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# The Kingpins of Carbon and Their War on Democracy


## Abstract

Global warming is a potentially devastating problem requiring urgent action by governments. However, to date the U.S. government has remained largely paralyzed. Now new Greenpeace research has shed light on the sources of paralysis, a multi-decade war on democracy by the kingpins of carbon – the coal, oil, and gas industries allied with a handful of self-interested libertarian[1] billionaires. Their strategy has aimed to (1) shrink, disable and paralyze progressive government and (2) manipulate the remaining levers of government power by (a) eliminating all restrictions on private money in elections and (b) disenfranchising blacks, Latinos, the young, the elderly, and the disabled, all of whom are presumed to favor Democrats. Since 1975, their strategy has rolled back New Deal programs, weakened labor unions, and reversed victories of the civil rights movement, undermining the strength and cohesion of the middle class, further enriching and empowering a tiny self-interested elite.

To manage the urgent problem of global warming, we will have to understand and overcome the libertarian campaign against progressive government and their war on democracy. The main strategy available to the citizenry entails large numbers of people agreeing on a simple agenda, then taking coordinated action together.

In 2012, a new coalition came together called the Democracy Initiative (DI), which includes environmental, labor, and civil rights organizations. DI member organizations presently have about 50 million members. http://www.democracyforus.org. To counter the war on democracy by the kingpins of carbon, the Democracy Initiative has adopted a simple agenda: get private money out of elections and protect everyone's right to vote.[2]

Note to readers: In capitalizing the names of ethnic and racial groups, we have followed the *Associated Press Stylebook*, 46th edition (N.Y.: Basic Books, 2011). Thus: African American, Asian American, black, Hispanic, Latino, white.


1 Although many authors use "conservative" and "libertarian" interchangeably, these terms represent distinct political philosophies, which sometimes compete for political power, especially within the Republican Party. The acknowledged founder of American libertarianism is Ayn Rand, who published the novels *The Fountainhead* (1943) and *Atlas Shrugged* (1957). Indeed, the title of the standard history of the modern American libertarian movement, Brian Doherty's *Radicals for Capitalism*, is a phrase first used by Ayn Rand. See Brian Doherty, *Radicals for Capitalism* (N.Y.: Public Affairs, 2007), pg. 15. Upon her death in 1982, Ayn Rand's "objectivist" (libertarian) philosophy was summarized succinctly in her obituary in the *New York Times*: selfishness is good, altruism is evil, and the welfare of society must always be subordinate to individual self-interest. (Edwin McDowell, "Ayn Rand: Novelist with a Message," *New York Times* Mar. 9, 1982. http://goo.gl/nav7Uw And see the video *Ayn Rand: In her Own Words* (2011) in which Rand is interviewed for 74 minutes by Mike Wallace and Phil Donahue; available from Amazon on DVD, and on Youtube: http://goo.gl/XrwWvP) Principled conservatives generally reject American libertarianism. William F. Buckley, Jr., a conventional conservative, described the 1980 Libertarian Party platform as "Anarcho-Totalitarianism." (Buckley quoted in Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1 ) Principled political conservatives seek to preserve what is established, including a hierarchical social order, social stability, and tradition. Conservatives tend to prefer gradual, not abrupt, change. Libertarians and conservatives may agree on certain ideas and programs, such as low taxes, limited government regulation of business and private investment, a strong national defense, and individual responsibility for financial needs such as health insurance and retirement income. Perhaps because global warming will require very substantial government intervention to bring it under control, or to adapt to the chaos it will bring if it is allowed to run its present course, both libertarians and conservatives tend to either (a) deny the reality of global warming or (b) deny that humans can do anything about it.

2 We have omitted discussion of the Democracy Initiative's third agenda item: "To address other obstacles to significant reforms, including the abuse of U.S. Senate rules that allow a small minority to obstruct deliberation and block action on legislation addressing the critical challenges facing our nation." On this agenda item, a partial victory has already been won. See "Fix the Senate Now," a project of the Democracy Initiative. http://fixthesenatenow.org/

## Executive Summary

In its 2010 *U.S. National Security Strategy*, the Pentagon warned, "The danger from climate change is real, urgent, and severe."[3] Scientists agree: "We face risks of abrupt, unpredictable and potentially irreversible changes" with possibly "massively disruptive consequences to societies and ecosystems," the American Association for the Advancement of Science stated in 2014.[4]


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According to opinion polls, more than 80 percent of Americans want action to reduce the danger from global warming, even if it costs them something.[5]

So why isn't Congress taking action?

Congress has been unable to act because just a few dozen oil and gas moguls – the kingpins of carbon – have used their power and influence to jam the gears. These obstructionists have supported a full-on assault on campaign finance limits and hard-core attacks on voting rights to reinforce their own power, including three recent Supreme Court rulings that have radically altered American politics.

- *Citizens United v. FEC* (2010) gave corporations the right to spend unlimited amounts of money to influence political campaigns from the outside. It helped give birth to dozens of giant Super PACs.
- *McCutcheon v. FEC* (2014) raised the limit on individual contributions directly to federal candidates and party committees during each two-year election cycle from $123,200 to $3.6 million.
- *Shelby County v. Holder* (2013) overturned a key provision of the 50-year-old Voting Rights Act requiring states and other jurisdictions with a history of racism and discrimination to pre-clear election rule changes with the U.S. Department of Justice. The decision is part of a broader attack on the voting rights of people of color, the poor and young people – groups that favor aggressive action to protect the environment and combat global warming.

These wrongheaded Court decisions have made it much easier for corporations and a coterie of secretive billionaires to dump mountains of cash into election campaigns, drowning out the voices and the votes of ordinary people.

3 *National Security Strategy* (Washington, D.C.: Office of the President of the United States, 2010), pgs. 8, 47. http://goo.gl/pBBP;

4 American Association for the Advancement of Science, Climate Science Panel. *What We Know* (Washington, DC: 2014). http://goo.gl/lVTysB

5 "Despite costs, most Americans want action on climate change," *Yale 360* Feb. 12, 2014 (http://goo.gl/2qYKXt) describing Anthony Leiserowitz and others, *Public Support for Climate and Energy Policies in November 2013* (New Haven, Conn.: Yale University, 2014). http://goo.gl/6DWxxT

A Greenpeace review of the largest campaign spenders in the 2012 election cycle identified 87 top spenders closely tied to the big coal, oil and gas companies that are primarily responsible for global warming. In addition, 67 big political donors were identified who are closely tied to the Koch Brothers, the oil and gas industry billionaires from Wichita who are bankrolling the Tea Party and supporting hundreds of nonprofits. [See Appendix A: The Kingpins of Carbon and the Koch Brothers' Club of Plutocrats.]

With the exception of the notorious Koch brothers, few of these malefactors of great wealth are widely known because they remain anonymous, funneling "dark money" into elections via murky nonprofit front groups, exploiting loopholes in campaign laws and regulations. They are pursuing a single, simple agenda:

- Prevent Congress from taking action to mitigate global warming;
- Eliminate *all* remaining restrictions on money in federal and state elections for legislators and judges, allowing totally-secret, unrestricted donations;
- Cut taxes to starve and shrink government, to keep it ineffective;
- Eliminate regulations that protect the environment, and, finally,
- Crush labor unions and reverse the victories of the civil rights movement.

These self-interested plutocrats are polluting both our environment and our democracy. While their congressional sock puppets claim global warming is "scientifically unproven" or a "hoax" and accuse EPA of waging a "war on coal," it is in fact *they* who are endangering our national security by waging a war on democracy that has paralyzed the government's ability to take significant action.

They have money, but we have people. That is why Greenpeace and our allies have joined together to form The Democracy Initiative – an alliance of organizations representing 50 million people. http:///www.democracyforus.org We are union workers, civil rights campaigners, environmental activists, community leaders, and ordinary concerned citizens worried about the future for our families and our children. Together – *together* – we can overcome. Won't you join us?

## Introduction: Warming Up

Global warming is happening now, caused mainly by humans burning coal, oil, and natural gas, the so-called "fossil fuels."[6] In the United States, the obvious effects include rising sea levels, severe drought across the western states, more ferocious storms, the ocean growing more acidic, forests dying, and great numbers of species going extinct.[7] If our leaders had been paying attention, they would have seen this coming. Physicists have understood global warming since at least 1896: Burning fossil fuel releases carbon dioxide ($CO_2$), most of which stays in the atmosphere for many centuries, heating the whole planet in the same way a glass roof heats a greenhouse.[8] [See Appendix A: What Global Warming is Doing to Us]

When the Declaration of Independence was adopted, in 1776, the Earth's atmosphere contained about 280 parts per million (ppm) of $CO_2$. In 2013, we hit 400 ppm – a 43 percent increase. As a result, the whole planet has warmed a bit more than 1.5 degrees Fahrenheit (1.5° F.), most of that since 1970.[9]

The nations of the world have agreed that much more global warming would be dangerous. Therefore, since 2009, 120 nations have signed the *Copenhagen Accord*, which defined "dangerous" global warming as an increase of 3.6° F. (2° Celsius) above pre-industrial levels.[10] This requires holding atmospheric $CO_2$ near 450 ppm or less.[11] As $CO_2$ levels are trending now, we'll hit 450 ppm in 25 years, if not before.[12]

6 American Association for the Advancement of Science, Climate Science Panel. *What We Know* (Washington, DC: 2014). http://goo.gl/lVTysB

7 National Climate Assessment, U.S. Global Research Program. *Climate Change Impacts in the United States*. Washington, D.C.: U.S. Global Research Program, 2014. http://goo.gl/h40BD6

8 Spencer Weart. 2008. *The Discovery of Global Warming*. 2nd edition. Cambridge, Mass.: Harvard University Press, 2008. Available online: http://goo.gl/RUSWCF

9 National Climate Assessment, U.S. Global Research Program. 2014. *Climate Change Impacts in the United States*. http://goo.gl/h40BD6

10 "Dangerous" global warming was defined in the *Copenhagen Accord* (available here: http://goo.gl/YfJ8a7): "To achieve the ultimate objective of the Convention to stabilize greenhouse gas concentration in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, we shall, recognizing the scientific view that the increase in global temperature should be below 2 degrees Celsius [3.6 degrees Fahrenheit], on the basis of equity and in the context of sustainable development, enhance our long-term cooperative action to combat climate change." Many qualified experts believe a 3.6° F. global average rise and 450 ppm $CO_2$ in the atmosphere are far too large to assure safety for planet Earth and its inhabitants, and they have strong arguments. See, for example, Kevin Anderson, "Climate Change: going beyond dangerous... brutal numbers and tenuous hope or cognitive dissonance?" PowerPoint presentation dated July, 2011 (on Vimeo at http://goo.gl/9qTJS ), which is based on Kevin Anderson and Alice Bows, "Reframing the climate change challenge in light of post-2000 emission trends." *Philosophical Transactions of the Royal Society A*. Vol. 366 (2008), pgs. 3863-3882 ( http://goo.gl/0zVGE ) and on Kevin Anderson and Alice Bows, "Beyond 'dangerous' climate change: emission scenarios for a new world." *Philosophical Transactions of the Royal Society A*. Vol. 369 (2011), pgs. 20-44 ( http://goo.gl/hXFCUX). See also James Hansen, *Storms of My Grandchildren* (N.Y.: Bloomsbury USA, 2009). http://goo.gl/lsV76e ; And: James Hansen and others, "Climate sensitivity, sea level and atmospheric carbon dioxide." *Philosophical Transactions of the Royal Society A*. Vol. 371 (2013): 20120294, pgs. 1-31. http://goo.gl/m5ziUS ; and James Hansen and others. "Assessing 'Dangerous Climate Change': Required Reduction of Carbon Emissions to Protect Young People, Future Generations, and Nature." *Plos One* Vol. 8, No. 12 (Dec., 2013), pgs. 1-26. http://goo.gl/zaJ17w In this report we have adopted as a reference standard the Copenhagen goal, a 3.6° F. (2° C.) upper limit on average global temperature rise.

11 Emily Atkin. "The Three Most Sobering Graphics from the U.N.'s New Climate Report." *Climate Progress*. April 13, 2014 (http://goo.gl/sHLMW6) discussing "Summary for Policymakers" in O. Edenhofer and others, editors, *Climate Change 2014, Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* (N.Y. and Cambridge, U.K.: Cambridge University Press, 2014). http://goo.gl/mbGGcr

12 James Hansen, *Storms of My Grandchildren* (N.Y.: Bloomsbury USA: 2009), pg. 160. http://goo.gl/lsV76e

### The Crux of the Problem

According to authoritative sources, to stay below the 3.6° F. guard rail, to avoid dangerous global warming, roughly two-thirds of all known fossil fuel reserves must remain in the ground, unburned.[13]

Plainly put, for humanity to avoid dangerous global warming, the fossil corporations must forego most of their future profits, risking eventual bankruptcy.

### To Prevent "Dangerous" Global Warming, Government Must Act

The Pentagon has said repeatedly that global warming threatens U.S. national security. For example, the *U.S. National Security Strategy* said in 2010, "The danger from climate change is real, urgent, and severe. The change wrought by a warming planet will lead to new conflicts over refugees and resources; new suffering from drought and famine; catastrophic natural disasters; and the degradation of land across the globe." And: "Climate change and pandemic disease threaten the security of regions and the health and safety of the American people."[14] That risk alone provides a sound basis for government action, but so far our government has been paralyzed.

President Obama's latest plan, to curb carbon emissions from U.S. coal power plants, is a start but can be negated easily if U.S. fossil corporations simply increase their exports, which, Greenpeace research shows, they are already doing.[15] If U.S. fossil fuel exports continue to increase, U.S. emissions might diminish while global emissions continued to rise.

Because the Pentagon has acknowledged that global warming threatens U.S. national security, Congress and the President could justify emergency action to curb both $CO_2$ emissions *and* fossil fuel exports. Furthermore, "A large majority of Americans – 83 percent [including 85 percent of Democrats and 55 percent of Republicans] – say the U.S. should try to reduce global warming, even if it entails economic costs," according to a 2013 opinion survey by Yale and George Mason Universities.[16]

Why, then, won't – or *can't* – our government act?

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13 IPCC [Intergovernmental Panel on Climate Change], *Working Group III contribution to the IPCC 5th Assessment Report "Climate Change 2014: Mitigation of Climate Change,"* (Geneva, Switzerland, 2014), Chapter 5, pg. 38. http://goo.gl/rWTbKB; Malte Meinshausen and others. "Greenhouse-gas emission targets for limiting global warming to 2°C [3.6° F.]," *Nature* Vol. 458 (2009), pgs. 1158-1163 http://goo.gl/8WGQjl; James Hansen and others, "Climate sensitivity, sea level and atmospheric carbon dioxide." *Philosophical Transactions of the Royal Society A.* Vol. 371 (2013), 20120294 http://goo.gl/m5ziUS; Will Steffen and Lesley Hughes. *The Critical Decade 2013: Climate change science, risks and response.* Canberra, Australia: Climate Commission Secretariat, 2013. http://goo.gl/srm0Ie; Frank McDonald, "Two-thirds of energy sector will have to be left undeveloped, Bonn conference told." *Irish Times, June 12, 2013*, quoting Fatih Birol, chief economist of the International Energy Agency. http://goo.gl/iHTZNB.

14 *National Security Strategy* (Washington, D.C.: Office of the President of the United States, 2010), pgs. 8, 47. http://goo.gl/pBBP; John M. Broder, "Climate Change Seen as Threat to U.S. Security," *New York Times,* Aug. 8, 2009. http://goo.gl/GLftPs ; Coral Davenport, "Climate Change Deemed Growing Security Threat by Military Researchers," *New York Times,* May 14, 2014. http://goo.gl/emi9Wh

15 Greenpeace USA, *Leasing Coal, Fueling Climate Change* (Washington, D.C.: Greenpeace USA, July 28, 2014). http://goo.gl/uANB3l; and see U.S. Energy Information Administration, U.S. Exports of Crude Oil and Petroleum Products [1988-2014]. http://goo.gl/YO8wAf ; and: National Mining Association ("U.S. Coal Exports" web site). "Exports Benefit Every Region." http://goo.gl/2zBROh Accessed June 23, 2014.

16 "Despite costs, most Americans want action on climate change," *Yale 360* Feb. 12, 2014 http://goo.gl/2qYKXt describing Anthony Leiserowitz and others, *Public Support for Climate and Energy Policies in November 2013* (New Haven, Conn.: Yale University, 2014). http://goo.gl/6DWxxT

## The Strategy of the Kingpins of Carbon

To continue selling carbon fuels, and to stifle the rapid deployment of readily-available alternatives (such as super-efficient lights, heating units, and motors, plus renewable energy sources[17]), the fossil corporations – with help from a vast network of operatives funded by a handful of reclusive billionaires – have undertaken two highly-organized and well-funded campaigns to help them gain, and retain, political control in the United States:

1. They are working to get rid of any and all limits on the amount of money that can be donated to, or spent by, election campaigns for public office at the federal, state and local levels. Furthermore, as part of this campaign they are working to get rid of all requirements that sources of money be disclosed. Their goal is unlimited secret donations to, and expenditures by, election campaigns. In this campaign, they are being enabled by a majority of justices on the U.S. Supreme Court.

2. Secondly, the kingpins of carbon are conducting a nationwide campaign at the federal, state, and local levels to suppress the vote among people considered likely to vote Democrat, which includes blacks, Latinos, Asians, the young, the elderly, and the disabled. In this effort, too, they are being aided by a majority of justices on the U.S. Supreme Court.

In Congress, the fossil corporations' allies are refusing to act, based on the false claim that global warming is scientifically unproven or is even a hoax perpetrated by the world's major scientific organizations. Meanwhile the 3.6° F. "safe" limit on global warming will soon disappear in our rear-view mirror.

## A Grim Prognosis by the Mainstream of the Mainstream

According to the World Bank, the International Energy Agency, and the Intergovernmental Panel on Climate Change (IPCC), we are now on track for an average global temperature rise of 7° F. (4° C.), or more – perhaps as early as 2060.[18]

The World Bank said in 2012 that a 7° F. rise would have "devastating" effects that "must be avoided." In 2014 the American Association for the Advancement of Science, the largest scientific organization in the world, summarized the perils of global warming this way: "We face risks of abrupt, unpredictable and potentially irreversible changes" with, possibly, "massively disruptive consequences to societies and ecosystems."[19]

In other words, the Establishment fully acknowledges that we are on a path that risks destruction. Yet our government won't – or ***can't*** – act. Again, the question is, Why?

And so our story begins.

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17 David Goldstein, *Invisible Energy*. Point Richmond, Calif.: Bay Tree Publishing, 2009. http://goo.gl/PoBVck; David Goldstein, "America's Future: Austerity or Invisible Energy?" New York: *Switchboard, the Natural Resources Defense Council Blog*, June 11, 2010. http://goo.gl/vzM7RD; Benjamin K. Sovacool, *The Dirty Energy Dilemma*. Westport, Conn.: Praeger, 2008. http://goo.gl/oLstha; Amory Lovins and others. *Reinventing Fire; Bold Business Solutions for the New Energy Era*. White River Junction, Vermont: Chelsea Green Publishing, 2011. http://goo.gl/zGwsm; Peter Montague, *Energy Efficiency: Good Jobs, Low Carbon, Available Now.* New Brunswick, N.J.: Environmental Research Foundation, 2013. http://goo.gl/PJEFT; Sven Teske and others, *energy [r]evolution* 3rd edition (Amsterdam, Holland: Greenpeace International and European Renewable Energy Council, May, 2014). http://goo.gl/e8C2he

18 World Bank, *Turn Down the Heat; Why a 4°C Warmer World Must be Avoided*. Washington, D.C.: The World Bank, 2012. http://goo.gl/JohGMI; Joe Romm, "The $4 Trillion Mistake: Climate Action Delayed is Climate Action Denied." *Climate Progress*, May 14, 2014. http://goo.gl/eTMidl; International Energy Agency, *Energy Technology Perspectives 2014*. Paris: International Energy Agency, 2014. http://goo.gl/HzI9KS ; O. Edenhofer and others, editors, *Climate Change 2014, Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* (N.Y. and Cambridge, U.K.: Cambridge University Press, 2014), Chapter 5 http://goo.gl/rWTbKB See also: Joe Romm, "Faux Pause 3: More Evidence Global Surface Temperatures Poised To Rise Rapidly," *ClimateProgress* July 22, 2014. http://goo.gl/v8byfW

19 World Bank, *Turn Down the Heat; Why a 4°C Warmer World Must be Avoided*. Washington, D.C.: The World Bank, 2012. http://goo.gl/JohGMI; American Association for the Advancement of Science, Climate Science Panel. *What We Know* (Washington, DC: 2014). http://goo.gl/lVTysB

## Oiling Congress

Everyone knows money talks. And with enough money, you can talk your way into a seat in Congress. And once you're elected, your chances of being re-elected are excellent. Getting re-elected is important because the longer you stay in Congress, the more influential you become (it's called the "seniority system"[20]). And the more influential you become, the more money comes your way. (It is telling that now, for the first time in U.S. history, a majority in Congress are millionaires,[21] as are 8 out of 9 Supreme Court justices.[22] Millionaires rule, literally.)

Election campaigns require saturation coverage on TV, which is very expensive. In 2012, incumbents seeking re-election to the House of Representatives raised an average of $1.6 million each, about six times as much as their challengers, who raised an average of only $268,000 each. In the Senate, incumbents raised eight times as much as their challengers ($11.8 million vs. $1.4 million each).[23] Not surprisingly, for the past 50 years incumbents have won about 90 percent of the time.[24]

Of course after you've supported successful candidates, they are in a position to do favors for you, making laws and policies that help you out. For example, in the U.S., if you are in the fossil fuel business, the federal government subsidizes your industry with somewhere between $10 and $52 billion of taxpayer money each year (depending on what you count as a subsidy).[25] That's free money from taxpayers, which can be kicked back into congressional elections to keep the free money and other benefits flowing.

A recent report tells us that oil, gas and coal companies "are among the biggest political donors, and their investments in Congress are paying off. For every $1 the fossil fuel industry spends on campaign finance and lobbying, they get $59 back in tax breaks and other subsidies – a 5,800 percent rate of return.... At the industry's urging, Congress has blocked critically needed climate and energy policies and launched dozens of legislative attacks on existing environmental protections...."[26] Academic studies have drawn similar conclusions, documenting huge payback from investments in political campaigns.[27]

The corporate capture of Congress is certainly not unique to the energy corporations. In 2014, two eminent political scientists studied 1,779 policy issues and found that "America's claims to being a democratic society are seriously threatened," because "economic elites and organized groups representing business interests have substantial independent impacts on U.S. government policy, while average citizens and mass-based interest groups have little or no independent influence."[28]

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20 Kathy Gill, "What is the Seniority System?" About.com. http://goo.gl/Dlpya3 Accessed July 8, 2014.

21 Carly Cody, "Majority in Congress are Millionaires," NPR.org, Jan. 13, 2014. http://goo.gl/r8rbfr

22 Richard Wolf, "Nearly all Supreme Court justices are millionaires" *USA Today* June 20, 2014. http://goo.gl/lWPGSR

23 "Incumbent Advantage," OpenSecrets.org http://goo.gl/LmNviV Accessed July 8, 2014

24 "Reelection Rates Over the years," OpenSecrets.org http://goo.gl/ynOHSL Accessed July 8, 2014

25 "Fossil Fuel Subsidies: Overview," Oil Change International http://goo.gl/BYdMg Accessed July 8, 2014

26 Oil Change International and Sierra Club, *Polluting Our Democracy and Environment: Dirty Fuels Money in Politics* (Washington, D.C.: Oil Change International, April 2014). http://goo.gl/EKxy2U

27 Oil Change International and Sierra Club, *Polluting Our Democracy and Environment: Dirty Fuels Money in Politics* (Washington, D.C.: Oil Change International, April 2014). http://goo.gl/EKxy2U Another study concludes that the rate of return for political investors was over 200 times the investment. See Raquel Meyer Alexander and others, "Measuring Rates of Return for Lobbying Expenditures: An Empirical Case Study of Tax Breaks for Multinational Corporations," *Journal of Law and Politics*, Vol. 25, No. 401 ( 2009), pgs. 1-36. http://goo.gl/MtBWd Another study concludes that contributions to both parties yield gains in corporate share value. See Michael J. Cooper et al., "Corporate Political Contributions and Stock Returns," *Journal of Finance*, Vol. 65, No. 2, (April, 2010), pgs. 687-724. Summarized at http://goo.gl/nxopsi

28 Martin Gilens and Benjamin I. Page, "Testing Theories of American Politics: Elites, Interest Groups and Average Citizens," unpublished paper dated April 9, 2014. http://goo.gl/lkffKb

The vast majority of Americans have understood this trend for a long time. In a 2009 Harris poll, for example, over 80 percent of Americans across the partisan spectrum – Republicans, Democrats and Independents alike – agreed that big business and PACs have too much power and influence.[29] (PACs are "political action committees" – groups of people pooling their money to elect or defeat candidates, influence ballot initiatives or affect legislation. [See box, "PACs and Super PACs."])

Unfortunately, recent U.S. Supreme Court decisions have made the situation far worse. [30] Before 2010, election money could merely talk; now it can shout, drowning out the voices of ordinary citizens.

Of course there's nothing wrong with wealth per se. Who hasn't dreamed of gaining sufficient wealth to become independent? But in a democratic republic like the U.S., enormous wealth buying political power can endanger the general welfare of the people. As esteemed journalist Bill Moyers puts it, "Wealth acquired under capitalism is in and of itself no enemy to democracy, but wealth armed with political power – power to choke off opportunities for others to rise, power to subvert public purposes and deny public needs – is a proven danger to the 'general welfare' proclaimed in the Preamble to the Constitution as one of the justifications for America's existence."[31] President Theodore Roosevelt in 1907 recognized the "malefactors of great wealth" as a threat to our democratic republic. Thirty years later, in his "Rendezvous with Destiny" speech, President Franklin Roosevelt identified the danger to democracy posed by "economic royalists" – those who sought concentrated political power based on concentrated wealth. He said, "These economic royalists complain that we seek to overthrow the institutions of America. What they really complain of is that we seek to take away their power. Our allegiance to American institutions requires the overthrow of this kind of power." Many New Deal programs tended to level the economic playing field, reducing the power of the economic royalists.

**PACs and Super PACs**

A PAC is a group of people who pool their money to elect or defeat candidates, or to influence ballot initiatives, or legislation. If a PAC is aiming to affect *federal* campaigns, its fundraising is regulated by the Federal Election Commission (FEC). PACs influencing state-level campaigns are regulated by the individual states. Federal PACs have been legal since 1944, and must register with the Federal Election Commission as soon as they have raised $1000. Federal PACs must report their donors, donations, and expenditures frequently and the information is promptly published on an FEC web site. There are roughly 5000 PACs registered with the FEC.

Most PACs represent businesses, such as the Microsoft PAC; labor unions, such as the Teamsters PAC; or ideological interests, such as the National Rifle Association PAC. An organization's PAC can solicit up to $5,000 each from the group's employees or members and can make contributions of up to $10,000 to candidates ($5K each for the primary and general elections) and up to $15,000/yr to political parties.

**Super PACs**

A Super PAC, also known as "an independent expenditure-only committee," is one kind of political action committee (PAC) that came into existence in 2010 following a federal court decision known as *SpeechNow.org v. Federal Election Commission*.

29 Regina A. Corso, "Very Large Majorities of Americans Believe Big Companies, PACs, Political Lobbyists and the News Media Have Too Much Power and Influence in D.C.," Harris Interactive, March 12, 2009. http://goo.gl/e6QdBb

30 McCutcheon v. Federal Election Commission, April 2, 2014. For the decision and related filings see the case file at http://goo.gl/rOm1a7

31 Bill Moyers, "Fighting Back," in Jeffrey D. Clements, *Corporations Are Not People* (San Francisco: Berret-Koehler, 2012), pg. xii.

According to the Federal Election Commission, **independent expenditures** "represent spending by individuals, groups, political committees, corporations or unions expressly advocating the election or defeat of clearly identified federal candidates. These expenditures may not be made in concert or cooperation with, or at the request or suggestion of, a candidate, the candidate's campaign or a political party." [1]

Thus Super PACs are allowed to raise and spend unlimited sums of money for the sole purpose of advocating for or against identifiable candidates. However, unlike traditional PACs, Super PACs may not donate money *directly* to candidates.

Super PACs are required to disclose their donors to the Federal Election Commission, although many Super PACs now channel their donations through 501(c) nonprofit groups [See box: "The 501(c) Loophole and Dark Money," Pgs. XX–XX.], which are not required to disclose their funders, thus evading the intent of the law and providing large donors with anonymity.

1 http://www.fec.gov/press/press2011/ieoc_alpha.shtml Accessed July 8, 2014

### *Citizens United*, Part 1: Corporations United

Starting back in 1907, Congress banned donations to political campaigns by corporations, for two reasons: (a) The money in a corporate treasury belongs to stockholders, who may not agree with its use for political purposes; and (b) compared to individuals, corporations receive special privileges and advantages from the government (perpetual life; limited liability for investors; and special tax treatment), and those *economic* advantages should not be turned into *political* advantages, for fear that corporations will use their vast economic power to bribe legislators into granting them even more advantages, like more "special tax treatment."

What does "special tax treatment" mean? Many large corporations – especially the largest of them – pay little or no taxes. For example, Citizens for Tax Justice (CTJ) reported in 2014 that, during the five-year period, 2008 through 2012, 26 of the largest American corporations paid no federal income taxes – zero, none.[32] During that period, the combined profit of those 26 corporations was $170 billion. Giant corporations paying no taxes included General Electric, Boeing, and Verizon. Among America's Fortune 500 corporations, 288 were profitable in each of the five years 2008 through 2012. Those 288 firms paid an average federal tax of 19.4 percent, considerably less than nominal 35 percent top tax rate mandated by law. During the five-year period, one-third (93) of the 288 firms paid less than 10 percent in taxes on their profits. Furthermore, CTJ reported, those 288 corporations paid higher taxes in foreign countries where they did business, than they paid on the U.S.

So, yes, corporations get very special tax treatment under U.S. law. Among those getting the very sweetest deal are the fossil fuel corporations. A recent report shows that, between 2009 and 2014, U.S. oil and gas corporations paid an effective annual tax rate of 11.7 percent. The report points out that this is "dramatically less" than the 46.2 percent these same companies paid in taxes to foreign governments where they operate overseas.[33]

32 Robert S. McIntyre, Matthew Gardner, and Richard Phillips, *The Sorry State of Corporate Taxes; What Fortune 500 Firms Pay (or Don't Pay) in the USA and What They Pay Abroad – 2008 to 2012* (Washington, D.C.: Citizens for Tax Justice, 2014). http://goo.gl/PFsNdB

33 Taxpayers for Common Sense, *Effective Tax Rates of Oil and Gas Companies: Cashing in on Special Treatment* (Washington, D.C.: Taxpayers for Common Sense, July, 2014). http://goo.gl/B7pxYT

### *Citizens United v. Federal Election Commission*

The U.S. Supreme Court's 5-4 decision in 2010 allowed corporations and unions to use funds from their general treasuries to pay for political advertisements ("independent expenditures") that expressly call for the election or defeat of a candidate, so long as those ads are not coordinated with a particular candidate. The court ruling solidified the legal concepts that corporate-funded political advertisements are "speech" and that such speech is protected by the First Amendment to the Constitution because corporations are just like people.[1] The ruling capped a 40-year campaign to have corporations deemed "persons" under the law with their campaign expenditures protected as "speech" under the First Amendment.[2]

The *Citizens United* ruling did not eliminate restrictions on corporate donations made directly to candidates. It also did not affect other campaign finance regulations, such as limits on individual contributions to campaigns, or the ban on expenditures by foreign corporations.

Two months after *Citizens United,* the U.S. Court of Appeals for the District of Columbia Circuit struck down limits on contributions to political committees (PACs) that only make independent expenditures. The decision in the case – known as *SpeechNow v. FEC* – led the FEC to issue guidance allowing political action committees (PACs) that only make "independent expenditures" (now known as Super PACs), to take unlimited contributions, so long as they disclose the source.

Soon after the *Citizens United* and *SpeechNow* decisions, a flood of corporate money began to pour into Super PACs, trade associations and nonprofit front groups. [See box: "The 501(c) Loophole and Dark Money."]

1 Editorial Board, "The Court's Blow to Democracy," *New York Times* Jan. 22, 2010 http://goo.gl/NEGwG8

2 Robert L. Kerr, *The Corporate Free Speech Movement* (New York: LFB Scholarly Publishing, 2008). David D. Kirkpatrick, "Courts Roll Back Limits on Election Spending," New York Times Jan. 9, 2010 http://goo.gl/zdSg7G; Adam Liptak, "Justices, 5-4, Reject Corporate Spending Limit," *New York Times* January 21, 2010. http://goo.gl/s8rTSh

## The Corporate Free Speech Movement

But corporate elites want more. For the past 40 years, a small group of lawyers has been conducting a campaign to overturn the 1907 ban on corporate donations to election campaigns, aiming to establish a "right" for corporations to spend unlimited amounts of money in elections and to do so in secret.[34] [See box: "Challenging Corporate Constitutional Rights."] Their first victory came in 1976 in a Supreme Court case called *Buckley v. Valeo*, when the Court first equated money with speech. Two years later, in *First National Bank v. Bellotti*, the Court ruled that corporate spending on political media messages was "corporate speech," protected by the First Amendment to the Constitution.[35] *Bellotti* established the "right" of a corporation to spend its funds to influence a referendum (in which voters approve or reject a proposed law, rather than choose a candidate). After that, it was only a matter of time before the ban on corporate spending in elections could be overturned. It finally happened in 2010 when the court ruled in *Citizens United v. FEC* that corporations have a right, protected by the First Amendment, to spend without limit on media campaigns to influence elections, so long as those expenditures are not "coordinated" with a particular candidate.[36] [See box, "*Citizens United v. Federal Election Commission*."]

34 Robert L. Kerr, *The Rights of Corporate Speech; Mobil Oil and the Legal Development of the Voice of Big Business* (New York: LFB Scholarly Publishing, 2005); and Robert L. Kerr, *The Corporate Free Speech Movement* (New York: LFB Scholarly Publishing, 2008). And: David D. Kirkpatrick, "A Quest to End Spending Rules for Campaigns," *New York Times* Jan. 25, 2010. http://goo.gl/WJcW1

35 Robert L. Kerr, *The Corporate Free Speech Movement*. New York: LFB Scholarly Publishing, 2008.

36 Jeffrey Toobin, "Money Unlimited; How Chief Justice Roberts Orchestrated the Citizens United Decision," *The New Yorker* May 21, 2012. http://goo.gl/hQ2DW

Jeffrey Toobin, who follows campaign finance for the *New Yorker*, summarized *Citizens United* this way: "The gist of the Citizens United decision is that it gave rich people more or less free rein to spend as much money as they want in support of their favored candidates."[37]

### Challenging Corporate Constitutional Rights

By manipulating and twisting judicial doctrines, and by many other means, corporations have acquired the ability to overturn regulations and otherwise directly undermine the public interest in numerous ways, creating a fundamental shift in power that threatens the traditions and core principles of American democracy.[1]

In 1931, legal scholar Frederick Wormser summed up the corporate capture of the federal government as a monstrous and fundamental threat to democracy in his book, *Frankenstein, Incorporated*.

Wormser drew a strong analogy between the day's giant corporations and Mary Shelley's fictional creature: Both escaped their creator's grip, turning into "the terror of 'all living things' [that] threatened the security and well-being of mankind."[2]

"The entire conception of the business corporation must be modified in the interest of public service," Wormser asserted. "Corporations must be made to serve social interests, deal honestly and fairly, observe the rights of the community… The theory of social interest and public trust must supplant the doric simplicity of the old *laissez faire* doctrine, so far as our corporate giants are concerned. There must be a new conception of corporate 'rights.' Modern and enlightened ideas of social and economic responsibility must supplant the individualistic philosophy of the early common law and of the business man. … The franchise from the people which grants to corporations their invaluable privileges and immunities involves the assumption of corollary duties and obligations. The vassal owes a duty of the utmost good faith to its creator, the people. As matters of good business and public policy alike, great corporations owe, and should heed, and must pay, this debt owing to the community from which they have obtained and gained so much."

Today, corporate colonization of constitutional theory and judicial doctrine has extended well beyond where it stood in Wormser's day, especially in the realm of commercial and political speech – two key corporate judicial doctrines.

It's time to make it incontrovertibly clear that the rights enshrined in the Constitution are meant for the American people – the ultimate constitutional authority – not for artificial legal entities created through incorporation.

The People's Rights Constitutional Amendment" (S. J. Res. 18), the "We The People Amendment" (H. J. Res. 29) and other proposed amendments extend beyond the Democracy for All Amendment (S. J. Res. 19, which overturns the Supreme Court's Citizens United decision) by clarifying that corporations do not have the same constitutional rights as people which are not expressly granted to them.

1 For a more detailed review see Ted Nace, *Gangs of America: The Rise of Corporate Power and the Disabling of Democracy* (San Francisco: Berrett-Koehler, 2003); Lee Drutman and Charlie Cray, *The People's Business: Controlling Corporations and Restoring Democracy* (especially chapter 2: "Challenging the Corporate Claim to Constitutional Rights"); and Jeffrey D. Clements, *Corporations Are Not People* (San Francisco: Berrett-Koehler, 2012).

2 Frederick Wormser, *Frankenstein Incorporated* (N.Y.: McGraw-Hill, 1931).

37 Jeffrey Toobin, "Republicans United on Climate Change," *The New Yorker* June 10, 2014. http://goo.gl/gLJPbB And see Jeffrey Toobin, "Money Unlimited; How Chief Justice Roberts Orchestrated the Citizens United Decision," *The New Yorker* May 21, 2012. http://goo.gl/hQ2DW

**Further resources on this issue:**

Free Speech for People http://freespeechforpeople.org ("Get big money out of our politics and end the fiction that corporations have constitutional rights, as if they were people.")

Move to Amend ("End corporate rule. Legalize democracy.") http://www.movetoamend.org

The Community Environmental Legal Defense Fund (CELDF) in Mercersburg, Pa. http://www.celdf.org

Public Citizen http://www.citizen.org

The Center for Corporate Policy http://www.corporatepolicy.org

The Constitutional Accountability Center http://www.constitutionalaccountability.org

## Rise of the Super PAC

The effect on U.S. elections was immediate and dramatic. By 2012, "independent expenditures" on ads, mailings, and phone calls (also known as "outside spending") in federal elections increased 400 percent,[38] and new kinds of organizations quickly came to dominate campaign finance. A PAC dedicated to "independent expenditures" – usually TV ads bashing the opposition – is called a Super PAC. Between 2010 and August 2012, the number of Super PACs grew from 84 to 797, with just 100 donors providing some 60 percent of the $394 million raised during that period.[39] In the 2012 election, Super PACs ended up spending just over $567 million – more than half-a-*billion* dollars.[40] Much of that money was untraceable because it flowed from Super PACs through "dark money" nonprofits that provide a loophole in campaign finance regulations, allowing donors to hide their identities. ["See box: The 501(c) Loophole and Dark Money".]

Outrage over *Citizens United* spanned the political spectrum. According to a 2010 poll, 77 percent of all voters – including 70 percent of Republicans and 73 percent of independents – view corporate election spending as an attempt to bribe politicians rather than free speech that should be protected.[41]

Dale Robertson, founder of TeaParty.org, said, "Corporations are not like people. Our founding fathers never wanted them; these [are] behemoth organizations that never die, so they can collect an insurmountable amount of profit. It puts the people at a tremendous disadvantage."[42]

In a similar vein, long-time clean-election campaigner, and president of Democracy 21, Fred Wertheimer, said, "It has been a principle of our democracy, dating back more than a century, that corporate wealth should not be used in federal elections. This principle is based on the fundamental idea that individuals vote to choose federal officeholders and only individuals should provide the private financing to elect these officeholders, not corporations or other artificial entities."[43]

38 Craig Holman, Testimony to the Senate Committee on Rules & Administration, April 30, 2014. Holman is Public Citizen's congressional lobbyist for campaign finance and governmental ethics. http://goo.gl/TigeVU

39 James Bennet, "The New Price of American Politics," *The Atlantic*, Sept. 19, 2012. http://goo.gl/crWlO

40 "2012 Outside Spending, by Super PAC," OpenSecrets.org http://goo.gl/zkFqtK

41 Voter Roll Call Survey dated Aug. 9, 2010, cited in Katrina van den Heuvel, "Citizens United Aftershocks," *Washington Post* Aug. 25, 2010. http://goo.gl/YAHLzO

42 "The SCOTUS 'corporate cash for candidates' decision: left, right and tea," The Reid Report (blog), Jan. 21, 2010. http://goo.gl/r6n7xc

43 Democracy 21, "The Citizens United Case, Part 4: Key Points Made in Briefs Supporting the Ban on Corporate Expenditures in Campaigns," Aug. 26, 2009. http://goo.gl/kwBHCJ

Large majorities of U.S. business leaders polled after *Citizens United* agreed that major contributors already had too much influence on politicians, that the U.S. campaign finance system is pay-to-play (in other words, without money, you're nobody), and that there should be limits on how much money individuals, corporations, and labor can give to political candidates.[44]

In response to *Citizens United*, the editors of the *New York Times* wrote, "With a single, disastrous 5-to-4 ruling, the Supreme Court has thrust politics back to the robber-baron era of the 19th century. Disingenuously waving the flag of the First Amendment, the court's conservative majority has paved the way for corporations to use their vast treasuries to overwhelm elections and intimidate elected officials into doing their bidding."[45]

This is an important point: Now that the Supreme Court has allowed corporations to spend unlimited amounts of money on elections, they may not actually have to spend *any* money to intimidate a candidate.[46] They could simply announce, "We have unlimited funds to spend *for* you or *against* you. It's your choice." Few in Congress could afford to ignore that kind of threat. In 38 states, judges are elected, so in those states even the "non-political branch of government" – the judiciary – may be subject to intimidation by big money.[47]

The *Citizens United* decision is already undermining democracy in another way – by reducing citizens' faith that voting can make a difference. In a national poll taken two years after *Citizens United,* 25 percent of Americans said they were less likely to vote now that big donors have so much more influence over elected officials than average Americans.[48] Suppressing voter turnout has been a Republican goal for decades. In 1980, legendary Republican strategist Paul Weyrich told Ronald Reagan, "I don't want everybody to vote. Our leverage, quite frankly, goes up as the size of the voting population goes down."[49]

The third – and by far most important – consequence of *Citizens United* was both unanticipated and potentially revolutionary. Jeffrey Toobin, staff writer for the *New Yorker,* explains:

[Money gushing into Super PACs] "had the effect of taking money and power away from the political parties – which control only modest amounts of money by contemporary standards – and handing that power to the people who write the checks. Certain of these people, the newly empowered rich, care a great deal about climate change – about denying its existence and fighting attempts to limit its impact. No one is quite sure who gives how much to the 501(c)(4)s, because they are allowed to keep their donors' names secret. But it's clear that in the forefront of anti-climate-change activism are the Koch brothers [Charles and David Koch of Wichita, Kans., heirs to a giant energy conglomerate], who have invested huge amounts in politics and political candidates since Citizens United. (Jane Mayer has written about the brothers' efforts.[50]) The Kochs are so prominent that they have become, in effect, gatekeepers for Republican politics.[51] Climate-change denial is now the price of admission to the charmed circle of Republican donors,"[52]

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44 Hart Research Associates, "American Business Leaders on Campaign Finance and Reform," survey conducted for the Committee for Economic Development, May/June 2013. http://goo.gl/or4dqY

45 Editorial Board, "The Court's Blow to Democracy," *New York Times*, Jan. 22, 2010. http://goo.gl/NEGwG8

46 David D. Kirkpatrick, "Lobbyists Get Potent Weapon in Campaign Ruling," New York Times Jan. 22, 2010. http://goo.gl/hr8ZjH

47 American Bar Association, "Fact Sheet on Judicial Selection Methods in the States" http://goo.gl/MGtj70 Accessed July 8, 2014

48 Brennan Center for Justice, "Poll: Super PACs Leave Americans Less Likely to Vote," April 24, 2012. http://goo.gl/81dSJp

49 Quoted in Kim Phillips-Fein, *Invisible Hands* (N.Y.: W.W. Norton, 2009), pg. 257.

50 Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1

51 Eric Holmberg and Alexia Fernandez Campbell, "Koch: Climate Pledge Strategy continue to grow," Investigative Reporting Workshop July 1, 2013. http://goo.gl/bQyQ6p

52 Jeffrey Toobin, "Republicans United on Climate Change," *The New Yorker* June 10, 2014. Emphasis added. http://goo.gl/gLJPbB

Toobin writes. To receive campaign funds approved by the billionaire Koch brothers, a politician actually has to sign a "No climate tax pledge," promising not to spend any money to fight climate change without cutting taxes an equivalent amount.[53]

In other words, the *Citizens United* decision has enabled two radical libertarian billionaires, whose fortune derives from (and depends upon) oil and gas, to blackmail every Republican candidate for office into denying the need to take bold action on global warming.

This fact alone goes a long way toward explaining why the U.S. government cannot act to resolve the global warming crisis, even as the Pentagon is saying the danger to America is "real, urgent, and severe."[54]

Of course the Koch brothers are not acting alone. They are joined by a rogue's gallery of fossil corporation executives and underlings, all working to manipulate the political system in their own ways, aiming to stymie efforts by government to solve the urgent problem of global warming. As revealed by new Greenpeace research, these are the true kingpins of carbon. [See Appendix A: The Kingpins of Carbon and the Koch Brothers' Club of Plutocrats.]

### The 501(c) Loophole and Dark Money

In its *Citizens United* decision in 2010, the Supreme Court opened the flood gates for an ocean of cash to pour into the U.S. election system – creating a huge political advantage for billionaires like the Koch brothers. Justice Anthony Kennedy wrote the opinion. He said corporate cash gushing into elections would not corrupt politicians or even influence voters because "Transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages." (By "speakers" he didn't mean people; he meant corporations opening their treasuries. You see, corporate money is "speech," protected by the first amendment, this Court believes.)

Unfortunately, immediately after the *Citizens United* decision was announced, billionaires like the Koch brothers hired some of the sharpest lawyers on the planet to devise new strategies for hiding Big Money campaign donations from the public's prying eyes.

So here are some of the ways billionaires and corporate plutocrats now hide their identity as they pour money into elections.

First they set up a corporation in Delaware and register it with the Internal Revenue Service (IRS) under section 501(c)(4) of the internal revenue code. These are called "social welfare" organizations – they are supposed be "primarily" engaged in promoting social welfare. (These organizations have been around for 100 years, so this part isn't new.)

Importantly, neither the IRS nor the Federal Election Commission has ever defined what "primarily" means. So it's more or less meaningless. The point is that 501(c)(4) organizations are not supposed to "primarily" influence elections. But some of them do.[1] What's equally important is that 501(c)(4)s are not required to disclose their sources of funding.

1 Kim Barker, "How Nonprofits Spend Millions on Elections and Call it Public Welfare," *ProPublica* Aug. 18, 2012. http://goo.gl/FdztJ

53 Eric Holmberg, "Koch: Climate Pledge Strategy Continues to Grow," InvestigativeReportingWorkshop.org July 1, 2013. http://goo.gl/bQyQ6p See who has signed the pledge here: http://goo.gl/8vRHNA

54 *National Security Strategy* (Washington, D.C.: Office of the President of the United States, 2010), pgs. 8, 47. http://goo.gl/pBBP; John M. Broder, "Climate Change Seen as Threat to U.S. Security." *New York Times* (Aug. 8, 2009). http://goo.gl/GLftPs; Ed King, "Pentagon 'clear' climate change is a 'national security' issue." RTCC.org, May 28, 2014. http://goo.gl/nIWP45

Another kind of organization that doesn't have disclose its donors is a 501(c)(6) – a trade association, such as the U.S. Chamber of Commerce.

So 501(c)(4) and 501(c)(6) groups are now known as "dark money" organizations because they do not have to disclose where their money comes from.

Dark money organizations grew *very* popular right after the *Citizens United* decision. In 2006, outside spending by "dark money" groups made up 2 percent of "outside spending" on campaign ads, mailings and phone calls. By 2010, that "dark money" figure had risen to 40 percent. So much for Justice Kennedy's faith in "transparency."[2]

But the plot thickens far beyond simple 501(c) groups.

The Koch brothers – ever the innovators – have 12 politically active nonprofits, 11 of them (c)(4)s and one of them a (c)(6). (This does not include think tanks, foundations or other charities controlled by the Kochs, or the hundreds of other groups they fund.) But each of these Koch nonprofits in turn owns one or more "limited liability corporations" (LLCs) incorporated in Delaware, where the only person whose name must be divulged is the person who actually creates the LLC – usually a Delaware lawyer who makes a living filing incorporation papers. These LLCs are known as "disregarded entities," wholly owned by the nonprofit that sets them up. The Kochs' 12 nonprofits own 20 LLC "disregarded entities" with names that are just string of letters, like STN, POFN, ORRA, ASMI, SLAH, and TOHE. The first of these "disregarded entities" sprang into being a month after the *Citizens United* decision was announced.[3]

So big donors (perhaps one of the Koch brothers or perhaps one of their billionaire friends who attended a **Koch Network** secret strategy meeting), give money to one of the Kochs' LLCs. All secret. The parent of that LLC, say Freedom Partners, then doles out those funds to other 501(c)(4) organizations, which in turn buy TV time for attack ads trying to stop some Democrat from getting elected in Wisconsin or North Carolina.

If you search the IRS public files for the name of one of the "disregarded entities" you come up empty because the tax filings are indexed by the name of the parent 501(c)(4), but there's no public record of which LLC is owned by which 501(c)(4).

Disregarded entities provide a second layer of anonymity for skittish donors who value their extreme anonymity, perhaps because they're jiggering with democracy in a way that would embarrass them in front of their children or their friends if the truth were known.

The Kochs have innovated secretive campaign giving in another way. Nine of their 12 nonprofits have been set up as trusts, which is unusual. As *ProPublica* describes the situation, "Trusts are subject to little outside oversight. They don't have to file incorporation papers of annual reports to the state." According to *ProPublica*, each of the Koch trusts has a unique twist – the entity with the power to remove trustees from the Koch trusts is, itself, an LLC with a name that is just a string of letters. Whoever is behind the LLC has complete control of the nonprofit, but that person's identity is not knowable. Marcus Owens, who used to run the "exempt organizations" division of the IRS, told ProPublica, "It's someone having control, and it's that someone going to great lengths to avoid being known."[4] One employee of a nonprofit with ties to the

2 Kim Barker, "How Nonprofits Spend Millions on Elections and Call it Public Welfare," *ProPublica* Aug. 18, 2012. http://goo.gl/FdztJ

3 Kim Barker and Theodoric Meyer, "Who Controls the Kochs' Political Network? ASMI, SLAH, and TOHE" *ProPublica* Mar. 17, 2014. http://goo.gl/tD4o6r

4 Kim Barker and Theodoric Meyer, "Who Controls the Kochs' Political Network? ASMI, SLAH, and TOHE" *ProPublica* Mar. 17, 2014. http://goo.gl/wxA9Av

Koch brothers told *ProPublica,* "The level of degree to which they [the Koch brothers] insist on control is truly spectacular."[5]

Dark money nonprofits use many tricks to skirt the law that requires them to "primarily" serve "public welfare" and not engage in much electioneering.

For example, the LLC owned by one 501(c)(4) will receive a large donation from an anonymous donor – for example, a major corporation interested in electing an anti-labor candidate to the Senate. That 501(c)(4) will then make donations to 5 other LLCs owned by five other nonprofits. This is all consistent with IRS rules. Then those 5 will donate funds to 10 other nonprofits, which will then pay for TV ads, phone banks, and targeted mailings, all bashing whoever is running against the favored anti-labor candidate. In theory someone could investigate all this and track down some wrongdoer near the bottom of the food chain.

But here's another trick: right after the election, several of the nonprofits might close up shop and go out of business. "You can go into business and violate the law and then go out of business," says Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington (CREW). "And what's ever going to happen about that? There's no consequence," she says.[6]

"I'm relatively pessimistic right now," says Karl Sandstrom, a former vice-chairman of the Federal Election Commission. "We have agencies that are in some cases silent, in some cases divided, and in some cases as slow as they can possibly be."[7]

The answer seems clear: We need new laws that completely reverse the effects of the *Citizens United* and *McCutcheon* decisions. See the section of this report called "Conclusion and Recommendations."

5 Kim Barker and Theodoric Meyer, "Who Controls the Kochs' Political Network? ASMI, SLAH, and TOHE" *ProPublica* Mar. 17, 2014. http://goo.gl/wxA9Av

6 Kim Barker, "How Nonprofits Spend Millions on Elections and Call it Public Welfare," *ProPublica* Aug. 18, 2012. http://goo.gl/FdztJ

7 Kim Barker, "How Nonprofits Spend Millions on Elections and Call it Public Welfare," *ProPublica* Aug. 18, 2012. http://goo.gl/FdztJ

### *Citizens United*, Part 2: *McCutcheon v. FEC*

The Supreme Court did not stop with *Citizens United*. A second case, known as *McCutcheon v. FEC*, in 2014 tore down another key campaign finance rule, which had limited the total amount of direct donations that individuals could give to candidates. The decision left in place a limit on the amounts donors could give to a *single* candidate, but opened a new loophole by raising the limit on the total amount that an individual could give to influence *many candidates* simultaneously.

Overturning decades of precedent, the Court endorsed the argument made by coal executive Shaun McCutcheon and his co-plaintiffs at the Republican National Committee (RNC) that the existing total contribution limit of $123,200 – more than twice the annual income of the average American household – was an unconstitutional restraint on his "political speech," meaning the money he spends to influence the election of politicians.

McCutcheon, who says efforts to address global warming are a "waste of money," claims his lawsuit was about "your right to spend your money on as many candidates as you choose," whether or not they directly represent you as a voter.[55]

55 Kate Sheppard, "McCutcheon v Federal Election Commission Plaintiff is Climate Change Denier," *Huffington Post*, October 7, 2013. http://goo.gl/ySlKnT; "Supreme Court Returns to Campaign Finance Fight," CBS News, October 9, 2013. http://goo.gl/7n6qf0 Accessed

As a result of the court's decision, Mr. McCutcheon and all other multi-millionaires are now free to donate $3.6 million to a party's joint fundraising committee, which it can then distribute to any candidate(s) it chooses.[56]

"We aren't talking about a large number of individuals" who can afford to do so, McCutcheon's lawyer, Erin Murphy, acknowledged during oral arguments in the case. (Incidentally, Murphy is one of Chief Justice John Roberts' former clerks.) That was quite an understatement: According to the Center for Responsive Politics just 591 donors – 0.0000019 percent of the U.S. population – gave candidates the maximum ($123,200) allowed in 2012.[57] Many of these top donors made their fortunes from the fossil fuel industry. [See Appendix A: The Kingpins of Carbon and the Koch Brothers' Club of Plutocrats.]

The Roberts Court decided that the right of any supremely wealthy individual to support many candidates is more important than protecting "the integrity of the marketplace of political ideas," which had been a primary concern of the Court in the previous 100+ years of campaign-finance decisions.[58]

"Where enough money calls the tune, the general public will not be heard," Justice Stephen Breyer wrote in his blistering *McCutcheon* dissent, scolding his colleagues for ignoring precedent and for demonstrating a dim understanding of the real world of politics. "Taken together with *Citizens United* ... [the *McCutcheon*] decision eviscerates our Nation's campaign finance laws, leaving a remnant incapable of dealing with the grave problems of democratic legitimacy that those laws were intended to resolve," Breyer wrote.

"I don't think $3.5 million is a lot of money," Justice Antonin Scalia said of the new aggregate limit during oral arguments in the case.[59] U.S. Solicitor General Donald Verrilli, representing the FEC, responded, "I don't think that's the right way to look at it, Your Honor. If you think that a [political] party's got to get $1.5 billion together to run a congressional campaign, parties and candidates together, and you've got a maximum of $3.6 million... less than 500 people can fund the whole shooting match."[60]

"The fact that the Court took this case at all shows where their priorities are," said Adam Lioz, the attorney for Demos who filed an amicus brief in the case on behalf of Greenpeace. The Court was essentially "agonizing over a specious burden on about a thousand millionaires and billionaires (who are already spending heavily on politics) rather than focusing on the rights of ordinary Americans," he said.[61]

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Aug. 20, 2014.

56 The Court's decision does not do away with limits donors can give to a single candidate, party committee or leadership PAC. Most analysts of the McCutcheon v. FEC case have explained that the new aggregate limit is $3.6 million – which includes campaigns and political party committees, but excludes leadership PACs, which are another way donors can channel money to individual candidates, which, if included, raises the new limit to $5.9 million. See Craig Holman, Public Citizen, Testimony to the Senate Committee on Rules & Administration, April 30, 2014. http://goo.gl/TigeVU For an analysis that explains the $3.6 million portion of the new limit, see Darla Cameron, Dan Keating and Laura Stanton, "Ruling on limits means campaign contributions could soar," *Washington Post* April 2, 2014. http://goo.gl/ijymMl. A *New York Times* analysis of the decision suggests that "[a] donor could also, in theory, give $5,000 per year to every political action committee currently registered with the Federal Election Committee. That would total more than $13 million, versus the $74,600 allowed under the existing aggregate cap." See Nicholas Confessore, "Power Surge for Donors as Terrain Is Reshaped on Campaign Money," *New York Times*, April 3, 2014. http://goo.gl/SMJvOa

57 "McCutcheon v. FEC," Center for Responsive Politics (CRP), "McCutcheon v. FEC," http://goo.gl/2CSsgQ accessed Aug. 20, 2014. CRP's number includes only those who gave the maximum directly to federal candidates, and not to party committees ($74,600).

58 See, for example Massachusetts Citizens for Life (1986), cited in Democracy 21, "The Citizens United Case, Part 4: Key Points Made in Briefs Supporting the Ban on Corporate Expenditures in Campaigns," Aug. 29, 2009. http://goo.gl/kwBHCJ

59 Ben Jacobs, "McCutcheon v. FEC: Big Money Fights Back at the Supreme Court," *Daily Beast*, Oct. 9, 2013. http://goo.gl/EjJxWA

60 McCutcheon v. FEC (oral arguments), October 8, 2013. http://goo.gl/BvJzHT

61 Adam Lioz, "McCutcheon Oral Arguments Point Way Backward, and Forward," *American Prospect*, Oct. 9, 2013. http://goo.gl/rKpCtI The *amicus* brief can be found at: http://goo.gl/M1Iv9W Accessed Aug. 20, 2014.

As Justice Breyer noted in his dissent, former Republican Senator Alan Simpson had testified that cash donations far smaller than $3.6 million can turn a legislator's head. "Who, after all, can seriously contend that a $100,000 donation does not alter the way one thinks about – and quite possibly votes on – an issue?" Simpson asked.[62]

As with *Citizens United*, responses to the *McCutcheon* decision reflected dismay across the political spectrum.

To judge by his words and his decisions, Chief Justice Roberts is entirely sympathetic to the corporate war on democracy. According to Roberts, any campaign contribution that is not a "direct exchange of an official act for money" is acceptable. The purchase of regular access to elected officials, plus outsized influence over a political party's agenda, plus the effect of discouraging people from voting, plus a "gatekeeper" role for billionaires who can now decide who may run for office and on what platform – these are not a serious problem for democracy, as Chief Justice Roberts sees it.[63] In truth, we haven't seen a Chief Justice so hostile to basic democracy since Chief Justice Roger Taney ruled in 1857 that any person descended from Africans, whether slave or free, is not a citizen of the United States, and that "the negro... had no rights which the white man was bound to respect."[64]

Obviously, for anyone who cherishes one-person-one-vote democracy, huge campaign contributions create *at least* the appearance of bribery and corruption, thus undermining public confidence in the legitimacy of all government, including courts, legislatures, the executive branch, and elections. Libertarians who despise government may see this as a good thing. But to normal citizens, the Supreme Court's embrace of one-dollar-one-vote democracy is a dangerous precedent that strikes at the heart of America as a self-governing republic.

### The Kingpins of Carbon

If money is speech, then Shaun McCutcheon and the other kingpins of carbon were already calling the shots long before the *McCutcheon* court case. During the 2012 election cycle, top fossil fuel industry executives dumped a mountain of cash – over $ 11.5 million – into election campaigns. If they take advantage of the court's ruling in *McCutcheon*, in 2014 their campaign contributions could legally rise 27-fold to over $312 million.[1]

Greenpeace analyzed a list of over 1400 top federal election donors in 2012, identifying 87 individuals who are directly connected to the dirty-energy industries primarily responsible for global warming.[2]

Of these 87 top fossil fuel industry donors:

55 are dirty-energy industry executives and board members;

17 are dirty-energy industry lobbyists and business associates;

15 are significant dirty-energy industry investors and financiers.

1 Stephen Kretzmann (Oil Change International), "Coal Cash, Climate Denial Fuel 'Citizens United 2'," *Huffington Post*, Oct. 3, 2013. http://goo.gl/mj3ymb Oil Change International's estimate is based on a limit of $3.6 million per donor. At $5.9 million per donor (i.e., including leadership PACs), the total would rise to over $550 million.

2 For a description of the methodology used to identify the individual donors who are connected to the fossil fuel industry, see Appendix A.

62 Stephen Spaulding, "The 5 Most Absurd Quotes in McCutcheon v FEC Decision." CommonBlog, April 9, 2014. http://goo.gl/jY9zy6

63 Linda Greenhouse, "An Indecent Burial," *New York Times*, April 16, 2014. http://goo.gl/Rgjt8q

64 Dred Scott v. Sanford (1857) http://goo.gl/IsWBV

Eight of these maximum-allowable political spenders are top executives of one of the biggest all-time global-warming-gas polluters:[3]

Clarence Cazalot (Marathon Oil) - http://polluterwatch.org/clarence-cazalot

Stephen Chazen (Occidental Petroleum) - http://polluterwatch.org/stephen-chazen

Kevin Crutchfield (Alpha Natural Resources) - http://polluterwatch.org/kevin-crutchfield

Richard Gilliam (Cumberland Resources) - http://polluterwatch.org/richard-gilliam

Bennett Hatfield (Patriot Coal) - http://polluterwatch.org/bennett-hatfield

Robert Murray (Murray Energy) - http://polluterwatch.org/robert-murray

J. Larry Nichols (Devon Energy) - http://polluterwatch.org/j-larry-nichols

Rex Tillerson (ExxonMobil) - http://www.polluterwatch.com/rex-tillerson

[See Appendix A for a full list of names]

3 Richard Heede, "Tracing anthropogenic carbon dioxide and methane emissions to fossil fuel and cement producers, 1854 -2010," *Climatic Change*, Vol. 122 (January, 2014), pgs. 229-241. http://goo.gl/pRUOK3

## The Strategy and Strategists behind *Citizens' United* and *McCutcheon*

The *Citizens United* and *McCutcheon* cases were not isolated victories for corporations and wealthy plutocrats, but resulted from "long-term ideological warfare," as former Federal Election Commission chairperson Bradley Smith approvingly calls it.[65] The two cases represent historically-significant victories for a radical right-wing movement that began in 1935 when the DuPont family created the Liberty League to roll back Franklin Roosevelt's New Deal.[66]

When FDR took office in early 1933, the nation was on its knees and the labor movement was nearly dead. To put spending money back into people's pockets, within months FDR's Secretary of Labor, Frances Perkins, had proposed a far-reaching series of reforms, including unemployment compensation, a minimum wage law pegged at a livable wage (with the notable omission of domestic servants and agricultural workers – mainly blacks and Latinos), overtime pay, workers' compensation for job-related injuries, and an old-age pension system ("social security"). Along the way, Perkins and FDR added the 8-hour work day, workplace safety regulations, and a ban on child labor.

Between 1933 and 1938, the National Labor Relations Act and the Fair Labor Standards Act gave workers important legal rights for the first time in American history, including the right to organize, bargain collectively and, if all else failed, to strike – plus majority rule for union elections, the employers' obligation to bargain, and a federal board to investigate disputes and issue findings. These provisions set in motion union organizing drives that, by 1935 had tripled the size of organized labor, from two million members to six million. By 1945, 35 percent of the U.S. labor force was unionized, though women, blacks, Latinos and Asian Americans were largely excluded.[67]

65 Eric Lichtblau, "Long Battle by Foes of Campaign Finance Rules Shifts Landscape," *New York Times*, Oct. 15, 2010. http://goo.gl/MZ7q1B

66 Kim Phillips-Fein, *Invisible Hands; The Businessman's Crusade Against the New Deal* (N.Y.: W.W. Norton, 2009).

67 Kirstin Downey, *The Woman Behind the New Deal* (N.Y.: Random House, 2009; Anchor Books edition, 2010), pgs. 121-122, 197, 200,

After World War II, laws passed during the New Deal continued to improve the lives of most working people. In her book, *Invisible Hands; The Businessman's Crusade Against the New Deal*, Kim Phillips-Fein describes it well:

"…[T]he new power of organized labor fundamentally transformed the country. The strength of unions in postwar America had a profound impact on all people who worked for a living, even those who did not belong to a union themselves. When union members won higher wages or better benefits, those gains were often adopted by non-union companies as well. Unions helped to ensure that the productivity gains of the postwar period were more equitably shared between owners and workers. Despite occasional recessions (as at the beginning and end of the 1950s), real median family incomes climbed steadily between 1947 and 1973. Fringe benefits that had once been rare expanded greatly; the number of workers covered by private pension plans rose from 3.8 million in 1940 to 15.2 million in 1956. The number of people with hospital insurance climbed from 6 million in 1939 to 91 million by 1952. Vacations became more common, so that by 1960 it was not unusual for workers to have four weeks of paid leave a year. 'The labor movement,' said Walter Reuther of the United Auto Workers, 'is developing a whole new middle class.'"[68]

It is important to acknowledge that even the New Deal, despite all the benefits it offered to working people in general, was often administered in ways that intentionally excluded blacks, Latinos and Asian-Americans. This will come as no surprise to anyone familiar with our long, shameful history of white supremacy, apartheid, and denial of citizenship starting in 1619, when the first black slaves were kidnapped and transported to Virginia, and ending as a legal matter only in 1964-1968 with the passage of modern civil rights laws.[69] Historian Ira Katznelson and economists Melvin Oliver and Thomas Shapiro have shown in detail how the racist administration of New Deal programs substantially worsened the disparities of wealth between whites and minorities, and that subsequent affirmative action programs have been insufficient to overcome the disadvantages created during the period 1930-1960 (and of course much earlier as well).[70] Today, the median wealth of white families is still 20 times that of black families. For every dollar owned by a typical white family, a typical black family owns a nickel. (Wealth or "net worth" is what you own minus what you owe. The median is the midpoint in a string of numbers, with half the numbers higher than the median and half lower.) In 2009, the net worth of the median white family was $113,149 but only $6325 for Latino families and $5677 for black families.[71] The historical record is crystal clear, so there can be no doubt that this disparity was created by, and has been sustained by, public policies.[72]

Most importantly, the New Deal represented a decisive rejection of "laissez faire," the "hands off" political philosophy that insisted government must be small and impotent. The public embraced the New Deal enthusiastically, re-electing FDR by a landslide in 1936 and returning him to office for unprecedented third and fourth terms in 1940 and 1944. But many in the business community considered the New Deal a danger to the established order. The National Association of Manufacturers (NAM) and the U.S. Chamber of Commerce (among others) could see – correctly – that the New Deal posed a mortal threat to their

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219, 228, 337.

68 Kim Phillips-Fein, *Invisible Hands; The Businessmen's Crusade Against the New Deal* (N.Y.: W.W. Norton, 2009), pg. 88.

69 Theodore W. Allen, *The Invention of the White Race*. Two volumes. (N.Y.: Verso, 1994). And see Audrey Smedley, *Race in North America; Origin and Evolution of a Worldview*. Third edition. (N.Y.: Westview Press, 2007).

70 Ira Katznelson, *When Affirmative Action was White* (N.Y.: W.W. Norton, 2005). And see Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth / White Wealth: A New Perspective on Racial Inequality* (N.Y.: Routledge, 1997).

71 Thomas Shapiro, Tatjana Meschede and Sam Osoro, *The Roots of Widening Racial Wealth Gap: Explaining the Black-White Economic Divide* (Waltham, Mass.: Brandeis University, Institute for Assets and Social Policy, Feb., 2013). http://goo.gl/Ednhmi

72 Ta-Nehisi Coates, "The Case for Reparations," *The Atlantic* Vol. 313, No. 5 (June 1, 2014), pgs. 55-72. *http://goo.gl/igkydz*; Ira Katznelson, *When Affirmative Action was White* (N.Y.: W.W. Norton, 2005). And see Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth / White Wealth: A New Perspective on Racial Inequality* (N.Y.: Routledge, 1997); Randall Robinson, *The Debt; What America Owes to Blacks* (N.Y.: Dutton, 2000, Plume paperback 2001); Richard F. America, *Paying the Social Debt; What White America Owes Black America* (Westport, Conn.: Praeger, 1993).

monopoly on wealth and power. After all, any nation's economic pie is only so big. If you control the slicing knife, you can carve off humongous portions of the pie for yourself and your friends – as corporate leaders had done from 1880 to 1930 – or, with government's help, the pie can be shared more fairly, creating and sustaining a middle class.

The Great Depression severely diminished the prestige and standing of the business class. Out of greed and stupidity they had wrecked the world's industrial system, so they were in no position to effectively oppose the New Deal. After World War II they began to regroup, fighting Harry Truman's Fair Deal and Lyndon Johnson's Great Society, which nevertheless succeeded in creating the Medicare and Medicaid national health insurance programs.

By 1970, business people felt ready to reclaim a larger slice of the pie for themselves – and that required dismantling the House of Labor, shrinking the capacity of government, and finding new ways to assert (or reassert) control over the political system.

In 1971 the U.S. Chamber of Commerce asked Lewis F. Powell, Jr. – a wealthy tobacco lawyer from Virginia – to draft a strategy memo for re-taking control of the United States.[73] Two months after submitting his memo, Powell was appointed to the U.S. Supreme Court, where he quietly pursued the legal strategy he had just outlined for the Chamber.

In his 1971 memo, titled "Attack on American Free Enterprise System," Powell called upon companies to overcome their political "impotency" and mount a coordinated effort to control almost every facet of public life, including government, the media, academic institutions, Congress and the judiciary. Influence over the marketplace of ideas – especially legal theory and judicial doctrines – was pivotal. "The judiciary may be the most important instrument for social, economic and political change," he wrote.

"Strength lies in organization, in careful long-range planning and implementation, in consistency of action over an indefinite period of years, in the scale of financing available only through joint effort, and in the political power available only through united action and national organizations," Powell advised the Chamber.

Over the next 40 years, Powell's strategy slowly gained form and substance, not by conspiracy but because many in the big-business community recognized which side their bread was buttered on. In retrospect, events of the last 40 years allow us to reconstruct the simple three-part agenda that developed to roll back the New Deal and reassert corporate dominance – an agenda that has been pursued with admirable patience, persistence and discipline:

1. Discourage and prevent workers from joining together to seek common goals;

2. Diminish the capacity of national and state governments to curb harmful business practices and to protect the powerless and the downtrodden;

3. Simultaneously develop a global governmental structure ("free trade") to assure the unrestricted flow of investment capital everywhere in the world.

73 Lewis F. Powell, Jr., "Attack on American Free Enterprise System" (1971) available as original typescript here: http://goo.gl/0DgLR; for a discussion of the memo and its importance, see Greenpeace USA, "Powell Memo Blueprint: Impact on Judicial and Legal Action" (undated) http://goo.gl/MYaOkO ; John C. Jeffries, Jr., *Justice Lewis F. Powell, Jr.* (N.Y.: Fordham University Press, 1994, 2001) does his best to paint a gauzy, positive picture of Powell by never mentioning the Powell Memo of 1971.

Here's a brief discussion of each part of this simple-but-effective agenda:

**(1) Attack the laws and practices that allow workers to associate freely together and cooperate.** This started in 1947 with passage of the Taft-Hartley law, which imposed a dozen new restrictions on workers.[74] *Business Week* described Taft-Hartley as "a New Deal for America's employers."[75] After Ronald Reagan became President in 1981 the U.S. became so openly hostile to working people and unions that Human Rights Watch published a report in summer, 2000, documenting how the U.S. routinely violates the three universally-recognized human rights of workers: the right to join a union, the right to bargain collectively, and the right, if all else fails, to strike.[76] More recently, we see efforts across the country, at the state level, to prohibit collective bargaining by public employees (including teachers, police, and fire fighters), who are now routinely blamed for state-budget overruns. Notably, the U.S. Supreme Court, led by Chief Justice John Roberts, has joined the attack on public employees.[77]

Public employee unions are the last remaining outpost of union strength so, to roll back the New Deal, public-employee unions must be weakened until they can be eliminated. This project is making good progress toward its goals.

As civil rights laws became effective in the late 1960s, it became illegal for governments to discriminate against minorities in hiring, so, based on successful completion of competitive civil service exams, blacks (and to a lesser extent Latinos and Asians), moved into good, unionized civil service jobs. Now, as public-employee unions (and government in general) are being attacked by a nationwide organized campaign, government jobs are disappearing, in turn shrinking an important economic base of the black middle class.[78] As more minorities are squeezed out of the middle class, they are thrown into dog-eat-dog competition for lower-wage work, creating a kind of social turmoil that ultimately can divide minorities against themselves, which in turn benefits low-wage employers and self-interested elites.

As noted, weakening public-employee unions also serves agenda item #2, which is...

**2. Shrink the capacity of government.** This is fundamental.

As G.K. Chesterton observed in 1908,

"The poor have been rebels but they never have been anarchists; they have more interest than anyone else in there being some decent government; the poor man really has a stake in the country. The rich man hasn't; he can go away to New Guinea in a yacht. The poor have sometimes objected to being governed badly; the rich have always objected to being governed at all."[79]

The U.S. Constitution tells us that one of the purposes of government is to promote the "general welfare." To do that, since the nation's founding, government has had four key domestic functions: (1) to help individuals and families withstand the ups and downs of economic calamities, including job loss, health

74 Taft-Hartley "...prevented sympathy strikes (when one group of workers strikes on behalf of another), banned secondary boycotts (when a union refuses to handle goods made by another, striking union), barred supervisory workers or foremen from joining unions, permitted states to pass right-to-work laws that prohibited contracts with provisions stating that union membership was a mandatory condition of employment, and required all union officers to sign affidavits swearing that they were not Communists." Kim Phillips-Fein, *Invisible Hands* (N.Y.: W.W. Norton, 2009), pgs. 31-32.

75 Kim Phillips-Fein, *Invisible Hands* (N.Y.: W.W. Norton, 2009), pg.32.

76 Lance Compa, *Unfair Advantage: Workers' Freedom of Association in the United States Under International Human Rights Standards* (New York: Human Rights Watch, August 2000). http://goo.gl/xGGXyH

77 See, for example, Cynthia Estlund and William E. Forbath, "The War on Workers," *New York Times* July 2, 2014. http://goo.gl/sxmCnO

78 Corey Dade, "Government Job Cuts Threaten Black Middle Class," National Public Radio May 9, 2012. http://goo.gl/mu4xE

79 G.K. Chesterton, *The Man Who Was Thursday: A Nightmare* (London: J.W. Arrowsmith, 1908; Seaside, Ore.: Watchmaker Publishing, 2010 reprint of the 1908 edition), pg. 94.

crises, and severe recessions; (2) to advance social mobility by providing excellent schooling, higher education, job training, skill building, and mortgage assistance; (3) to create, maintain and manage the nation's infrastructure: railroads, highways, bridges, tunnels, airports, libraries, postal service, internet backbone, and more – the underpinnings of a sound economy; and (4) to curb market failures and abuses via regulation and prevent excessive concentrations of wealth through progressive taxation. Those functions define liberal government, and they are present in every industrialized society.

Now all those functions of government have come under attack. The campaign to discredit and incapacitate government takes many forms, chiefly aimed at reducing the ability of government to (a) aid those who need it most and (b) to protect the general welfare of the people from the predatory behavior of giant corporations and self-interested elites.

Techniques for attacking the integrity of government include:

(2a) First and foremost, starve government by cutting taxes. As influential Republican strategist, radical anti-tax activist, and corporate lobbyist Grover Norquist said in 2001, "I don't want to abolish government. I simply want to reduce it to the size where I can drag it into the bathroom and drown it in the bathtub."[80] Cutting taxes for corporations and for corporate elites – and refusing to raise taxes on the rich for any reason whatsoever – is the foundational strategy.[81]

(2b) Privatize public functions (for example, prisons, highways, schools, water companies, and, for distant wars, hire soldiers of fortune). In general, privatization has several indirect benefits – it reduces the number of workers who could join a public-employee union; and, second, it puts taxpayer funds into the hands of private parties who are legally allowed to kick back some of those funds at election time (which government employees are not legally allowed to do). Privatization also gives privatized-government a shield of secrecy because private companies are not covered by the federal Freedom of Information Act (FOIA) the way public agencies are. The shield of secrecy, in turn, makes graft, corruption, and payola harder to discover, investigate, and prosecute, which can benefit many sitting politicians and their patrons.

"After decades of privatization, the U.S. federal government is a shadow of its former self," says Allison Stanger, who has studied the subject extensively.[82]

The libertarian Cato Institute, which was created by the Charles and David Koch in 1974, has published plans for further radical privatization.[83]

(2c) Eliminate some regulatory programs and cut the budgets for others, to "get government off our back," as President Ronald Reagan liked to say.[84] Examples include…

- Big overall cuts: In 2011, the House of Representatives voted to cut the EPA (Environmental Protection Agency) budget by 27 percent, one of the largest cuts ever approved by the House. The Senate balked, but eventually agreed to cut EPA's budget a little less than 16 percent.[85]

80 Grover Norquist on National Public Radio May 25, 2001. http://goo.gl/w6UvR

81 For a concise history of recent tax cuts, see Warren E. Buffett, "A Minimum Tax for the Wealthy," *New York Times* Nov. 25, 2012. http://goo.gl/2DdghA

82 Allison Stanger, *One Nation Under Contract* (New Haven, Conn.: Yale University Press, 2009).

83 Chris Edwards, *Privatization* (Washington, D.C.: Cato Institute, 2009). http://goo.gl/3hTirf; and see "Cato Institute," *SourceWatch.org* http://goo.gl/B0x6

84 Ronald Reagan, "A vision for America," Nov. 3, 1980. http://goo.gl/ykOM5

85 Charles Lewis and others, "The Koch Club – Koch millions spread influence through nonprofits, colleges," Investigative Reporting Workshop July 1, 2013. http://goo.gl/R5xtx

- Small strategic cuts: In 2008, the Republican administration closed EPA's regional libraries, which EPA employees needed for their work and which the public relied upon for basic information.[86] EPA libraries held the agency's history of previous actions, programs, regulations, concerns, and communications, plus a wealth of accumulated regulatory and scientific information.
- Big strategic cuts: Nearly half the American population lives within 10 miles of one or more toxic waste sites, which Congress in 1980 told EPA to identify, investigate and clean up. The 1980 Superfund law provided a small tax on a large number of polluters to pay for the toxic waste cleanup program. But that law expired in 1995 and has never been renewed. The $3.8 billion cleanup fund accumulated from the tax ran out in 2003. For the past decade the Superfund cleanup program has been teetering on life support, effectively freeing industrial poisoners from responsibility for their decades of deadly misbehavior.[87] That's what American libertarians mean by "freedom" – corporate freedom from accountability.

(2d) As a special show of cynical force, periodically shut down the entire federal government. The complex and successful effort to close the federal government in 2013 was made possible by funding from the billionaire Koch brothers, Charles and David.[88]

The possibilities for ruining the effectiveness of liberal government are endless, once you set that as your goal. Furthermore, discrediting government soon becomes self-fulfilling. As government is rendered less efficient and less effective, cutting it or privatizing specific operations becomes easier. For example, as wait-times grow longer on the Medicare Hotline, or the I.R.S. Help Line, even those who benefit most from government – including many members of the Tea Party – grow petulant and spiteful, demanding an end to the very programs that benefit them and their families.[89] Meanwhile the libertarian operatives who fund the Tea Party are chuckling all the way to the bank.

As we have seen in the last 30 years, each of these tactics has been pursued aggressively, and the capacity of government has clearly been diminished. About 15 years ago, through budget cuts, the Internal Revenue Service (IRS) lost the capacity to fully audit complex tax returns (those of the rich).[90] More recently, it has lost the capacity to investigate the day-to-day activities of 501(c)(3) and (c)(4) nonprofit organizations that claim to promote the "public welfare" when they are actually (and illegally) promoting political candidates.[91] As a result, the election process grows ever-more corrupt and the federal treasury each year fails to collect hundreds of millions of dollars that are legitimately owed – a two-fer that reduces the capacity of government *and* leaves the rich richer and more powerful.

86 Christopher Lee, "EPA Closure of Libraries Faulted For Curbing Access to Key Data," *Washington Post*, March 14, 2008 http://goo.gl/PJTDBV

87 Joaquin Saplin and Richard Mullins, "Superfund today – Massive undertaking to clean up hazardous waste sites has lost both momentum and funding," Center for Public Integrity April 26, 2007. http://goo.gl/To2fPa
Suzanne Yohannan and Lee Logan, "Sequester Forces EPA To Curtail Superfund Actions Beyond New Cleanups," *Inside EPA* May 28, 2013. http://goo.gl/74hfkl

88 Sheryl Gay Stolberg and Mike McIntire, "A Federal Budget Crisis Months in the Planning," *New York Times* Oct. 5, 2013. http://goo.gl/Duu4nG

89 Binyamin Appelbaum and Robert Gebeloff, "Even Critics of the Safety Net Increasingly Depend on It," *New York Times* Feb. 11, 2012. http://goo.gl/n12YjP

90 David Cay Johnston, "I.R.S More Likely to Audit the Poor and Not the Rich," *New York Times* April 16, 2000. http://goo.gl/leI5J1; Editorial Board, "The Real Internal Revenue Scandal," *New York Times* July 5, 2014; http://nyti.ms/1rzhHFU

91 Julie Patel, "Hobbled IRS can't stem 'dark money' flow," Center for Public Integrity July 15, 2014. http://goo.gl/Qg5OyN, and: Jared Bennett and Julie Patel, "Decades in the making: The decline of IRS nonprofit regulation," Center for Public Integrity July 15, 2014. http://goo.gl/669fuO

## The Central Role of Racial Politics in Dismantling Liberal Government

"American politics today–and the crisis of the middle class–simply cannot be understood without recognizing racism's evolution and the power of pernicious demagoguery." – Ian Haney López, *Dog Whistle Politics* (2014)

Racism has played a central role – indeed, *the* central role – in the campaign to discredit and dismantle liberal government.[92] As Ian Haney López explains with superb clarity in his indispensible book, *Dog Whistle Politics*, it was Alabama governor George Wallace who discovered the power of "dog whistle politics" to attract and incite a political following. "Dog whistle politics" means "coded racial appeals that carefully manipulate hostility toward nonwhites." Modern racial pandering "always operates on two levels: inaudible and easily denied in one range, yet stimulating strong reactions in another," just the way a dog whistle operates.

After Wallace discovered the power of dog whistle politics, Barry Goldwater and Richard Nixon learned the trick (later to be learned by Jimmy Carter, Ronald Reagan, George H.W. Bush, Bill Clinton, and George W. Bush): pander to racial prejudice without mentioning race. For example, say "Ours is the party of the working class, not the welfare class." Without even thinking about it, everyone knows what a phrase like that implies: You should elect us because government has been captured by the undeserving poor and grasping minorities.

By 1963, the leadership of the Republican Party decided it could win national elections by becoming the "white man's party," using the "Southern strategy."[93] The phrase "Southern strategy" is itself a euphemism for "white racist strategy" and dog whistle politics became the dominant tactic. It still is. This does *not* mean that all individual Republicans are racists or bigots. It means that the Republican leadership made a calculated, strategic decision to capitalize on racial anxieties and animosities to advance the party's electoral agenda.

The Southern strategy worked so well that, over the last 50 years, conservatives and American libertarians have continued to rely on racial pandering – disguised in "dog whistle" euphemisms, to be sure – to "win support from white voters for policies that principally favor the extremely wealthy and wreck the middle class."[94]

How did this political alchemy occur? During the 1930s and '40s, government assistance programs benefitted whites almost exclusively. After black soldiers returned from fighting Hitler's racist Reich in 1945, blacks began to demand fairness. During the height of civil rights activism in the 1950s and 1960s, "Attacks on integration quickly segued into broadsides against an activist state that funded welfare, schooling, job training programs, and so forth. Hostility toward the New Deal surged among whites – once it came to be seen as a repudiation of lazy, threatening nonwhites and the big government that coddled them."[95] By 1963, Wallace, Goldwater and Nixon were able to exploit feelings that New Deal programs were

92 Ian Haney López, *Dog Whistle Politics; How Coded Racial Appeals Have Reinvented Racism & Wrecked the Middle Class* (N.Y.: Oxford University Press, 2014).

93 Kevin Phillips, *The Emerging Republican Majority* (New Rochelle, N.Y.: Arlington House, 1969).

94 Ian Haney López, *Dog Whistle Politics; How Coded Racial Appeals Have Reinvented Racism & Wrecked the Middle Class* (N.Y.: Oxford University Press, 2014), pg. 2.

95 Ian Haney López, *Dog Whistle Politics; How Coded Racial Appeals Have Reinvented Racism & Wrecked the Middle Class* (N.Y.: Oxford University Press, 2014), pg. 6.

no longer benefiting whites (which they definitely still were), but were handouts to "welfare queens" and "strapping young bucks" buying T-bone steaks with food stamps, as Ronald Reagan dog-whistled it to his constituents in 1980. Once in office, Reagan would use his promise to slash welfare as a cover for his other agenda, to cut taxes for the rich.[96] The technique has worked reliably ever since.

To be sure, the "Southern strategy" wasn't just about animus toward blacks. It was about animus toward blacks, Latinos, Jews, and affluent Yankees who had become liberals.[97] Later the Southern strategy capitalized on animus toward beaded, bearded hippies. More recently, it has focused on Muslims as potential terrorists and Latinos as "illegal aliens." Because of our peculiar national history, dog whistle racism doesn't ever go away – it just evolves to strategically capitalize on the racial and ethnic anxieties of the moment. But no matter how it evolves, dog whistle racism reliably provides a bludgeon to bash liberal government. Dog whistle racism is always the self-interested billionaire's best friend.

**3. Assure the free flow of corporate capital everywhere on the planet, otherwise known as "globalization" or "free trade."** This is the third part of the permanent campaign by a small, selfish oligarchy to eliminate the New Deal and claim an ever-larger slice of the national economic pie for themselves and their heirs. So long as corporations can freely, without limit, move their investments anywhere in the world, they can more easily hide assets (thus reducing their taxes, helping to starve government), *and* they can keep U.S. workers in line by threatening to send more jobs overseas. Furthermore, so-called "free trade" agreements ensure that the resources of any sovereign territory become available to the highest bidder, regardless of any restrictions sovereign governments might wish to impose. Thus – whatever else they may do – free trade agreements weaken the power of nation-states and strengthen the power of transnational corporations and of the superrich who control them. The term "free trade" is ironic, implying that the global marketplace has finally been liberated from intrusive government intervention. Nothing could be further from the truth: to achieve "free trade" for transnational corporations, i.e., to prevent national governments from setting effective labor or environmental standards to protect the interests of their citizens, the largest bureaucracy in the history of humankind has been erected worldwide – enforced, should push come to shove, by military coercion.[98]

As we'll see (below), in the last 40 years, the U.S. has witnessed one of the largest-ever transfers of wealth from the poor and middle class to the superrich – the result of bipartisan public policies. To dignify and justify this grand re-slicing of the economic pie to benefit a tiny elite, an enormous intellectual infrastructure has been built since 1970. Rationalizations and defenses for growing inequality include – first and foremost – Ayn Rand's "objectivist" philosophy and its offspring American libertarianism, plus "supply-side" economics, the Austrian School of economics, the Chicago School, Laffer curves, the flat tax, the invisible hand, and the inescapable workings of natural law, or of divine will. Other explanations and justifications for the growth of barbaric inequalities in recent years include new technology, low-wage foreign competition (made unavoidable by "the market" tyrannized by "free trade" agreements), new debt-producing financial instruments, and various eugenic/racial theories.[99] All these reasons, and more,

96 Ian Haney López, *Dog Whistle Politics; How Coded Racial Appeals Have Reinvented Racism & Wrecked the Middle Class* (N.Y.: Oxford University Press, 2014), Chapter 3 (titled "The wrecking begins: Reagan").

97 James Boyd, "Nixon's Southern Strategy: 'It's all in the Charts,'" *New York Times* May 17, 1970. http://goo.gl/k5wH6S

98 David Graeber, *Debt: The First 5000 Years* (Brooklyn, N.Y.: Melville House, 2011; paperback edition 2012), Chapter 12.

99 See, for example, the racial theories of libertarian Charles Murray, whose work has been supported by the Koch brothers. http://goo.gl/kpvIK6

have been invoked to justify an increasingly-inequitable distribution of the nation's economic pie, claiming it is natural, right, good, inspired by God, and (above all) inevitable.[100] As former British Prime Minister Margaret Thatcher used to repeat as she was privatizing one government function after another, "There is no alternative."[101]

Since 1935, and accelerating after 1980, tens of thousands of books, magazines, movies, videos, plays, novels, romances, short stories, science-fiction utopias, sermons, catechisms, curricula, coloring books, cartoons, advertisements, essays, treatises, textbooks, theses, dissertations, articles, reports, monographs, studies, screeds, broadsides, leaflets, pamphlets, PowerPoints, manifestos, declarations, diatribes, position papers, handouts, talking points, backgrounders, brochures, editorials, op-eds, press releases, and news stories have poured forth year after year, decade after decade, from a vast network of scribes, stenographers, publicists and propagandists bonded to think tanks, policy shops, institutes, agencies, commissions, foundations, captive academic departments, publishing houses, movie studios, TV networks, K-street plumbers, PR flaks, fixers and dirty tricksters, hate radio, Fox News bimbos and their ventriloquists, fake grass-roots groups, corporate shills of every stripe, instant experts for hire, front groups for rent, plastic politicians, and clueless journalists – all to convince those falling out of the middle class (and those without hope of ever rising into it) – that their fate had been sealed by the inescapable natural laws of economics, or by God's mysterious ways, or more likely by gays, Arabs, Muslims, Jews, atheists, abortionists, union bosses, limousine liberals, immigrants, and swarthy welfare queens. In short, blame anyone besides the bipartisan Democrat and Republican policy makers and their billionaire minders who have actually pulled off the heist.

100 For details on how it has worked, see Naomi Klein, *The Shock Doctrine* (N.Y. Henry Holt, 2007); see Jeff Faux, *The Servant Economy; Where America's Elite is Sending the Middle Class* (Hoboken, N.J.: Wiley, 2012); Jacob S. Hacker and Paul Pierson, *Winner-Take-All Politics; How Washington Made the Rich Richer and Turned Its Back on the Middle Class* (N.Y.: Simon & Schuster, 2010); James K. Galbraith, *The Predator State; How Conservatives Abandoned the Free Market and Why Liberals Should Too* (N.Y.: Free Press, 2008); Lee Drutman and Charlie Cray. *The People's Business* (San Francisco: Berrett-Koehler, 2004); Dennis Marker, *Fifteen Steps to Corporate Feudalism; How the Rich Convinced America's Middle Class to Eliminate Themselves* (Santa Fe, N.M.: One Standard Press, 2012); Gretchen Morgenson and Joshua Rosner, *Reckles$ Endangerment* (N.Y.: Times Books / Henry Holt, 2011); David Brock, *Blinded by the Right* (N.Y.: Crown Publishers, 2002); Lee Fang, *The Machine* (N.Y.: New Press, 2013); Allen Raymond and Ian Spiegelman, *How to Rig An Election* (N.Y.: Simon & Schuster, 2008); Larry Doyle, *In Bed With Wall Street* (N.Y.: Palgrave Macmillan, 2014); G. William Domhoff, *Who Rules America? Challenges to Corporate and Class Dominance.* Sixth edition. (N.Y.: McGraw-Hill, 2010); Michael Hirsh, *Capital Offense; How Washington's Wise Men Turned America's Future Over to Wall Street* (Hoboken, N.J.: Wiley, 2010); Isaac William Martin, *Rich People's Movements; Grassroots Campaigns to Untax the One Percent* (N.Y.: Oxford University Press, 2013); David Brock, *The Republican Noise Machine* (N.Y.: Three Rivers Press, 2004); Michael Lind, *Land of Promise; An Economic History of the United States* (N.Y.: HarperCollins, 2012); Michael Lind, *Made in Texas; George W. Bush and the Southern Takeover of American Politics* (N.Y.: Basic Books, 2003; paperback edition 2004); John Perkins, *Confessions of an Economic Hit Man* (San Francisco: Berrett-Kohler, 2004); Max Blumenthal, *Republican Gomorrah; Inside the Movement That Shattered the Party* (N.Y.: Nation Books, 2009); Jeff Faux, *The Global Class War; How America's Bipartisan Elite Lost Our Future--And What It Will Take to Win It Back* (Hoboken, N.J.: Wiley, 2006); Hervé Kempf, *How the Rich Are Destroying the Earth* (White River Junction, Vt.: Chelsea Green, 2007); Gary Rivlin, *Broke, USA; From Pawnshops to Poverty, Inc. – How the Working Poor Became Big Business* (N.Y.: HarperCollins, 20010); Hedrick Smith, *Who Stole the American Dream?* (N.Y.: Random House, 2012); Donald L. Barlett and James B. Steele, *The Betrayal of the American Dream* (N.Y.: PublicAffairs, 2012); David Cay Johnston, *Perfectly Legal; The Covert Campaign to Rig Our Tax System to Benefit the Super Rich and Cheat Everybody Else* (N.Y.: Portfolio, 2003; paperback edition 2005); Kevin Phillips, *Bad Money; Reckless Finance, Failed Politics, and the Global Crisis of American Capitalism* (N.Y.: Viking, 2008); Chuck Collins and Felice Yeskel, *Economic Apartheid in America; A Primer on Economic Inequality and Insecurity* (N.Y.: New Press, 2005); David Cay Johnston, *Free Lunch; How the Wealthiest Americans Enrich Themselves at Government Expense (and Stick You With the Bill)* (N.Y.: Portfolio, 2007); Sidney Blumenthal, *The Rise of the Counter-Establishment; From Conservative Ideology to Political Power* (N.Y.: Times Books, 1986); Nomi Prins, *All The Presidents' Bankers; The Hidden Alliances That Drive American Power* (N.Y.: Nation Books, 2014); Greg Palast, *The Best Democracy Money Can Buy* (N.Y.: Plume, 2004); Mike Lofgren, *The Party is Over; How Republicans Went Crazy, Democrats Became Useless, and the Middle Class Got Shafted* (N.Y.: Viking, 2012); Thomas Byrne Edsall, *The Age of Austerity* (N.Y.: Doubleday, 2011; Anchor paperback edition, 2012); Robert Scheer, *The Great American Stickup* (N.Y.: Nation Books, 2010); Joseph E. Stiglitz, *The Price of Inequality; How Today's Divided Society Endangers Our Future* (N.Y.: W.W. Norton, 2012, paperback edition 2013); Paul Krugman, *End This Depression Now!* (N.Y.: Norton, 2012; paperback edition 2013); Sheldon S. Wolin, *Democracy Incorporated* (Princeton, N.J.: Princeton University Press, 2008).

101 Claire Berlinski, *"There Is No Alternative": Why Margaret Thatcher Matters* (N.Y.: Basic Books, 2008).

It must be obvious to everyone that the campaign to roll back the New Deal, to weaken labor unions, and to transfer vast wealth from the poor and middle class to the superrich has enjoyed stunning success. In 2014 the New Deal is essentially dead and its few remaining parts, like social security, are under constant attack by the radical libertarian right who want to privatize it and place it in the hands of Wall Street. As a result, the middle class is shrinking as typical families grow poorer year after year:

** Real (inflation-adjusted) wages for 80 percent of American workers have stagnated for almost four decades. During the 38-year period, 1973 to 2011, average wages rose less than 4 percent, from $18.74 per hour to $19.47 per hour.[102] Meanwhile, in 2009, each of the 400 wealthiest Americans took home an average "wage" of $97,000 per hour (assuming they got paid during lunch hour).[103]

** In 1973, the richest 1 percent of Americans took home 10 percent of total national income. By 2007, the richest 1 percent of Americans took home 24 percent of total national income. (In 2008 it fell back to 21 percent before starting to rise again.) [104]

Perhaps even more important than income is the trend in wealth. Wealth (or "net worth") is what a family owns minus what it owes. Wealth allows families to make progress – for example, to move to a better, safer neighborhood, invest in a business, save for retirement, or help children attend college or gain skills. As families lose wealth, they lose stability and opportunity. They also lose their capacity to contribute to the economy, thus shrinking the total pie that's available.[105]

Measured in constant (inflation-adjusted) dollars, between 2003 and 2013 the net worth of the average family in the U.S. *dropped* by 36 percent.[106] Specifically, in round numbers, the net worth of the average (median) U.S. family *dropped* from $88,000 in 2003 to $56,000 in 2013. (The median is the midpoint in a string of numbers, with half the numbers higher than the median and half lower.)

During the same period, 2003 to 2013, the combined net worth of the Forbes 400 – the 400 richest people in America – more than doubled, from $955 billion to $2 trillion.[107] The richest 1 percent of households now own 40 percent of all the wealth in the nation, and the pie-slices are growing more lopsided each passing year.[108]

People are *feeling* pinched because they *are*. There's only so much to go around and, for the past 40 years, the people at the top of the heap have been grabbing almost all of it for themselves. According to American libertarian philosophy, that's what they're *supposed* to do. As we'll see, there is no more striking example of rich, libertarian elites than the Koch brothers.

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102 Gar Alperovitz, *What Then Must We Do?* (White River Junction, Vt.: Chelsea Green, 2013), pg. 4.

103 Warren E. Buffett, "A Minimum Tax for the Wealthy," *New York Times* Nov. 25, 2012. http://goo.gl/2DdghA

104 Timothy Noah, *The Great Divergence* (N.Y.: Bloomsbury, 2012), pg. 4.

105 Joseph E. Stiglitz, *The Price of Inequality; How Today's Divided Society Endangers Our Future* (N.Y.: W.W. Norton, 2012, paperback edition 2013). And: Standard & Poor's Financial Services, *How Increasing Income Inequality Is Dampening U.S. Economic Growth, And Possible Ways To Change The Tide* (N.Y.: McGraw Hill Financial, Aug. 5, 2014). http://goo.gl/ixfia7

106 Fabian T. Pfeffer, Sheldon Danziger, and Robert F. Schoeni, *Wealth Levels, Wealth Inequality, and the Great Recession; Research Summary* (N.Y.: Russell Sage Foundation, June, 2014). http://goo.gl/v5HEXE

107 Forbes 400 for 2003: http://goo.gl/IQKLT9 and for 2013: http://goo.gl/qR1LmE

108 Joseph Stiglitz, "Of the 1 percent, by the 1 percent, for the 1 percent." *Vanity Fair* (May, 2011). http://goo.gl/Vs1GA

### The Kochs' War on Democracy: Who Are These People Anyway?

The Koch Brothers of Wichita, Kansas – Charles (born in 1935) and David (born in 1940) – first became household names in 2010 when the *New Yorker* profiled them at length.[109] But by 2010 the Kochs had been politically active for over 40 years, relentlessly pursuing a political goal that is nothing short of breathtaking: the Kochs decided long ago to re-make the United States political system, roll back the New Deal, destroy progressivism, and create a libertarian utopia (at least for white people).

The Koch strategy for re-making the United States has changed over the decades. In 1980, David Koch ran for Vice-President on the Libertarian Party ticket. Of course they were trounced. That convinced the brothers that running for office wasn't the path to power. Now they have a much simpler plan: they just want to (a) buy Congress and (b) disenfranchise liberal voters. And they may have what it takes.

According to *Forbes* magazine, in early 2014 the Koch brothers each had a net worth of $40 billion.[110] Compare that to the total cost of all federal elections in 2012, which was $6.3 billion. That $6.3 billion included all expenses for both Presidential candidates, plus both sides of all contests for 435 seats in the House of Representatives, plus two candidacies each for 33 U.S. Senate races.[111] It sounds absurd, but either of the Koch brothers could personally – and rather painlessly – pay for the whole shebang. And although it may *sound* absurd, the Kochs and some of their libertarian allies are working aggressively to make such a thing possible, simply by eliminating *all* restrictions on campaign donations and expenditures by individuals and by corporations.

The Koch brothers' commitment to using their money to influence political outcomes is unprecedented. Only they know exactly how much they have put out, but public tax records reveal that, between 1998 and 2008 the Kochs spent *at least* $256 million dollars on politics.[112] Now *that's* commitment.

It is one of the real internal dangers facing a modern democratic republic: one or two narcissistic billionaires may try to grease the entire political system and thus purchase nearly-unlimited behind-the-scenes power. With the royalists of the Supreme Court in their corner, and much of the electorate convinced that voting no longer matters – plus (as we'll see below) another large number of voters disenfranchised by a nationwide campaign to suppress voting by blacks, Latinos, college youth, old people, Democrats, and the disabled – such an effort might conceivably succeed.

Of course the Koch brothers wouldn't have to spend their personal fortunes to support the campaigns of every candidate for federal office. Their corporation (of which they own 84 percent of the stock) could do it for them. Given recent Supreme Court decisions, the brothers could use funds from the treasury of Koch Industries (a gigantic oil and chemicals conglomerate), which reportedly has revenues of about $115 billion each year and a pre-tax profit margin of 10 percent.[113] If it paid the full statutory corporate income tax of 35 percent, Koch Industries would still net $7.4 billion each year. In sum, the Koch brothers have limitless amounts of cash with which to influence elections and try to eradicate the egalitarian culture of America.

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109 Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1

110 "The Forbes 400; The Richest people in America," Forbes.com; http://goo.gl/kRcXa ; accessed July 24, 2014

111 Russ Choma, "Election 2012: The Big Picture Shows Record Cost of Winning a Seat in Congress." OpenSecrets.org, June 19, 2013. http://goo.gl/NpxX4b Accessed Aug. 20, 2014.

112 Jane Mayer, "Covert Operations: The billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 1010), pgs. 44-55. http://goo.gl/M4MJB1

113 Charles Lewis and others, "Koch millions spread influence through nonprofits, colleges," Investigative Reporting Workshop July 1, 2013. http://goo.gl/R5xtx

To pay for the entire federal election cycle by themselves, the Kochs would just have to wait until the Supreme Court found (or invented[114]) opportunities to strike down every remaining limit on campaign donations and expenditures. Then the brothers and their friends could purchase influence, wholesale, throughout the U.S. political system and it would be perfectly legal.

### It all started with father Fred

Fred Koch, father of the Koch brothers, was a hard-ass Texas oil man. David has described his father: "He was like John Wayne. Just like John Wayne." One family friend said Fred's interest "was not in the kids," and another said Fred "was the type of father who taught his children to swim by throwing them into a pool and walking away."[115] According to family biographer Daniel Schulman, when his sons got into arguments, Fred encouraged them to put on the gloves and duke it out.[116] Charles, in turn, "took sadistic pleasure in provoking fights" between his younger twin brothers David and Bill (as recounted by Bill himself).[117] A member of the extended Koch family describes David and Charles this way: "Everything goes back to their childhood. Everything goes back to the love they didn't get."[118]

The Koch brothers have been imitating, idolizing and trying to live up to their dad since at least 1967 when he died of a heart attack. For example, after his death they renamed his oil company (which they inherited) Koch Industries, to honor him.[119] And they have run it on libertarian principles, ignoring public health – in 2013 it ranked 13th in the nation's largest dischargers of toxic air pollution.[120] The brothers have also hewed to the political line father Fred had drummed into their dear little ears: racist-sounding paranoia about the dangers of government action for the general welfare.[121]

Fred Koch was a one of the original founders of the John Birch Society, in 1958. Three years later, he was joined by son Charles, who founded a Bircher book store in Wichita, specializing in anti-communist and racist tracts.[122] The Birchers made themselves instantly famous by asserting that both Republican and Democratic parties had been infiltrated by communists, and that President Dwight Eisenhower himself was a "dedicated, conscious agent of the Communist conspiracy," guilty of "treason."[123] Fred Koch agreed: Because Eisenhower allowed the flag of Panama to fly over the Panama Canal, he must be surrendering to the communist conspiracy, Fred concluded.[124]

Fred (and, later, son Charles) opposed the civil rights movement of the 1960s because he was certain that black people were part of the communist conspiracy to destroy America: "The colored man looms large in the Communist plot to take over America," he wrote. The mechanism? Government assistance. In his book, *A Business Man Looks at Communism,* Fred explained that government assistance programs

114 Jeffrey Toobin, "Money Unlimited; How Chief Justice John Roberts orchestrated the Citizens United Decision," *New Yorker* Vol. 88, No. 14 (May 21, 2012), pgs. 36-47. http://goo.gl/hQ2DW

115 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pg. 15.

116 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pg. 25.

117 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pg. 24.

118 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pg. 26.

119 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pg. 77.

120 "Toxic 100 Air Polluters," *Political Economy Research Institute* (University of Massachusetts, Amherst), Aug. 2013. http://goo.gl/rNYA60 Accessed Aug. 24, 2014. For details of Koch Industries' air pollution, see "Koch Industries," *Political Economy Research Institute* (University of Massachusetts, Amherst), http://goo.gl/v6nLY6. Accessed Aug. 24, 2014.

121 Fred C. Koch, *A Business Man Looks at Communism* (Seattle, Wash.: Amazon.com [Kindle edition], 1961, 2014).

122 "Charles G. Koch," SourceWatch. http://goo.gl/sqC1NH accessed Aug. 20, 2014; and see Lisa Graves, "The Radical Past of Charles Koch – A Former Die-Hard John Birch Society Member," Alternet July 8, 2014. http://goo.gl/MKG11M.

123 Daniel Schulman, Sons of Wichita (N.Y.: Grand Central Publishing, 2014), pg. 52, and Lee Fang, *The Machine* (N.Y.: New Press, 2013), pg. 98.

124 Lee Fang, *The Machine* (N.Y.: New Press, 2013), pg. 95.

would entice blacks and Puerto Ricans to move to large cities, where their vote would produce communist electoral victories in important states like New York, Pennsylvania, Michigan and Illinois.[125] Then, when the communist party "is ready to take over these cities it will use the colored people by getting a vicious race war started," Fred wrote.[126]

Today the Koch brothers are continuing their father's ideological battle against the rights of working people and against government aid for the downtrodden, which, like Fred, they see as a grand conspiracy to destroy America. They have declared war on President Obama because he has a "socialist vision for this country," and because he's "making massive efforts to socialize this country."[127] And of course, as we'll see, the brothers are now supporting a new racially-tinged political movement, not very different from the John Birch Society – the Tea Party.[128]

According to the Koch family biographer, "Fred reserved special scorn for labor unions."[129] In his 1961 book, *A Business Man Looks at Communism*, Fred said labor unions had been infiltrated "very far indeed" by communists. Labor unions "have the worker do as little as possible for the money he receives," Fred wrote. "This practice alone can destroy our country."[130]

## The Koch Brothers' Theory of Government: American Libertarianism

The Koch brothers are hard-line libertarians – but what is libertarianism? In some parts of the world there are libertarian socialists.[131] That is not what the Kochs have in mind. The founder of the American libertarian movement was Ayn Rand, the Russian émigré who wrote the novels *The Fountainhead* (1943) and *Atlas Shrugged* (1957).[132] Upon her death in 1982, Ayn Rand's "objectivist" (libertarian) philosophy was summarized succinctly in her obituary in the *New York Times*: selfishness is good, altruism is evil, and the welfare of society must always be subordinate to individual self-interest.[133] Gordon Gekko, the hero of Oliver Stone's 1987 movie, *Wall Street*, said it best: "Greed is good." Government can only get in the way.[134] That's the heart and soul of American libertarianism. You can think of it as Adam Smith's invisible hand curled into a fist with brass knuckles.

Because government can only get in the way, the goal of the Koch brothers is to tear government "out at the root," as Charles put it in 1978.[135] After the strict ideological training they received from their father, they fell under the sway of a libertarian huckster named Robert Lefevre, a failed Hollywood actor who became a professional anti-communist and anti-union lecturer. Lefevre's teachings "played an important

125 Fred C. Koch, *A Business Man Looks at Communism* (Seattle, Wash.: Amazon.com [Kindle edition], 1961, 2014).

126 Fred C. Koch, *A Business Man Looks at Communism* (Seattle, Wash.: Amazon.com [Kindle edition], 1961, 2014).

127 Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1

128 David Welch, "Where Have You Gone, Bill Buckley?" New York Times Dec. 3, 2010, writes, "The modern day Birchers are the Tea Party." http://goo.gl/rh0TB4 Welch is former research director for the Republican National Committee.

129 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pg. 47, and Fred C. Koch, *A Business Man Looks at Communism* (Seattle, Wash.: Amazon.com [Kindle edition], 1961, 2014).

130 Fred C. Koch, *A Business Man Looks at Communism* (Seattle, Wash.: Amazon.com [Kindle edition], 1961, 2014).

131 Alex Prichard and others (editors), *Libertarian Socialism: Politics in Black and Red* (N.Y.: St. Martins Press, 2012).

132 The title of the standard history of "the modern American libertarian movement," Brian Doherty's *Radicals for Capitalism*, is a phrase first used by Ayn Rand. See Brian Doherty, *Radicals for Capitalism* (N.Y.: Public Affairs, 2007), pg. 15.

133 Edwin McDowell, "Ayn Rand: Novelist with a Message," *New York Times* Mar. 9, 1982. http://goo.gl/nav7Uw And see the video *Ayn Rand: In her Own Words* (2011) in which Rand is interviewed for 74 minutes by Mike Wallace and Phil Donahue; available from Amazon on DVD, and on Youtube: http://goo.gl/XrwWvP

134 As President Ronald Reagan told us in his first inaugural address (1981), "In this crisis, government is not the solution to our problem; government *is* the problem."

135 Brian Doherty, *Radicals for Capitalism* (N.Y.: Public Affairs, 2007), pg. 445.

role in shaping [Charles's] political views," writes the family biographer.[136] Lefevre detested government so much that he refused even to vote, so as not to legitimize it. Lefevre founded and operated the all-white Freedom School (later named Rampart College) in the mountains of Colorado, which the Koch brothers attended, funded, and later helped direct. No blacks allowed.[137]

Like the DuPonts before them, the Koch brothers aim to roll back the New Deal, which they regard as a tyrannical threat to freedom.[138] When David Koch ran for Vice-President in 1980, he advocated privatizing social security, eliminating minimum wage laws, doing away with all personal and corporate income taxes, abolishing gun controls, and legalizing prostitution, among other libertarian goals. Government has only one legitimate function: protect individual rights. (William F. Buckley, Jr., a conventional conservative, described the Lefevre/Koch plan as "Anarcho-Totalitarianism."[139]) Since that time, the Kochs have supported efforts to privatize public schools, end the welfare state, generally shrink government small enough to drown in a bathtub, eliminate the regulation of industrial poisons and global warming gases, and outlaw civil rights laws and affirmative action programs intended to give a hand up to anyone trying to overcome centuries of oppression – mainly women and people of color.[140] In short, the Kochs support the standard libertarian agenda. Never mind that no nation in the world – not *one* – has ever organized itself on such principles. Historian Michael Lind challenges libertarians to answer one simple question: "If your approach is so great, why hasn't any country anywhere in the world ever tried it?"[141]

Despite their impossible dream, the Kochs – particularly Charles – hold themselves, and their mission to save America, in very high regard. Charles has compared himself to Martin Luther, who radically altered history by starting the Protestant Reformation in 1517.[142] A senior official at the Cato Institute (a Libertarian think tank founded by the Kochs in 1974) says Charles "thinks he's a genius. He's the emperor and he's convinced he's wearing clothes."[143]

David Koch has been described as "a bit of a lunk,"[144] but brother Charles may be a bit of a narcissist.[145] And perhaps a bit of a bully. At Koch Industries, "You either drink the Kool-Aid or you keep your mouth shut and walk the line," says Randy Rathbun, a Wichita lawyer and former U.S. attorney in Kansas who has many friends who work for the company. "I have never seen a place where people are afraid like this where they work," says Rathbun, noting that some of his friends who work for Koch jokingly refer to it as the "evil empire." He adds, "There's a culture of fear out there."[146]

136 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pg. 92.

137 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pg. 95-96.

138 Lee Fang, *The Machine* (N.Y.: New Press, 2013), pg. 108; and see Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1

139 Buckley quoted in Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1

140 On the organized campaign to roll back civil rights laws and end affirmative action programs, and the Kochs' role in it, see Lee Cokorinos, *The Assault on Diversity; An Organized Challenge to Racial and Gender Justice* (Lanham, Md.: Rowman & Littlefield, 2003).

141 Michael Lind, "The question libertarians just can't answer," Salon.com June 4, 2013. http://goo.gl/YuitC

142 Lee Fang, *The Machine* (N.Y.: New Press), p. 120.

143 Quoted in Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1

144 Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1

145 To read more about narcissism, consult: Simon Baron-Cohen, *The Science of Evil* (N.Y.: Basic Books, 2011); Robert D. Hare, *Without Conscience* (N.Y.: Guilford Press, 1993; paperback edition 1999); Paul Babiak and Robert D. Hare, *Snakes in Suits* (N.Y.: Harper-Collins, 2006); Ronald Schouten and James Silver, *Almost a Psychopath* (Center City, Minn.: Hazelden, 2012); and Kevin Dutton, *The Wisdom of Psychopaths* (N.Y.: Scientific American / Farrar, Straus and Giroux, 2012).

146 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pg. 253.

## The Plan

After David's failed Vice-Presidential campaign in 1980, the Koch brothers shifted strategy. One "long-time Koch lieutenant" explains their overall strategy this way:

"Politicians, ultimately, are just actors playing out a script. The idea is, one gets better and quicker results aiming not at the actors but at the scriptwriters, to help supply the themes and words for the scripts–to try to influence the areas where policy ideas percolate from: academia and think tanks."[147]

As early as 1974, Charles Koch began urging libertarian thinkers and business leaders to invest in a collective enterprise of conservative movement-building that would focus on long-term strategies to advance the ideological fight, rather than short-term political and electoral objectives. "The development of a well-financed cadre of sound proponents of the free enterprise philosophy is the most critical need facing us at the moment," Koch asserted, quoting the Powell memo of 1971.[148]

Without mentioning Powell, Koch cited the same four spheres where business should focus the fight: education, the media, "legal challenges" and political action.[149]

In the 40 years since Charles Koch delivered his rallying cry, the Kochs and their close allies have built a broad and deep network of libertarian and conservative foundations, national and state think tanks, state-level media watchdogs, political operatives, phony "grass-roots" groups, legislative clearinghouses, and academic and legal programs that are so stunning in their reach that they make Lewis Powell's blueprint for action look like a simple napkin drawing.[150]

Although other libertarian foundations had a strong interest in social and cultural issues, the Kochs' focus was almost exclusively on minimizing the role of government in the economy and in the regulation of businesses like their own, shrinking government's capacity to hold such businesses accountable – thus increasing the wealth of wealthy people like themselves.

Every group in the Koch pantheon is committed to the Koch agenda, which is: oppose any action to curb global warming or other environmental pollution; weaken worker rights; sharply reduce social welfare programs and the regulation of business; and cut taxes for the wealthy.[151]

In the early 1980s, the Koch brothers devised a plan for re-making America into their libertarian utopia.[152] Their plan, called "Structure for Social Change," has three stages:

147 Brian Doherty, *Radicals for Capitalism* (N.Y.: Public Affairs, 2007), pg. 410.

148 Nicholas Confessore, "Quixotic '80 Campaign Gave Birth to Kochs' Powerful Network," *New York Times*, May 17, 2014. http://goo.gl/5vd1sH

149 Charles Koch speech to Libertarian Party, Dallas, April 27, 1974. https://www.documentcloud.org/documents/1302373-1974-charles-koch-ihs-speech-anti-capitalism-and.html

150 Charles Lewis et al., "Koch millions spread influence through nonprofits, colleges," Investigative Reporting Workshop (American University School of Communication), July 1, 2013. http://goo.gl/R5xtx ; Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1; And see Kochcash.org (International Forum on Globalization); and: Tony Carrk, *The Koch Brothers: What You Need to Know About the Financiers of the Radical Right* (Washington, D.C.: Center for American Progress Action Fund, April 2011). http://goo.gl/jy2OED; and: Greenpeace, "Koch Brothers: Still Funding Climate Denial" http://goo.gl/U9o2t ; and Brave New Films, "Koch Brothers Exposed: 2014 Edition." At http://www.bravenewfilms.org/koch2014

151 Lee Fang, *The Machine* (N.Y.: New Press, 2013), pg. 92.

152 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pgs. 263-270.

**Stage 1** requires the production of ideas, starting as abstract concepts and theories. For this, Charles spent "millions of dollars on hundreds of universities around the country" – nearly $31 million dollars between 2007 and 2011 alone "to endow professorships, underwrite free-market economics programs, and sponsor conferences and lecture-series for libertarian thinkers."[153]

In **Stage 2**, these abstract ideas and concepts must to be turned into something usable in the real world, something people can understand. Privatize social security. Cast doubt on the science of global warming.[154] End government funding for research on solar energy. Eliminate the income tax. Simple, practical ideas to shrink government, make workers less secure, and help oil barons make and keep more windfall profits. The work of **Stage 2** falls to think tanks and policy institutions.

The Kochs already understood **Stage 2** – they had created the Cato Institute in 1974, and were funding and controlling the Mercatus Institute at George Mason University, plus dozens of other little academic centers of libertarian dogma. Mercatus is famous for having selected 14 of the 23 regulatory programs targeted for elimination by George W. Bush as soon as he became President. (It was Mercatus founder Richard H. Fink who initially devised the Koch's three-part plan for the libertarian re-make of America. Fink has been Charles's "ideological consigliere" for decades.[155])

**Stage 3** of the Koch/Fink master plan called for a mobilization of citizens – hundreds of thousands of them, if possible – preferably ones who are mad as hell and not going to take it anymore. As David Koch put it, "What was needed was a sales force that participated in political campaigns or town hall meetings, in rallies, to communicate to the public at large much of the information that these think tanks were creating."[156]

This third stage was slow getting started – it's not easy to convince middle-class Americans that a libertarian agenda, which is likely to make them poorer and less secure, is worth fighting for. But with persistence, cynical cunning and "dog whistle" appeals to racial animus, many white people can be recruited.[157]

In America, because of its peculiar history, race has proven again and again to be politically useful: If you suggest to white people that they are somehow being threatened or taken advantage of by black or brown people, then they may join your cause, even if it means they'll have to live with self-inflicted wounds forever after. This is why political analysts call race a "wedge issue" – because time after time it has been used to divide white people against their natural allies and against their self-interests, leaving them poorer and politically weaker, while the narcissistic nabobs grow wealthier and more powerful year after year.[158]

As we'll see (below), after 30 years of coaxing, training, and funding, the Kochs' libertarian sales force finally blossomed onto the scene in 2009, calling itself the Tea Party. **Stage 3** of the Koch/Fink plan had finally materialized.

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153 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pgs. 263-270.

154 Greenpeace, *Koch Industries Secretly Funding the Climate Denial Machine* (Washington, D.C.: Greenpeace, March, 2010). http://goo.gl/9nV3 And see Connor Gibson, "Koch Brothers Exposed: Fueling Climate Denial and Privatizing Democracy" (Greenpeace web page last updated June 20, 2012) at http://goo.gl/tVtmfG.

155 Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pg. 263

156 Charles Koch quoted in Daniel Schulman, *Sons of Wichita* (N.Y.: Grand Central Publishing, 2014), pg. 266.

157 Ian Haney López, *Dog Whistle Politics: How Coded Racial Appeals Have Reinvented Racism and Wrecked the Middle Class* (N.Y.: Oxford University Press, 2014).

158 For many reports of this strategy succeeding, see, for example, Allen C. Guelzo, *Fateful Lightning; A New History of the Civil War and Reconstruction* (N.Y.: Oxford University Press, 2012), pgs. 38-52. Or see Joan Walsh, *What's the Matter with White People; Why We Long for a Golden Age That Never Was* (Hoboken, N.J.: Wiley, 2012). Or see Michael Goldfield, *The Color of Politics: Race and the Mainsprings of American Politics* (N.Y.: New Press, 1997) or Thomas Byrne Edsall and Mary D. Edsall, *Chain Reaction* (N.Y.: Norton, 1991), or Kevin Phillips, *The Emerging Republican Majority* (New Rochelle, N.Y.: Arlington House, 1969); or Joe R. Feagin, *White Party, White Government; Race, Class, and U.S. Politics* (N.Y.: Routledge, 2012); or – best of all – see the indispensible Ian Haney López, *Dog Whistle Politics: How Coded Racial Appeals Have Reinvented Racism and Wrecked the Middle Class* (N.Y.: Oxford University Press, 2014).

## The Kochtopus Begins to Wriggle and Grasp

In the late 1970s, the Kochs were financing relatively few projects – the Cato Institute, the Libertarian Party, Students for a Libertarian Society, *Inquiry* magazine, and *Libertarian Review*. At that time, a disgruntled libertarian named Sam Konkin, who thought the Kochs lacked sufficient ideological purity, labeled their operation "the Kochtopus" and the name stuck.[159]

Since then the Kochtopus has grown into something worthy of the name – a sprawling tangle of hundreds of think tanks, endowed academic positions and departments, internships, policy shops, legislative bill mills, media outlets, training institutes, and disciplined foot-soldiers for the policy wars, all funded by Koch Industries, Koch Family Foundations, or the Koch brothers as individual donors, and their friends.

"This extensive, cross-sector Koch club or network appears to be unprecedented in size, scope and funding," says investigative journalist Charles Lewis. "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," says Lewis, "But I've never seen anything like it."[160]

"It's almost like an investor investing in a whole variety of companies," David Koch himself once said, explaining the strategy: "He achieves diversity and balance and he hedges his bets."[161]

"What distinguishes the Koch foundations from others… is this commitment to a longer-term payoff," the Hudson Institute's Leslie Lendowsky observes.[162]

### Influencing Elections Directly

Increasingly in recent years, the Kochtopus has focused its financial resources to influence elections directly. The Kochs' network of Super PACs and dark-money nonprofit organizations raised over $400 million in the 2012 election cycle. And as the *Washington Post* report in early 2014, these groups have continued "expand(ing) into a far-reaching operation of unrivaled complexity, built around a maze of groups that cloaks its donors."[163]

Furthermore, as the Supreme Court knocks down one campaign-finance limit after another, the Kochtopus responds rapidly with ever-greater contributions and expenditures. "If the Koch brothers' political operation seemed ambitious in 2010 or 2012, wait for what's in store for 2014 and beyond," *Politico* reporter Ken Vogel predicted in January 2014.[164]

Here is a brief description of a few of the major tentacles of the Kochtopus:[165]

159 Brian Doherty, *Radicals for Capitalism* (N.Y.: Public Affairs, 2007), pg. 410.

160Charles Lewis and others, "The Koch Club – Koch millions spread influence through nonprofits, colleges," Investigative Reporting Workshop July 1, 2013. http://goo.gl/R5xtx And Charles Lewis quoted in Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1

161 W. John Moore, "Wichita Pipeline," *National Journal* May 16, 1992. http://goo.gl/4CEUMR

162 W. John Moore, "Wichita Pipeline," *National Journal* May 16, 1992. http://goo.gl/4CEUMR

163 Matea Gold, "Koch-backed political coalition, designed to shield donors, raised $400 million in 2012," Washington Post, January 5, 2014. http://goo.gl/fuhCTc

164 Kenneth P. Vogel, "Koch World 2014," *Politico* Jan. 24, 2014. http://goo.gl/5NTey3

165 For our current understanding of the Kochtopus, we are indebted to *SourceWatch* at http://www.sourcewatch.org/index.php/Koch and *Koch Cash* at http://www.kochcash.org and *Real Koch Facts* at http://www.RealKochFacts.com and *Polluter Watch* at http://www.polluterwatch.com and *The Center for Public Integrity* at http://www.publicintegrity.org and *ProPublica* at http://www.propublica.org/ and *The Investigative Reporting Workshop* at http://investigativereportingworkshop.org/, and DeSmogBlog http://desmogblog.com, and ThinkProgress at http:/www.thinkprogress.org and the Energy & Policy Institute http://www.energyandpolicy.org . For additional information about the Kochtopus, see Greenpeace, "Koch Industries Still Fueling Climate Denial," http://goo.gl/U9o2t; and Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1; Brad Friedman, "Audio: Christie lets loose at Secret Koch Brothers Confab," *Mother Jones*, Sept. 7, 2011. http://

**I. ALEC**, the **American Legislative Exchange Council**, was founded in 1973, the brainchild of theocrat and Republican strategist, Paul Weyrich. **ALEC** works directly with corporations and state representatives who, together, write business-friendly laws without public disclosure. **ALEC** has an enviable track record of success: it produces about 1000 new bills each year, approximately 200 of which become law in one state or another.[166] As Greenpeace research has shown, ALEC promotes whatever it's paid to promote: privatize social security, eliminate the minimum wage, repeal carbon emission standards, kill net neutrality, abolish collective bargaining for public employees (teachers, police, and fire fighters), and transfer government functions, such as prisons, into the hands of private corporations.[167] In sum, **ALEC** aims to roll back the New Deal, shrink government, and prevent effective action to manage global warming – the Koch brothers' agenda.

### An ALEC priority: Blocking the Sun

After the Kochs and their Republican allies managed to take over Congress in 2010, undermining the possibility of serious constructive federal legislation on energy, the attacks on global warming and energy policies shifted to the states,[167] where **ALEC** serves as a key Koch ally.

One of **ALEC's** top priorities has been to undermine the regulation of global-warming gases ($CO_2$ and methane), *and* to eliminate state clean-energy standards that have helped incentivize the growth of energy efficiency and renewable energy sources such as wind and solar. In 2013 alone, **ALEC** supported over 70 bills to slow the deployment of renewable energy.[168]

But it hasn't been easy. In 2013, **ALEC's** attacks on state renewable portfolio standards (RPS) failed in 15 states, including Republican-controlled ones like North Carolina and the Kochs' own home, Kansas, mainly because wind and solar are providing significant economic benefits.[169]

Of course the setbacks didn't stop the Kochs, **ALEC** and their allies from taking their offensive to Ohio and other states.[170] In Arizona, former top Koch political operator Sean Noble used funding from local utility Arizona Public Service Co. to run attack ads against solar.[171] In 2014 they managed to get the Oklahoma state legislature to become the first to pass a bill allowing the state utility commission to charge customers for "net metering" – the right to sell excess electricity generated by wind and solar back onto the grid. The goal: to make solar more expensive.

"At long last, the Koch brothers and their conservative allies in state government have found a new tax they can support," editors at the *New York Times* wrote. "Naturally it's a tax on something the country needs: solar energy panels."[172]

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goo.gl/aFmvlL; and Gavin Aronsen, "Exclusive: The Koch Brothers' Million-Dollar Donor Club," *Mother Jones*, Sept. 6, 2011 http://goo.gl/k0dV8; and Brave New Films, "Koch Brothers Exposed" (2014) http://goo.gl/EX0EO2.

166 Lee Fang, *The Machine* (N.Y.: New Press, 2013), pg. 212.

167 Energy & Policy Institute, *Attacks on Renewable Energy Standards and Net Metering Policies By Fossil Fuel Interests & Front Groups 2013-2014* (Washington, D.C.: May, 2014). http://goo.gl/ifjyVG

168 Herman K. Trabish, "ALEC Coordinates New Attacks on Renewables Mandates and Net Metering," *Green Tech Media*, Feb. 24, 2014. http://goo.gl/mlsgM1 Accessed Aug. 20, 214.

169 Brendan Fischer, "Big Defeat for ALEC's Effort to Repeal Renewable Energy Standards for North Carolina," PR Watch, April 24, 2013. http://goo.gl/5lSSEo. The *2013 North Carolina Clean Energy Industry Census*, published in January 2014 by the North Carolina Sustainable Energy Association, estimated that the state clean energy sector brought the state $3.6 billion in revenues, sustaining over 18,000 jobs. http://goo.gl/OCc5Tt

170 Connor Gibson, "Ohio Clean Energy Still in Koch & ALEC Crosshairs," *DeSmogBlog.com*, Oct. 30, 2013. http://goo.gl/4zuJNZ

171 Andy Kroll, "Power Company Comes Clean: We Bankrolled Arizona's Anti-Solar Blitz," Mother Jones, Oct. 21, 2013. http://goo.gl/eYqtLV For up-to-date information about the attacks on renewable and clean energy policies see the Energy and Policy Institute, http://www.energyandpolicy.org/

172 Editorial Board, "The Koch Attack on Solar Energy," *New York Times*, April 26, 2014. http://goo.gl/Xk3a1y

The 2014 ALEC catalog of model legislation includes a wide variety of dirty-energy bills that not only attack renewable energy standards, but perform other favors for their dirty-energy corporate members, including bills designed to reduce fracking chemical disclosure requirements, weaken energy efficiency policies, and relax air pollution standards.

While coal industry executives and their political allies continue accusing the Obama administration of waging an unfair "war on coal," they are quietly working with **ALEC** and other groups to try to sabotage the EPA's long-awaited proposed new coal power plant emissions standards.

Coal giant Peabody Energy, a top corporate funder of **ALEC**-sponsored junkets,[173] and the American Coalition for Clean Coal Electricity, a coal industry front group, co-sponsored **ALEC's** December 2013 conference in Washington, DC where lobbyists and legislators were urged to engage in "guerrilla warfare" to block EPA's coal plant emissions regulation.[174] Kelly Mader, Peabody's top lobbyist, sits on **ALEC's** corporate board,[175] and another Peabody lobbyist, Wendy Lowe. received **ALEC's** "State Chair of the Year" award in 2012.[176]

**ALEC** organized a phone call for state legislators to help encourage them to lobby their state attorney general to sue EPA over the proposed regulations.[177]

**ALEC** has written boilerplate legislation to obstruct EPA's proposed $CO_2$ regulations and continues to attack state laws and incentives that would give states flexibility in complying with EPA's proposal, including clean energy standards and cap-and-trade programs.

**ALEC** joined with **Americans for Prosperity (AFP)**, another of the Kochs' key political operations (see IX, below) in attacking New England's Regional Greenhouse Gas Initiative (RGGI), an interstate global-warming reduction pact.[178] **AFP** claimed credit for convincing New Jersey Governor Chris Christie to remove New Jersey from RGGI, urging him to fight proposed off-shore wind projects as well – which he did.[179] That same year Christie (who is clearly planning a presidential run in 2016) tried to hide his guest speaker appearance at the secretive **Koch Network** high-donor retreat by keeping it off of his publicly available calendar.[180] But Christie's appearance at the event highlights the Kochs' "gatekeeper" role within the Republican Party, noted earlier.

"Private" sector **ALEC** members from Koch Industries, Peabody and other companies and their front groups regularly join state legislators at **ALEC** task force meetings where they develop legislative priorities and draft bills and resolutions.[181] **ALEC's** Energy, Environment and Agriculture task force is stuffed with representatives from Shell, **Americans for Prosperity**, Duke Energy and other big polluters and their

173 Lisa Graves, *Buying Influence: How The American Legislative Exchange Council Used Corporate-Funded "Scholarships" to Send Lawmakers on Trips with Corporate Lobbyists* (Madison, Wisc.: Center for Media and Democracy, D.B.A. Press, and Common Cause, July 2013). And: Nick Surgey, "Peabody Energy Lobbyist Schools Legislators on Getting More ALEC Travel Perks," *PR Watch*, March 5, 2014. http://goo.gl/b5U2wq

174 Aliya Haq, "Polluters begin their so-called 'guerrilla warfare' strategy against climate action," *NRDC Switchboard* Feb. 4, 2014. http://goo.gl/Vb44Hz

175 Nick Surgey, "Revealed: ALEC's 2014 Attacks on the Environment," *PR Watch* April 23, 2014. http://goo.gl/D8i6SQ

176 Nick Surgey, "Peabody Energy Lobbyist Schools Legislators on Getting More ALEC Travel Perks," *PR Watch*, March 5, 2014. http://goo.gl/b5U2wq

177 Connor Gibson, "ALEC doesn't care about #freemarkets – explaining ALEC's shill bills," Greenpeace blog, May 2, 2014. http://goo.gl/ZflhwR

178 Connor Gibson, "Video: Koch used NJ Gov. Chris Christie to Undermine Climate Policy," Greenpeace blog, May 13, 2014. http://goo.gl/P61wnQ

179 Keith Harrington, "Koch brothers declare war on offshore wind," *Grist*, July 16, 2011. http://goo.gl/qfltLh

180 Brad Friedman, "Audio: Christie lets loose at Secret Koch Brothers Confab," *Mother Jones*, Sept. 7, 2011. http://goo.gl/aFmvlL

181 Connor Gibson, "What's on ALEC's Polluter Agenda Tomorrow?" Greenpeace blog May 10, 2012. http://goo.gl/02Hqy9

front groups. **ALEC's** corporate membership also includes an A-list of other dirty-energy companies, including ExxonMobil, Duke Energy, Shell, Chevron and BP.[182]

The Kochs' connection to **ALEC** goes back to the 1990s, when Koch Industries chaired **ALEC's** corporate board and loaned **ALEC** nearly half a million dollars.[183] The brothers' support has continued to this day; Koch-controlled foundations have given ALEC at least $600,000 in the past decade. The Kochs and other right-wing foundations, including the Searle Freedom Trust, have also amplified **ALEC's** effects by supporting the **State Policy Network (SPN)**, the web of state-based think tanks created by **ALEC** and its allies to provide talking points and media-friendly analysis for its policy proposals. (More on **SPN** below.)[184]

According to the Center for Media and Democracy, almost 98 percent of **ALEC's** funding between 2009 and 2011 – over $21 million – came from corporations, conservative foundations, trade associations and other outside sources. Just 2 percent came from ALEC's legislative members.[185]

Another group joining **AFP's** attack on wind is the **American Energy Alliance (AEA)**, an oil industry front group headed by Thomas Pyle, a former Koch Industries lobbyist.[186] **AEA** describes itself as the "grassroots arm" of the **Institute for Energy Research (IER),** which has leveled a persistent attack on renewable energy and global-warming science. IER is a "partner institution" of the Charles Koch Institute.[187] **AEA's** CEO Robert Bradley is a former Koch lobbyist and the former Director of Public Relations Policy at Enron, the notorious collection of scam artists masquerading as an energy conglomerate.[188] Bradley joined **ALEC's** 2011 Energy, Environment and Agriculture task force meeting, along with James Taylor of the **Heartland Institute**, a vocal global warming science denier.[189] While **AEA** claims it has "no interest in supporting the agenda of any particular political party," it received $1.5 million in 2011 from **Freedom Partners** (described below), the Koch brothers' main political-money conduit,[190] and many of its staff members are former Republican congressional staff.[191]

The **Institute for Energy Research** and the **American Energy Alliance** sponsored a "wind welfare" summit in Washington, DC in December 2013, where Bradley and others announced that they would run ads and fly in advocates to attack the federal wind energy Production Tax Credit (PTC). Even though Congress has provided enormous long-enduring subsidies to the nuclear and fossil-fuel industries, uncertainties surrounding the PTC's renewal have put wind developers at a disadvantage by making it difficult to plan ahead and attract investors.[192] Congress allowed the PTC for wind projects to expire at the end of 2013.[193]

182 For information about ALEC see http://www.alecexposed.org ; for a list of corporations supporting ALEC as of September 2013, see http://www.sourcewatch.org/index.php/ALEC_Corporations

183 Lisa Graves, "A CMD Special Report on ALEC's funding and spending," *PR Watch*, July 13, 2011. http://goo.gl/re3Hy

184 Steve Horn, "Stink Tanks: Historical Records Reveal That State Policy Network Was Created by ALEC," DeSmogBlog.com, Dec. 9, 2013. http://goo.gl/elUZQH

185 Lisa Graves, "A CMD Special Report on ALEC's funding and spending," *PR Watch*, July 13, 2011. http://goo.gl/re3Hy

186 Brendan DeMelle, "Institute for Energy Research Admits It Was Behind Anti-Wind Study," *DeSmogBlog*, Mar. 22, 2010. http://goo.gl/wNH5Zm

187 See "Partner Organizations," Charles Koch Institute. http://goo.gl/RvqNdj Accessed Aug. 20, 2014.

188 Josh Harkinson, "The Dirty Dozen of Climate Change Denial: No. 12: Institute for Energy Research (A.K.A. American Energy Alliance)," *Mother Jones* Dec. 4, 2009. http://goo.gl/A3r4Su

189 ALEC Task Force Materials dated March 31, 2011, posted by Common Cause at http://goo.gl/ghRmRd Accessed Aug. 20, 2014.

190 Center for Responsive Politics, "Freedom Partners Chamber of Commerce," at http://goo.gl/2Uufdx

191 Brendan DeMelle, "Institute for Energy Research Admits It Was Behind Anti-Wind Study," *DeSmogBlog*, Mar. 22, 2010. http://goo.gl/wNH5Zm

192 Elliott Negin, "The Koch Brothers Are Still Trying to Break Wind," Huffington Post, Dec. 9, 2013. http://goo.gl/yxYY69

193 American Wind Energy Association, "Federal Production Tax Credit for wind energy," web site. http://goo.gl/x9LHk2 Accessed Aug. 15, 2014.

**II. The State Policy Network (SPN).** The **State Policy Network**, founded in 1992, maintains a web of state-based think tanks, modeled on the ultra-rightwing **Heritage Foundation** in D.C., which was started in 1973 by arch-conservative theocrat Paul Weyrich. Ideas and propaganda generated by **Heritage** in D.C. can now filter down to the state level by way of **SPN**. Located in all 50 states, **SPN** has 58 affiliates, all of which are "rigidly Republican but maintain a veneer of independence."[194] Most state legislators serve part-time and have neither capacity nor inclination to study issues and policies deeply. **SPN** can do that for them.

**SPN** executive director Tracie Sharp admits its agenda is "driven by donor intent."[195] An example reported by the *Guardian* is a proposal by the **Beacon Hill Institute (BHI)**, an **SPN** associate member based at Suffolk University in Massachusetts. **BHI** requested $38,825 from Searle Freedom Trust to publish research that would help weaken RGGI, the interstate global warming control pact, mentioned above. After **BHI's** proposal was leaked, Suffolk University distanced itself from the **BHI**, saying the proposal had not met the university's research protocols. **BHI** has also published a report claiming that renewable energy standards are bad for state economies. The report was distributed through other **SPN** member groups in association with **ALEC**-related state legislative attacks on renewable standards.[196]

**III. Freedom Partners** is a 501(c)(6) business association, and thus does not have to identify its donors to anyone. *Politico* describes the group as "the Koch brothers' secret bank."[197] It is also a hub for strategic communication between the grandees of the **Koch Network** and the ground troops of the **Kochtopus**. A document discovered after the **Koch Network's** winter 2014 meeting revealed extensive one-on-one confabs between donors and "representatives of the political, corporate, and philanthropic wings of Kochworld." Raising $256 million during the 2012 election cycle, **Freedom Partners** served as a "de facto bank" in the $400 million Koch network by "feeding money to groups downstream." [198]

Although **Freedom Partners** won't name its 200 "members," each of whom has donated over $100,000, it's highly likely that most have been invited to attend the **Koch Network's** secret retreats where money is solicited and strategies are hatched.[199] Despite its important and well-known role in the Kochs' political operations, in its 2012 tax return, **Freedom Partners** told the IRS it does not engage in politics, claiming its grants are "subject to express prohibitions or protections against the use of grant funds for electioneering purposes."[200] [See Appendix A: The Kingpins of Carbon and the Koch Brothers' Club of Plutocrats.]

**IV. American Encore** is a not-for-profit group (formerly known as the **Center to Protect Patient Rights**) organized as a 501(c)(4), which therefore isn't required to divulge its donors. Between 2009 and 2012 it passed more than $182 million in secret donations to advocacy groups, including **Americans for Prosperity (AFP)**. The *Washington Post* describes **American Encore** as a "major cash turnstile for groups on the right during the past two election cycles," because it received large amounts of money from **Freedom Partners** and **TC4 Trust** as part of the $400 million Koch political network.

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194 Lee Fang, *The Machine*, pg. 201.

195 Rebekah Wilce and others, *EXPOSED: The State Policy Network* (Madison, Wisc.: Center for Media and Democracy, November, 2013). http://goo.gl/s1Rg83 And see Rebekah Wilce, "Guardian Documents Expose State Policy Network Groups' Intent to Lobby," *PR Watch* Dec. 5, 2013. http://goo.gl/ss9Sem

196 Suzanne Goldenberg, "Free-market research group's climate proposal denounced by host university," *The Guardian* Dec. 5, 2013. http://goo.gl/WIoUk5

197 Mike Allen and Jim Vandehei, "Exclusive: the Koch brothers' secret bank," *Politico* Sept. 11, 2013. http://goo.gl/sdyXBy

198 All data and quotations from "Freedom Partners," *SourceWatch*. http://goo.gl/hZ8XjF Accessed July 28, 2014.

199 Nicholas Confessore, "Tax Filings Hint at Extent of Koch Brothers' Reach," *New York Times* Sept. 12, 2013. http://goo.gl/jNLmyj

200 Kim Barker and Theodoric Meyer, "The Dark Money Man: How Sean Noble Moved the Kochs' Cash into Politics and Made Millions," *ProPublica* Feb. 14, 2014. http://goo.gl/MHlfGK

**V. DonorsTrust (DT)** is a 501(c)(3) nonprofit started in 1999 "to ensure the intent of donors who are dedicated to the ideals of limited government, personal responsibility, and free enterprise." Its partner organization is **Donors Capital Fund (DCF)**. Both are spin-offs of the **Philanthropy Roundtable**, which is a coordinating body for conservative foundations.

**DT** and **DCF** are both "donor-advised funds," which means they maintain separate accounts for individual donors, who then recommend disbursements from the accounts to favored not-for-profits. The funds are then distributed in the name of **DT** or **DCF**, which hides the identity of the original donor, thus creating a "murky money maze." **DT** and **DCF** are advertised as a vehicle for corporations and ultra-wealthy individuals to remain anonymous when "funding sensitive or controversial issues." If donors forget to give **DonorsTrust** a statement of intent, then **DT** is free to distribute the funds as it pleases.

**DonorsTrust** played a key role in coordinating support for the three Supreme Court cases highlighted in this report, *Citizens United*, *McCutcheon*, and *Shelby County*. [See box: "Who Orchestrated the *Shelby County* Attack on Voting Rights?"] This provides additional evidence of a deliberate elite attack on democracy, led by the Kochs and other wealthy libertarians and fossil fuel barons who attend **Koch Network** strategy retreats and sluice their money through **DonorsTrust**.

**VI. TC4 Trust** is a 501(c)(4) nonprofit Koch-affiliated organization that the Center for Responsive Politics called a "shadow money mailbox," one of several groups – like **Freedom Partners** and **American Encore** – "that do virtually nothing but pass grants through to other politically active 501(c)(4) organizations, many of which have been big spenders on election ads benefiting the GOP."

In its first two years of operation, **TC4 Trust** distributed nearly 80 percent of its $46.3 million in revenues to other groups including many that also received donations from **American Encore**. TC4 Trust has been dormant since 2012.[201]

**VII. The Koch Network (aka the Koch Club)**

Since 2003, the Koch brothers have hosted semi-annual meetings for wealthy libertarian and conservative donors, sometimes referred to as the **Koch Network** or the **Koch Club**.[202] Although these gatherings of the super-elite are super-private, leaked documents and recordings have revealed that they include "titans of industry – from health insurance companies, oil executives, Wall Street investors, and real estate tycoons – working together with conservative journalists and Republican operatives," as well as prominent public officials, including members of Congress, state governors, and even Supreme Court Justices Clarence Thomas and Antonin Scalia. These are relaxed meetings where everyone can align their ideas, their language, and their strategies.

Using news reports and leaked lists of attendees at the Kochs' secret strategy retreats, Greenpeace identified 68 individuals connected to the Koch Network who spent at least $123,200 in 2012 – the aggregate direct contribution limit that the *McCutcheon* decision raised to $3.6 million.[203] [See Appendix A: The Kingpins of Carbon and the Koch Brothers' Club of Plutocrats.] Many, like the Kochs themselves, are kingpins of carbon and funders of climate denial propaganda.

201 "TC4 Trust," *SourceWatch*, accessed Aug. 19, 2014. http://goo.gl/ijvhY1

202 Charles Lewis and others, "The Koch Club – Koch millions spread influence through nonprofits, colleges," *Investigative Reporting Workshop* July 1, 2013. http://goo.gl/R5xtx

203 The list of individuals included in the Koch Brothers and Koch Industries network is compiled from: (1) a list of individuals who attended the Kochs' January 2014 Palm Springs donor retreat, originally published by *Mother Jones*, including individuals named by Charles Koch in a speech; (2) a list of individuals who attended a June 2010 Koch Industries-sponsored retreat held in Aspen, Colorado, and c) reports submitted by Koch Industries lobbyists under the Lobbying Disclosure Act.

## VIII. The Franklin Center, the Kochs, and the Media

The Kochs' ambition continues to grow. In 2013, the brothers tried to purchase 10 major newspapers owned by the Tribune Company, including the *Chicago Tribune*, the *Los Angeles Times* and the *Baltimore Sun*.[204] Even without direct control of media outlets, the Kochs, ExxonMobil and their network of global-warming-denial think tanks have had enormous success in spreading disinformation about global warming.[205]

According to Media Matters, the Kochs have donated millions of dollars to the **Franklin Center**, "whose websites and affiliates provide free statehouse reporting to local newspapers and other media across the country." The groups are "staffed by veterans of groups affiliated with the Koch brothers" and take advantage of the void created by a decade of state newsroom layoffs, providing a third leg of support for corporate-crafted legislation sponsored by **ALEC** and promoted by state think tanks affiliated with the **State Policy Network**.[206]

**IX. Americans for Prosperity (AFP)** is a libertarian membership organization founded by the Koch brothers, now claiming to have 1.2 million individual members, organized into local chapters. **AFP**'s budget comes from the Kochs, plus other unknown sources, rising from $7 million in 2007 to over $100 million in 2012. According to the Center for Public Integrity, **Americans for Prosperity** "spent a staggering $122 million (in 2012) as it unsuccessfully attempted to defeat President Barack Obama and congressional Democrats." In the 2012 election cycle, **AFP** served as the hub of the Kochs' $400 million political network. It receives funds from Koch-linked dark money groups like **Freedom Partners**, **American Encore**, and **DonorsTrust**.[207]

**X. The Tea Party.** The Koch-funded **Americans for Prosperity** (AFP) has been the main engine behind the Tea Party.[208] In her 2010 *New Yorker* profile of the Koch brothers, Jane Mayer quotes Bruce Bartlett, an economist whose work has been supported by the Kochs:

"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."[209]

When asked about the Tea Party, David Koch feigns surprise that anyone would connect it with him or his brother. The truth is, they've been joined at the hip since Feb. 19, 2009, the day when CNBC's Rick Santelli first "launched into an on-air tirade" denouncing Obama and screaming into the camera, "We're

204 Connor Gibson, "Koch Bros Tribune Co? Climate Change Denial in Koch-Friendly Media." Greenpeace blog, April 24, 2013. http://goo.gl/M64zPu

205 For an extensive analysis of the fossil fuel industry's role in the media's failed coverage of climate change see Elliott Negin, "Unreliable Sources: How the News Media Help the Kochs and ExxonMobil Spread Climate Disinformation," Six-Part series published on *Huffington Post* by the Union of Concerned Scientists, 2013. http://goo.gl/X7EcpA See also Naomi Oreskes and Erik M. Conway, *Merchants of Doubt* (N.Y.: Bloomsbury Press, 2010); James Hoggan and Richard Littlemore, *Climate Cover-Up; The Crusade to Deny Global Warming* (Vancouver, B.C.: Greystone Books, 2009); and Haydn Washington and John Cook, *Climate Change Denial* (London: Earthscan, 2011).

206 Joe Strupp, "How a Right-Wing Group is Infiltrating State News Coverage," *Media Matters for America*, July 11, 2012. http://goo.gl/l35mq

207 All data and quotations in this paragraph are from "Americans for Prosperity," *SourceWatch* http://goo.gl/WQxna Accessed July 28, 2014.

208 See Taki Oldham's documentary film, "The Billionaire's Tea Party" (54 minutes; released Feb. 5, 2011). http://goo.gl/RQNRND

209 Jane Mayer, "Covert Operations: The billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 1010), pgs. 44-55. http://goo.gl/M4MJB1

thinking of having a Chicago Tea Party!"[210] Within hours, the Kochs' **AFP** had registered the domain name taxpayerteaparty.com and the Tea Party sprang to life. Not surprisingly, from the beginning, the Tea Party has exhibited a strong tinge of white supremacy.

In a way, the Tea Party is little more than a revival of Fred Koch's John Birch Society, but with a more distinctly-libertarian, anti-government agenda. However, the Tea Party has other Koch-funded roots as well. Many Tea Party operatives began their political careers working for the tobacco industry's astroturf[211] campaign to create "smokers' rights" groups. Starting as early as 1986, **Citizens for a Sound Economy (CSE)**, funded both by the Kochs and by the tobacco industry, was advancing the tobacco industry's libertarian agenda, aiming to shrink government by cutting tobacco taxes and eliminating local tobacco-control measures. In 1992, **CSE** "flirted with the idea of creating a Tea Party protest, funded by the tobacco industry." By 2001, the North Carolina affiliate of **CSE** had actually organized a "Tar Heel Tea Party" opposing state taxes.[212] In 2003, **CSE** broke apart and morphed into **Americans for Prosperity** and **FreedomWorks**. For its part, the Tea Party has continued to support the tobacco industry's political agenda, opposing tobacco taxes and smoke-free laws.[213]

Since 2009, the mainstream media have presented the Tea Party as a rag-tag working-class rebellion, a "populist uprising." However, in reality, active supporters of the Tea Party are more affluent and better-educated than average Americans.[214] Rather than a working-class rebellion, the Tea Party is a movement of elites serving elite purposes.[215] And its leadership is predominantly Southern, not broadly national. In the House of Representatives, Tea Party leaders are overwhelmingly Southern – from Texas, Florida, Louisiana, Georgia, South Carolina, Tennessee and Missouri (plus Orange County, California, which was settled in the 1930s by refugees from the Oklahoma dust bowl).

As William Galston pointed out in the *Wall Street Journal* in 2013, "Only 26 percent of tea-party supporters regard themselves as working class, versus 34 percent of the general population; 50 percent identify as middle class (versus 40 percent nationally); and 15 percent consider themselves upper-middle class (versus 10 percent nationally). Twenty-three percent are college graduates, and an additional 14 percent have postgraduate training, versus 15 percent and 10 percent, respectively, for the overall population. Conversely, only 29 percent of tea-party supporters have just a high-school education or less, versus 47 percent for all adults."[216]

Historian Michael Lind has shown that the Tea Party is driven by Southern whites who recognize that they will soon be a minority in America (or already are, as in Texas) and who will likely lose their dominant status in their own communities. They tend to be "local notables," men more likely to operate low-wage construction businesses or car dealerships than national or transnational corporations. They are "second-tier people on a national level but first-tier people in their states and counties and cities."[217]

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210 Daniel Schulman, Sons of Wichita (N.Y.: Grand Central Publishing), pg. 271.

211 Astroturf is defined as a movement that appears to be grass-roots but is either funded, created, or conceived by a corporation or industry trade association, political interest group, or public relations firm. From SourceWatch http://www.sourcewatch.org/index.php/Astroturf

212 Lee Fang, *The Machine* (N.Y.: New Press, 2013), pg. 24.

213 Amanda Fallin, Rachel Grana, and Stanton A. Glantz, "'To quarterback behind the scenes, third-party efforts': the tobacco industry and the Tea Party," *Tobacco Control* Vol. 23, No. 4 (2014), pgs. 322-331. http://goo.gl/1LpNM4

214 Kate Zernike and Megan Thee-Brenan, "Poll Finds Tea Party Backers Wealthier and More Educated" *New York Times* April 14, 2010. http://goo.gl/XMhQuw

215 Michael Lind, "Tea Party is an anti-populist elite tool. And it has progressives fooled," *Salon.com* Oct. 22, 2013. http://goo.gl/rLfSV3

216 William Galston, "The Tea Party and the GOP Crackup," *Wall Street Journal* Oct. 15, 2013. http://goo.gl/CShg7S

217 Ian Haney López, *Dog Whistle Politics: How Coded Racial Appeals Have Reinvented Racism and Wrecked the Middle Class* (N.Y.: Oxford University Press, 2014). And: Michael Lind, "Tea Party radicalism is misunderstood: Meet the 'Newest Right,'" *Salon.com* Oct. 6, 2013. http://goo.gl/WZqJYq

No doubt, capitalizing on America's history of white supremacy and bigotry is still a central strategy for many within the Republican Party.[218] The Tea Party fits right in.

During a D.C. rally against Obamacare at the Capitol in 2010, Tea Party demonstrators shouted "Nigger!" at Congressman John Lewis and two of his colleagues, and spat on one of them. As the *New York Times* reported, "The No. 3 Democrat in the House, Representative James E. Clyburn of South Carolina, said, 'I heard people saying things today that I have not heard since March 15, 1960, when I was marching to try to get off the back of the bus.'"[219]

Tea Party racism has been so blatant and so persistent that, a week before the spitting incident at the Capitol, the national convention of the NAACP [National Association for the Advancement of Colored People] had passed a resolution calling "on the tea party and all people of good will to repudiate the racist element and activities within the tea party."[220]

Without denying Tea Party racism, historian Michael Lind argues that the Party's main thrust for small government is less about race and more about keeping labor poorly-paid and powerless. By scaling back social security, Medicare and Medicaid, the lives of workers can be made more precarious, increasing the likelihood that they will remain docile and obedient. From the viewpoint of local notables in the South, the aim is to out-compete other states (or even, ideally, other countries) for external investment by winning a race to the bottom with low wages, minimal government welfare (thus keeping workers desperate), and lax environmental regulation.[221] It's the Kochs' libertarian agenda dressed up in a tri-corner hat.

It may be dawning on the Kochs that their libertarian agenda isn't necessarily going to sell well among Latinos. The Kochs are now backing the **LIBRE Initiative**, which is dedicated to Hispanic voter outreach in states like Colorado, New Mexico and Texas.[222] However, the Kochs' appeal to Latinos may be limited by the dismal record of Koch Industries subsidiaries pumping deadly pollution into Latino communities plagued by high rates of cancer, birth defects, asthma and other lung diseases.[223] The Kochs's appeal to Latinos may be further limited by their support of voter intimidation efforts in Latino communities.[224]

## XI. The Kochs on Campus: 221 Gifts to Colleges and Universities, 2007-2011

### Dictating Curriculum

Many public universities in the U.S. are now in such dire financial straits that their survival depends upon private sources of funding.[225] For the Koch brothers and other self-interested oligarchs, this creates an opportunity to extend the reach of their economic and social ideas.

218 Kevin Phillips, *The Emerging Republican Majority* (New Rochelle, N.Y.: Arlington House, 1969). Michael Goldfield, *The Color of Politics: Race and the Mainsprings of American Politics* (N.Y.: New Press, 1997); Thomas Byrne Edsall and Mary D. Edsall, *Chain Reaction* (N.Y.: Norton, 1991); and Ian Haney López, *Dog Whistle Politics: How Coded Racial Appeals Have Reinvented Racism and Wrecked the Middle Class* (N.Y.: Oxford University Press, 2014).

219 Robert Pear, "Slurs and Spitting Directed at Lawmakers," *New York Times* Mar. 20, 2010. http://goo.gl/lFb9ts

220 Heather Hollingsworth, "NAACP Condemns Tea Party Racism In Resolution," *Huffington Post*, July 13, 2010. http://goo.gl/abtqoo

221 Michael Lind, "The South is holding America hostage," *Salon.com*, Oct. 13, 2013. http://goo.gl/ne7GTW

222 Kenneth P. Vogel, "Koch World 2014," *Politico* Jan. 24, 2014 http://goo.gl/5NTey3

223 Melissa del Bosque and Jen Reel, "Kochworld: To see how the Koch brothers' free-market utopia operates, look no further than Corpus Christi," *The Texas Observer*, Oct. 24, 2012. http://goo.gl/T90M4

224 Editorial Board, "Voter Harassment, Circa 2012," *New York Times* Sept. 21, 2012. http://goo.gl/R4hyN1

225 Doug Lederman, "State Support Slumps Again," InsideHigherEd.com Jan. 23, 2012. http://goo.gl/2udvC8 And see Andrew Martin, "Slowly, as Student Debt Rises, Colleges Confront Costs," *New York Times*, May 14, 2012. http://goo.gl/28OhQu

The Kochs have spent tens of millions of dollars over nearly 40 years to influence academic programs and the direction of U.S. higher education, starting at George Mason University (GMU), part of the Virginia state university system, where they supported the Institute for Humane Studies and the Mercatus Center. According to the Investigative Reporting Workshop, between 2007 and 2011 Koch-controlled foundations gave $30.5 million to 221 universities, over half to George Mason.[226]

At the core of the Kochs' academic philanthropy is Ayn Rand, the novelist and founder of American libertarianism. The Kochs have given more than $100,000 to the Ayn Rand Institute in Irvine, California. But by far their most important contribution to AynRandism comes through their grants to university programs intended to modify university curricula, specifically to inject Ayn Rand's solipsistic ideas into thousands of undergraduates.

Details of the Kochs' academic funding are not often publicized, partly because universities have a proud tradition of academic freedom and some of them may be embarrassed by the strings attached to Koch funding. However, a public dispute at Florida State University (FSU) in the period 2008-2011 lifted the veil of secrecy and revealed how the Kochs can dictate terms to recipients of their largesse.

In 2007, the Charles G. Koch Charitable Foundation approached Florida State University, offering a substantial donation – a gift of $6.6 million to the FSU Economics Department, which was already a stronghold of libertarian ideals. The grant would pay for five new faculty positions plus additional support staff, fellowships for graduate students, and new undergraduate courses.

After they heard grumbling about "outside control" of the university, in 2008 two retired faculty members, Kent Miller and Ray Bellamy, began looking into the terms of the Koch grant.[227] They found that the grant required the university to establish an advisory board whose members were chosen by the Koch Foundation. The board was empowered to determine which faculty candidates could qualify for Koch funding, and to review the work of professors to ensure that it met the "objectives and purposes" of the Foundation. Furthermore, the Foundation asserted the right to evaluate faculty members in writing and to place those evaluations in each faculty member's permanent university file.

The Koch grant agreement with FSU contained other strings. The university was required to establish a new undergraduate program, with the foundation empowered to influence selection of the program director. Plus the university was required to create a new course, "Market Ethics: The Vices, Virtues and Values of Capitalism" featuring the narcissistic writings of Ayn Rand. The course would be taught to 7,000 undergraduates each year, in sections of 500 students each.

Students at FSU objected to the influence of Koch funding on curriculum and faculty appointments in the Economics Department.[228] An economics textbook co-authored by FSU economics faculty received a grade of "failed" when ranked on how accurately it presents climate science.[229]

After discovering the power of the Kochs to influence university policies, Miller and Bellamy went on to examine other grants to FSU from conservative/libertarian foundations. They discovered that the

226 Charles Lewis and others, "Koch millions spread influence through nonprofits, colleges," *Investigative Reporting Workshop*, July 1, 2013. http://goo.gl/R5xtx

227 Kent S. Miller and Ray Bellamy, "Fine Print, Restrictive Grants, and Academic Freedom," *Academe* [Bulletin of the American Association of University Professors], May-June, 2012. http://goo.gl/FThlN7

228 Jerry Funt, Gladys Nobriga, Lissa Reed and Ralph Wilson, "My view: Don't let Koch hurt academic integrity," *Tallahassee Democrat* April 7, 2014. http://goo.gl/DYQxI3

229 See the ranking of Gwartney, Stroup, Sobel, and Macpherson, *Economics: Private and Public Choice, 14th ed.* by Yoram Bauman (Sightline Institute), and Dani Ladyka. http://goo.gl/a42ZSh Accessed Aug. 16, 2014. And see Connor Gibson, "FSU Students to Charles Koch: Stop Polluting Climate Change Science!," Greenpeace (blog), April 9, 2014. http://goo.gl/j9yKuD

BB&T Charitable Foundation had given $3 million to FSU in 2008. The BB&T Foundation was created by John Allison, former CEO of BB&T Corporation, one of the nation's largest financial services holding companies. Allison, they discovered, frequently collaborates with the Koch brothers, aiming for similar libertarian goals.

When Miller and Bellamy asked FSU for the BB&T grant agreement, they received a perfunctory 2-page document. That document mentioned an attached letter, which was not attached. When Miller and Bellamy finally got their hands on the letter they made important new discoveries: The BB&T grant required the FSU Department of Economics to create yet another undergraduate course with Ayn Rand's work as required reading. Furthermore, a distinguished speakers series would be set up, with the Ayn Rand Institute recommending speakers. Plus the grant would support a "Students in Free Enterprise" club.

If allowed to continue, intrusive libertarian funding of public universities could snowball. As the libertarian "shrink government" philosophy infects state legislatures, public funding for universities would naturally decline, creating the need for even more outside funding by libertarian billionaires intent on modifying curricula and faculty priorities.

In 2011 alone, the Koch brothers gave grants to 187 universities. On each of these campuses an investigation – by students or others – into "strings attached" could yield valuable information about the reach of the Kochs into America's intellectual base. As Miller and Bellamy said after their investigation of grants given to FSU, "We agree that outside funds are necessary and that donors have a right to specify in general the areas of focus for their gifts and to receive an accounting of how their money is spent – but nothing beyond that."[230]

### The Central Role of the Courts

> "The judiciary may be the most important instrument for social, economic and political change." – Lewis F. Powell, Jr., strategy memo, 1971.[231]

The judicial dimension of the corporate-empowerment strategy has evolved over decades, with support provided to think tanks and private interest law firms (many of them funded by the Kochs) such as the **Pacific Legal Foundation**, conservative legal networks like the **Federalist Society**, law professors and law and economics projects at **George Mason University and other law schools**, and other groups intent upon driving pro-corporate constitutional doctrines into every court and regulatory body across the country. As Lewis Powell predicted, the results have been tectonic, multi-generational and ultimately, hegemonic.[232]

The key judicial doctrine at the core of this war on democracy has been the expansion of corporate claims to constitutional rights – especially commercial and political speech. Just as corporate "free speech" claims have been used to attack campaign finance regulations, so have commercial speech arguments been used

230 Kent S. Miller and Ray Bellamy, "Fine Print, Restrictive Grants, and Academic Freedom," *Academe* [Bulletin of the American Association of University Professors], May-June, 2012. http://goo.gl/FThlN7

231 The original Powell memo can be found here: http://goo.gl/0DgLR; for a discussion of the memo and its importance, see the Greenpeace web page on the Powell Memo, with an extensive bibliography. http://goo.gl/MYaOkO

232 The history of corporate judicial activism in recent decades is contained in part in the books and studies referenced on Greenpeace's web page about the Powell Memo. See http://goo.gl/MYaOkO See, for example, Steven M. Teles, *The Rise of the Conservative Legal Movement: The Battle for Control of the Law*. (Princeton, N.J.: Princeton University Press, 2008); Avery and McLaughlin, *The Federalist Society* (Nashville, Tenn.: Vanderbilt University Press, 2013); Nan Aron and others, *Justice for Sale* (Washington, D.C.: Alliance for Justice, 1993) http://goo.gl/CTa6nV; Oliver Houck, "With Charity for All," *Yale Law Review*, July 1984. http://goo.gl/TCt5HS For a longer-term historical perspective on corporate colonization of the U.S. constitution see Ted Nace, *Gangs of America: The Rise of Corporate Power and the Disabling of Democracy* (San Francisco: Berrett-Koehler, 2003). See also Jeffrey D. Clements, *Corporations Are Not People* (San Francisco: Berrett-Koehler, 2012).

to attack (a) product safety and labeling regulations; (b) restrictions on deceptive commercial advertising; (c) requirements that corporations disclose their activities to shareholders, employees and customers, and (d) rules preventing consolidation of media ownership, including radio and TV stations. These arguments have gained increased visibility (and therefore credibility) as the conservative legal movement has grown stronger.[233]

To make sure judges understand the connections between law and libertarian economic theories, for decades the Koch brothers and many of their corporate allies (including Exxon-Mobil and Shell Oil) have been funding all-expense-paid seminar-junkets for state and federal judges.[234] One, the Mason Judicial Education Program (MJEP) at George Mason University, has been educating judges in the subtleties of libertarian thought for 37 years. In that time, more 4,000 sitting federal and state court judges representing all 50 states have participated in at least one of the MJEP's judicial education programs.[235] As we've seen (above), Supreme Court justices receive special opportunities to absorb the Koch brothers' libertarian viewpoints first-hand.

Lewis Powell himself brought his radical corporatist views to the Supreme Court after he was nominated by Richard Nixon, joining the majority in the *Buckley v. Valeo* (1976) decision, which found that any restriction on a candidate's ability to spend any amount of money on his/her own campaign was unconstitutional because money is the equivalent of speech. Powell then wrote the majority opinion in *First National Bank of Boston v. Bellotti* (1978), the case that first allowed corporations to spend from their treasuries to influence the vote in citizen ballot initiatives.[236]

*Citizens United* and *McCutcheon* are just two in a series of cases brought before the Roberts court by politically-connected activist attorneys who have proudly announced their intention to end all restrictions on campaign finance.[237] At least six cases challenging one or more campaign finance limits have been accepted by the Supreme Court since Chief Justice Roberts and Associated Justice Alito, both George W. Bush appointees, joined the Court.[238]

"I wouldn't consider any campaign finance law safe with this Supreme Court," says attorney Paul Ryan of the Campaign Legal Center.[239]

James Bopp, a lawyer from Terra Haute, Indiana, has spent more than 10 years bringing strategic lawsuits to chip away at all limits on election donations and expenditures. The *Citizens United* suit was Bopp's idea, and he was the attorney of record in *McCutcheon*.[240] "If we do it right, I think we can pretty well dismantle the entire regulatory regime that is called campaign finance law," he told the *New York Times* in 2010. "We've been awfully successful, and we're not done yet," he said. The next step in his plan is

233 Lee Drutman and Charlie Cray, *The People's Business: Controlling Corporations and Restoring Democracy* (San Francisco: Berrett-Koehler, 2003); Jeffrey D. Clements, *Corporations Are Not People* (San Francisco: Berrett-Koehler, 2012); Robert L. Kerr, *The Corporate Free Speech Movement* (N.Y.: LFB Scholarly Publishing, 2008); Tim Wu, "The Right to Evade Regulation; How Corporations Hijacked the First Amendment," *New Republic*, June 13, 2013. http://goo.gl/mkfRr

234 Chris Young, Reity O'Brien, and Andrea Fuller, "Corporations, pro-business nonprofits foot bill for judicial seminars; George Mason University top host of events," Center for Public Integrity, March 28, 2013. http://goo.gl/gs5ZZG

235 Mason Judicial Education Program, Law and Economics Center, George Mason University Law School. http://goo.gl/0ZqOnT Accessed Aug. 15, 2014.

236 Jeffrey D. Clements, *Corporations Are Not People* (San Francisco: Berrett-Koehler, 2012), pg. 25.

237 David D. Kirkpatrick, "A Quest to End Spending Rules for Campaigns," *New York Times* Jan. 25, 2010. http://goo.gl/WJcW1

238 See David Earley and Avram Billig, "The Pro-Money Court: How the Roberts Supreme Court Dismantled Campaign Finance Law," Brennan Center for Justice, April 2, 2014 http://goo.gl/mq23JW; Rob Hager, "The Plutocratic Jurisprudence of the Roberts 5: Episode VII," *OpedNews*, April 5, 2014. http://goo.gl/iXygz9

239 Michael Beckel (Center for Public Integrity), "12-plus states could throw out donation caps after McCutcheon ruling," *TucsonSentinel.com*, April 7, 2014. http://goo.gl/O1UZcq

240 "No. 12-536 In The Supreme Court of the United States Shaun McCutcheon and Republican National Committee, Plaintiffs-Appellants v. Federal Election Commission On Appeal from the United States District Court for the District of Columbia Reply Brief for Appellant Republican National Committee." http://goo.gl/juiYuO

to roll back all disclosure rules. His stated goal is to allow unlimited, secret expenditures by individuals and corporations in every referendum or election, federal and state, bar none.[241]

In April, 2014, McCutcheon's attorney, Dan Backer, filed a new lawsuit challenging all limits on how much PACs can contribute directly to candidates and party committees.[242] Backer, like James Bopp, has made a career out of organizing and filing strategic lawsuits and FEC petitions to erode any campaign finance limits remaining on the books.

In 2011 Backer and the Federal Elections Commission settled *Carey v. FEC*, an agreement that allows PACs to collect unlimited amounts of "soft money" for independent expenditures so long as the money is kept separate from money donated directly to candidates.[243] ("Soft money" is cash that political parties [and now PACs] spend on "party-building activities" such as get-out-the-vote campaigns, and issue ads.) The *Carey* decision helped legalize a new kind of "hybrid PAC," which combines the traditional PAC (legally allowed to donate directly to candidates) with the Super PAC (giving unlimited amounts to buy media coverage for candidates) into one well-coordinated operation, which *Politico* calls a Super Super PAC.[244]

"Any PAC that doesn't become a hybrid PAC is run by idiots," Backer said after winning the Carey case.[245] Backer incorporated the Tea Party Leadership Fund – of which he is treasurer – as a hybrid PAC in 2012.

### Attacking State Limits on Campaign Finance

Now James Bopp, Dan Backer other activist attorneys are using their federal court victories to overturn state limits on campaign finance.

After the *Citizens United* ruling in 2010, 24 states overturned their limits on corporate independent expenditures.[246] And immediately after the *McCutcheon* decision was announced, a campaign was begun, aiming to ban state limits on election contributions. James Bopp, who represented plaintiffs in both *Citizens United* and *McCutcheon*, told the Center for Public Integrity that states would either repeal their existing aggregate limits on campaign contributions or get sued.

Some states didn't wait to be sued. Hours after the McCutcheon ruling came down, the Massachusetts Office of Campaign and Political Finance announced it would "no longer enforce the $12,500 aggregate limit on the amount that an individual may contribute to all candidates."[247]

In Minnesota, the Institute for Justice (IFJ) helped file a suit to take out state limits on PAC, lobbyist and other "special source" campaign contributions.[248] IFJ, which was launched in 1991 with support from the Kochs, filed amicus briefs in support of McCutcheon and Citizens United in their cases. IFJ received over $1 million in funding from the Koch-connected **DonorsTrust/Donors Capital Fund** (**DT/DCF**) between 2002 and 2010.[249]

241 David D. Kirkpatrick, "A Quest to End Spending Rules for Campaigns," *New York Times* Jan. 25, 2010. http://goo.gl/WJcW1

242 *Stop Reckless Economic Instability Caused by Democrats ("STOP REID") et al. v. FEC,* filed in the U.S. District Court for the Eastern Division of Virginia. http://goo.gl/tLdQdh

243 Bill Allison, "FEC surrenders in Hybrid Super PAC Case," Sunlight Foundation, Aug. 24, 2011. http://goo.gl/2vMwpF

244 David Levinthal, "Meet the super super PAC," *Politico*, Jan. 21, 2012. http://goo.gl/iV4Hyl

245 Carey v. FEC. http://goo.gl/gTpKPv

246 Michael Beckel (Center for Public Integrity), "12-plus states could throw out donation caps after McCutcheon ruling," *TucsonSentinel.com*, April 7, 2014. http://goo.gl/O1UZcq

247 Michael Beckel (Center for Public Integrity), "12-plus states could throw out donor caps after McCutcheon ruling," *Tucson Sentinel*, April 7, 2014. http://goo.gl/O1UZcq

248 Devin Henry, "Campaign finance lawsuits in Minnesota and other states take aim at contribution limits," MinnPost, April 21, 2014. http://goo.gl/lVLEYX

249 DonorsTrust and Donors Capital Fund form 990 tax returns available at CitizenAudit.org.

Other conservative legal groups underwriting the cases that **DT/DCF** has supported include the Federalist Society ($2.19 million in 2012), Landmark Legal Foundation ($40,000 in 2012), the Judicial Education Project ($1,205,000 in 2012), and the Washington Legal Foundation ($80,000 in 2012).[250]

As soon as he won his Supreme Court case, Shaun McCutcheon attacked state limits (with help from the Koch brothers) by joining the **New York Progress and Protection (NYPP) PAC** in a suit challenging the state's $150,000 limit on contributions to state election Super PACs.[251] McCutcheon was represented by Michael Rosman of the **Center for Individual Rights**, a group that received $531,000 from **DT** and **Donors Capital Fund** in 2012.[252]

NYPP was represented in the case by Michael Carvin, who had previously brought another free-speech challenge in the U.S. Supreme Court – trying to overturn regulations barring campaign contributions by foreign citizens. The Supreme Court ruled against Carvin's client in the case, which was described by constitutional law scholar Prof. Rick Hasen as a "Trojan horse" that, had it been successful, could have eventually opened the door to a decision allowing foreign corporations and governments to spend money to influence U.S. elections.[253] (This would be consistent with the larger right-wing agenda to allow capital to flow freely, without limit, anywhere in the world, as described above.)

After a federal appeals court issued an injunction preventing the New York Board of Elections from enforcing the state's $150,000 limit, David Koch donated $200,000 to the NYPP.[254]

As they have already announced, Bopp, Carvin, Backer and other attorneys will surely bring new cases to the Court, until they have achieved their goals – complete elimination of any and all limits on corporate and individual donations and expenditures on elections. And they can be assured of quiet backing from the Kochs and other pollutocrats who are in it for the long haul.

Political contributions in state elections follow the same pattern visible at the federal level, with "a mere fraction of one percent of individual donors [giving] the maximum contributions allowed in the nine states that imposed aggregate limits during the 2010 and 2012 elections."[255] Obviously the point of eliminating state limits on campaign contributions and expenditures is to increase the political power of the self-interested superrich and drown out the voices of ordinary citizens.

"There's this assault on federal campaign law that's going on around the country. They keep chipping away," says Bill Allison of the Sunlight Foundation. "There's this very determined, stealth legal campaign and it involves establishment figures and people who are outside the mainstream. Wherever there's a limit, they're looking to overturn it."[256]

The purpose of the assault on campaign finance restrictions by the libertarian plutocrats and the kingpins of carbon is simple and obvious: If they can change the law to allow unlimited, secret donations to elections, they can more easily buy the political power needed to keep selling fossil fuels, even if it means

250 DonorsTrust and Donors Capital Fund form 990 tax returns available at CitizenAudit.org.

251 See Mijin Cha, "Shaun McCutcheon and Big Money Victorious in New York," *Demos* Oct. 28, 2013. http://goo.gl/I9y3od; Thomas Kaplan, "Court Lifts Limit on Contributing to Pro-Lhota PAC," *New York Times* Oct. 23, 2013. http://goo.gl/VJ2KDE

252 DonorsTrust and Donors Capital Fund, Inc. 2012 form 990 tax returns. Available at CitizenAudit.org

253 James Vicini, "Top court backs foreigner campaign donation ban," Reuters Jan. 9, 2013. http://goo.gl/Jx3Mq and Richard Hasen, "Blumen v. F.E.C. is Trojan Horse," *New York Times*, Nov. 8, 2012. http://goo.gl/ITZbxJ

254 "NY Limits Lawsuit about Billionaires Buying Extra Helpings of Democracy, Public Campaign Action Fund, Nov. 1, 2013. http://goo.gl/wmIhYB; Chris Bragg, "Ulterior Motives Seen for Super PACs," *Crain's Insider*, Nov. 5, 2013. http://goo.gl/TLdZGK

255 National Institute on Money in State Politics, "Minimum Give the Maximum: Supreme Court Could Unleash Mega-Donors With McCutcheon Rule," Oct. 10, 2013. http://goo.gl/rmOHab

256 Michael McLaughlin, "Heavy-Hitting Republicans Come To NY To Take Down Bill De Blasio And Campaign Finance Laws," Sept. 30, 2013. http://goo.gl/gx3pz8

destroying the planet as a place suitable for human civilization. Individual self-interest *must* come first. It's the American libertarian way.

### Blocking the Vote: A Second Front in the Pollutocrats' War on Democracy

> "All types of conniving methods are still being used to prevent Negroes from becoming registered voters. The denial of this sacred right is a tragic betrayal of the highest mandates of our democratic tradition."
> – Martin Luther King, Jr., "Give us the Ballot," 1957. http://goo.gl/zpw7Bt

As every community organizer knows, there are two kinds of political power: organized money and organized people, and since the time of the pharaohs the two have been competing for dominance. If you're on the side of "organized money," your main goal is to prevent people from getting organized. Keep them divided, to divide and rule.

For those intent on rolling back the New Deal, the "divide and rule" strategy has two main parts. First, as we've seen, it means eliminating labor unions. Unions have some ability to bargain for fair wages and decent working conditions, so unions must be discredited, weakened, or – when possible – outlawed. Second, it's *especially* important to keep certain people from voting – people of color, youth, the elderly, and the disabled.Voters can turn the whole system upside down, so votes by the wrong kind of people have to be suppressed, one way or another.

The kingpins of carbon have a special interest in suppressing the vote. They know that a great majority of Americans – Republican and Democrat alike – want to (1) reduce global-warming pollution,[257] (2) eliminate subsidies for dirty-energy companies,[258] and (3) speed the deployment of low-carbon alternatives that are affordable and readily-available off-the-shelf today – such as super-efficient lights, heat and motors, followed by renewable sources of energy (solar, wind, geothermal, and tidal) – thus creating hundreds of thousands of good jobs.[259] The kingpins of carbon also know that, to prevent "dangerous" global warming, two-thirds of their product must remain in the ground, unburned. So these malefactors of great wealth are fighting to maintain their immense corporate profits by subverting democracy.

Just as the kingpins of carbon need to suppress the vote in order to survive, the Republican Party is facing the same dilemma: it needs to suppress votes in order to survive. It's a matter of demographics.

Today the Republican Party is defined by race; its supporters are overwhelmingly white. In the 2012 presidential election, 88 percent of the people who voted Republican were white. Among state-level officials elected on the Republican ticket, 98 percent are white.[260] So long as whites are the majority in the U.S. population, Republicans can at least hope to win elections. But as soon as whites become a minority, the future of the Republican Party falls into doubt.

257 See Yale Project on Science Communication, "Americans Support $CO_2$ limits on Coal-Fired Power Plants," no date [April, 2014?]. http://goo.gl/q2EZ4i

258 A. Leiserowitz and others, *Public support for climate and energy policies in November 2013* (New Haven, Ct.: Yale Project on Climate Change Communication, 2014). http://goo.gl/6DWxxT

259 Brendan Moore and Stafford Nichols, "Americans Still Favor Conservation Over Production," *Gallup.com*, April 2, 2014. http://goo.gl/4Iwlko ; Peter Montague, *Energy Efficiency: Good Jobs, Low Carbon, Available Now* (New Brunswick, N.J.: Environmental Research Foundation, 2013). http://goo.gl/PJEFT

260 Ian Haney Lopéz, *Dog Whistle Politics; How Coded Racial Appeals have Reinvented Racism and Wrecked the Middle Class* (N.Y.: Oxford University Press, 2014), pg. 1.

The U.S. Bureau of the Census tells us that, if present trends hold steady, white people will cease to be a majority in the U.S. in the year 2042. In other words, just 28 years from now, Asian, American Indian, black, Latino, Native Hawaiian and Pacific Islanders together will outnumber what the Census Bureau calls "non-Hispanic whites" for the first time in U.S. history.[261]

Therefore, as U.S. voters become majority Of Color, a white political party will either have to (1) learn to appeal to non-whites; or (2) suppress or marginalize the non-white vote. So far, Republicans seem to prefer the second option.[262]

In their efforts to suppress the non-white vote, Republicans have been joined by the Koch Brothers. Although the Kochs started their political lives as advocates for the Libertarian Party, and most recently have been funding the Tea Party attack on the Republican establishment, their money has also bought them entrée into the Republican inner sanctum. As we have seen, the Kochs now play the role of gate-keeper for Republican candidates – supplicants like Chris Christie, Marco Rubio, and Rick Perry must present themselves for dog-sniffing by the Kochs before they can raise enough money to mount a serious campaign for the presidency.

Sometimes the Kochs cast themselves as rogue libertarians, and sometimes they're plain-old down-home Republican oligarchs. David Koch attended Speaker of the House John Boehner's (R-OH) Capitol Hill swearing-in ceremony in 2011, and he was a delegate to the Republican National Convention in 2012. Many of the plutocrats who attend the **Koch Network** strategy gatherings are big donors to Republican Party committees and other powerful Republican groups such as the Club for Growth and Karl Rove's many organizations. (Rove, one of the most powerful members of the Republican Party establishment, is most famous for having served as George W. Bush's campaign manager and White House advisor and, as one of the former president's detractors put it, "Bush's brain."[263]) During the 2012 campaign, Koch operative Sean Noble attended twice-a-month party strategy meetings hosted by Rove in D.C.[264] In early 2014, Aegis Strategic, a political consulting firm with access to the Kochs' network of donors, set up shop in Arlington, Virginia, just across the Potomac from Washington. Aegis, which helps pick local, state and federal candidates, is run by Jeff Crank, a former top executive at **AFP**.[265] So despite their libertarian and Tea Party costumery, the Kochs are up to their eyeballs in mainstream Republican strategy. And that means funding efforts to suppress the non-white vote.

There are two basic strategies for doing this:

(1) Suppress votes directly: prevent votes from being cast or counted;

(2) Dilute votes so they don't matter.

261 Sam Roberts, "Minorities in U.S. set to become majority by 2014," *New York Times* Aug. 14, 2008. http://goo.gl/7EdeF5

262 Greg Palast, *Billionaires and Ballot Bandits; How to Steal an Election in 9 Easy Steps* (N.Y.: Seven Stories Press, 2012).

263 "Karl Rove," *SourceWatch* http://goo.gl/zM02MM Accessed Aug. 20, 2014.

264 Kenneth P. Vogel, "Karl Rove v. The Koch Brothers," *Politico*, Oct. 10, 2011. http://goo.gl/oYTvf

265 Andy Kroll, "New Koch-Linked Political Firm Aims to Handpick 'Electable' Candidates," *Mother Jones*, Jan. 17, 2014. http://goo.gl/Pn5qWs

## Suppressing the Vote

There are dozens of techniques for suppressing the votes of black, Latino and poor people in general. The most popular and effective techniques were developed during the shameful period of American history known as "Jim Crow" – from roughly 1880 to about 1965. Jim Crow techniques included poll taxes, literacy tests, grandfather clauses, and felony disenfranchisement laws. In her book, *The New Jim Crow*, Michelle Alexander reports that these techniques worked well: Blacks were poor, so couldn't pay the poll tax; they had been denied education, so could not pass literacy tests; their grandfathers had not been allowed to vote, so they could not claim the right to vote on that basis – whereas many poor, illiterate whites could. And blacks, more often than whites, were charged with felonies, and so were disenfranchised.

On its face, this last sentence may sound like the even-handed application of justice: blacks more often than whites were charged with felonies. However, the reality bears no resemblance to "even-handed justice." For one thing, incarcerating blacks at high rates is relatively new.

Since 1865, there have been two campaigns designed to incarcerate black men.[266] The first was called "the convict leasing" program, which was active from 1870 to World War II. Blacks were jailed, often for minor offenses (like talking too loudly to a white woman) or for no offenses at all. Once jailed, they were leased out as forced laborers (e.g., coal miners) to local or even national corporations, such as U.S. Steel. In his Pulitzer-prize-winning book, *Slavery by Another Name*, *Wall Street Journal* reporter Douglas Blackmon has revealed that by 1900 the Southern states had all passed a series of laws that served two purposes: they jailed hundreds of thousands of young black men, who were then leased out as forced laborers, and they denied those men the right to vote.[267] This is the origin of our modern habit of denying felons the right to vote. It was a technique invented after the Civil War to maintain white supremacy, and its cultural legacy still lives among us, particularly (though not exclusively) in the South.

Douglas Blackmon writes, "By 1900 the South's judicial system had been wholly reconfigured to make one of its primary purposes the coercion of African Americans to comply with the social customs and labor demands of whites. It was not coincidental that 1901 marked the final disenfranchisement of nearly all blacks throughout the South. Sentences were handed down by provincial judges, local mayors, and justices of the peace – often men in the employ of the white business owners who relied on the forced labor produced by the judgments." [268]

The convict leasing program served another purpose as well: it reduced the need for taxing the rich to pay for government services. For example, at one point the state of Alabama was covering 14 percent of its annual budget with fees received from convict leasing. That was money the state did not have to acquire by taxing the rich or anyone else besides their captive forced-laborers.

The second campaign to incarcerate (and disenfranchise) blacks is the so-called "war on drugs," which is still going strong today. The war on drugs was announced by then-President Richard Nixon on June 18, 1971 when he declared psychoactive drugs "Public Enemy Number One." Congress and state legislatures then passed laws that were selectively enforced against black people. Not incidentally, laws (some old, some new) created the opportunity to deny anyone the right to vote if they're convicted of a felony.

266 Marc Mauer, *Race to Incarcerate* [Revised and updated edition] (N.Y.: New Press, 1999; 2006).

267 On the enactment of felony-disenfranchisement laws, 1865-1880, see Angela Behrens, Christopher Uggen, and Jeff Manza, "Ballot Manipulation and the 'Menace of Negro Domination': Racial Threat and Felony Disenfranchisement in the United States, 1850-2002," *American Journal of Sociology* Vol. 109, No. 3 (November 2003), pgs. 559-605. http://goo.gl/0YoP22

268 Douglas A. Blackmon, *Slavery by Another Name; the Re-Enslavement of Black Americans from the Civil War to World War II* (N.Y.: Random House, 2008; Anchor paperback edition, 2009), pg. 7.

Thirty years into the war on drugs – in year 2000 – Human Rights Watch (HRW) issued the first report analyzing who had been ensnared and incarcerated by the war on drugs.[269] In its opening paragraph, the HRW report stated bluntly, "Ostensibly color blind, the war on drugs has been waged disproportionately against black Americans." Since that time, an avalanche of empirical data has confirmed the conclusions reached in 2000 by Human Rights Watch. The most authoritative source today is Michelle Alexander's book, *The New Jim Crow*, subtitled *Mass Incarceration in the Age of Colorblindness*.

In 2000, the HRW report noted that, in the U.S., there are five times as many white drug users as black, yet 63 percent of those entering state prisons for drug offenses are black. Furthermore, the report pointed out that, drug offenders in the U.S. "face penal sanctions that are uniquely severe among western democracies." For example, drug sentences for people convicted of retailing, or even possessing, small quantities of drugs can equal or exceed sentences for serious violent crimes like armed robbery, rape, and murder. The report noted that politicians and public officials have "turned a blind eye to the war on drugs' staggering racial impact."

Today, the war on drugs has left large numbers of blacks disenfranchised.[270] In 2008, a total of more than 7 million Americans were in prison, on probation, or on parole. Of these, 5.3 million were being denied their right to vote. "That this group consisted so disproportionately of African Americans and other minorities led the United Nations Committee on the Elimination of Racial Discrimination to call on the United States to automatically restore the franchise to those who had completed their criminal sentences," writes historian Alexander Keyssar.[271]

But the problem continued. For example, the 2014 report of the National Commission on Voting Rights revealed that, in South Carolina, blacks make up 27 percent of the voting-age population, but 64 percent of those disenfranchised by felony convictions.[272] In Florida, 23 percent of the black voting-age population has lost the right to vote because of felony convictions. To reinstate their right to vote in Florida, former felons must wait 5 to 7 years after they are released from prison, then apply for clemency.[273] In Kentucky, just under 25 percent of the black population of voting age has lost the right to vote because of a felony conviction. To regain their right to vote in Kentucky, former felons must write an essay, produce three character witnesses, and pay a fee – reminiscent of literacy tests *and* poll taxes. [274]

Similarly, in Iowa, blacks make up 2.5 percent of the population, but 25 percent of the prison population. There, the process of applying for restoration of voting rights is "extremely difficult," the National Commission on Voting Rights was told in 2014: Some 8000 former offenders are eligible to have their voting rights restored in Iowa, but only 25 individuals have so far succeeded.[275]

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269 Jamie Fellner, *Punishment and Prejudice: Racial Disparities in the War on Drugs* (N.Y.: Human Rights Watch, 2000). http://goo.gl/ggDxbb. A PDF version that's easier to print and read can be found here: http://goo.gl/9MHYkL

270 For a state-by-state survey of laws and regulations governing voting by ex-offenders, see "Voting as an Ex-Offender," *NonProfitVOTE.org* web site: http://goo.gl/T49np6 Accessed Aug. 11, 2014.

271 Alexander Keyssar, *The Right to Vote* [Revised Edition] (N.Y.: Basic Books, 2000, 2009), pg. 277. See the U.N. call at http://goo.gl/A7j12J.

272 National Commission on Voting Rights, *Hearing Summaries* (Washington, D.C.: Lawyer's Committee for Civil Rights Under Law, Aug., 2014), pg. 91. http://goo.gl/p0eDV8

273 National Commission on Voting Rights, *Hearing Summaries* (Washington, D.C.: Lawyer's Committee for Civil Rights Under Law, Aug., 2014), pgs. 35-36. http://goo.gl/p0eDV8

274 National Commission on Voting Rights, *Hearing Summaries* (Washington, D.C.: Lawyer's Committee for Civil Rights Under Law, Aug., 2014), pg. 67. http://goo.gl/p0eDV8

275 National Commission on Voting Rights, *Hearing Summaries* (Washington, D.C.: Lawyer's Committee for Civil Rights Under Law, Aug., 2014), pg. 46. http://goo.gl/p0eDV8

### The New Literacy Test: Voter ID Laws

Soon after Barack Obama's 2008 election victory, the Koch brothers decided to ruin his presidency,[276] and to do their best to prevent any more black election victories. It was then that **ALEC,** the **American Legislative Exchange Council**, started pushing state-level model laws resolutions designed to disenfranchise millions of voters. Foremost among these bills was **ALEC's** "VOTER ID Act,"[277] which requires voters to produce certain types of photo identification.[278]

Over half of the 62 photo-ID bills introduced in 37 states in 2011 and 2012 were sponsored by members and allies of **ALEC**. Some form of voter-ID law has been passed in 33 states; eight states now require photo IDs. [279] In Wisconsin, conservative representatives introduced a law that would ban students from using state or college-issued IDs for proof-of-residency while voting.[280]

According to the Brennan Center for Justice, 11 percent of the voting-age population lacks the kind of ID cards required by the strictest of these laws, especially students, people over 65 and African-Americans – voters who tend to favor candidates that embrace environmental protection.[281]

**ALEC** and a "Fraudulent Fraud Squad" of lawyers, academics and conservative think tanks have stoked support for these voter ID laws by disseminating bogus talking points and stories about widespread voter fraud.[282]

ALEC's recommended laws require voters to show government-issued photo identification (such as a driver's license) at the voting booth. This never used to be required. Typically, you registered to vote by showing some evidence of local residence – mail you've received, an electric bill, a tax receipt. Then when you voted, you signed your name and thereafter you could be identified by your signature.

But now Republican-dominated states are demanding a photo ID, even if you've voted before. To urban white people, this may sound simple enough – show 'em your driver's license. But for an elderly black or Latino person living without a car in a rural area, getting an official photo ID requires a birth certificate or passport or naturalization papers, then arranging transportation to a government office open only during working hours on weekdays (and typically several hours away and not necessarily accessible by public transit). Plus it requires the payment of fees to acquire the necessary documentation – an indirect kind of poll tax. Many (elderly, rural) people born at home don't have a birth certificate. Many people who have never traveled outside the U.S. are unlikely to have a passport. The effect is to disenfranchise large numbers of the targeted populations: anyone suspected of being likely to vote liberal or Democrat.

There are dozens of other techniques being used, legally and illegally, to discourage voting by people of color, youth, the elderly, and the disabled, as documented recently by the National Commission on Voting

276 Jane Mayer, "Covert Operations; the billionaire brothers who are waging a war against Obama," *New Yorker* Vol. 86, No. 25 (Aug. 30, 2010), pgs. 44-55. http://goo.gl/M4MJB1

277 Center for Media and Democracy , "[ALEC's] Sample Voter ID Act"(Madison, Wisc.: Center for Media and Democracy, no date.) http://goo.gl/Lr82S Accessed Aug. 20, 2014.

278 Center for Media and Democracy, "ALEC's Legislative Agenda on Voting Rights" (Center for Media and Democracy, no date). http://goo.gl/VV7DjC Accessed Aug. 20, 2014. And: Lisa Graves, "How the Koch-Funded ALEC Works to Deny Voting Rights; Brave New Film Highlights Voter Suppression," *PR Watch* Nov. 8, 2011. http://goo.gl/C398ZQ

279 Ethan Magoc, "Many states' voter-ID laws, including Pennsylvania's, appear to have tie to same U.S. group," *Philadelphia Inquirer*, Aug. 15, 2012. http://goo.gl/sqU5MQ ; Center for Media and Democracy, "Democracy, Voter Rights, and Federal Power," *AlecExposed.org*, April 5, 2014. http://goo.gl/iUzfMy Accessed Aug. 20, 2014.

280 Tobin Van Ostern," "ALEC Behind Voter Disenfranchisement Effort," *CampusProgress.org* [now renamed *GenerationProgress.org*], March 9, 2011. http://goo.gl/QKtGm3

281 Brennan Center for Justice, "Voter ID" (web page dated Oct. 15, 2012). http://goo.gl/KZcDAl Accessed Aug. 20, 2014.

282 Richard L. Hasen, "The Fraudulent Fraud Squad; The incredible, disappearing American Center for Voting Rights," Slate, May 18, 2007. http://goo.gl/mLj3Rs

Rights.[283] Voting places may be too small to accommodate wheel chairs. Or the number of polling places may be reduced, leaving many voters without a convenient place to vote. Or voting instructions may be provided in English only, despite legal requirements to accommodate voters with limited English proficiency. Or the votes of renters may be challenged if their driver's license and their current home address do not match. (Renters move far more often than home owners, and they tend to have less cash available to update a driver's license.) Or voter registration rolls may be purged frequently, requiring voters to re-register.

Of course, their proponents say these new photo ID laws have nothing to do with suppressing the votes of minorities and the poor. Heavens, no! They say these laws are needed to push back against the tidal wave of voter fraud that has swept the nation in recent years, deeply corrupting the sacred election process.

In his even-handed history of the right to vote in the United States, 1750-2008, Harvard historian Alexander Keyssar says this about the period 2002-2008: "... there can be little doubt that a wing or faction of the national Republican Party was intent on establishing that fraud had become so pervasive that it threatened the fabric of American democracy."[284] In 2005, the Senate Republican Policy Committee said, "voter fraud continues to plague our nation's federal elections, diluting and canceling out the lawful votes of the vast majority of Americans."[285] George W. Bush's close advisor, Karl Rove, said in 2006 it was "beginning to look like we have elections run like those in countries where the guys in charge are colonels in mirrored sunglasses."[286]

This raises a valid question: What is the actual evidence of voter fraud in the U.S. today?

In 2007, the *New York Times* examined 5 years (2002-2006) of effort by the Bush Justice Department to uncover and prosecute voter fraud.

The *Times* recounted very substantial pressure from the White House, urging federal prosecutors to find, investigate, and prosecute voter fraud.[287] During five years of heightened effort, the Justice Department successfully prosecuted 86 individual cases of voter "fraud." However, even those 86 cases did not all seem truly fraudulent. For example, Kimberly Prude, 43, of Milwaukee had been sentenced to six years' probation for passing a bad check. During the fourth year of her sentence she registered to vote and mailed in an absentee ballot, which she mistakenly believed she had the right to do. For this crime, she was convicted of voter fraud and given a one-year jail sentence. "I find this whole prosecution mysterious," Judge Diane P. Wood of the United States Court of Appeals for the Seventh Circuit, in Chicago, said at a hearing in Ms. Prude's case. "I don't know whether the Eastern District of Wisconsin goes after every felon who accidentally votes. It is not like she voted five times. She cast one vote."[288]

During its five-year ramped-up effort to identify massive voter fraud, the Bush Justice Department could find no conspiracies to swing elections; all 86 cases of voter fraud led back to individuals, not gangs of plotters.

283 National Commission on Voting Rights, *Protecting Minority Voters: Our Work is Not Done* (Washington, D.C.: Washington, D.C.: Lawyer's Committee for Civil Rights Under Law, Aug., 2014) http://goo.gl/T0yaTF; and see National Commission on Voting Rights, *Hearing Summaries* (Washington, D.C.: Lawyer's Committee for Civil Rights Under Law, Aug., 2014). http://goo.gl/p0eDV8

284 Alexander Keyssar, *The Right to Vote* [Revised Edition] (N.Y.: Basic Books, 2000, 2009), pg. 280.

285 Quoted by many reliable sources; see for example, Matt A. Barreto, Stephen A. Nuño, and Gabriel R. Sanchez, *Voter ID Requirements and the Disenfranchisement of Latino, Black, and Asian Voters*, Brennan Center for Justice, Sept. 1, 2007, pg. 6. http://goo.gl/XJBQyw

286 Ian Urbina, "Panel Said to Alter Finding in Voter Fraud," *New York Times* April 11, 2006. http://goo.gl/97f6Cy

287 Eric Lipton and Ian Urbina, "In 5-Year Effort, Scant Evidence of Voter Fraud," *New York Times* April 12, 2007. http://goo.gl/rH7HTp

288 Eric Lipton and Ian Urbina, "In 5-Year Effort, Scant Evidence of Voter Fraud," *New York Times* April 12, 2007. http://goo.gl/rH7HTp

More recently, in 2012, an NBC News investigative team headquartered at the University of Arizona examined 2068 allegations of voter fraud between 2000 and 2012. Categories of fraud included (a) registration fraud, (b) absentee ballot fraud, (c) vote buying, (d) false election counts, (e) campaign fraud, (f) casting an ineligible vote, (g) voting twice, (h) voter impersonation fraud, and (i) intimidation. Of these, the only category of fraud that could be stopped by a photo-ID requirement is (h), voter impersonation fraud. During the 12 years investigated, there were exactly 10 known instances of this kind of fraud. Announcing their findings, the NBC News team headlined their report, "New database of US voter fraud finds no evidence that photo ID laws are needed."[289]

### Diluting Votes

Besides suppressing votes, the second-most-common way to reduce the voting power of minorities is to dilute their votes.

There are two basic ways to dilute votes. Both ways depend on deciding or drawing the boundaries of a voting district.

### At-Large Voting Districts

One way to dilute the black/Latino vote is to hold at-large elections – essentially creating only one large voting district that includes an entire city or county population. That way the 20 percent or 30 percent people-of-color vote gets diluted (out-voted) by the majority-white vote. For example, The National Commission on Voting Rights recently heard testimony that blacks make up 20 percent of the population in Fayette County, Georgia, but no black has ever been elected to the county commission because the county's at-large election system dilutes the black vote. Likewise, in Terrebonne Parish, Louisiana blacks comprise 20 percent of the voting-age population but they have never been able to elect a black judge because of the at-large voting system in Terrebonne County. [290]

### Gerrymandering

In a representative government, representatives are usually chosen from more than one geographic district, whether it's for city council or for a seat in the U.S. House of Representatives. Every 10 years when the U.S. Bureau of the Census produces new demographic data, districts may be redrawn. And the people doing the drawing have a great deal of power. For example, they can draw districts in a way that jams large numbers of blacks and Latinos into just one district, minimizing their representation in government. This kind of gerrymander is called "packing."

Alternatively, districts can be drawn in a way that spreads out the black or Latino vote into many districts where white majorities can prevail. For example, a center-city area that is majority Of Color could be placed into several districts, each shaped like a pie-slice radiating outward to include large numbers of white suburban voters – thus diluting (and nullifying) any votes cast by the inner-city population. The name for this kind of gerrymander is "cracking."

289 Natasha Khan and Corbin Carson, "New database of US voter fraud finds no evidence that photo ID laws are needed." *News21*, web portal of a national investigative reporting project funded by the Carnegie Corporation of New York and the John S. and James L. Knight Foundation, headquartered at the Walter Cronkite School of Journalism and Mass Communication at Arizona State University. Aug. 11, 2012. http://goo.gl/nzT1px

290 National Commission on Voting Rights, *Hearing Summaries* (Washington, D.C.: Lawyer's Committee for Civil Rights Under Law, Aug., 2014), pgs. 39, 53. http://goo.gl/p0eDV8

Since 2010 the Republican strategy to marginalize "people power" by gerrymandering has been coordinated by the **Republican State Leadership Committee (RSLC)**, a national operation that helps elect Republicans to state legislatures, where they are able to re-draw electoral districts, known as "redistricting."

"He who controls redistricting can control Congress," Karl Rove explained in the *Wall Street Journal* in 2010.[291] Rove's Crossroads Super PACs and affiliated nonprofits have contributed millions of dollars to the **RSLC** in recent years.

The **RSLC** spent over $39 million on state elections during the 2012 election cycle, often setting up local front groups to disguise its role as an outsider in state campaigns.[292] According to the **RSLC's** own analysis, after the elections of 2010, some 20 legislative bodies previously split or under Democratic control were brought under exclusive Republican control, including Wisconsin, Ohio, Pennsylvania, and North Carolina.[293] As a result, Republicans have sole political control in 23 states. Democrats have similar control in 13 states.

With support from its sister organization, the **State Government Leadership Foundation (SGLF)**, the **RSLC** has provided state legislators with sophisticated data tracking and mapping software through its Redistricting Majority (REDMAP) Project.[294] The REDMAP web site crows that Republicans won more seats than Democrats in the 113th Congress despite "over one million more votes cast for Democratic House candidates than Republicans."[295] That's what gerrymandering does for you – it cancels out the majority's preference and hands victory to someone else.

As a reporter for the *New York Times* commented recently, "Their party's success has empowered Republican lawmakers in dozens of states to redraw legislative districts on both the state and federal levels, potentially ensuring their party's control of the United States House of Representatives for the rest of the decade."[296]

"Republicans have an opportunity to create 20-25 new Republican Congressional Districts through the redistricting process over the next five election cycles, solidifying a Republican House majority," says the REDMAP web site.[297]

No doubt about it, the **RSLC** is right: gerrymandering works. Republicans kept control of the House in the 2012 election even though their candidates received 1.4 million fewer votes than Democratic candidates.[298] After analyzing Florida's new political map, Professor Jonathan Katz concluded that the maps were the most lopsided he had ever seen. "They did a really good job of following the recipe about how to do a partisan gerrymander," he said.[299]

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291 Olga Pierce, Justin Elliott, and Theodoric Meyer, "How Dark Money Helped Republicans Hold the House and Hurt Voters," *ProPublica*, Dec. 21, 2012. http://goo.gl/8xWUen

292 Alexander Burns, "Republican State Leadership Committee splits apart," *Politico*, Jan. 21, 2014. http://goo.gl/njqEcE

293 Nicholas Confessore, "A National Strategy Funds State Political Monopolies," *New York Times*, Jan. 12, 2014. http://goo.gl/13daVL

294 Alexander Burns, "Republican State Leadership Committee Splits Apart," *Politico*, Jan. 21, 2014 http://goo.gl/njqEcE; And: Olga Pierce, Justin Elliott, and Theodoric Meyer, "How Dark Money Helped Republicans Hold the House and Hurt Voters," *ProPublica*, Dec. 21, 2012. http://goo.gl/8xWUen

295 The Redistricting Majority Project (REDMAP) of the Republican State Leadership Committee, "2012 REDMAP Summary Report; How a Strategy of Targeting State Legislative Races in 2010 Led to a Republican U.S. House Majority in 2013," www.redistrictingmajorityproject.com, Jan. 4, 2013. http://goo.gl/n8i8DB

296 Nicholas Confessore, "A National Strategy Funds State Political Monopolies," *New York Times*, Jan. 11, 2014. http://goo.gl/13daVL

297 Republican State Leadership Committee, "The Redistricting Majority Project [REDMAP]," http://goo.gl/n8i8DB Accessed Aug. 9, 2014.

298 Greg Giroux, "Republicans Win Congress as Democrats Get Most Votes," *Bloomberg*, Mar 18, 2013. http://goo.gl/0Sf9MJ

299 Sarah Ferris, "Florida may be forced to redraw political districts before midterms," *Washington Post*, May 30, 2014. http://goo.gl/YxbsLK Accessed Aug. 20, 2014.

In North Carolina, outside money from **RSLC** front groups, along with support from Art Pope, an ultra-rich member of the Koch's conservative donor network, helped elect a conservative Republican majority in 2010 whose immediate priorities included the creation of a new electoral map that opponents saw as a clear case of gerrymandering. The legislature, along with governor and former Duke Energy executive Pat McCrory also enacted a new "Monster" law requiring voter-IDs, changing early voting regulations, eliminating public financing and state-sponsored voter registration drives. Lawsuits challenging the new law won't be heard until 2015 – many months after the 2014 elections.

So voting rights of minorities, the young, the elderly, and the disabled are under concerted attack by Republicans whose political future as a national party is in doubt because – as a matter of strategy going back to 1968 – they appeal almost exclusively to white people, who are soon to become a minority in the U.S.[300]

Although these attacks are usually seen as driven by Republican partisan interests, they have received an enormous amount of support from the Koch Brothers and their wealthy allies, who have put considerable resources into this "deliberate and systematic" attack on voting rights, coordinating their efforts through groups like **ALEC** and **DonorsTrust**.

Other fossil corporations are supporting disenfranchisement efforts, too. The **RSLC** and the **SGLC** have received substantial support from the American Natural Gas Alliance, Exxon, Devon (a big gas company with fracking operations across the country), and the Center for Energy & Economic Development, a coal industry front group.[301] Although Koch Industries came relatively late to the table compared to Devon and Exxon, it has rapidly become one of **RSLC's** largest donors, contributing over $356,000 in 2013-2014.[302] Republican Party strategist Ed Gillespie, who led the RSLC from 2010 until early 2014, acted as a rain-maker for the group, making pitches to energy executives in Dallas.[303]

The Kochs have also bolstered the **RSLC's** strategy with support from groups like the **Center to Protect Patient Rights (CPPR)**, a Koch-funded politically active nonprofit that has been involved in a contentious Arizona redistricting fight. **CPPR** also supported an effort to change the way that Pennsylvania's electoral votes are cast before the 2012 presidential election.[304]

### Congressional Response to Evidence of Vote Dilution and Suppression

Efforts to reduce the voting power of people of color, and others, have been common in every state, but particularly in the South. This is widely understood. Responding to tremendous moral pressure from the civil rights movement, in 1965 Congress enacted the Voting Rights Act, which was re-authorized in 1970, 1975, 1982, and 2006.[305]

Under the Voting Rights Act, people who suspect that their vote is being suppressed have recourse to the federal Department of Justice, which is empowered to investigate and take action.

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300 Ian Haney López, *Dog Whistle Politics: How Coded Racial Appeals Have Reinvented Racism and Wrecked the Middle Class* (N.Y.: Oxford University Press, 2014).

301 "State Government Leadership Foundation, List of Contributions. Cash, Non-cash, Inception 2004." Posted by *ProPublica* at http://goo.gl/BPwXmK. Accessed Aug. 20, 2014.

302 Center for Responsive Politics, "Top contributors to the Republican State Leadership Cmte." Accessed Aug. 20, 2014. http://goo.gl/KVitH8

303 Nicholas Confessore, "A National Strategy Funds State Political Monopolies," *New York Times*, Jan. 12, 2014. http://goo.gl/13daVL

304 Kim Barker and Theodoric Meyer, "The Dark Money Man: How Sean Noble Moved the Kochs' Cash into Politics and Made Millions," *ProPublica* Feb. 14, 2014. http://goo.gl/MHlfGK

305 Alexander Keyssar, *The Right to Vote* [Revised Edition] (N.Y.: Basic Books, 2000, 2009), chapter 8.

Even better, Section 4 of the Voting Rights Act identified many jurisdictions (some states and some counties) with a history of suppressing or diluting minority votes. These Section 4 jurisdictions were subject to Section 5 of the Act, which required that any proposed changes in voting procedures in those jurisdictions be submitted to the federal Department of Justice for approval before they could become effective. Instead of requiring citizens to bring voter-discrimination lawsuits after the fact, the Voting Rights Act took action to *prevent* disenfranchisement. Over the years, many plans for vote suppression have been disapproved, and thus prevented, by federal oversight. Perhaps more importantly, simply requiring oversight by federal officials has prevented some jurisdictions from even *considering* plans to suppress or dilute votes. The Voting Rights Act of 1965 has been a pillar of modern American democracy. But no more, thanks to the anti-democratic majority of the U.S. Supreme Court led by John Roberts.

## The *Shelby County* Decision: Removing a Pillar of Democracy

The conservative attack on voting rights reached a new level with the Supreme Court's June 25, 2013, *Shelby County v. Holder* decision, which declared unconstitutional Section 4 of the Voting Rights Act (VRA).[306] [See box: "Who orchestrated the *Shelby County* attack on voting rights?"] For fifty years, the law had provided a strong federal check against state and local swindles that had been used from 1880 to 1965 to disenfranchise black voters.[307] In *Shelby County*, the Supreme Court concluded that the list of state, county or local governments with a history of discrimination (Section 4) was outdated, and so was unconstitutional. As a result, all jurisdictions are now free to modify their voting rules and regulations without prior approval from the U.S. Department of Justice, as required by Section 5 of the VRA. Once again, it's open season on black and Latino voters, and the young, the elderly and the disabled.

As one observer noted, the "Court reasoned that because the VRA has been effective… its protections are no longer needed," a bizarre twist of logic that suggests "their goal is clearly to suppress the franchise of persons who would vote against the plutocrats."[308] The Court had previously upheld the law as constitutional four separate times.[309]

In the ten months following the Court's *Shelby County* decision, nine states passed "New Jim Crow" laws that include identification requirements modeled after **ALEC** resolutions.[310] Given that there's no evidence of large-scale voter fraud, the motivation behind these laws is not in doubt: In a rare moment of candor, one North Carolina Republican committee member said the state's new Voter ID law was created to "kick the Democrats in the butt," by making it harder for students and "lazy blacks" to vote.[311]

306 See Lawyers Committee for Civil Rights, "Shelby Co. v. Holder," no date, http://goo.gl/aN5XRA

307 Douglas A. Blackmon, *Slavery by Another Name; the Re-Enslavement of Black Americans from the Civil War to World War II* (N.Y.: Random House, 2008; Anchor paperback edition, 2009), pg. 7.

308 Rob Hager, "Power Grab by the Roberts Five," *Counterpunch* June 28-30, 2013. http://goo.gl/5efuVT And see Greg Palast, "Ku Klux Kourt Kills King's Dream Law, Replaces Voting Rights Act With Katherine Harris Acts," June 24, 2013. http://goo.gl/qwkl2P

309 Sergio Munoz, "Right-Wing Media Cover Up Supreme Court's Unprecedented Blow to Voting Rights," *Media Matters for America,* June 25, 2013. http://goo.gl/OkjOnw

310 Steve Yaccinco and Lizette Alvarez, "New G.O.P Bid to Limit Voting in Swing States," *New York Times*, March 29, 2014. http://goo.gl/oJDOpx

311 Ian Millhiser, "GOP Official Resigns After Saying Purpose of Voter ID Is to Suppress Votes of Democrats, 'Lazy Blacks," *ThinkProgress* Oct. 25, 2013. http://goo.gl/kbkeLb

### Who Orchestrated the *Shelby County* Attack on Voting Rights?

In 2013, in a case known as *Shelby County v. Holder*, the U.S. Supreme Court struck down the Voting Rights Act of 1965 – a towering victory for a political movement funded by the Koch brothers and a handful of other billionaires. With the Voting Rights Act disabled, states can now pass laws that have the effect of suppressing the votes of blacks, Latinos, Asian-Americans, the young, the elderly and the disabled, all of who are presumed to lean Democrat.

The news media tend to present the *Shelby County* case as the single-handed achievement of a maverick race activist from Penobscot Bay, Maine named Edward Blum, a former stock broker who has no law degree. However, the history of the case reveals that, once *Shelby County* was accepted by the Supreme Court, Blum turned the role of generating financial and broader political support over to **DonorsTrust** – the deep-pocket foundation that the Kochs and other billionaires use to support dozens of nonprofits, many of whom are engaged in other attacks on voting rights (including **ALEC**).

The Koch Brothers and other conservative activists and foundations associated with **DonorsTrust** (DT) left their fingerprints all over the *Shelby County* case. It may be one of their proudest achievements, promoting, as it does, their libertarian agenda *and* advancing the Republican Party's strategy for survival in a nation where whites will one day be outnumbered by people of color, which is to suppress the votes of black, Latinos, and others suspected of favoring Democrats.

True, the *Shelby County* litigation was initiated by Blum, but he had a lot of help from a radical, partisan, racist network. Blum is a fellow at the American Enterprise Institute, a conservative think tank that also supports climate deniers and has been funded by ExxonMobil and by the Koch Brothers.[1] Blum is the director and sole employee of the Project on Fair Representation (PFR), a nonprofit organization exclusively funded through **DonorsTrust**, which gave PFR $1.2 million between 2006 and 2011.[2] On its web site, PFR has described its mission as "influencing jurisprudence, public policy, and public attitudes regarding race and ethnicity."[3]

Although Blum was the designing mind of the *Shelby County* litigation, financial support for the case was routed through **DonorsTrust** and **Donors Capital Fund** the same two shadowy operation used by many Koch Network donors to fund climate denial.

It appears that **DonorsTrust** provided more than just a way of channeling money to PFR. In 2012, the year the Supreme Court agreed to take the *Shelby County* case, DT claimed $997,191 in expenses for PFR, over $700,000 of which was used to pay Wiley Rein,[4] a prestigious Washington, DC law firm that argued the *Shelby County* case before the Supreme Court.[5] DT did not claim expenses for any of the dozens of other groups for which it provided funding that year. Apart from the importance of the *Shelby County* case, it's unclear why.

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1 See "American Enterprise Institute," *SourceWatch.org* http://goo.gl/JzIJz and: Greenpeace, "Koch Industries Climate Denial Front Group, American Enterprise Institute (AEI)," http://goo.gl/YuTg22 And: Joan Biskupic, "Special Report: Behind U.S. race cases, a little-known recruiter," *Reuters* Dec. 4, 2012. http://goo.gl/ruzUl And: Morgan Smith, "One Man Standing Against Race-based Laws," *New York Times*, Feb. 23, 2012. http://goo.gl/jrwMPp

2Ari Berman, "Why Are Conservatives Trying to Destroy the Voting Rights Act?" *The Nation*, Feb. 5, 2013. http://goo.gl/3F3vu

3 Brendan Fisher, "For Bradley Foundation, Challenging Affirmative Action & Voting Rights is Part of a Long-Term Crusade," *PR Watch*, June 27, 2013. http://goo.gl/ZLw6x6

4 DonorsTrust form 990 tax return, 2012.

5 Krissah Thompson, "Edward Blum defies odds in getting case to Supreme Court," *Washington Post*, Feb. 25, 2013. http://goo.gl/nHBJOs

## Who Orchestrated the *Shelby County* Attack on Voting Rights? con't

In 2012, **DonorsTrust** transferred PFR to a "supporting organization," Project Liberty, Inc., a group that shares the same address as both PFR and **DonorsTrust**.[6] Project Liberty's CEO is Whitney Ball – the CEO and President of **DonorsTrust**.[7]

The constellation of relationships between individuals associated with **DonorsTrust** and the *Shelby County* litigation includes connections to organizations and individuals involved in other attacks on voting rights and on campaign finance regulations, as well as global warming denial.

One of Project Liberty's two directors is former Wiley Rein attorney Allison Hayward, an expert on campaign finance. Hayward, a board member of the Center for Competitive Politics,[8] has said that there is no "empirical data" to prove that private contributions to congressional candidates "redirect recipient incumbents from serving the 'public interest' toward serving 'special interests.'"[9] She is married to Steven Hayward, a pundit and scholar who has claimed that global warming is not caused by humans.[10] Steve Hayward sits on the board of **Donors Capital Fund**, and is a board-level grant advisor for the Searle Freedom Trust (SFT), along with Stephen Moore. Searle is one of three foundations that Blum says funded the *Shelby County* litigation (see below).

Hayward is currently or formerly affiliated with other climate denial front groups funded by foundations he helps direct, including the Property and Environment Research Center, the Heritage Foundation, the American Enterprise Institute, and the Committee For A Constructive Tomorrow.

Stephen Moore, a former member of the editorial board of the *Wall Street Journal*, is another **ALEC** advisor [11] and a co-founder of the Club for Growth – a Republican-aligned group whose PAC has received millions of dollars from the kingpins of carbon and from Koch donors.[12] Moore is also a former director of **Donors Capital Fund** (the sister organization of **DonorsTrust**) and a regular guest at the Koch Network's strategic retreats for wealthy donors. While Moore was on the *Journal's* editorial board, one of the paper's regular editorial contributors was John Fund, an advocate for voter ID legislation. Fund made a presentation about "The Dangers of Voter Fraud in the 2010 Elections" at one of ALEC's meetings.[13] In 2013, Fund described the Supreme Court's *Shelby County* decision striking down a portion of the Voting Rights Act as "a civil-rights victory" because it will reduce "racial gerrymandering."[14]

**DonorsTrust** CEO Whitney Ball is a regular attendee at the **Koch Network's** strategy retreats and former director of the Philanthropy Roundtable, which also helps coordinate strategy among conservative donors and foundations. At least four Philanthropy Roundtable staffers are graduates of the Koch Associate Program or the Koch Internship program, which are both run by the Charles Koch Institute. Numerous Philanthropy Roundtable staffers have also worked directly for one of Charles Koch's core organizational operations, **Americans for Prosperity**, **ALEC**, and the **Institute for Humane Studies**.

6 See http://www.projectonfairrepresentation.org/contact-us/. Accessed April 30, 2014.

7 Project Liberty form 990 tax return for 2011.

8 Allison Hayward, Office of Congressional Ethics. http://oce.house.gov/allison-hayward.html

9 Allison Hayward, "Democracy After Citizens United; The Flawed Iceberg Model," *Boston Review*, Sept. 13, 2010. http://goo.gl/nj5qwB

10 Desmogblog, "Steven F. Hayward," http://www.desmogblog.com/steven-f-hayward Accessed Aug. 24, 2014.

11 Connor Gibson (Greenpeace), "Stephen Moore," *PolluterWatch*, http://goo.gl/6AOR36 Accessed Aug. 24, 2014.

12 Koch retreat attendees who donated to the Club for Growth in the 2012 election cycle include John Bryan (a member of the Club's leadership council - $350,000); John Childs (a Club for Growth board member - $1,125,000); Fred Young ($200,000) and Ethelmae Humphreys ($25,000). Koch Industries ties to the Club for Growth include Americans for Prosperity's [AfP] Phil Kerpen, a former Club for Growth policy analyst, Frayda Levy, a Club for Growth board member who is also an AfP national board member. Both Kerpen and Levy have attended Koch network retreats.

13 "American Legislative Exchange Council, Public Safety and Elections Task Force, 2010 States and National Policy Summit, December 2, 2010." Document published by Common Cause. http://goo.gl/Dni4yo Accessed Aug. 24, 2014.

14 John Fund, "A Civil-Rights Victory," *National Review Online*, June 25, 2013. At http://goo.gl/HhrvdE Accessed Aug. 24, 2014.

## Who Orchestrated the *Shelby County* Attack on Voting Rights? con't

Ball is also the President and CEO of **Donors Capital Fund**, Inc., the **DonorsTrust** partner firm that takes in contributions of $1 million or more. Kimberly Dennis, the board chair of **DonorsTrust** and **Donors Capital Fund**, is the former executive director of the Philanthropy Roundtable. (More on Dennis below)

In its 2012 tax return, Project Liberty reported ties to "related organizations," including the Heritage Foundation (home of Hans Von Spakovsky – a leading proponent of the bogus "voter fraud" theory, and co-author of a book on the topic with John Fund), the Institute for Justice, the Acton Institute, the Federalist Society and the Center for Competitive Politics. All of these groups received substantial support from **DonorsTrust** and/or **Donors Capital Fund** in 2012.[15] The Institute for Justice was founded in 1991 with hundreds of thousands of dollar in support from the Koch brothers.[16]

Although **DonorsTrust** shields the identity of its donors, Blum told reporters that PFR was funded by the William E. Simon Foundation, the Bradley Foundation and Searle Freedom Trust, among others.[17] The Simon Foundation is named after Treasury Secretary William Simon, a key figure in the corporate-empowerment movement that created an array of corporate-funded strategic litigation groups in the 1970s, following the advice of Lewis Powell, Jr.[18] The Bradley Foundation and Searle Freedom Trust have funded the Wisconsin-based MacIver Institute, which has hyped bogus voter fraud claims to justify Voter ID laws like the one promoted by **ALEC**.[19] The Bradley Foundation has also backed groups spearheading legal battles against campaign finance laws, including The Center for Competitive Politics, the Institute for Justice, and James Bopp's James Madison Center for Free Speech.[20]

Searle Freedom Trust (SFT) has close ties to **ALEC** and the **State Policy Network**, which pushed model voter identification laws, stoking support for these bills with spurious arguments about widespread voter fraud.[21] Kimberly Dennis, President of SFT is the board chair of **DonorsTrust** and **Donors Capital Fund**, and the former executive director of the Philanthropy Roundtable.

Wiley Rein, the law firm that represented Shelby County, has ties to other strategic attacks on voting rights. Michael Toner, who chairs the elections-law and government-ethics practice at the firm, is also a director of the **State Government Leadership Foundation** (see above).[22]

Support for the *Shelby County* case also came from other conservative legal groups and think tanks, including the Pacific Legal Foundation, Cato Institute, Reason Foundation, and the Landmark Foundation. [23] Most of these groups have received financial support from **DonorsTrust** and many also filed briefs in the *Citizens United* and *McCutcheon* cases.

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15 Project Liberty form 990 tax return for 2012.

16 W. John Moore, "Wichita Pipeline," N*ational Journal*, May 16, 1992. http://goo.gl/4CEUMR

17 Ari Berman, "Why Are Conservatives Trying to Destroy the Voting Rights Act?" *The Nation*, Feb. 5, 2013. http://goo.gl/3F3vu

18 Nan Aron and others, *Justice for Sale* (Washington, D.C.: Alliance for Justice, 1993) http://goo.gl/CTa6nV For more about the history of the conservative judicial movement, see the references cited in Greenpeace, "Powell Memo Blueprint: Impact on Judicial and Legal Action," discussing judicial and legal actions that followed the strategic blueprint set out in Powell's 1971 Memo to the U.S. Chamber of Commerce: http://goo.gl/MYaOkO

19 "MacIver Institute," *SourceWatch.org*. http://goo.gl/5APTRU

20 Kenneth P. Vogel, "Campaign finance reform: R.I.P.?," *Politico*, Oct. 13, 2010. http://goo.gl/9bjwSB

21 Center for Media and Democracy, "Searle Freedom Trust," http://goo.gl/or8ciC Accessed Aug. 24, 2014.

22 "Michael Toner" (biography). *WileyRein. com* http://goo.gl/zPUJgv .

23 A list of amicus briefs for both sides of the case can be found in "Shelby County v. Holder" at scotusblog.com http://goo.gl/tHiKY. Many of the groups that filed will be familiar to those who know the history of the Powell Memo. See , Greenpeace, "Powell Memo Blueprint: Impact on Judicial and Legal Action," discussing judicial and legal actions that followed the strategic blueprint set out in Powell's 1971 Memo to the U.S. Chamber of Commerce: http://goo.gl/MYaOkO

### The Newest Koch Campaign: Targeting State and Local Judges

Ominously, in April, 2014 the *Washington Post* reported that the Republican State Leadership Committee [RSLC] had just announced a new "Judicial Fairness Initiative." The *Post* said the RSLC will "begin targeting judicial races, bringing outside money and sophisticated campaign tactics to one of the last calm backwaters of politics."[312] State judges haven't been receptive to many Republican efforts to suppress votes, so the RSLC intends to make judicial elections far more expensive, thus giving billionaires much greater influence in deciding who can become a state judge.

Judicial elections started to get more expensive a few years ago. In November 2012, the Editorial Board of the *New York Times* observed ruefully that 2012 state-level judicial elections "broke previous records for the amounts spent on judicial campaigns around the country. The dominant role of special-interest money – including super PACs financed by undisclosed donors – has severely weakened the principle of fair and impartial courts," the *Times* wrote.[313] The new RSLC campaign is simply aimed at intensifying the trend.[314]

Fourteen states elect judges through partisan contests in which candidates run on a party ticket. Nineteen states choose their judges via nonpartisan elections. In 26 states, governors can appoint judges, and in two states, Virginia and South Carolina, legislatures elect judges.

The first major test of the Koch plan to buy control of state courts arrived in August, 2014, when the Kochs' **American for Prosperity** ganged up with the RSCL to try to oust three members of the Tennessee Supreme Court.[315] They failed. But history tells us that defeat will energize the Kochs to try, try again. As the *New York Times* observed, defeat in Tennessee is "unlikely to deter or rattle conservatives who, eyeing the courts as an outlet to augment their public policy pursuits, have transformed monotonous judicial elections into full-throated campaigns brimming with consultants, television advertising, direct mail, and major campaign spending."[316] From now on, the state judiciary is under threat.

312 Reid Wilson, "Republican group will focus on judicial races," *Washington Post* April 29, 2014. http://goo.gl/eKUEk7

313 Editorial Board, "Judicial Elections, Unhinged," *New York Times* Nov. 9, 2012. http://goo.gl/0wh8wN And see Alicia Bannon and others, *The New Politics of Judicial Elections 2011-12; How New Waves of Special Interest Spending Raised the Stakes for Fair Courts* (Washington, D.C.: Justice at Stake, 2013). http://goo.gl/fyQlzw

314 Erik Eckholm, "Outside Spending Enters Arena of Judicial Races," *New York Times* May 5, 2014. http://goo.gl/GYywrv

315 "Buying the Courts; National Conservative Groups Spend Big Against Tennessee Supreme Court Justices," *ThinkProgress.com* Aug. 7, 2014. http://goo.gl/rPahKu

316 Alan Blinder, "Despite Failure, Campaign to Oust Tennessee Justices Keeps Conservatives Hopeful," *New York Times*, Aug. 9, 2014. http://goo.gl/FE8Rwv

# Conclusion and Recommendations

## Building a Movement for Democracy

Global warming is coming upon us like a freight train. As the Pentagon keeps warning us, "The danger from climate change is real, urgent, and severe." More than 80 percent of Americans want action to reduce the danger, even if it costs them something.[317] So what's stopping us?

Fixing this problem requires government action. And so far the fossil fuel corporations and a handful of self-interested billionaires have been able to thwart government action. Using their deep pockets, they have paralyzed our politics, and now they're working to corrupt our whole system of elections, both legislative and judicial. In sum, to protect their right to sell oil and gas, the pollutocrats have declared war on democracy. Their stated goals are to "drown government in a bathtub," to give corporations the same rights as people, and to eliminate labor unions, worker protections and environmental regulations. They've made no secret of their goal: they aim to roll back the New Deal *and* the achievements of the civil rights movement.[318]

What can we do?

The essential first step is to stop thinking of ourselves as passive consumers and reassert ourselves as active citizens of a democracy. They've got money but we've got *people*. So we can get together, agree on some common goals, and then work like hell to make things right. Yes, our adversaries have made great gains with their campaign to roll back New Deal. But we can still *organize*.

This means building coalitions – coalitions that cross all the usual dividing lines that our adversaries try to exploit: race, class, ethnicity, culture, faith, and political party. If we get together and stick together, we can protect democracy – everyone's right to vote and to keep corrupting money out of politics – and then we can win on our individual issues.

But if we can't get together and stay together, the pollutocrats' war on democracy will likely succeed.

In 2012, a new coalition – with 50 million members – formed to fight for democracy: The NAACP, the Communications Workers of America (CWA), Sierra Club and Greenpeace joined other environmental, labor, civil rights and government reform groups, creating the Democracy Initiative (http://www.democracyforus.org), which aims to get private money out of our elections (federal, state and local), and to restore and protect everyone's right to vote.[319]

The Democracy Initiative's success will depend upon its "50 state strategy for democracy fueled by grassroots communities."[320]

As the history of the United States tells us, *all* progressive reform has required combined activism in the workplace *and* in the community.

Martin Luther King, Jr., reminded us in his prescient speech to the AFL-CIO in 1961, that, "If the Negro wins, labor wins." He said, "A crisis confronts us both. Those who in the second half of the nineteenth

317 "Despite costs, most Americans want action on climate change," *Yale 360* Feb. 12, 2014 http://goo.gl/2qYKXt describing Anthony Leiserowitz and others, *Public Support for Climate and Energy Policies in November 2013* (New Haven, Conn.: Yale University, 2014). http://goo.gl/6DWxxT

318 For a libertarian/conservative blueprint for erasing the achievements of the civil rights movement, see Clint Bolick and Charles Murray, *Unfinished Business; A Civil Rights Strategy for America's Third Century* (San Francisco: Pacific research Institute, 1990).

319 http://www.democracyforus.org/

320 http://www.democracyforus.org/.

century could not tolerate organized labor have had a rebirth of power and seek to regain the despotism of that era while retaining the wealth and privileges of the twentieth century. Whether it be the ultra-right wing in the form of the Birch societies or the alliance which former President Eisenhower denounced, the alliance between big military and big industry, or the coalition of the Southern Dixiecrats and Northern reactionaries, whatever the form, these menaces now threaten everything decent and fair in American life. Their target is labor, and the Negro people…"[321]

Gar Alperovitz has reminded us how environmental laws in the 1970s couldn't have been enacted without union support for the laws themselves and for the politicians proposing them. He said, the "capacity to alter big trends in virtually all advanced nations has almost always depended in significant part on the strength not simply of politics in general, and not only of movements in general, but also on the existence of powerful institutions – above all, labor unions." [322]

Whether our goal is environmental protection, civil rights, a fair wage with job security, or defending democracy itself again the kingpins of carbon, *getting together* is essential because *coalition is what wins*.

## Policy Recommendations

The reforms listed here can ensure that every citizen of voting age can cast a ballot, that every ballot will be counted, and that elections are fair and open. Although these reforms will not, by themselves, guarantee a well-functioning republic, they are essential steps to underpin the civic culture of commitment and participation needed for a healthy democracy.

### Keep Corporations Out of Elections

Corporations are government-created business structures bestowed with certain privileges and advantages (e.g. limited liability, perpetual life, and special tax treatment) designed to enhance their power in the marketplace.

The special advantages created by the corporate form obviously pose special dangers of corruption in the political sphere. Since the earliest days of the republic, the danger of corporations corrupting democracy has been understood. In 1907, Congress outlawed campaign contributions by corporations, to prevent them from corrupting elections to gain further advantages and privileges, as has now obviously happened. In short, corporate participation in elections violates basic principles of popular sovereignty and representative democracy.

For more than a decade, the vast majority of Americans have believed that corporations have too much influence in government and public life.[323] The sentiment grew even more acute after *Citizens United*, when 80 percent of Americans said they disagreed with the Supreme Court's decision.[324]

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321 Martin Luther King, Jr.,"If the Negro Wins, Labor Wins," speech to the AFL-CIO Dec. 11, 1961. http://goo.gl/PDYqcb

322 Gar Alperovitz, *What Then Must We Do?* (White River Junction, Vt.: Chelsea Green, 2013), pgs. 13-14.

323 The numbers reached an all-time high after *Citizens United*. Nearly nine in ten Americans (88 percent) polled in 2011 said big companies have too much power in Washington, D.C., an increase from 2000, when 82 percent of Americans surveyed either "agreed" or "strongly agreed" that "Business has gained too much power over too many aspects of American life." See "Big Companies, PACs, Banks, Financial Institutions and Lobbyists Seen by Strong Majorities as Having Too Much Power and Influence in DC," *HarrisInteractive* June 1, 2011 http://goo.gl/fQJk1L; Aaron Bernstein and others, "Too Much Corporate Power?" *Business Week* Sept. 11, 2000. http://goo.gl/GPzxS. In 1936, in the midst of the Great Depression, 53 percent of those surveyed believed "business and industry leaders" posed a "greater danger to America" than "Washington officials" (47 percent). AIPO [Gallup] poll, June 27, 1936, cited in Hadley Cantril (editor), *Public Opinion 1935-1946* (Princeton, N.J.: Princeton University Press, 1951), pg. 344. Today, public concern about the power of corporations is similar to what it was in the midst of the Great Depression.

324 Dan Eggen, "Poll: Large majority opposes Supreme Court's decision on campaign financing," Washington Post, February 17, 2010. http://goo.gl/sG0o

"We the people" clearly reject the court's position that money is speech to be protected by the First Amendment. Now a campaign is under way to pass a constitutional amendment that would reverse the court's ruling, ensuring that democracy is for people, not corporations.[325]

As of July 2014, 16 states and nearly 500 cities and towns had called on Congress to initiate the amendment process.[326]

Momentum to pass the amendment is also building in Congress, where, at this writing (August, 2014), 50 Senators have co-sponsored The Democracy for All Amendment (SJ Res 19) introduced by Senator Tom Udall (D-NM). For current information about the status of the bill see www.United4ThePeople.org.

### Let "We the People" Fund Election Campaigns

As the cost of elections rises year after year, large donors have become more important and therefore more influential. As a result, average Americans are convinced that elected officials are more beholden to big donors than to their constituents. After the 2012 election, two-thirds of voters said big donors and secret money are undermining democracy.[327]

The Government By the People Act (H.R. 20) would elevate more voices and give voters more choices by establishing a system of public campaign financing. Public financing is the only practical way to reduce the influence of private money in elections. With public financing, candidates must demonstrate a certain level of popular support (getting a certain number of signatures on a petition, for example) before they qualify for public money to run their election campaign, eliminating their need for big private donations.[328]

Public financing systems have already proven effective in boosting the voices of small donors in Connecticut and New York City.[329] A package of public financing reforms introduced during New York State's budget negotiations came close to passing in 2014.[330]

### Disclose the True Source of Contributions

Voters should know who is paying for election campaigns, including campaign advertisements. Strong disclosure rules have bipartisan support, stand on solid constitutional ground, and are relatively simple to enact and enforce.[331]

The federal DISCLOSE Act (S. 3628, H.R. 4010) would require full disclosure of corporate, union and wealthy funding sources behind campaigns and political advertisements.[332]

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325 For an explanation of why it is necessary to amend the constitution see "Why Amend The Constitution?" *People for the American Way*. No date. http://goo.gl/ZeLY5X

326 For more information see http://moneyout-votersin.org, and see "Resources," *united4thepeople.org http://goo.gl/R0GA5P*; and Public Citizen, "Democracy is for People," no date http://goo.gl/t5di3o.

327 Adam Smith, "New Poll: Voters Push Back Against Big Money Politics," Public Campaign Action Fund, Nov. 13, 2012. http://goo.gl/TRNKUC

328 See The Government By the People Act campaign website, http://www.ofby.us;

329 For Public Campaign's list of Fair Elections victories (publicly-financed elections), see http://goo.gl/GLrLjO

330 For more information see Public Campaign (www.publiccampaign.org),New York Working Families Party (http://workingfamilies.org/states/new-york/), Citizen Action of New York (http://citizenactionny.org/) and The Brennan Center for Justice, NYU (http://www.brennancenter.org/issues/new-york-public-financing).

331 Prof. Heather Gerken, Yale Law School, Testimony before the Senate Committee on Rules and Administration, July 18, 2014. Available at http://goo.gl/hWiZ3b

332 A companion bill – The Real Time Transparency Act (H.R. 4442; S. 2207) would require timely (within 48 hours) disclosure of donations of $1,000 or more. http://goo.gl/bHiqZ5

Additional ways to require disclosure include

- A Securities and Exchange Commission (SEC) regulation that would require corporations to inform shareholders of their political spending,[333]
- An IRS rule to force politically active 501(c) nonprofits to disclose their sources of campaign spending, and
- A rule requiring all government contractors to disclosure their political expenditures.[334]

### Restore and Strengthen the Voting Rights Act

As we have seen, the Koch brothers and their Republican Party allies have been campaigning to suppress the votes of suspected Democrats, including blacks, Latinos, the young, the elderly, and the disabled.

In *Shelby County v. Holder* the Supreme Court invalidated Section 4 of the Voting Rights Act (VRA), which lists jurisdictions (some states, some counties) that are required to get approval from the federal Department of Justice before they can change any election rules.[335] The Section 4 jurisdictions have a history of suppressing the votes of minorities.

In early 2014, bipartisan leadership in Congress introduced the Voting Rights Amendment Act (S. 1945/H.R. 3899) to reinstate the key provisions that the Supreme Court stripped away in *Shelby County*.[336]

### Modernize Voter Registration

Civil rights groups including The Advancement Project, the NAACP, and The Brennan Center for Justice have mounted legal challenges to many of the new laws enacted by 22 states since 2010 that make it harder for millions of people to vote. In addition, during the past two years, 16 states have passed laws to improve voters' ability to cast their ballots.[337] Other states still have inadequate or antiquated election standards that could be improved in a variety of ways, including:[338]

- Expand early voting and election-day voter registration;
- Electronically register all consenting citizens when they interact with a wide range of government agencies;
- Make registration portable to let voters stay registered when they move;
- Make election day a state or federal holiday;
- Restore voting rights for all former felons;[339]

333 For more on the SEC regulation see the Corporate Reform Coalition, http://www.corporatereformcoalition.org

334 Elizabeth Kennedy and Anthony Skaggs, "The People's Business: Disclosure of Political Spending by Government Contractors," Brennan Center for Justice, June 16, 2011. http://goo.gl/pAfDki

335 Nine states were covered by the law: Alabama, Alaska, Arizona, Georgia, Louisiana, Mississippi, South Carolina, Texas and Virginia. Six others were partially covered: California, Florida, Michigan, New York, North Carolina and South Dakota.

336 The act addresses the Supreme Court's argument for striking down Section 4 of the Voting Rights Act by establishing a new formula (i.e. set of criteria and time period) to determine which state or local jurisdictions would have to get approval from the Department of Justice before making any changes in voting rules. The new formula requires states with five violations of federal law to their voting changes over the 15 most recent years to submit future election changes for federal approval. Local jurisdictions would be covered if they commit 3 or more violations or one violation with "persistent, extremely low minority turnout" in 15 years. The provisions of the bill would currently extend this requirement to Georgia, Louisiana, Mississippi and Texas. Other provisions in the bill provide for additional ways to challenge intentional voting discrimination, expand the Department of Justice's ability to monitor elections and require the public to be notified of voting changes made within 180 days of an election. See The Advancement Project's summary of the act at http://goo.gl/sKGdbW ; Ari Berman, "Members of Congress Introduce a New Fix for the Voting Rights Act," *The Nation*, January 16, 2014 http://goo.gl/3QpKS6; and see www.vrafortoday.org/.

337 Jaime Fuller, "How has voting changed since Shelby County v. Holder?" *Washington Post*, July 7, 2014. http://goo.gl/IwSEHt

338 Brennan Center for Justice, "Voter Registration Modernization," available at http://goo.gl/kbghi3.

339 See ProjectVote.org, "Felon Voting Rights," http://goo.gl/kAXGf2; and ProCon.org, "State Felon Voting Laws" http://goo.gl/fygHv

- Pre-register young voters;
- End gerrymandering by establishing rules for fairness, transparency and public participation in independent redistricting.[340]

Some of these reforms are included in the federal Voter Empowerment Act of 2013 (H.R. 12).[341]

Supreme Court Justice Louis D. Brandeis once observed, "We can have democracy in this country, or we can have great wealth concentrated in the hands of a few, but we can't have both." Today, we face a similar choice: We can let the kingpins of carbon and the fossil fuel corporations extract and burn every last bit of coal, oil and gas, thus threatening to ruin the earth as a place suitable for human civilization, or we can have sensible and democratically-determined energy policies. But we can't have both.

There's one simple reason why Big Money wants to disenfranchise blacks, Latinos, youth, the elderly, and the disabled. It's because voting can turn the system on its head. Voting can shift power.

Voting is the basis of every democratic republic – is embodies the consent of the governed – and it is a tool that all social movements have always used to achieve their goals. As President Lyndon Johnson said when he signed into law the Voting Rights Act of 1965, "The vote is the most powerful instrument ever devised by man for breaking down injustice and destroying the terrible walls which imprison men because they are different from other men."

When the public demands and exercises its right to vote, elected officials must either do what the voters want, or face the loss of public office in the next election. That's why the pollutocrats are working overtime to corrupt the system, to degrade our democracy from one-person-one-vote to one-dollar-one-vote. But we don't have to let them win. Together, in coalition, we can overcome.

340 Rep. Steve Cohen (D-TN) introduced H.R. 278, "The John Tanner Fairness and Independence in Redistricting Act of 2013" to require states to take their congressional apportionment out of the political process and place it in the hands of an independent redistricting commission. For more information about the bill and other ways to ensure proportional representation see Fair Vote http://www.fairvote.org and End Gerrymandering, http://www.endgerrymandering.com/

341Brennan Center for Justice, "Voter Empowerment Act of 2013," January 23, 2013. Available at http://goo.gl/Bjn4qw; and the Voter Empowerment Action Project. http://voterempowermentactionproject.org/

## Appendix A: The Kingpins of Carbon and the Koch Brothers' Club of Plutocrats

Below is a list of top political donors in the 2012 federal election cycle who are connected to the dirty-energy companies (oil, gas and coal) primarily responsible for global warming. Included are individuals connected directly (e.g. executives and board members) and – where the relationship appears significant – indirectly (e.g. company lobbyists, suppliers, and significant investors).

The list was derived from 2012 election data provided to Greenpeace by Public Campaign, with assistance from US PIRG and Demos. (For more details on the data, see "McCutcheon Money" Methodology in Demos and US PIRG's report. http://www.demos.org/publication/mccutcheon-methodology). Public Campaign/Demos' list was generated using Sunlight Foundation's Influence Explorer tool (http://data.influenceexplorer.com/#), based on data provided by the Federal Election Commission, refined and augmented by the Center for Responsive Politics.

After identifying individuals connected to dirty-energy companies, we added up these individuals' total reported federal campaign contributions, including both the direct donations to candidates that rank them as top direct donors, as well as any reported contributions to Super PACs and other election committees. All reported contributions were included to illustrate that many of these individuals can and will spend much more than the pre-McCutcheon limit on direct contributions ($123,200). Names with an * after the last name have attended the Koch Brothers' gatherings or given to their political projects.

### The Kingpins of Carbon

| Last Name | First Name | Company | Occupation | 2011- 2012 Federal Contributions |
|---|---|---|---|---|
| Abramson | Ronald | Buchanan Ingersoll & Rooney | Attorney | $162,300 |
| Alexander | Anthony J/Becky | First Energy | CEO | Anthony = $187,710; Becky = $110,500 |
| Alvarez | Cesar L | Greenburg Traurig P.A. | Co-Chairman | $147,500.00 |
| Ansary | Hushang Hon | Stewart and Stevenson LLC | Chairman | $160,000 |
| Anschutz* | Philip/Nancy (wife) | Anschutz Corporation | Investor | Philip = $72,700; Nancy = $100,600 |
| Bechtel* | Steve/Riley (son) | Bechtel Group | | Steve = $12,740; Riley(son) = $150,000 |
| Blavatnik | Leonard | Access Industries | Chairman | $163,800 |
| Boehly | Todd Lawrence | Guggenheim Partners | President | $216,198 |
| Cagle | Bill | Milestone Energy, Inc. | Engineer | $130,800 |
| Cassidy | Gerald | Cassidy & Associates | Lobbyist | $214,300 |

## The Kingpins of Carbon

| | | | | |
|---|---|---|---|---|
| Cazalot | Clarence P Jr. | Marathon Oil Corporation | President & CEO | $140,316 |
| Chazen* | Stephen | Occidental Petroleum | CEO | $605,100 |
| Childs* | John | J.W. Childs Associates, L.P. | Chairman | $4,212,700 |
| Chouest | Gary/Carolyn (wife) | Edison Chouest Offshore | President | Gary = $233,100; Carolyn = $89,000 |
| Cozen | Stephen A | Cozen O'Connor | Founder and Chairman | $210,300 |
| Craft* | Joe (Joseph) | Alliance Resource Partners LP (coal) | President & CEO | $2,601,700 |
| Daschle | Thomas A/Linda (wife and lobbyist) | DLA Piper LLP | Senior Policy Advisor | Thomas = $125,667; Linda = $72,550 |
| DiMenna | Joseph/Diana (wife) | Zweig DiMenna Assoc. | Investor | Joseph = $164,100; Diana = $164,100 |
| Dow | Robert | Lord Abbett & Co. | Executive | $103,700 |
| Duff | David A | Pine Branch Coal Sales Inc. | Coal Sales | $194,100 |
| Eads | John | Sierra Resources | President | $132,500 |
| Falbo | Thomas | Montgomery Equipment | Owner | $168,300 |
| Fehsenfeld | Fred | The Heritage Group | Chairman | $208,700 |
| Ferrantino | Michael | The Environmental Quality Co. | President & CEO | $271,600 |
| Flores | James C | Freeport-McMorRan Inc. | CEO, President, and Chairman of the Board | $359,900 |
| Forrest | James C III | Rosebud Mining | President | $213,049 |
| Foster | Paul L | Western Refining Company | President | $452,525 |
| Gilliam* | Richard/Leslie | Cumberland Resources Corp. | President | $1,202,800 |
| Greehey | William E | Nustar | Chairman | $269,300 |
| Griffin* | Ken/Anne | Citadel Investment Group | Founder, CEO | $2,700,500 |
| Hamilton* | Fred/Jane | BHP Petroleum, Hamilton Oil Co. | Former President, CEO and Chair | $209,100 |
| Hamm | Harold | Continental Resources | Executive | $1,136,800 |
| Haslam | James | Pilot Oil Corp. | CEO | $380,000 |

**The Kingpins of Carbon**

| | | | | |
|---|---|---|---|---|
| Hatfield | Bennett K | Patriot Coal Corporation | President/CEO | $152,100 |
| Henry | James C | Henry Resources | Retired Petroleum Engineer | $180,150 |
| Hildebrand | Jeffery(Jeffrey)/ Melinda (wife) | Hilcorp Energy Co. | President & CEO | Jeffery = $697,800; Melinda = $84,200 |
| Krumme | George W | Krumme Oil | Gas & Oil Producer | $203,450 |
| Maloney | Andrew (Drew) K | Ogilvy Government Relations | CEO | $124,750 |
| Mewbourne | Curtis/Joanne (wife) | Mewbourne Oil Co. | Executive | Curtis = $312,699; Joanne = $113,699 |
| Miller | Marshall B Jr. | Jackson Walker LLP | Attorney/Partner | $166,500 |
| Moncrief | W A Jr. | Moncrief Oil Interiors | Owner | $326,600 |
| Morris | Michael G | American Electric Power | Chairman | $134,885 |
| Murfin* | David | Murfin Drilling Co. | President | $130,100 |
| Murray | Robert | Murray Energy Corp. | Chairman, President and CEO | $232,710 |
| Nichols* | Larry/Polly (wife) | Devon Energy Co. | Exec. Chairman | Larry = $166,900; Polly = $64,900 |
| Patman | Carrin F | Bracewell & Giuliani LLP | Attorney | $326,985 |
| Petrie* | Tom | Petrie Partners | Chairman | $178,600 |
| Phillips | Jack R | Phillips Machine | President | $211,816 |
| Pike | John | Elliott Associates | Portfolio Manager | $198,950 |
| Podesta | Heather | Heather Podesta & Partners | Strategist and Lobbyist | $193,800 |
| Podesta | Anthony (Tony) | Podesta Group | President | $165,500 |
| Rankin | Alfred M Jr. | Nacco Industries Inc. | Executive | $127,700 |
| Rastin* | Tom | Ariel Corp. | Vice President | $135,800 |
| Rees-Jones | Trevor | Chief Oil & Gas | Founder and Chairman | $300,800 |
| Robertson* | Corbin | Quintana Minerals Corp | Co-Owner | $209,850 |
| Rooney | Francis | Rooney Holdings | CEO | $160,800 |
| Rowling | Robert B | TRT Holdings | CEO | $3,775,800 |

**The Kingpins of Carbon**

| | | | | |
|---|---|---|---|---|
| Russell | Thomas/Pam (wife) | Thomas Russell Co. | Engineer | Thomas = $231,310; Pam = $86,800 |
| Ryan | Robert P | Elliott Mgmt. Corp. | Portfolio Manager | $176,100 |
| Scheide | Judith | Scheide Fund | Director | $199,300 |
| Schweitzer | Edmund O Dr. | Schweitzer Engineering Laboratories | President | $443,110 |
| Sedwick | Jay L | Armstrong Utility Company | Chairman | $140,775 |
| Senor | Daniel | Senor Strategies | Investment Professional | $202,800 |
| Simms | Donald | United Mining Equipment Inc. | President & CEO | $316,300 |
| Soave | Anthony L | Soave Enterprises | Chairman | $247,200 |
| Spears | Williams S Dr. | Energy Education | Founder | $167,200 |
| Stedman | Stuart West | Stedman West Interests, Inc. | Owner | $219,800 |
| Stephens | Warren A | Arkansas Finance | Chairman | $692,400 |
| Stephenson | Thomas F | Sequoia Capital | Venture Capitalist | $164,300 |
| Stone | Sheldon M/ Cynthia (wife) | Oaktree Capital Management LP | Investment Manager | Sheldon = $184,100; Cynthia = $126,600 |
| Thomas | Chester | Green River Collieries, LLC | Owner | $153,500 |
| Tillerson | Rex W | ExxonMobil Corp | Chairman and CEO | $168,800 |
| Toretti | Christine J/ Maxwell (husband) | S.W. Jack Drilling Co. | Owner | Christine = $150,650; Maxwell = $126,600 |
| Travis | Timothy J | Eaton Metal Products | Executive | $205,650 |
| Turner | Robb | Arclight Capital | Co-Founder and Senior Partner | $128,200 |
| Unterman | Thomas E | Morrison & Foerster | Attorney | $203,624 |
| Vague | Richard W | Energy Plus | Executive | $182,750 |
| Van Scoyoc | H Stewart | Van Scoyoc Associates | President | $114,400 |
| Vogelstein | John | Warburg Pincus | Senior Advisor | $277,900 |
| Wallace | David | Wallace Electrical Systems | Business Owner | $289,500 |

**The Kingpins of Carbon**

| | | | | |
|---|---|---|---|---|
| Ward* | Lew/Myra (wife) | Ward Petroleum Corp. | Founder | $195,400 |
| Wareing | Peter S | Centerpoint Energy, Inc. | Board of Directors | $163,584 |
| Watts | Mikal C | Watts Guerra Craft, LLP | Attorney | $473,630 |
| Wepsic | Eric | D.E. Shaw & Co. | Financial Executive | $180,100 |
| Wilson | Donald | DRW Trading Group | CEO | $162,299 |
| (Buckwald) Wright | Karen | Ariel Corp. | CEO | $319,950 |
| Wynne | Thomas M | Alliance Resource Partners, LP | Senior Vice President & COO | $168,500 |

## The Koch Brothers' Club of Plutocrats

The following is a list of wealthy individuals connected to the Koch brothers who also made large political contributions during in the 2012 Federal election cycle.

The list was compiled by commingling a master list of individuals who have attended the Koch brothers' secret retreats for donors to its political causes. Their political contributions were checked using the Sunlight Foundation's Influence Explorer database, which uses data reported to the Federal Election Commission, refined and augmented by the Center for Responsive Politics.

Sources for individuals connected to the Kochs include a list published by Mother Jones of individuals attending the Palm Springs retreat in early 2014 (link: http://www.motherjones.com/politics/2014/02/koch-brothers-palm-springs-donor-list), as well as a list published by Think Progress of individuals attending the June, 2010 Aspen retreat (link: http://images2.americanprogressaction.org/ThinkProgress/secretkochmeeting.pdf ). In addition, the list includes individuals with a direct business relationship with Koch Industries, including company lobbyists.

Names with an one asterisk (*) attended at least one of the Koch club gatherings.

Names with two asterisks (**) were thanked by name by Charles Koch at the 2010 Aspen gathering, although they were not there.

Names with three asterisks (***) are not regular Koch club gathering attendees, but are connected to the Kochs in other ways (e.g. business relationship).

## The Koch Brothers' Club of Plutocrats

| Last Name | First Name | Company | Occupation | 2011–2012 Federal Contributions |
|---|---|---|---|---|
| Asness* | Clifford/Laurel | AQR Capital Management | Founding Partner | Cliff = $51,084 + Laurel = $143,800 |
| Bachman* | Nate/Lynda | The Bachman Group | Financial Advisor | Nate = $194,750 |
| Baxter* | Frank/Kathy | Frank = Jefferies and Company, Inc. Ambassador to Uruguay (2006-2009) | Chairman Emeritus | Frank = $254,300 + Katherine = $18,500. |
| Bechtel* | Steve/Elizabeth | Bechtel Group | Co-Owner | Stephen = $132,950 + Elizabeth = $194,750 |
| Bryan* | John/Martha | Club for Growth Leadership Council (retired) | Board Member | John = $718,750 + Martha = $55,740 |
| Busch* | Tim | The Busch Firm | Lawyer | $219,100 |
| Cameron** | Ron/Nina | Mountaire Corporation | CEO, Chairman | Ronald = $155,300 + Nina = $113,300 |

**The Koch Brothers' Club of Plutocrats**

| | | | | |
|---|---|---|---|---|
| Childs* | John | J.W. Childs and Associates | Chair & CEO | $4,212,700 |
| Craft* | Joe/Mollie | Alliance Resource Partners LP | President, CEO | Joe = $2,414,100 + Mollie = $169,600. |
| Crown* | Eric | Insight Enterprises | Co-Founder | $144,697 |
| Curry* | Ravenel/Beth | Eagle Capital Mgt. and "Playa Grande" resort. | Money Manager | Ravenel = $136,731 + Beth = $5,000 |
| Dannenbaum* | Jim/Shirley | Dannenbaum Engineering Corp. | Chair | $528,978 + Shirley = $78,000 |
| DeVos* | Richard/Helen J | Amway | Executive | Dick = $300,000 + Helen = $12,500 |
| Diefenthal* | Edward/Nancy | Southern Holdings, Inc. | CEO | Edward = $164,600 + Nancy = $135,500 |
| Eller* | Karl/Stevie | The Eller Company (advertising) | Retired | $145,500 |
| Estrin* | Melvyn/Suellen | Human Service Group, University Research Co., LLC, Washington Gas | CEO, CEO, Director | $150,300 combined |
| Farmer* | Dick/Joyce | Cintas Corporation | Chairman | Richard = $151,243; Joyce = $149,243 |
| Farrell* | Peter | ResMed. | Founder and CEO | $134,400 |
| Fote* | Kaye Lynn/Charles | First Data Resources | Former CEO | Kaye Lynn = $ 145,000 + Charles = $127,000 |
| Friess* | Foster/Lynette | Foster Friess Co. | | Foster = $2,646,172; Lynette = $41,433 |
| Gilliam* | Richard/Leslie | Cumberland Resources Corp. | President | $1,176,200 |
| Gore* | Susan | Wyoming Liberty Group | Founder | $500,000 |
| Griffin* | Ken | Citadel Investment Group | Founder, CEO | $2,700,500 |
| Griffin* | Anne | Aragon Global Management | Portfolio Manager | $205,600 |
| Hamilton* | Fred/Jane | BHP Petroleum, Hamilton Oil Co. | Former President, CEO, and Chair | Fred = $209,100; Jane = $8,650 |
| Hamm** | Harold | Continental Resources | CEO | $985,000 |

**The Koch Brothers' Club of Plutocrats**

| | | | | |
|---|---|---|---|---|
| Haworth* | Dick/Ethelyn | Haworth Furniture | Chairman | Richard = $205,350 + Ethelyn = $106,500 |
| Hayden** | Jerry/Marilyn | Peacock Engineering | Chairman | Jerry = $164,000 Marilyn = $55,600 |
| Hubbard* | Allan/Kathy | E&A Industries Inc. | CEO | Allan = $178,250 + Kathy = $74,000 |
| Humphreys* | Ethelmae | Tamko Building Products | Chairman | $133,600 |
| Humphreys* | David/Debra | Tamko Building Products | CEO | David = $606,200 + Debra = $93,700, |
| James** | Virginia | The Club for Growth | Co-Founder | $1,450,500 |
| Kayne* | Richard | Kayne Anderson Capital Advisors | Chair | $188,500 |
| Kendrick* | Randy/Wife | Datatel | Founder | Randy = $147,900 + Mrs. = $92,200 |
| Kirby* | Dan | Kirby Financial | President | Dan = $150,200 |
| Koch* | Charles | Koch Industries | CEO | $124,100 |
| Koch* | Chase/Annie | Koch Fertilizer | President | $124,100 |
| Koch* | Julia | Koch Industries | Homemaker | $150,735 |
| Koch* | Anna | Koch Industries | Homemaker | $138,000 |
| Kohlhepp* | Bob/Linda, and family | Cintas Corp. | Vice Chair | Robert = $153,700, Brent = $59,500; Linda = $85,300; Scott = 92,000. |
| Kozel* | Frank | Keystone Energy & Gas | CEO (retired) | $172,748 |
| Kuester* | Dennis | M&I Bank | CEO (retired) | $127,200 |
| Lacy* | Andre | Lacy Diversified Industries | Chairman | $139,500 |
| Love* | Tom | Love's Country Stores | CEO | $1,300,550 |
| Luddy* | Bob | Captive Aire Systems | President | $195,500 |
| Moran** | John | Dyson-Kissner-Moran Corp | CEO (retired) | $171,599 |
| Murfin* | David | Murfin Drilling Co. | President | $135,275 |
| Negley* | Walter/Suzette | WWN Corp./TX Screw Products, Inc. | CEO | Walter = $137,500 |

**The Koch Brothers' Club of Plutocrats**

| | | | | |
|---|---|---|---|---|
| Nichols* | Larry/Polly | Devon Energy Co. | Executive Chairman | Devon Energy = $785,200 |
| Patterson* | Jim/Dorothy | Long John Silver's Seafood Shoppes and Rally's pioneer | Founder | James = $240,050 + Dorothy = $52,500 |
| Petrie* | Tom | Petrie Partners | Chairman | $128,600 |
| Pope* | Art/Kathy | Variety Wholesaler | Sr. Executive | Art = $181,280 + Katherine = $91,000 |
| Rastin* | Tom | | | Thomas (Tom) = $138,300 |
| Robertson* | Corbin/Barbara | Quintana Minerals Corp | CEO | Corbin = 209,850 + Barbara = $163,350 |
| Rogers* | Gary/Kathleen | Dreyer's Grand Ice Cream | Former CEO | Gary = $167,600 + Kathleen = $144,100 |
| Rooney*** | Francis | Rooney Holdings | CEO | Francis Rooney = $175,800, |
| Rowling* | Robert | TRT Holdings | Co-Founder | $3,775,800 |
| Rufer* | Chris | Morningstar Company | Founder | $529,325 |
| Schwab** | Charles | Charles Schwab Corporation | Founder | Charles - $458,199 + Helen = $176,666 |
| Sharp* | Rick/Sherry | Circuit City | Ex-CEO (deceased) | Rick = $223,500 + Sherry = $90,000 |
| Singer** | Paul | Elliott Management | Founder, CEO | $3,055,862 |
| Smith*** | Menlof | Sunmark Capital | Chairman | Menlo gave $178,976 |
| Stai* | Dian/Harlan | Owen Healthcare | Chairman | Dian = $ 354,700 |
| Templeton** | John ("Jack") Jr./ Josephine | John Templeton Foundation | President | $815,300 |
| Ward* | Lew/Myra | Ward Petroleum Corp. | Founder | Lew = $225,270 |
| Wright* | Karen | Ariel Corp. | CEO | $319,950 |
| Young* | Fred/Sandra | Diversified Search, LLC | Managing Director | Fred = $314,115 |

## Appendix B: What Global Warming is Doing to Us

Here's a partial catalog of effects we are already experiencing or we are on-track to endure within the lifetime of anyone younger than 40 today:

### Heat

The International Energy Agency (IEA) said in 2011, and said again in 2014, that we are on track to warm the planet by 11º Fahrenheit (6° Celsius) by the end of this century. In 2012, IEA's lead economist, Dr. Fatih Birol, said, "even school children know this will have catastrophic implications for all of us."[1]

British climate expert Kevin Anderson says even a rise of 7º F. (4° C.) would be "incompatible with an organised global community, is likely to be beyond 'adaptation,' is devastating to the majority of ecosystems and has a high probability of not being stable (i.e. 7º F. would be an interim temperature on the way to a much higher equilibrium level)."[2]

### Extremes of Heat

When the average temperature goes up, extreme temperatures go up even more.[3]

Because the oceans are cool, when the global average rise is 7º F., the average rise over land will be 10º or 11º F.[4] At the same time, in cities – which tend to be hotter than the surrounding countryside – the heat index (temperature plus humidity) will rise an average of 12º to 16º F.[5]

For these reasons, then, in a 7° F. world – after about year 2050 – "the coolest months are likely to be substantially warmer than the warmest months at the end of the twentieth century."[6]

In New York City toward the end of this century, most summer days (70 days out of 90) will be hotter than 90° F. – and in Philadelphia nearly every summer day (80 days out of 90) will be hotter than 90° F.[7] In Boston, the hottest-ever day hit 103° F., so by century's end Boston will reach 115° to 119° F. In NYC, as in Washington, D.C., the hottest day ever recorded was 106° F. – so by the end of this century the hottest day in those cities will be 118° to 122° F.

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1 Fatih Birol quoted in Michael Specter, "The Climate Fixers," *The New Yorker* Vol. 88, No. 13 (May 14, 2012), pgs. 96-103. http://goo.gl/P44jL and see International Energy Agency, *Energy Technology Perspectives 2014 Executive Summary (*Paris: International Energy Agency, 2014), pg. 2, which says 6° C. (11° F.) global average temperature rise is "where the world is now heading with potentially devastating results." http://goo.gl/dlU46m

2 Kevin Anderson, "Climate Change: going beyond dangerous… brutal numbers and tenuous hope or cognitive dissonance?" PowerPoint presentation dated July, 2011, available on Vimeo: http://goo.gl/9qTJS. And: Kevin Anderson and Alice Bows, "Reframing the climate change challenge in light of post-2000 emission trends," *Philosophical Transactions of the Royal Society A*. Vol. 366 (2008), pgs. 3863-3882. http://goo.gl/0zVGE And: Kevin Anderson and Alice Bows, "Beyond 'dangerous' climate change: emission scenarios for a new world," *Philosophical Transactions of the Royal Society A*. Vol. 369 (2011), pgs. 20-44. http://goo.gl/hXFCUX

3 Christoph Schär and others, "The role of increasing temperature variability in European summer heat waves." *Nature* Vol. 427 (2004), pgs. 332-336. http://goo.gl/SqE0aO And: David N. Barnett and others, "Quantifying uncertainty in changes in extreme event frequency in response to doubled $CO_2$ using a large ensemble of GCM simulations." *Climate Dynamics* Vol. 26 (2006), pgs. 489-511. http://goo.gl/W8byiJ And: Noah S. Diffenbaugh and others, "Fine-scale processes regulate the response of extreme events to global climate change," *Proceedings of the National Academy of Sciences* Vol. 102, No. 44 (2005), pgs. 15774-15778. http://goo.gl/TVAWYS

4 World Bank, *Turn Down the Heat; Why a 4° C [7° F.] Warmer World Must be Avoided* (Washington, D.C.: The World Bank, 2012), pgs. 24, 38. http://goo.gl/JohGMI

5 Robert Steadman, "A universal scale of apparent temperature," *Journal of Climate and Applied Meteorology*. Vol. 23 (1984), pgs. 1674-1687. http://goo.gl/01GjIn And: Peter C. Frumhoff and others, *Confronting Climate Change in the U.S. Northeast* (Boston: Union of Concerned Scientists, 2007), pg. 94. http://goo.gl/XR2yQv

6 World Bank, *Turn Down the Heat; Why a 4° C [7° F.] Warmer World Must be Avoided* (Washington, D.C.: The World Bank, 2012), pg. xv. http://goo.gl/JohGMI

7 Peter C. Frumhoff and others, *Confronting Climate Change in the U.S. Northeast* (Boston: Union of Concerned Scientists, 2007), pgs. 93-94. http://goo.gl/XR2yQv

Working outdoors will have to be curtailed by 20 percent or more because of the danger of heat stroke.[8]

The problem of extreme heat is not merely theoretical. In 2003 in Europe, a summer heat wave killed more than 70,000 people in 16 countries.[9] A second "mega-heat wave" devastated Europe in 2010. That year, in Russia alone, an estimated 55,000 people died, 25 percent of crops failed, and wildfires burned 3900 square miles.[10]

### The Ocean

The ocean ecosystem is under threat from acidification and from warming water (both caused by absorption of atmospheric $CO_2$) with corals dying, combined with overfishing, and pollution by plastics (made from petroleum), pesticides (also from petroleum), plus many other petrochemical toxicants, plus fertilizers (mostly made from natural gas), plus sewage and silt. In 2014 the International Programme on the State of the Ocean (IPSO) said the "cumulative impact of this [$CO_2$ absorption] with other ocean stressors is far graver than previous estimates. Decreasing oxygen levels in the ocean caused by climate change and nitrogen run-off, combined with other chemical pollution and rampant overfishing are undermining the ability of the ocean to withstand these so-called 'carbon perturbations', meaning its role as Earth's 'buffer' is seriously compromised."[11]

Worldwide, corals are dying from acidification and from warming waters – twin results of $CO_2$ emissions. The chemistry is simple: $H_2O + CO_2$ = carbonic acid. And the result is simply devastating: "If $CO_2$ levels are allowed to reach 450 ppm [parts per million], [coral] reefs will be in *rapid and terminal decline* worldwide from multiple synergies arising from mass bleaching, ocean acidification, and other environmental impacts."[12] And: "Coral reefs are the largest living structures on the planet. They are also among the most diverse ecosystems, sheltering or nourishing up to 9 million species – a third of all known marine life forms – including 4000 kinds of fish."[13]

The ocean produces more than half our oxygen, plus roughly 20 percent of all the protein in the human diet. In addition, the ocean presently absorbs one-third of all the carbon dioxide that humans emit, removing it from the atmosphere. "Scientists believe that there is still time to prevent irreversible, catastrophic changes to our marine ecosystems but that this requires drastic action within a decade," said the International Programme on the State of the Ocean in 2013.[14]

### Sea Level Rise

On the U.S. East Coast, a 2- to 3-foot rise in sea level is expected by 2050 and a 6-foot rise by 2100. Combined with an expected increase in frequency and severity of storms, the mid-Atlantic Coast will endure "[Hurricane] Sandy level storm surges every year by 2050."[15] Furthermore, rising seas force salt water

8 Dunne, John P. and others, "Reductions in labour capacity from heat stress under climate warming," *Nature Climate Change* Vol. 3 (2013), pgs. 563-566. http://goo.gl/hd3uii

9 Jean-Marie Robine and others, "Death toll exceeded 70,000 in Europe during the summer of 2003," *C.R. Biologies* Vol. 331 (2008), pgs. 171-178. http://goo.gl/XyqlO

10 David Barriopedro and others, "The Hot Summer of 2010: Redrawing the Temperature Record Map of Europe." *Science* Vol. 332 (April 8, 2011), pgs. 220-224. http://goo.gl/3aYcpc

11 International Programme on the State of the Ocean (IPSO), "Latest review of science reveals ocean in critical state from cumulative impacts," on IPSO web site, accessed August 12, 2014. http://goo.gl/azomKk

12 J.E.N. Veron and others, "The coral crisis: The critical importance of <350 ppm $CO_2$," *Marine Pollution Bulletin* Vol. 58 (2009), pgs. 1428-1436, emphasis added. http://goo.gl/f3aUF3

13 Richard Stone, "A World Without Corals?" *Science* Vol. 316 (2007), pgs. 678-681. http://goo.gl/FQevK9

14 International Programme on the State of the Ocean (IPSO), "How bad is it? Diagnosing the state of the ocean's health," on IPSO web site, accessed August 12, 2014. http://goo.gl/WeMZD

15 Joe Romm, "NOAA: Warming-Driven Sea Level Rise To Make Sandy-Type Storm Surges The Norm On East Coast," *Climate Progress,*

beneath the land ("saltwater intrusion"), ruining freshwater aquifers, spoiling farmland, and corroding the critical underground infrastructure of coastal cities and towns (electrical and communication systems; traffic controls; gas, water and sewer pipes; building foundations; and so on).[16]

### Extinction of Species

If we allow global temperature to rise by 7° F., approximately 40 percent of all species on Earth will be at risk of extinction – many perhaps as early as 2050 – chiefly because their habitat has changed faster than they can adapt.[17]

Renowned Harvard biologist E.O. Wilson says we are entering a new era, which he has named the *Eremozoic* – the age of loneliness.[18]

### Loss of Ecosystem Services

In the 7° F. world after 2050, "The limits of human adaptation are likely to be exceeded in many parts of the world, while the limits for adaptation for natural systems would largely be exceeded throughout the world. Hence the ecosystem services upon which human livelihoods depend would not be preserved."[19]

Ecosystem services that may be degraded include the production of oxygen in the oceans, pollination of food crops, water purification provided by wetlands, the purification of air by forests, the protection of coastal areas from storm surges (by mangroves, coral reefs, coastal wetlands and salt marshes), the regulation of pests and disease, the recycling of waste nutrients, and the removal of carbon from the atmosphere.[20]

### Drought and Food Prices

Heat drives moisture out of soil. In a 7° F. world, "sustained dustbowl conditions" will extend from Kansas to California. As a result, farm yields are expected to decrease for all major cereal crops in all major regions of production, which "could result in tens to hundreds of millions of additional people at risk from hunger," says the authoritative British Met Office.[21] Thus global warming is projected to raise food prices 40 percent by 2050 for rice, corn (maize), barley, rye, oats, wheat, and sugar, among other staples.[22]

Of course drought will not be limited to the U.S. Today, at any given time, 1 percent of the globe is experiencing drought. In a 7° F. world, the area experiencing drought at any given moment will rise to 30

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Sept. 5, 2013. http://goo.gl/HBlFoO Accessed Aug. 13, 2014. Romm was discussing Thomas C. Peterson and others, "Explaining Extreme Events of 2012 from a Climate Perspective." *Bulletin of the American Meteorological Society* Vol. 94, No. 9 (2013), pgs. S1-S74. http://goo.gl/9lJKaj

16 Peter Ward, *The Flooded Earth; Our Future in a World without Ice Caps* (N.Y.: Basic Books, 2010). http://goo.gl/B6VFLG And: Robert Daley, *The World Beneath the City* (New York: Lippincott, 1959).

17 Anthony D. Barnosky and others, "Has the earth's sixth mass extinction already arrived?" *Nature* Vol. 471 (2011), pgs. 51-57. http://goo.gl/Kq8uhx And: Chris D. Thomas and others, "Extinction risk from climate change," *Nature* Vol. 427 (2004), pgs. 145-148. http://goo.gl/uTHg7q And: Ilya Maclean and Robert J. Wilson, "Recent ecological responses to climate change support predictions of high extinction risk," *Proceedings of the National Academy of Sciences* Vol. 108 (2011), No. 30, pgs. 12337-12342. http://goo.gl/qnZnny And: Rachel Warren, "The role of interactions in a world implementing adaptation and mitigation solutions to climate change," *Philosophical Transactions of the Royal Society* A Vol. 369 (2011), pgs. 217-241; see especially pg. 221 and Table 3. http://goo.gl/Pcwmkl

18 E.O. Wilson, "Only Humans Can Halt the Worst Wave of Extinction Since the Dinosaurs Died," published online, undated [1991?], at http://goo.gl/aolF9t, also available here: http://goo.gl/HRJupg See also E.O. Wilson, *The Creation; An Appeal to Save Life on Earth* (N.Y.: W.W. Norton, 2006).

19 Rachel Warren, "The role of interactions in a world implementing adaptation and mitigation solutions to climate change," *Philosophical Transactions of the Royal Society* A. Vol. 369 (2011), pg. 234. http://goo.gl/Pcwmkl

20 For more on ecosystem services, see Gretchen C. Daily, editor, *Nature's Services; Societal Dependence on Natural Ecosystems* (Washington, D.C.: Island Press, 1997).

21 Paul van der Linden, "Climate Impact" (London: Met Office Avoid Project). http://goo.gl/MgGpkp Accessed Aug. 13, 2014.

22 Alvaro Calzadilla, "Climate change impacts on global agriculture." *Climatic Change* Vol. 120 (2013), pgs. 357-374. http://goo.gl/mRZaFS

percent.[23]

### Fresh Water

Fresh water is already scarce. People need usable water for drinking, cooking, bathing, and sanitation but today "half the people in the world don't have the kind of clean water and sanitation services that were available two thousand years ago to the citizens of ancient Rome. More than a billion people lack access to drinking water and at least that many have never seen a toilet. Half of the hospital beds on earth are occupied by people with an easily preventable waterborne disease."[24]

A 2014 study of global water supply in relation to human population concluded that 3 percent of humanity presently lives with "chronic water scarcity" (defined as 1000 cubic meters available per person per year for all uses, including agriculture). A temperature rise of 3.6° F. above today's average would put 8 percent of global population into chronic water scarcity.[25] One expected result is more conflict as people compete for a shrinking resource.[26]

But water quantity isn't the whole story. More than 2/3rds of all fresh water is used for agriculture, and the water has to be there at the time when the crops need it. In all the world's major mountain ranges – Rockies, Himalayas, Andes, Tian Shan, Kunlun and many more – global warming is reducing water storage. Glaciers are melting and disappearing, and there's more winter rain, less winter snow (thus less snowpack, so less spring-melt run-off). As the climate warms, spring run-off is occurring earlier, sometimes gone before it's needed for summer crops.[27] In sum, global warming promises to disrupt ancient patterns of water-use with far-reaching consequences.

### Forests

Forests are important to humans for many reasons. They create soil, offer shade, and provide large-scale cooling; they retain (and moderate the release of) water, thus holding soils in place and averting floods; they provide habitat for wildlife, emit oxygen, capture and store $CO_2$, and on and on. But now rising temperatures, bigger wildfires, massive insect infestations, and longer periods of drought interspersed with more intense rainstorms (all from global warming) are threatening forests around the globe.

In its 2014 report, the Intergovernmental Panel on Climate Change (IPCC) said, "Increased tree mortality and associated forest dieback is projected to occur in many regions [of the globe] over the 21st century, due to increased temperatures and drought."[28] Expressed that way, the effects of global warming on forests may not sound very serious.

However, there is a group of researchers at the Los Alamos National Laboratory (LANL) in New Mexico

23 Rachel Warren, "The role of interactions in a world implementing adaptation and mitigation solutions to climate change," *Philosophical Transactions of the Royal Society* A. Vol. 369 (2011), pgs. 217-241; see especially Table 3 and pg. 231. http://goo.gl/Pcwmkl

24 Michael Specter, "The Last Drop: Confronting the possibility of a global catastrophe," *The New Yorker* Vol. 82, No. 34 (Oct. 23, 2006), pgs. 60-71. http://goo.gl/CZN4qh

25 Jacob Schewe and others, "Multimodal assessment of water scarcity under climate change," *Proceedings of the National Academy of Sciences* Vol. 111, No. 9 (Mar. 4, 2014), pgs. 3245-3250. http://goo.gl/YdSVhB

26 Michael Specter, "The Last Drop: Confronting the possibility of a global catastrophe," *The New Yorker* Vol. 82, No. 34 (Oct. 23, 2006), pgs. 60-71. http://goo.gl/CZN4qh

27 Tim P. Barnett and others, "Human-Induced Changes in the Hydrology of the Western United States," *Science* Vol. 319 (Feb. 22, 2008), pgs. 1080-1083. http://goo.gl/hyNDbd

28 IPCC, 2014: Summary for policymakers. In: *Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* [Field, C.B., V.R. Barros, D.J. Dokken, K.J. Mach, M.D. Mastrandrea, T.E. Bilir, M. Chatterjee, K.L. Ebi, Y.O. Estrada, R.C. Genova, B. Girma, E.S. Kissel, A.N. Levy, S. MacCracken, P.R. Mastrandrea, and L.L. White (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pg. 15. http://goo.gl/cF6QPf

who put it more starkly: For more than a decade, biologist Nate McDowell and his colleagues at LANL, and at University of New Mexico have been conducting ecosystem-scale experiments on forest dynamics in the Sevilleta National Wildlife Refuge (La Joya, N.M.). From their work, which is funded by the National Science Foundation, they conclude that the vast majority of the forests in the Southwestern U.S. will be *gone by 2050*, just 35 years from now. Forests of the Pacific Northwest would follow closely behind, "dying off a few decades later," they believe.[29]

In a recent video produced by the Los Alamos National Laboratory Communications Office, Nate McDowell says bluntly,

"From experiments like this [at Sevilleta], from modeling analyses, from observations around the world, all the data sets point in one direction: globally, in Europe, Asia, North America, Canada, all of the models are predicting that by 2100 most forests should be heavily, heavily disturbed, if not gone."[30]

### Meanwhile, human population will increase 40 percent

All the previously-described stresses, dislocations and traumas related to global warming will occur simultaneously during a time when the global human population will be rising 40 percent by year 2050, from today's 7 billion to 9.6 billion. Of course 40 percent more people require 40 percent more food, fiber, water, energy, metals and other minerals – 40 percent more of *everything* just 35 years from now.[31] (During the same period, U.S. population is expected to rise 40 to 50 percent.[32])

### Violence

The word "rivals" comes to us from a Latin word meaning "one taking from the same stream as another."[33] Wars over water, food, goods, turf – these have been constants in human history ever since agriculture was invented 11,000 years ago.[34] Global warming will only intensify the pattern.

The most recent report from the Intergovernmental Panel on Climate Change (IPCC) acknowledges that global warming promotes violence: "Climate change can indirectly increase risks of violent conflicts in the form of civil war and inter-group violence by amplifying well-documented drivers of these conflicts such as poverty and economic shocks. Multiple lines of evidence relate climate variability to these forms of conflict."[35]

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29 Staci Matlock, "Los Alamos researcher: Dire forecast for state's forests," *The New Mexican* [Santa Fe, N.M.], Oct. 8, 2013. http://goo.gl/0WO4ow And see: Nate McDowell and others, "Mechanisms of plant survival and mortality during drought: why do some plants survive while others succumb to drought?" *New Phytologist* Vol. 178 (2008), pgs. 719-739 http://goo.gl/ViXX4m; and: Peter J. Franks and others, "Sensitivity of plants to changing atmospheric $CO_2$ concentration: from the geological past to the next century," *New Phytologist* Vol. 197 (2013), pgs. 1077-1094. http://goo.gl/iIkFqR And: David D. Breshears and others, "Tree die-off in response to global change-type drought: mortality insights from a decade of plant water potential measurements," *Frontiers in Ecology and the Environment* Vol. 7, No. 4 (2009), pgs. 185-189 http://goo.gl/xjL78m; and David D. Breshears and others, "Regional vegetation die-off in response to global-change-type drought," *Proceedings of the National Academy of Sciences* Vol. 102, No. 42 (Oct. 18, 2005), pgs. 15144-15148. http://goo.gl/QdHc0g

30 Nate McDowell appearing in untitled, undated [2013?] video produced by Kevin Roark, Los Alamos National Laboratory Communications Office, available on Youtube: http://youtu.be/t8s8XGC2Bto

31 United Nations, *World Population Prospects: The 2012 Revision* (New York: United Nations, 2013). http://goo.gl/UHVnNa

32 Jennifer M. Ortman and Christine E. Guarini. Undated [2013?] "United States Population projections: 2000 to 2050." Washington: U.S. Bureau of the Census. http://goo.gl/VWCRTh

33 Michael Specter, "The Last Drop: Confronting the possibility of a global catastrophe," *The New Yorker* Vol. 82, No. 34 (Oct. 23, 2006), pgs. 60-71. http://goo.gl/CZN4qh

34 Jared Diamond, *The World Until Yesterday* (N.Y.: Viking, 2012).

35 IPCC, 2014: Summary for policymakers. In: *Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* [Field, C.B., V.R. Barros, D.J. Dokken, K.J. Mach, M.D. Mastrandrea, T.E. Bilir, M. Chatterjee, K.L. Ebi, Y.O. Estrada, R.C. Genova, B. Girma, E.S. Kissel, A.N. Levy, S. MacCracken, P.R. Mastrandrea, and L.L. White (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pg. 20. http://goo.gl/cF6QPf One recent report has examined the role of drought from 2006 to 2010 as one of several contributors to Syria's recent conflict in which more than 100,000 people have been killed. See Francesca de Châtel, "The Role of Drought and Climate Change in the Syrian Uprising: Untangling the Triggers of the Revolution," *Middle Eastern Studies* Vol. 50, No. 4 (2014), pgs.

It also works the other way around: violence leads to more harm from global warming: *"Violent conflict increases vulnerability to climate change. Large-scale violent conflict harms assets that facilitate adaptation, including infrastructure, institutions, natural resources, social capital, and livelihood opportunities,"* the IPCC report says.[36]

Here we can see a positive feedback loop: global warming begets violence, which make it harder to avoid further global warming and further harm from global warming, which then begets more violence.

### What's at Stake is Civilization Itself

The cumulative impact of these global-warming trends – if governments allow them to materialize – may well ruin the planet as a place suitable for human civilization. As a group of British climate researchers said not long ago, "While one or a few impacts considered in isolation may be manageable, a 'perfect storm' of multiple severe impacts may be catastrophic."[37]

521-535. http://goo.gl/Df9W9m

36 IPCC, 2014: Summary for policymakers. In: *Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* [Field, C.B., V.R. Barros, D.J. Dokken, K.J. Mach, M.D. Mastrandrea, T.E. Bilir, M. Chatterjee, K.L. Ebi, Y.O. Estrada, R.C. Genova, B. Girma, E.S. Kissel, A.N. Levy, S. MacCracken, P.R. Mastrandrea, and L.L. White (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pg.8. http://goo.gl/cF6QPf

37 Mark New, Diana Liverman, and Kevin Anderson, "Mind the gap," *Nature Reports Climate Change* Vol. 3 (2009), pgs. 143.144. http://goo.gl/Sb4IUt And see: Rachel Warren, "The role of interactions in a world implementing adaptation and mitigation solutions to climate change," *Philosophical Transactions of the Royal Society* A. Vol. 369 (2011), pgs. 217-241. http://goo.gl/Pcwmkl