photo from Facebook live stream.<sup>69</sup>*

Frustrated by their failed attempt to repeal the Affordable Care Act, the Koch Brothers and their network of donors have set their sights on cutting corporate taxes. "If you whiff on Obamacare repeal and if you whiff on tax reform, it's bound to harm [Republicans]," Tim Phillips, president of Americans for Prosperity, told CNN. "Republicans in Congress know that their failure in health care does raise the stakes on tax reform. There are no excuses any longer."<sup>70</sup>

The Koch organizations have consistently claimed that tax cuts for the wealthy will benefit all Americans and even impose burdens on the rich. For example, in an interview with *Bloomberg News*, Phillips said the Republican tax bill would “get rid of the carve outs and deductions that benefit people at the top of the pyramid and the most powerful individuals and corporations that have the lobbyists and the lawyers who can help them protect themselves.”<sup>71</sup>

But mainstream economists see the Republican tax bill as a giveaway to big corporate interests that would expressly benefit the people sitting at the top of the pyramid. An analysis by the Urban-Brookings Tax Policy Center found that under the Senate’s tax legislation, “higher income households receive larger average cuts as a percentage of after-tax income, with the largest cuts as a share of income going to taxpayers in the 95<sup>th</sup> to 99<sup>th</sup> percentiles.”<sup>72</sup>

According to Alan Essig, executive director of the Institute on Taxation and Economic Policy, lawmakers “are working toward a common goal of slashing taxes for corporations and the highest-

<sup>69</sup> See Americans for Prosperity’s video at: <http://bit.ly/2iqIpRv>

<sup>70</sup> Chris Moody, *Trump Drama Doesn't Deter Koch Groups from Tax Reform Push*, CNN, (Aug. 25, 2017) <http://cnn.it/2jeiOLA>

<sup>71</sup> John McCormick, *Koch Brothers Move to Back White House’s Tax-Cut Plan* BLOOMBERG NEWS (July 31, 2017) <https://bloom.bg/2uRFZTb>

<sup>72</sup> DISTRIBUTIONAL ANALYSIS OF THE TAX CUTS AND JOBS ACT AS PASSED BY THE SENATE FINANCE COMMITTEE, TAX POLICY CENTER (Nov. 20, 2017), <http://tpc.io/2iqg5yA>

earning households while attempting to make these cuts more palatable to the rest of us by providing token gestures for the middle-class.<sup>73</sup>

The alliance between the Kochs and the Trump administration on the Republican tax bill has become so strong that lines between Koch brothers and Trump administration efforts have blurred. That was the case in July, when Treasury Secretary Steven Mnuchin held a panel discussion on tax issues with Americans for Prosperity President Tim Phillips and the White House's Marc Short.

At this event and others, the Koch groups claimed that their desire was to “unrig the economy” by enacting tax cuts for giant corporations. The choice of words was no accident: A report in *Politico* said the phrase “tax reform is about unrigging the economy,” polled well with swing voters, and noted that Mnuchin “has been using the phrase repeatedly.”<sup>74</sup> Mnuchin himself has several connections to the Kochs, though this report does not include him as having “Koch ties.” In 2013, Mnuchin brought in the Kochs and Microsoft founder Bill Gates to invest in his film production company as part of a \$450 million deal that made the Kochs investors in *Wonder Woman* and other Hollywood releases.<sup>75</sup>



*Eli Miller, formerly of Americans for Prosperity's Ohio office and now the Treasury Department's chief of staff, speaks on Ohio television about zoo funding in Columbus.*

Mnuchin's chief of staff at the Treasury Department, Eli Miller, was formerly Ohio director of Americans for Prosperity. In that role, Miller led a successful 2014 campaign<sup>76</sup> against a ballot measure to raise funding for the Columbus, Ohio zoo, earning the mockery of Comedy Central's *Colbert Report*.<sup>77</sup>

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<sup>73</sup> Press Release, Institute on Taxation and Economic Policy, *Senate Tax Plan Includes Some Changes but Maintains Focus on Tax Cuts for the Rich* (Nov. 9, 2017) <http://bit.ly/2zx7XUY>

<sup>74</sup> Ben White and Tara Palmeri, *Trump to Seize Populist Mantle for Pitching Messy Tax Overhaul*, POLITICO (August 29, 2017) <http://politi.co/2zxhv1S>

<sup>75</sup> Tatiana Siegel, *Conservative Koch Brothers are Secret Investors in 'Wonder Woman'* HOLLYWOOD REPORTER (Aug 9, 2017) <http://bit.ly/2zY2nuW>

<sup>76</sup> See WBNS-10 TV video at <http://bit.ly/2iHYrqy>

<sup>77</sup> THE COLBERT REPORT, (May, 13 2014) <http://on.cc.com/2jeLRi5>



*Stephen Colbert mocks Americans for Prosperity's campaign against zoo funding in Ohio*

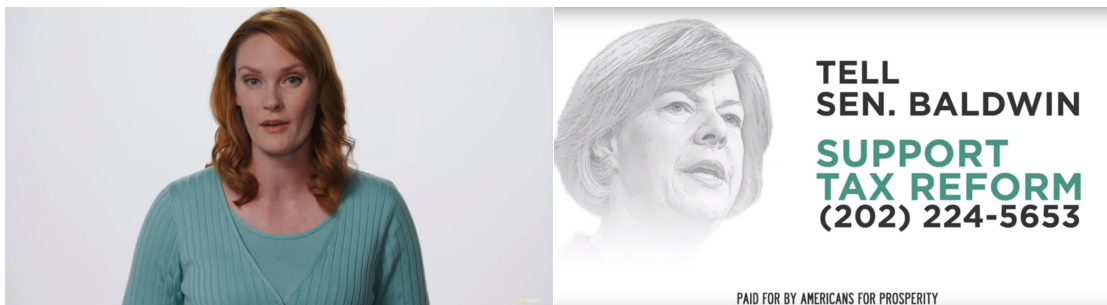
### The Public Campaign for a Koch-Friendly Tax Overhaul

Americans for Prosperity announced in October 2017 that it would launch a \$4.5 million advertising campaign urging vulnerable Democratic senators to back the Republican plan for corporate tax cuts.<sup>78</sup> One video plays upon Americans' frustrations about powerful interests in Washington, and then makes an argument<sup>79</sup> for tax policies that will enrich those very interests.

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*People are sick of politics. I am too. But fixing our broken tax system isn't about politics — it's about helping people. **It means the powerful, the well-connected, politicians — they'll stop benefiting from a rigged system.** It means average Americans will have more to spend on what's important to them. That's what tax reform will do. So, what's stopping us? –*  
*Americans for Prosperity ad*

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*A television ad for Americans for Prosperity tries to put an everyday face on corporate tax reform.*

The Kochs and their network of donors view tax cuts as a “do or die” moment. Reporting on a gathering of Koch network donors at the St. Regis hotel in midtown Manhattan, the *Boston Globe*

<sup>78</sup> Leigh Ann Caldwell, *Koch Group to Spend Millions Pressuring Democrats to Back Tax Reform*, NBC NEWS, Oct. 5, 2017) <http://nbcnews.to/2jcNLQj>

<sup>79</sup> See Americans for Prosperity's video at: <https://www.youtube.com/watch?v=5B40ZV2H8Vs>

noted that donors “sipped champagne in the evening, and enjoyed white roses in the morning and purple ones at night.”<sup>80</sup>

Members of the Koch donor network told the *Globe* they see tax legislation as “an inflection point in modern political history, a do-or-die moment that would define whether their efforts over the years will pay off or not.” Further, the *Globe* reported that the Koch leaders plan to dedicate “much of their two-year \$400 million politics and policy budget” to the effort. “It’s the most significant federal effort we’ve ever taken on,” Phillips said.

### **Kochs Would Benefit From Tax Legislation**

Key pieces of the Republican tax bills would personally benefit the Koch Brothers, as well as President Trump. Donations to the Kochs’ political network could potentially become tax-deductible under legislation passed by the House, a move that could cost the government \$400 million to \$500 million per year in lost taxes.<sup>81</sup> A full repeal of the estate tax would provide a windfall to heirs of the wealthiest estates at a cost of nearly \$270 billion over a decade.<sup>82</sup> Some Koch businesses might also benefit from a lower tax rate for so-called pass-through corporations whose earnings are taxed at their owners’ individual income tax rate.<sup>83</sup>

Republican lawmakers have been divided on how much of a break to give to corporations, and how much to give to pass-through companies. Sen. Ron Johnson (R-Wisc. ) who has been close to the Kochs<sup>84</sup>, initially said he would oppose the Republican tax bill unless it did more to help pass-through companies.<sup>85</sup> Johnson voted for the bill in committee after speaking with Trump, telling *Fox News* ““When the President of the United States tells you that he's going to fix your problem and he asks for your vote, I was more than willing to give it to him in committee here today.”<sup>86</sup>

While Republicans typically describe owners of pass-through businesses as mom and pop operations, pass-through businesses can include “large multistate pipelines, timber product companies, real estate developers, private equity firms, hedge funds, real estate developers, and other types of large businesses,” according to the Tax Policy Center.<sup>87</sup> Koch Industries’ Georgia-Pacific subsidiary, which

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<sup>80</sup> Anne Linskey *The Koch Brothers (and their friends) Want President Trump’s Tax Cut. Very Badly*. BOSTON GLOBE (Oct. 14, 2017) <http://bit.ly/2j3VtvW>

<sup>81</sup> Noah Lanard, *Republicans Want to Make the Koch Brothers’ Political Donations Tax Deductible*, MOTHER JONES (Nov. 15, 2017) <http://bit.ly/2javGSM>

<sup>82</sup> CENTER ON BUDGET AND POLICY PRIORITIES: REPEALING ESTATE TAX WOULD PROVIDE WINDFALL TO HEIRS OF WEALTHIEST ESTATES (OCT. 30, 2017) <http://bit.ly/2jba9JW>

<sup>83</sup> Steven Mufson, *Big Business is a Big Winner of GOP Small Business Tax Plan*, WASHINGTON POST (Nov. 7., 2017) <http://wapo.st/2AzRqPY>

<sup>84</sup> Jonathan Swan, *Koch Network Helping Ron Johnson With \$1 Million Wisconsin Buy*, THE HILL (AUG. 4, 2016) <http://bit.ly/2jfpulj>

<sup>85</sup> Alan Rappeport and Thomas Kaplan *Tax Bill Thrown Into Uncertainty as First GOP Senator Comes Out Against It*, NEW YORK TIMES (Nov. 15, 2017) <http://nyti.ms/2j4Mjzs>

<sup>86</sup> Don Behm, *Ron Johnson Votes With GOP Majoriy In Senate Budget Committee To Approve Tax Plan* MILWAUKEE JOURNAL SENTINEL (NOV. 28, 2017) <http://bit.ly/2BnO9Tz>

<sup>87</sup> Steven M. Rosenthal, *The 25-Percent Rate for Pass-Through Businesses Helps Rich Investors, Not “Small” Businesses*, TAX POLICY CENTER, (Nov. 8, 2017) <http://tpc.io/2jeBrip>



makes Dixie cups, toilet paper and cardboard packaging, among other products, is structured as a “pass through” entity.<sup>88</sup>

The “Paradise Papers” release of documents from offshore law firm Appleby included documents detailing the Kochs’ use of offshore tax havens that shielded profits at Georgia-Pacific after its acquisition in 2005. “Within months of the company being acquired by the Kochs, it relocated millions of dollars of profits from high-tax jurisdictions such as the U.S. and U.K. to low-tax environments in Luxembourg and the offshore haven Bermuda,” *The Guardian* reported.<sup>89</sup>

The Kochs’ commitment to a balanced budget has varied depending on who is in office. They have been proponents<sup>90</sup> of an amendment to the U.S. Constitution to require a balanced budget, which would require dramatic spending cuts. In the 2012 election campaign, Americans for Prosperity argued that President Barack Obama should not be re-elected because of the dramatic growth in the national debt due to government spending undertaken to combat the recession.<sup>91</sup> Now that corporate tax cuts are on the table, the Kochs, along with many Republicans in Congress, have parted from their hawkish ways. A Koch strategy memo obtained by *The Intercept* argues that “the long-term economic growth that would result from the first comprehensive tax reform in a generation would help to offset short-term deficits over time.”<sup>92</sup>

Deficit hawks, allied with Republicans just a few years ago, are now apoplectic about the GOP’s new willingness to entertain bigger budget imbalances. “Tax cuts that add to the debt do less to grow the economy than fiscally responsible reform and may even hurt economic growth over the long term,” said a statement from Maya MacGuineas, president of the Committee for a Responsible Federal Budget: “It is frightening that so many members of Congress are willing to believe in fantasy economics based in no historical or mathematical reality.”<sup>93</sup> Peter Peterson, the co-founder of the Blackstone Group and founder of the centrist Peterson Foundation, told the *New York Times* that: “Mortgaging our fiscal future for trillions in temporary tax cuts will hurt our economy over time, and every C.E.O. should know that. True business patriots need to advocate for their country as well as their company.”<sup>94</sup>

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<sup>88</sup> Steven Mufson, *Big Business is a Big Winner of GOP Small Business Tax Plan*, WASHINGTON POST (Nov. 7., 2017) <http://wapo.st/2AzRqPY>

<sup>89</sup>Ed Pilkington and John Swaine, *The Seven Republican Super-Donors Who Keep Money in Tax Havens* THE GUARDIAN (Nov. 7, 2017) <http://bit.ly/2jdYo5x>

<sup>90</sup> Jelani Cobb *Republicans and the Constitution*, NEW YORKER (March 13, 2017) <http://bit.ly/2zXUW6Y>.

<sup>91</sup> [https://www.youtube.com/watch?time\\_continue=30&v=2S8rHJtLJE0](https://www.youtube.com/watch?time_continue=30&v=2S8rHJtLJE0)

<sup>92</sup>Lee Fang, Nick Surgey, *Koch Brothers’ Internal Strategy Memo on Selling Tax Cuts: Ignore the Deficit*, THE INTERCEPT (October 13, 2017) <http://bit.ly/2zXC87U>.

<sup>93</sup> Press Release, Committee for a Responsible Budget, *Senate Tax Plan Has Too Little Reform and Too Much Debt* (Nov. 10, 2017) <http://bit.ly/2zZl3cG>

<sup>94</sup> Andrew Ross Sorkin, *C.E.O. Deficit Fears Dissolve With the Prospect of Corporate Tax Cuts*, THE NEW YORK TIMES (Nov. 20, 2017) <http://nyti.ms/2jgiLib>

## THE KOCH AGENDA FOR ENERGY

The Koch brothers have been major funders of campaigns to undermine the steady advance of renewable energy sources and promote dirty energy. Recent examples include an effort to derail solar power in Florida<sup>95</sup> and a campaign to undermine wind and solar power in Ohio.<sup>96</sup>

Three political hires at the Energy Department formerly worked at the Institute for Energy Research and the American Energy Alliance<sup>97</sup>, a Koch-funded<sup>98</sup> climate-change denying, pro-fossil fuel think tank and advocacy organization. These groups are run by Thomas Pyle, a former Koch Industries lobbyist who was the leader of energy issues on the Trump transition team.<sup>99</sup> The American Energy Alliance in 2015 held a media call featuring Pence, then governor of Indiana, in which Pence said he would not comply with the Obama administration's climate change initiative.<sup>100</sup>

In a post-election memo obtained by the *Center for Media and Democracy*, Pyle was bullish about the prospects for the Trump administration, "We expect the Trump administration will adopt pro-energy and pro-market policies – much different than the Obama administration's top-down government approach."<sup>101</sup> The memo outlined 14 policies that fossil fuel industry executives could expect from the Trump administration, including<sup>102</sup> "withdrawing from the 2015 Paris Climate agreement, eliminating the Clean Power Plan, increasing the leasing of federal lands for exploitation of coal, oil and gas, expediting the approval of pipeline projects including the Keystone XL and Dakota Access Pipeline and rolling back federal fuel economy standards."

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<sup>95</sup>Tim Dickinson, *The Koch Brothers' Dirty War on Solar Power*, ROLLING STONE (Feb. 11, 2016) <http://rol.st/2zYeic5>.

<sup>96</sup> Brad Wieners and David Hasemyer, *How Fossil Fuel Allies Are Tearing Apart Ohio's Embrace of Clean Energy* INSIDECLIMATE NEWS (Oct. 29, 2017) <http://bit.ly/2A14zli>

<sup>97</sup> Mark Hand, *This Is How the Kochs' Anti-Renewable Agenda Becomes White House Policy*, THINKPROGRESS (July 17, 2017) <http://bit.ly/2A1uoBL>

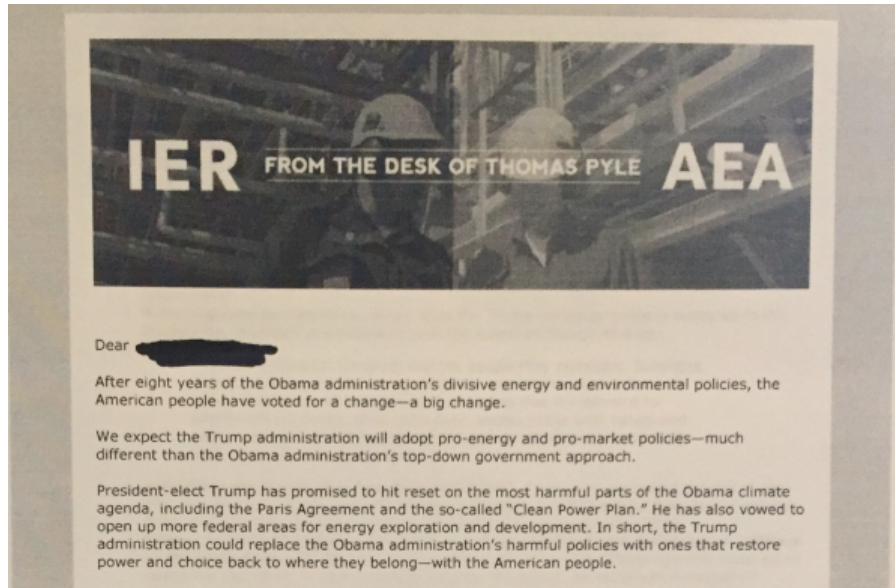
<sup>98</sup> GREENPEACE: KOCH-FUNDED CLIMATE DENIAL FRONT GROUPS INSTITUTE FOR ENERGY RESEARCH & AMERICAN ENERGY ALLIANCE (AEA) <http://bit.ly/2zG05yG>

<sup>99</sup> Steven Mufson, *Trump's Energy Team Contains Climate Change Skeptic, Free-Market Advocate*, WASHINGTON POST (November 29, 2016) <http://wapo.st/2iD13oU>

<sup>100</sup> Press Release, American Energy Alliance, *ICYMI: Gov. Pence Encourages States to Reject EPA's Climate Rule* (July 10, 2015) <http://bit.ly/2A3aaYj>

<sup>101</sup> CENTER FOR MEDIA AND DEMOCRACY, REVEALED: THE TRUMP ADMINISTRATION'S ENERGY PLAN (Dec. 5, 2016) <http://bit.ly/2jgimMT>

<sup>102</sup> Id.



*An enthusiastic post-election memo from former Koch lobbyist and Trump transition team member Thomas Pyle*

Energy Secretary Rick Perry has received \$111,000 in Koch donations over his political career<sup>103</sup> and has spoken at Koch network events.<sup>104</sup> Upon arriving in office, Perry ordered a study of whether power market subsidies are necessary for coal, nuclear and natural gas generators<sup>105</sup>. Despite rapidly declining renewable energy costs and the growth in wind and solar power in his home state of Texas, Perry claimed that renewable energy has received unfair assistance and represents a threat to national security by making the power grid unreliable.<sup>106</sup>

These dubious assertions drew upon the writings of Travis Fisher, one of Perry's new hires at the Energy Department who was formerly an economist at the Institute for Energy Research. In a 2015 report<sup>107</sup>, Fisher argued without evidence that policies that promote renewable energy harm the reliability of the power grid overall. "The single greatest emerging threat to reliable electricity in the U.S. does not come from natural disturbances or from human attacks," Fisher wrote. "Current policies are shuttering unprecedented amounts of reliable power sources while simultaneously forcing increasing amounts of intermittent, unreliable power onto the grid."<sup>108</sup>

<sup>103</sup>Alex Kotch, *The Koch Brothers Are Smiling: The White House Will Be Packed With Some of Their Most Loyal Servants*, ALTERNET (Jan 10, 2017) <http://bit.ly/2jsvC14>.

<sup>104</sup> Kenneth P. Vogel, *Perry Hawkish at Koch-Backed Event*, POLITICO (Aug. 30, 2014) <http://politi.co/2A1ltjM>

<sup>105</sup> Jennifer A. Dlouhy and Jennifer Jacobs *Electric Grid Study Ordered by U.S. Energy Chief to Boost Coal* BLOOMBERG NEWS (April 15, 2017) <https://bloom.bg/2iGbnf0>

<sup>106</sup> Id.

<sup>107</sup> INSTITUTE FOR ENERGY RESEARCH, *ASSESSING EMERGING POLICY THREATS TO THE U.S. POWER GRID* (Feb. 24, 2015) <http://bit.ly/2zyNPSp>

<sup>108</sup> Id.

Energy Department experts disagreed with Fisher’s thesis. A draft version<sup>109</sup> of the Energy Department’s power grid reliability report as well as the final version released in August 2017<sup>110</sup> failed to support these claims. While Perry sought to show that renewable energy is undermining grid reliability and that coal, gas and nuclear plants should get subsidies to stay in business, reliability has only improved as more renewables have come online. The facts got in the way of Perry’s agenda.

Still, the Federal Energy Regulatory Commission has placed Perry’s proposal to subsidize outdated coal and nuclear plants on a fast track.<sup>111</sup> Public Citizen has raised concerns about the Trump Administration interfering with the historical independence of FERC to force ratepayer-funded subsidies for nuclear and coal power plants<sup>112</sup> in an environment where nuclear and coal make little to no economic sense and renewable energy is becoming more affordable. Perry’s power market plan<sup>113</sup> would unnecessarily force consumers to prop up nuclear and coal power plants at a cost of billions of dollars.

**Table 3: Energy Department Officials with Koch Ties**

First Name	Last Name	Title	Koch Tie
Travis	Fisher	Assistant Secretary for Electricity Delivery and Energy Reliability	Formerly an economist at the Institute for Energy Research, run by former Koch lobbyist Thomas Pyle <sup>114</sup>
Alex	Fitzsimmons	Senior Advisor, chief of staff and chief policy advisor for the Office of Energy Efficiency and Renewable Energy	Former communications director at the Koch-Funded Fueling U.S. Forward and policy director at the Institute for Energy Research <sup>115</sup>
Doug	Matheny	Special Advisor to Assistant Secretary for Fossil Energy	Former Americans for Prosperity coordinator in Ohio’s sixth congressional district <sup>116</sup>

<sup>109</sup> Catherine Traywick, Ari Natter and Jennifer A. Dlouhy, *Renewable Energy Not a Threat to Grid, Draft of U.S. Study Finds*, BLOOMBERG NEWS, (JULY 14, 2017) <https://bloom.bg/2todayx>

<sup>110</sup> GREENTECH MEDIA <https://www.greentechmedia.com/articles/read/travis-fisher-the-lead-on-does-grid-reliability-report-speaks>

<sup>111</sup>Docket No. RM18-1, issued October 2, 2017,

[https://elibrary.ferc.gov/idmws/file\\_list.asp?accession\\_num=20171002-3039](https://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20171002-3039)

<sup>112</sup> Docket No. AD17-11, at page 5, <https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14620874>

<sup>113</sup> Jeff St. John, *Energy Secretary Perry Requests Federal Rules to Boost Cost Recovery for Coal and Nuclear* GREENTECH MEDIA (Sept. 29, 2017) <http://bit.ly/2jqc8u3>

<sup>114</sup> Dave Anderson, *Travis Fisher: Author of Rick Perry’s Grid Study Called Clean Energy policies a Greater Threat Than Terrorism* ENERGY AND POLICY INSTITUTE, (Aug. 24, 2017) <http://bit.ly/2A28GNT>

<sup>115</sup> Ben Jervey, *Yet Another Koch Cadet Hired to Push Fossil Fuels at Trump’s Energy Department*, DESMOG BLOG, (July 9, 2017) <http://bit.ly/2iCqarX>

<sup>116</sup> Steve Horn, *Former Koch Agents, Fossil Fuel Industry Hired Guns Now Staffing Trump Agencies*, DESMOG BLOG, (March 10, 2017) <http://bit.ly/2jgxdXH>

Mark	Menezes	Undersecretary for management and performance	Lobbied for Koch Industries while at Hunton & Williams <sup>117</sup>
Rick	Perry	Energy Secretary	The former Texas governor has received \$111,000 in Koch donations over his political career <sup>118</sup> and has spoken at Koch network events <sup>119</sup>
Daniel	Simmons	Acting Assistant Secretary in the Office of Energy Efficiency and Renewable Energy	Former vice president for policy at the Institute for Energy Research, director of the natural resources task force at American Legislative Exchange Council, and a research fellow at the Mercatus Center <sup>120</sup>

### Kochs Push Development of Public Lands

A longstanding Koch goal has been to promote oil and gas drilling on federally owned land as well as the transfer of federal lands to state control. Americans for Prosperity has funded the American Lands Council, led by Ken Ivory, a Republican state representative from Utah who has been working to “convince state and local officials that they can claim millions of acres of federal land to use as they wish,” Mother Jones reported in 2015.<sup>121</sup> The state-level ALEC network has created model bills used by state legislatures to push this agenda.<sup>122</sup>

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<sup>117</sup> Matt Kasper Utility Industry Set To Get Another Ally Inside The Trump Administration, ENERGY AND POLICY INSTITUTE (July 2017) <http://bit.ly/2iZLkRQ>

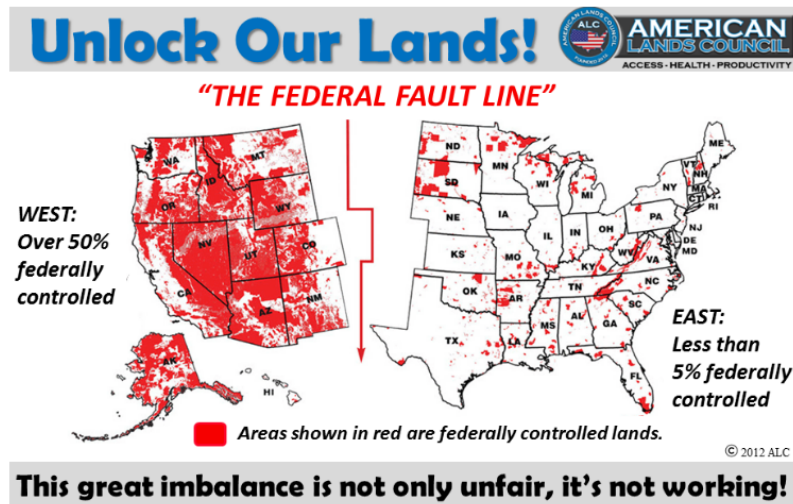
<sup>118</sup> Alex Kotch, *The Koch Brothers Are Smiling: The White House Will Be Packed With Some of Their Most Loyal Servants*, ALTERNET (Jan 10, 2017) <http://bit.ly/2jsvC14>.

<sup>119</sup> Kenneth P. Vogel, *Perry Hawkish at Koch-Backed Event*, POLITICO, (Aug. 30, 2014) <http://politi.co/2A1tjM>

<sup>120</sup> Juliet Eilperin and Brady Dennis, *Trump Puts Critic of Renewable Energy in Charge of Renewable Energy Office*, WASHINGTON POST (May 2, 2017) <http://wapo.st/2zvDruh>

<sup>121</sup> Stephanie Mencimer *It's Not Just Militia Members Who Want to Take Over Federal Land* MOTHER JONES (Nov. 2015) <http://bit.ly/2jaKf9e>

<sup>122</sup> Lyndsey Gilpin, *How An East Coast Think Tank is Fueling the Land Transfer Movement*, HIGH COUNTRY NEWS (FEB. 26, 2016) <http://bit.ly/2A4hVgQ>



*The American Lands Council has pushed to open up public lands to private profit.*

An Americans for Prosperity blog post in January 2017 called for Trump’s Interior Department to open “a portion of federal lands and waters for energy exploration and economic development.”<sup>123</sup> A “small portion of this area is rightly set aside as national parks and other nature preserves,” the post said. “But the rest is completely blocked off from the public and is essentially unused.”

Many of Interior Secretary Ryan Zinke’s appointees “spent the Obama years working for the oil and gas industry — and they come to the Interior Department with an insider’s knowledge of how its levers work and a wish list of policies from their former employers,” the *New York Times* wrote.<sup>124</sup> Zinke has hired several Koch lieutenants, including Daniel Jorjani, formerly general counsel at Freedom Partners,<sup>125</sup> Gary Lakowski, another lawyer who worked at Freedom Partners,<sup>126</sup> and Todd Wynn, former director of ALEC’s task force on energy and environmental policy.<sup>127</sup>

**Table 4: Interior Department Officials with Koch Ties**

First Name	Last Name	Title	Koch Tie
Susan	Combs	Assistant secretary of the Interior for policy, management and budget (Nominated)	Senior Visiting Fellow at the Texas Public Policy Foundation (unpaid) <sup>128</sup>

<sup>123</sup> See Americans for Prosperity blog at: <http://bit.ly/2jqttCO>

<sup>124</sup> Coral Davenport and Nicholas Fandos, *As Interior Secretary Swaggers Through Parks, His Staff Rolls Back Regulations* NEW YORK TIMES (July 25, 2017) <http://nyti.ms/2tDdiX1>

<sup>125</sup> Id.

<sup>126</sup> See Lakowski’s LinkedIn page at: <https://www.linkedin.com/in/gary-lawkowski-b77580ba/>

<sup>127</sup> Steve Horn, *Former Head of Energy, Environment at ALEC, Todd Wynn, Hired By Trump Interior Department*, DESMOG BLOG, (Oct. 18, 2017) <http://bit.ly/2A5Qsv1>

<sup>128</sup> Jim Malewitz *Combs Lands Position at Conservative Think Tank*, TEXAS TRIBUNE (Feb. 23, 2015) <http://bit.ly/2jgyoGv>.

Doug	Domenech	Assistant Secretary of the Interior Insular Areas,	Director of Fueling Freedom Project, Texas Public Policy Foundation <sup>129</sup>
Daniel	Jorjani	Principal Deputy Solicitor/Special Assistant to the Secretary	General Counsel, Freedom Partners; Director of Research at Charles Koch Institute <sup>130</sup>
Gary	Lawkowski	Counselor to the Solicitor	Legal Counsel, Freedom Partners <sup>131</sup>
Brendan	Quinn	Special Assistant, Office of the Deputy Secretary	Graduated college in 2016, worked as Americans for Prosperity field associate. <sup>132</sup>
Todd	Wynn	Director of Intergovernmental and External Affairs	Former head of energy, environment at American Legislative Exchange Council <sup>133</sup>

## THE KOCH AGENDA FOR THE ENVIRONMENT

As major refinery and pipeline owners, the Kochs have an economic stake in derailing regulations to address global climate change. Koch Industries owns or operates about 4,000 miles of pipelines, which transport crude oil, gasoline, jet fuel, propane and chemicals.”<sup>134</sup> Through its Flint Hills Resources subsidiary, Koch Industries owns three oil refineries. <sup>135</sup> Despite the Koch brothers’ criticism of market-distorting tax credits and subsidies, such as those for ethanol, Koch Industries has built up a large ethanol business in recent years.<sup>136</sup> The close relationship between the Koch brothers and EPA Administrator Scott Pruitt has been highlighted in more than 7,500 emails and other records released by the Oklahoma attorney general’s office after a lawsuit by the *Center for Media and Democracy*.

As Oklahoma Attorney General, Pruitt “closely coordinated with major oil and gas producers, electric utilities and political groups” with ties to the Koch brothers, the *New York Times* wrote.<sup>137</sup> For example, an email from Americans for Prosperity’s Oklahoma director to aides for Pruitt and Sen. James Lankford (R-Okla.) opened with effusive praise<sup>138</sup>:

<sup>129</sup> Press Release, Texas Public Policy Foundation, *Doug Domenech Joins TPPF as Director of Fueling Freedom Project* (March 30, 2015) <http://bit.ly/2A2rWuT>

<sup>130</sup> Coral Davenport and Nicholas Fandos, *As Interior Secretary Swaggers Through Parks, His Staff Rolls Back Regulations* NEW YORK TIMES (July 25, 2017) <http://nyti.ms/2tDdiX1>

<sup>131</sup> See Lakowski’s LinkedIn page at: <https://www.linkedin.com/in/gary-lawkowski-b77580ba/>

<sup>132</sup> See Quinn’s LinkedIn page at: <https://www.linkedin.com/in/brendan-quinn-9b6475a5/>

<sup>133</sup> Steve Horn, *Former Head of Energy, Environment at ALEC, Todd Wynn, Hired By Trump Interior Department*, DESMOG BLOG, (Oct. 18, 2017) <http://bit.ly/2A5Qsv1>

<sup>134</sup> See Koch pipeline company information at: <https://www.kochpipeline.com/about-us/kpl-facts/>

<sup>135</sup> See Koch oil refining information at: <https://www.fhr.com/products-services/fuels-and-aromatics>

<sup>136</sup> Mario Parker, *Koch Brothers Build Fuel Giant Aided by Mandates They Abhor*, BLOOMBERG QUINT, (Nov. 2, 2016) <http://bit.ly/2jfwfLa>.

<sup>137</sup> Coral Davenport and Eric Lipton, *The Pruitt Emails: EPA Chief Was Arm in Arm With Industry* NEW YORK TIMES (Feb. 22, 2017) <http://nyti.ms/2jbOr8K>.

<sup>138</sup> David Armiak, *Pruitt Emails Reveal Communications With ALEC and Koch Groups* CENTER FOR MEDIA AND DEMOCRACY (March 7, 2017) <http://bit.ly/2j0PxVu>.

Firstly, thank you to your respective bosses and all they are doing to push back against President Obama's EPA and its axis with liberal environmental groups to increase energy costs for Oklahomans and American families across the states. You both work for true champions of freedom and liberty!

After the 2016 election, Koch-tied groups pushed hard for Pruitt's confirmation in the Senate. A pro-Pruitt letter to Senate lawmakers from 23 conservative groups<sup>139</sup> said Pruitt "has consistently fought for Oklahoma families and communities and has been a stalwart defender against federal intrusion into state and individual rights." However, the vast majority of the letter's signatories received Koch support, according to the Union of Concerned Scientists.<sup>140</sup> In addition, a Koch Industries subsidiary disclosed lobbying on Pruitt's nomination as well as those of other EPA and Energy Department positions, spending \$5.7 million on lobbying in the first half of 2017, according to disclosures for the first<sup>141</sup> and second<sup>142</sup> quarter.

In March, Trump directed the EPA to begin withdrawing the Clean Power Plan, which was integral to Obama's promise to cut greenhouse gas emissions by a quarter by 2025.<sup>143</sup> The Trump administration also has sought to delay, weaken or review an updated federal smog standard,<sup>144</sup> limits on methane leaks from new oil and gas operations,<sup>145</sup> a moratorium on new coal leases on federal lands<sup>146</sup> and U.S. participation in the Paris climate accord.<sup>147</sup>

**Table 5: EPA Officials with Koch Ties**

First Name	Last Name	Title	Koch Tie
Michael	Dourson	(Nominated) Head of EPA Office of Chemical Safety And Pollution Prevention	Worked on Koch-funded study <sup>148</sup>
Samantha	Dravis	Associate Administrator, EPA's Office of Policy	Former president of the Rule of Law Defense Fund, a group partly funded by the Koch brothers that coordinated efforts by energy companies and Republican attorneys general to challenge Obama-

<sup>139</sup> See industry coalition letter at: <https://cei.org/sites/default/files/Pruitt-Coalition-Letter.pdf>

<sup>140</sup> UNION OF CONCERNED SCIENTISTS, WHO'S BACKING SCOTT PRUITT TO HEAD THE EPA? THE KOCH BROTHERS. (Feb. 2017) <http://bit.ly/2j3hmfY>.

<sup>141</sup> See Koch lobbying disclosure form at: <http://bit.ly/2Bm4yrt>

<sup>142</sup> See Koch lobbying disclosure form at: <http://bit.ly/2BmYeJl>

<sup>143</sup> Coral Davenport and Alissa J. Rubin, *Trump Signs Executive Order Unwinding Obama Climate Policies*, THE NEW YORK TIMES (March 28, 2017), <http://pubc.it/2sifPcf>.

<sup>144</sup> Juliet Eilperin, *D.C. Circuit Grants EPA's Request to Delay Smog Rule Case*, THE WASHINGTON POST (April 11, 2017), <http://pubc.it/2shzVnd>; See also E. Scott Pruitt, *Letter to Governors*, June 6, 2017, <http://pubc.it/2si0OHB>.

<sup>145</sup> 82 FEDERAL REGISTER 25,730 (June 5, 2017), <http://pubc.it/2shNIQ0>.

<sup>146</sup> Devin Henry, *Trump Administration Ends Obama's Coal-Leasing Freeze*, THE HILL, (March 29, 2017), <http://pubc.it/2t5UNL8>.

<sup>147</sup> Michael D. Shear, *Trump Will Withdraw U.S. from Paris Climate Agreement*, NEW YORK TIMES (June 1, 2017), <http://nyti.ms/2zMb4s8>.

<sup>148</sup> Sheila Kaplan and Eric Lipton, *Chemical Industry Ally Faces Critics in Bid for Top E.P.A. Post*, NEW YORK TIMES (Sept 19, 2017) <http://nyti.ms/2iH0cDy>.



			era environmental rules. <sup>149</sup> Also was counsel to Freedom Partners <sup>150</sup>
Daisy	Letendre	Senior Advisor for Policy and Strategic Communications	Worked for a year at the Koch brothers' millennial-outreach arm Generation Opportunity before becoming a press aide to Sen. Jim Inhofe (R-Okla.) <sup>151</sup>
Charles	Munoz	White House Liaison	Formerly a field organizer for Americans for Prosperity and Trump campaign's point person in Nevada <sup>152</sup>
Scott	Pruitt	Administrator	As Oklahoma Attorney General coordinated with Kochs on effort to roll back environmental regulations <sup>153</sup>
Christian	Rodrick	Special Assistant at the Office of Congressional and Intergovernmental Affairs	A 2015 college graduate serving as special assistant in the EPA's Congressional affairs department, participated in a Charles Koch Institute summer program. <sup>154</sup>
Patrick	Traylor	Deputy Assistant Administrator at EPA's Office of Enforcement and Compliance Assurance	Represented Koch refiner Flint Hills Resources; Koch Nitrogen <sup>155</sup>

In 2008, Americans for Prosperity circulated a pledge among lawmakers in which lawmakers promised to “oppose any legislation relating to climate change that includes a net increase in government revenue.”<sup>156</sup> Despite convincing evidence of the existential threat to humanity posed by human-caused climate change, the Koch brothers appear unconcerned about the dangers. In an interview with *Fortune*, Charles Koch described incentives for renewable energy as “corporate welfare.”<sup>157</sup> According to Koch, “I would not have the government picking winners and [losers]. Particularly un-economic solutions or products or systems that are making people’s lives worse

<sup>149</sup> Danielle Ivory and Robert Fautrechi, *The Deep Industry Ties of Trump’s Deregulation Teams*, NEW YORK TIMES, (July 11, 2017) <http://nyti.ms/2iDZaIF>

<sup>150</sup> Elana Schor, *Democrats Press EPA Pick Pruitt on Energy Sector Ties*, POLITICO (Dec, 27, 2016) <http://politi.co/2haDZxr>

<sup>151</sup> See Letendre’s LinkedIn page at: <https://www.linkedin.com/in/daisy-c-letendre-24836345/>

<sup>152</sup> Anthony Adranga, *Morning Energy: Inside Tillerson’s Mind on Climate* POLITICO (Jan 24, 2017) <http://politi.co/2A0Fve1>

<sup>153</sup> Coral Davenport and Eric Lipton, *The Pruitt Emails: EPA Chief Was Arm in Arm With Industry* NEW YORK TIMES (February 22, 2017) <http://nyti.ms/2jbOr8K>

<sup>154</sup> See Rodrick’s LinkedIn profile at: <https://www.linkedin.com/in/christian-rodrick-b7908360/>

<sup>155</sup> See Traylor’s LinkedIn profile at <https://www.linkedin.com/in/patrick-traylor-b505b22b/>

<sup>156</sup> Coral Davenport and Eric Lipton *How G.O.P. Leaders Came to View Climate Change as Fake Science* NEW YORK TIMES (June 3, 2017) <http://nyti.ms/2AugEzh>

<sup>157</sup> Transcript of Interview with Charles Koch, FORTUNE (JULY 12, 2016) <http://for.tn/2gXp8X4>

rather than better.” While Koch professed to believe in global warming, he sought to diminish the amount of certainty around the issue and paint the impact as “not settled,” despite the catastrophic consequences of getting the issue wrong:

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*Yeah I believe it's been warming and I believe that the evidence is there are such a thing as greenhouse gases, and they're contributing to that. But I don't think anybody knows how much. **I don't think science is settled. I mean how could it be?** The people who are projecting, or who have these models, okay, if we do this the other could be increased by one and a half degrees to four and a half or six. The ocean could rise 20 feet or two feet. So it is not settled. As a matter of fact, science is never settled.*

**-Charles Koch, interview with Fortune<sup>158</sup>**

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Trump's nominee to lead the White House Council on Environmental Quality, Kathleen Hartnett White expressed similar skepticism about climate science in her confirmation hearing. “I'm not a scientist, but in my personal capacity, I have many questions that remain unanswered by current climate policy,” she said. “I think we indeed need to have more precise explanations of the human role and the natural role.” While acknowledging that there was probably some human contribution, she said the extent of that contribution “I think is very uncertain.”<sup>159</sup> Hartnett White, who formerly worked at the Koch-funded<sup>160</sup> Texas Public Policy Foundation, once dismissed the significance of carbon dioxide emissions, calling CO<sub>2</sub> “the gas of life on this planet” and referred to global warming as “paganism” and “the secular elites' religion.”<sup>161</sup>

When Hartnett White was chair of the Texas Commission on Environmental Quality, an investigation by KHOU-TV in Houston found the agency artificially lowered its calculation of radiation levels in Texas waters, in violation of EPA instructions, eliminating 35 violations.<sup>162</sup> She defended that decision in 2011, on KHOU-TV, professing that Texas environmental regulators had a better understanding of the science involving radioactivity in water than experts at the federal level:<sup>163</sup>

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<sup>158</sup> Id.

<sup>159</sup> Chris Mooney, *Trump's Top Environmental Pick Says She Has 'Many Questions' About Climate Change*, WASHINGTON POST (Nov. 8, 2017) <http://wapo.st/2j9jxZl>

<sup>160</sup> Forrest Wilder, *Revealed: The Corporations and Billionaires that Fund the Texas Public Policy Foundation*, TEXAS OBSERVER (Aug. 24., 2012) <http://bit.ly/28MR3Tj>

<sup>161</sup> Andrew Kaczynski, *Trump Pick for Top Environmental Post Called Belief in Global Warming a 'Kind of Paganism'* CNN (Oct. 19, 2017) <http://cnn.it/2jgLeVj>

<sup>162</sup> KHOU 11 News Video: <http://bit.ly/2ij08xN>

<sup>163</sup> Mark Greenblatt, *Texas Politicians Knew Agency Hid the Amount of Radiation in Drinking Water* KHOU 11 NEWS (MAY 19, 2011) <http://bit.ly/2iUXTNu>

## THE KOCH AGENDA FOR EDUCATION

Education Secretary Betsy DeVos has become something of a household name<sup>164</sup> in the first year of the Trump administration — an unusual feat for a typically low-profile cabinet position. Her often-expressed disdain for public schools has made her an extremely controversial leader for the Education Department. She has labeled the U.S. public education system a “monopoly” and a “dead end,” lacking what DeVos sees as the “innovative” spirit present in Silicon Valley.<sup>165</sup>

The daughter of wealthy western Michigan industrialist Edgar Prince, DeVos is married to Amway heir Richard DeVos Jr. The couple, who have an estimated net worth of more than \$5 billion, are longtime funders of efforts to promote vouchers, which enable public funding to pay for religious schools and other private schools. They support charter schools, most of which operate without unions and some of which are operated by for-profit companies.<sup>166</sup> They also support education savings accounts, which allow parents to use public money for private school tuition, fees and private tutoring.<sup>167</sup> These initiatives would pull away resources from school districts with needy students and instead subsidize many families who already pay for private schools and private tutors.

DeVos has advocated for — and invested in — “virtual” charter schools, where education is delivered online, writing to Sen. Patty Murray (D-Wash.) during her confirmation process that virtual charter schools “provide valuable options to families, particularly those who live in rural areas where brick-and-mortar schools might not have the capacity to provide the range of courses or other educational experiences for students.”<sup>168</sup> The DeVos family has invested in this sector: Financial disclosures released during Richard DeVos’ failed gubernatorial race<sup>169</sup> show the couple were investors in K12 Inc., a for-profit company that operates online charter schools.<sup>170</sup> But virtual charter schools have been rife with problems. For example, *Politico* wrote:

“In Pennsylvania, an early adopter where more than 30,000 kids log into virtual charter schools from home most days, the graduation rate is a dismal 48 percent. Not one virtual charter school meets the state’s “passing” benchmark. And the founder of one of the state’s largest virtual schools pleaded guilty to a tax crime last year.”<sup>171</sup>

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<sup>164</sup> Amanda Terkel, *How Betsy DeVos Became The Most Hated Cabinet Secretary*, HUFFINGTON POST (Oct 24, 2017) <http://bit.ly/2iCjBFE>

<sup>165</sup> Valerie Strauss, *To Trump’s Education Pick, the U.S. Public School System Is A ‘Dead End,’* WASHINGTON POST (Dec. 21, 2016) <http://wapo.st/2ha88Nu>

<sup>166</sup> Kate Zernike, *Betsy DeVos, Trump’s Education Pick, Has Steered Money From Public Schools*, THE NEW YORK TIMES (Nov. 23, 2016) <http://nyti.ms/2gYkW9A>

<sup>167</sup> Valerie Strauss, *What ‘School Choice’ Means In the Era of Trump and DeVos*, WASHINGTON POST (May 22, 2017) <http://wapo.st/2jttQAI>

<sup>168</sup> Kimberly Helping, *DeVos Champions Online Charter Schools, But the Results are Poor*, POLITICO (Oct 8, 2017). <http://politi.co/2ha0IKd>

<sup>169</sup> See Richard DeVos press release from March 31, 2006 at: <http://bit.ly/2BmPha7>

<sup>170</sup> Id.

<sup>171</sup> Kimberly Helping, *DeVos Champions Online Charter Schools, But the Results are Poor*, POLITICO (Oct 8, 2017). <http://politi.co/2ha0IKd>

### The DeVos-Koch Connection

The Kochs have long disliked public education. This mistrust “can be traced to their father, Fred, who ranted and raved that the National Education Association was a communist group and public-school books were filled with ‘communist propaganda,’ paranoia that extended to all unions, President Eisenhower and the “pro-communist” Supreme Court,”<sup>172</sup> wrote Lisa Graves, executive director of the Center for Media and Democracy in a 2011 article in *The Nation*.

The Kochs have longstanding ties to DeVos, their fellow Republican mega-donor, and share the goal of undermining public education. The DeVos family has attended the Kochs’ donor summits and contributed to the brothers’ political ventures.”<sup>173</sup> Two DeVos-created groups, the American Federation for Children and Alliance for School Choice, are funders and supporters of the Koch-funded American Legislative Exchange Council.<sup>174</sup> More than 170 bills were introduced in state legislatures in 2015 that reflected the education priorities of ALEC,<sup>175</sup> according to a study by the Center for Media and Democracy. Speaking at ALEC’s annual meeting in summer 2017, DeVos said: “Our opponents, the defenders of the status quo, only protest those capable of implementing real change. You represent real change.”<sup>176</sup>

The director of ALEC’s education policy work told NPR News that DeVos “has been a wonderful champion for school choice both before and after becoming secretary of education, and advancing educational choice is one of the key issues we work on here at ALEC.”<sup>177</sup> Koch-funded groups are pushing school choice initiatives in numerous states, including a \$200,000 campaign in Colorado.<sup>178</sup>



*An Americans for Prosperity ad pushes school choice in Colorado*

<sup>172</sup> Lisa Graves, *ALEC Exposed: The Koch Connection*, THE NATION, (July 12, 2011) <http://bit.ly/2jaRAFy>

<sup>173</sup> Jane Mayer, Betsy DeVos, *Trump’s Big Donor Education Secretary* THE NEW YORKER, (Nov. 23, 2016) <http://bit.ly/2gWQEnw>

<sup>174</sup> Lisa Graves, *5 Things to Know about Billionaire Betsy DeVos, Trump Education Choice* CENTER FOR MEDIA AND DEMOCRACY (Nov. 23, 2016) <http://bit.ly/2gYWIfv>

<sup>175</sup> CENTER FOR MEDIA AND DEMOCRACY: CASHING IN ON KIDS (March 2016) <http://bit.ly/2BoEdcp>

<sup>176</sup> Transcript of speech by Education Secretary Betsy DeVos to American Legislative Exchange Council (July 20, 2017) <http://bit.ly/2BkV1B0>

<sup>177</sup> Anya Kamenetz, *Betsy DeVos Speech Greeted By Protesters She Calls ‘Defenders Of The Status Quo’* NPR NEWS (July 20, 2017) <http://n.pr/2yNMrtE>

<sup>178</sup> Grant Stringer, *Koch Brothers’ Foundation Launches School Choice Campaign in CO*, WESTWORD (June 9, 2017) <http://bit.ly/2j9iVI8>

The Libre Initiative, a Koch-funded campaign targeting Latino communities, has been working on state-level efforts to build support in Latino neighborhoods for educational savings accounts that let families to use state money for private school as well as charter schools. The Libre Initiative’s executive director, Jorge Lima, praised DeVos in an interview with *Politico*.<sup>179</sup> “It does help to have someone like Secretary DeVos as leading this conversation on such a national level, so that when we knock on that door it literally is not the first time that they heard about charter schools or education savings accounts.”



*Daniel Garza of the Libre Initiative carries the Koch message to the Latino community*

**Table 6: Education Department Officials with Koch Ties**

First Name	Last Name	Title	Koch Tie
Hans	Bader	Lawyer in General Counsel's Office	Former senior attorney at the Competitive Enterprise Institute, which receives Koch funding. <sup>180</sup>
Betsy	DeVos	Education Secretary	Conservative mega-donor allied with the Kochs on education issues. <sup>181</sup>
Adam	Kissel	Deputy Assistant Secretary for Higher Education Programs	Former senior program officer at the Charles Koch Foundation <sup>182</sup>

### Campus Sexual Assault: Rolling Back Obama’s Policies

In September 2017, the Education Department reversed an Obama-era policy on investigations of sexual assault on college campuses, placing a higher burden of proof on those who report sexual

<sup>179</sup> Kimberly Helfing, *How the Kochs Are Trying to Shake Up Public Schools, One State at A Time*, POLITICO (Oct. 30, 2017) <http://politi.co/2h7XiYh>

<sup>180</sup> Michael Stratford, *Morning Education: DeVos Hires Staunch Critic of Federal Education Regulations*, POLITICO (Oct. 16, 2017) <http://politi.co/2haWYYN>

<sup>181</sup> Jane Mayer, Betsy DeVos, *Trump’s Big Donor Education Secretary* THE NEW YORKER, (Nov. 23, 2016) <http://bit.ly/2gWQEnw>

<sup>182</sup> Sarah Brown, *Koch Foundation Officer, a Critic of Title IX Guidance, Will Join Education Dept.* CHRONICLE OF HIGHER EDUCATION, (June 6, 2017) <http://bit.ly/2jdq4Ho>

assault and making it harder to punish the accused.<sup>183</sup> This move reflects the philosophy a DeVos hire, Adam Kissel, a former senior program officer at the Charles Koch Foundation. Kissel is now the Education Department's deputy assistant secretary for higher education programs.<sup>184</sup>

In a 2011 opinion piece published in the Huffington Post, Kissel argued that the environment on college campuses had tilted too far against the rights of those accused of sexual assault. "How does it make sense to trust campus judiciaries with getting serious crimes right under the lowest standards, when students often are not even allowed to have attorneys or to face their accusers and cross-examine them?" The op-ed piece's mocking title: *Standing Up for Due Process on Campus = "Sticking Up for Penises Everywhere?"*<sup>185</sup>

Another DeVos hire, Hans Bader, formerly a senior attorney at the Koch-funded Competitive Enterprise Institute, works in the Education Department's general counsel's office.<sup>186</sup> *Politico* described Bader as "sharply critical" of Obama-era education policies, particularly enforcement of civil rights laws, which he has said amounted to federal overreach.<sup>187</sup> In a June blog post, Bader praised the Trump administration's proposal to cut \$9.2 billion from the Education Department's budget, calling the cuts "justified and long overdue."<sup>188</sup> The Trump administration's first education budget proposal reflected DeVos-Koch education priorities. It proposed \$250 million in vouchers toward private schools and \$167 million for charter schools, while cutting \$9.2 billion in overall education spending.<sup>189</sup> The budget proposal, however, failed to pass Congress.

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<sup>183</sup> Stephanie Saul and Kate Taylor, *Betsy DeVos Reverses Obama-era Policy on Campus Sexual Assault Investigations*, NEW YORK TIMES (Sept 22, 2017) <http://nyti.ms/2haBuLy>

<sup>184</sup> Sarah Brown, *Koch Foundation Officer, a Critic of Title IX Guidance, Will Join Education Dept.* CHRONICLE OF HIGHER EDUCATION, (June 6, 2017) <http://bit.ly/2jdq4Ho>

<sup>185</sup> Adam Kissel, *Standing Up for Due Process on Campus = "Sticking Up for Penises Everywhere?"* HUFFINGTON POST, (Oct 30, 2011) <http://bit.ly/2jibM8q>

<sup>186</sup> Michael Stratford, *Morning Education: DeVos Hires Staunch Critic of Federal Education Regulations*, POLITICO (Oct. 16, 2017) <http://politi.co/2haWYYN>

<sup>187</sup> Id.

<sup>188</sup> Hans Bader, *Proposed Education Department Cuts are Long Overdue*, Competitive Enterprise Institute Blog, (June 23, 2017), <http://bit.ly/2BmGhSk>

<sup>189</sup> Anya Kamenetz, *President Trump's Budget Proposal Calls for Deep Cuts To Education* NPR NEWS (May 22, 2017) <http://n.pr/2h6UJWu>

## THE KOCH AGENDA FOR HEALTH CARE



*Americans for Prosperity ran a massive campaign to repeal the Affordable Care Act, but came up short.*

In 2014, Americans for Prosperity's Tim Phillips suggested, in an interview with the *New York Times*, that the group's sustained opposition to the Affordable Care Act could be considered an attempt to convince the public that government programs are hopelessly ineffective, just as the Obama administration pushed more aggressive action to combat climate change.

"We have a broader cautionary tale," Phillips said. "The president's out there touting billions of dollars on climate change. We want Americans to think about what they promised with the last social welfare boondoggle and look at what the actual result is."<sup>190</sup>

Trump initially appeared less committed to the Kochs' small-government agenda. He promised to "repeal and replace" the Affordable Care Act but pledged that the replacement would cover all Americans. Early in his presidential campaign, Trump told *CBS News*: "Everybody's got to be covered. This is an un-Republican thing for me to say... I am going to take care of everybody. I don't care if it costs me votes or not. Everybody's going to be taken care of much better than they're taken care of now."<sup>191</sup>

By contrast, the Kochs were deeply resistant to replacing the 2010 law with any sort of substitute plan. Koch-allied Republican lawmakers consistently drove the legislation to the right during "repeal and replace" negotiations, helping to make it more difficult, and ultimately impossible, for Republican moderates to support the effort.

Even before the failure to repeal the Affordable Care Act, frustrations were evident. "Get Obamacare repealed and replaced, get tax reform passed," Texas donor Doug Deason told the *Associated Press*, threatening to cut off donations. "You control the Senate. You control the House. You have the presidency. There's no reason you can't get this done. Get it done and we'll open it back up."<sup>192</sup> One Koch lieutenant openly warned of "consequences" for those who fail to execute the Koch agenda. "If

<sup>190</sup> Carl Hulse and Ashley Parker, *Koch Group, Spending Freely, Hones Attack on Government*, NEW YORK TIMES (March 21, 2014) <http://nyti.ms/2zHsLZP>

<sup>191</sup> *Transcript of interview with Donald Trump*, 60 MINUTES, (Sept. 27, 2015) <http://cbsn.ws/2jaQ862>

<sup>192</sup> Steve Peoples, *Donors to GOP: No Cash Until Action on Health Care, Taxes*, ASSOCIATED PRESS (June 26, 2017) <http://bit.ly/2zyOOSp>

they don't make good on these promises ... there are going to be consequences, and quite frankly there should be," said Sean Lansing, chief operating officer for Americans for Prosperity.<sup>193</sup>

Koch groups called Republican-authored repeal and replace legislation insufficient<sup>194</sup> and pledged to make campaign contributions only to 2018 candidates who vote no on the Republican health care bill in the House "We want to make certain that lawmakers understand the policy consequences of voting for a law that keeps Obamacare intact," Phillips said in March 2017.<sup>195</sup>

By June, as tensions within the Republican Party were mounting over health care, Phillips kept up the pressure, calling the Senate's health care repeal bill "a slight nip and tuck" and "immoral," citing insufficient cuts to Medicaid, the health care program for the poor.<sup>196</sup> "We have been disappointed that movement has not been more dramatic toward a full repeal," Phillips said.<sup>197</sup>

In the end, it is ironic that Americans who can still count on expanded healthcare benefits may have the Koch Brothers partly to thank for the defeat of repeal and replace. Conservatives were ultimately unable to overcome a split between the views of more moderate senators and the Koch-backed hard right. These tensions, combined with an outpouring of protest from patients' groups, activists and people who stood to lose their health insurance ultimately led to the defeat of the Republican health care legislation in 2017.

The failure to repeal the Affordable Care Act led to considerable hand-wringing among Koch donors and right-wing pundits. In June, an *Associated Press* report detailed "a sense of frustration and urgency" among roughly 400 donors at the Koch brothers retreat in Colorado, where participants pledge at least \$100,000 to the Koch network.<sup>198</sup>

Defeated on health care, the Koch brothers have reset their sights on giving veterans the ability to use medical providers outside the Veterans Administration, a longstanding goal of conservative groups that is opposed by major veterans groups. Since 2014, a Koch-group called Concerned Veterans for America has called attention to lengthy wait times for VA health care and the deaths of 40 patients who were waiting to receive care in the Phoenix VA system.<sup>199</sup> A leaked speech by the group's former director, Pete Hegseth, said the group seized upon the scandal to defend "against the

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<sup>193</sup> Id.

<sup>194</sup> Press Release, Americans for Prosperity, *Americans for Prosperity Responds to the American Health Care Act* (March 22, 2017) <http://bit.ly/2j0aujp>

<sup>195</sup> Theodore Schleifer, *Kochs Pledge Millions to GOPers in 2018 -If They Vote No On Health Care Bill* CNN.COM (MARCH 23, 2017) <http://cnn.it/2zYWu0i>

<sup>196</sup> Steve Peoples, *Koch Chief Says Healthcare Bill Insufficiently Conservative* ASSOCIATED PRESS (June 25, 2017) <http://bit.ly/2zYeUyg>

<sup>197</sup> James Oliphant, *Conservative Koch Network Criticizes U.S. Senate Healthcare Bill*, REUTERS (June 25, 2017) <http://reut.rs/2zWSxcl>

<sup>198</sup> Steve Peoples, *Donors to GOP: No Cash Until Action on Health Care, Taxes*, ASSOCIATED PRESS (June 26, 2017) <http://bit.ly/2zyOOSp>

<sup>199</sup> Blog, *Secret Wait Lists Were Still in Use Last Year at Colorado VAs*, CONCERNED VETERANS FOR AMERICA (NOV. 20, 2017) <http://bit.ly/2Bk6tgn>



march towards socialized medicine”<sup>200</sup> and claimed that the scandal exposed “the inevitable result of central planning for all Americans: massive wait times, impenetrable bureaucracy, de facto rationing, wasted tax dollars.”<sup>201</sup> Hegseth is now a *Fox News* co-host who once accidentally hit an Army drummer with an axe on live television<sup>202</sup> and has dined with Donald Trump.<sup>203</sup>

Efforts to privatize the VA appear to be advancing. Veterans Affairs Secretary David Shulkin, a rare top Trump official who served in the Obama administration, supports a bigger role for private health care, telling the *Wall Street Journal* he wants to “give veterans more choice in their care and be the decision maker for their care.”<sup>204</sup> Darrin Selnick, formerly a senior adviser at Concerned Veterans, is now a veterans affairs advisor on the White House’s domestic policy council after a stint at the VA.<sup>205</sup> Selnick co-authored a report calling for turning the current system into a government-chartered nonprofit corporation and refocusing the VA on “its original mission of caring for the veterans with service-connected disabilities.”<sup>206</sup>

**Table 7: Other Koch-tied officials**

First Name	Last Name	Agency	Title	Koch Tie
Mike	Pompeo	CIA	CIA Director	Pompeo, who represented the Kochs’ hometown of Wichita, Kan. in Congress and has numerous ties to the brothers <sup>207</sup> has been referred to as the “Koch Brothers’ Congressman” and “the congressman from Koch.” <sup>208</sup>
Eli	Miller	Treasury	Chief of Staff	Americans for Prosperity Ohio Director <sup>209</sup>

<sup>200</sup> George Zornick, *How the Koch Network Exploited the Veterans Affairs Crisis* THE NATION (Sept. 23, 2014) <http://bit.ly/2A2VPeo>

<sup>201</sup> Id.

<sup>202</sup> Nick Schwartz, *Fox News Host Hits Man With An Axe on Live TV*, USA TODAY (June 22, 2015) <https://usat.ly/2BnxFLk>.

<sup>203</sup> Jon Levine, *Trump Invited ‘Fox and Friends’ Co-Host Pete Hegseth to Private Dinner at White House*, THE WRAP (Oct. 26, 2017) <http://bit.ly/2BmuC5W>

<sup>204</sup> Ben Kesling and Peter Nicholas, *Veterans Affairs Chief Wants Bigger Role for Private Health Care*, WALL STREET JOURNAL (Nov. 20, 2017) <http://on.wsj.com/2zYsTnM>.

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## CONCLUSION

Ever the bait-and-switch salesman, Donald Trump has consistently used populist language to disguise plutocratic aims. The presence of so many Koch-affiliated political operatives in the Trump administration underscores how Trump has betrayed his supporters and contradicted his pledges to stand up for forgotten Americans against powerful interests. In an administration that lacks a clear policy agenda or expertise, Koch aides have been happy to fill the void with specific ideas to enrich corporate interests and harm the public as a whole. This agenda betrays the central idea of Trump's campaign: that an outsider was needed to stand up for the little guy against the powerful. The advance of the Kochs' brand of anti-regulation, pro-corporate libertarianism into the highest levels of Washington threatens to bring America closer to the Kochs' ultimate goal: undermining the premise that government can be an effective force for good in American society.