

Democratic Republic or Secret Plutocracy

A Brief Synopsis of 'Dark Money' by Jane Mayer

Len Leritz

Preface

In the U.S., “dark money” is a term used to describe donations given to nonprofit organizations — primarily social welfare and trade association groups — that can receive unlimited donations from corporations, individuals, and unions, and spend funds to influence elections, but are not required to disclose their donors. While technically these organizations cannot have political activity — such as creating ads advocating for or against candidates — as their primary purpose, these dark money groups do change public attitudes and have a large cultural impact. According to the Center for Responsive Politics, a non-partisan organization, spending by dark money organizations has increased from less than \$5.2 million in 2006 to well over \$300 million in the 2012 presidential election cycle.¹ Nearly \$900 million has already been pledged by Republican donors for the 2016 presidential election cycle. There is not good data on how much has been pledged by Democratic donors.

I recently read Jane Mayer’s new book, *Dark Money*, which discloses the secret four-decade campaign by a handful of wealthy white men (and a few women) to change public opinion in order to gain political power so they could serve their own self-interests.² I was very disturbed by the story she tells. They began as an anti-government, fringe libertarian movement, but in time decided it was to their benefit to align with the Republican Party to gain more traction. At the same time, they made some attempts to influence in the Democratic Party with much less success. Over the past 20 years they have gotten the Republican Party to adopt their anti-regulation, anti-tax agenda, but in doing so, they have created a civil war within the Republican Party. In addition, in the past two years, they have created a stealth political party structure outside of the Republican Party. In the 2016 election cycle, with the rise of a white blue collar populist movement supporting Donald Trump, they have created a party in chaos.

I had known bits and pieces of this, but I did not understand how the whole interlocking story fit together, and I did not realize the breadth and depth of what has and is still occurring. I did not understand the impact that dark money has had on our constitutional republic. In essence, dark money has:

- Contributed greatly to extreme income and wealth inequality in the U.S.,
- Created a rancorous political divide such that it is rare that respectful discourse can occur to solve the real problems facing the country;
- Intentionally created confusion among citizens about the seriousness of global warming and persuaded the Republican Party to block any environmental regulations, and in doing so, is putting our planet at risk;
- Deceptively stolen many elections on both the state and federal levels and blocked people from voting; and

¹ Center for Responsive Politics, March 10, 2012. *OpenSecrets.org*

² Mayer, Jane. *Dark Money: The Hidden History of the Billionaires Behind the Rise of the Radical Right*, Doubleday, January 19, 2016.

- Effectively eliminated all restrictions on campaign finance spending by special interests, corporations, and individuals.

What follows is a brief synopsis of the story, why I think it is important, and an invitation to join me in a discussion about how we can change what is occurring. I want people to understand the back story as to why the playing field has become so uneven and why there is such gridlock in Washington. I have two objectives: (1) Create an open and fair playing field in American politics, and (2) Re-create an environment in which thoughtful people can have respectful conversations and together find mutually-beneficial solutions to our country's needs.

In short, my desire is to support the mission of the Sunlight Foundation:

The Sunlight Foundation is a national, nonpartisan, nonprofit organization that uses the tools of civic tech, open data, policy analysis and journalism to make our government and politics more accountable and transparent to all. Our vision is to use technology to enable more complete, equitable and effective democratic participation. Our overarching goal is to achieve changes in the law to require real-time, online transparency for all government information, with a special focus on the political money flow and who tries to influence government and how government responds. And, our work focuses on the local, state, federal and international levels.³

The body of this paper is in large part taken from the fine work of Jane Mayer. However, I did not follow Mayer's outline. Instead content is presented in an effort to boil it down to the key points for those who will not take the time to read the book. In doing so, I have literally quoted her as well as liberally paraphrased her writing to capture her work as closely as possible. I hope that I have done it justice. I encourage you to read the book in its entirety. I think only then will you experience the real gravity of what she has spent five years researching.

The last sections of this paper on *Why it Matters*, *What Needs to Happen*, and *Some Final Thoughts* on the current political scene playing out in the 2016 presidential election, are my thoughts based both on Mayer's work and on additional research I did after reading Mayer's book. Mayer, in focusing on this libertarian movement that has so influenced the Republican Party, answered questions that had been bothering me for several years. I did additional research on the following questions: What is going on in the Democratic Party? What is the degree of impact that this covert libertarian movement has had over time? What is occurring in the current election cycle?

I hope you will join me in this conversation.

Len Leritz

³ <http://sunlightfoundation.com>

Questions About Five Symptoms

1. Income and Wealth Inequality

According to the Pew Research Center, U.S. income inequality is the highest since 1928. “In 1928, the top 1% of families received 23.9% of all pre-tax income, while the bottom 90% received 50.7%. The Depression and World War II dramatically reshaped the nation’s income distribution: By 1944 the top 1%’s share was down to 11.3%, while the bottom 90% were receiving 67.5%, levels that would remain more or less constant for the next three decades.”⁴

Thus in 1975 and for the three preceding decades, there was general income equality in the U.S. Things have changed. The median household income adjusted for inflation from 1965 to 2015 rose only 5.9%, and has been declining since 2000. This means the real purchasing power of the average American has been shrinking for a long time.

It is a different story for the top 1% in America. Americans in the top 1% average 38 times more income than the bottom 90%, and Americans in the top 0.1% are taking in over 184 times the income of the bottom 90%. The result is that the top 1% owns as much wealth as the bottom 90%.⁵ As an example, David and Charles Koch’s fortunes nearly tripled from 2009 (the beginning of Obama’s administration) to 2015 — from \$14B apiece to \$41.6B apiece. Their ranking as the 6th and 7th wealthiest people in the world has improved. (Mayer, p. 378)

What has caused income inequality to become so extreme in the past forty years?

2. The Political Divide

In the late 1960’s, Congress with broad bi-partisan agreement, passed the Clean Air Act, the Clean Water Act, and the Toxic Substances Control Act. In 1970, also with broad bi-partisan support, President Nixon signed legislation creating both the Environmental Protection Agency (EPA) and the Occupational Safety and Health Administration (OSHA).

In January 2009, when President Obama was inaugurated, the leader of Republicans in the Senate, Mitch McConnell, declared, “We have a new president with an approval rating in the 70 percent area. We do not take him on frontally. We find issues where we can win, and we begin to take him down, one issue at a time. We create an inventory of losses, so it’s Obama lost on this, Obama lost on that. And we wait for the time when the image has been damaged to the point where we can take him on.” In 2010, just before the midterm elections, McConnell

⁴ Desilver, Drew. “U.S. income inequality, on rise for decades, is now highest since 1928,” December 5, 2013. Retrieved from <http://pewrsr.ch/1bkeYHr>

⁵ Short, Doug. “U.S. Census Bureau Data and the Bureau of Labor Statistics Consumer Price Index,” Advisor Perspective, Sept 23, 2015.

famously said that “the single most important thing we want to achieve is for Obama to be a one-term president.”⁶ Likewise, the Republican Leadership in the House met and vowed to obstruct Obama’s presidency in every way that they could.

In that same year, Obama decided to attempt what no president had been able to do in 40 years — pass a health care reform bill. Initially, several moderate Republican senators were working with the Obama administration to draft a bi-partisan bill, but they were pressured to withdraw from the negotiations. In 2010, the Affordable Care Act (ACA) barely passed with exactly the minimum number of votes needed, and without a single Republican vote. In the following years, the Congress voted 50 times to repeal the ACA without ever offering an alternative plan. **Are the Republicans opposed to the ACA because they really believe that it is a bad bill doing harm to people, or because they have wanted Obama’s presidency to fail?**

The political gridlock became worse after the 2010 mid-term elections when Tea Party conservatives became a powerful block in the Republican controlled House. Their mission was to never compromise. What followed were repeated maneuvers to shut down the government and to repeatedly pass bills to repeal the ACA. They forced House Speaker Boehner to break off negotiations with Obama at the last minute to reach a ‘grand bargain’ to avoid a government default. In the end, they forced Boehner to resign. The result has been near total gridlock.

By 2015, the anti-government position of the Radical Right in the Republican Party has prevented a long list of important issues from being addressed: Global warming; economic inequality; funding basic public services like the repair of America’s infrastructure; improving the ACA to expand health care coverage to millions of Americans; and campaign finance reform. They are opposed to any limits on campaign spending, and they want to shrink and privatize Social Security even though Americans overwhelmingly want to see Social Security expanded. And they are opposed to raising taxes on anyone, especially the very wealthy.

At the same time, the Democratic Party has become much more liberal in its positions. **What has caused the two parties to move so far apart and to become so divisive? What happened to the moderates and bi-partisan commitment to address the real needs of our nation? Why has the Republican Party become the ‘party of no’ — where it is more important to be obstructionist than to pass a positive agenda for the American people?**

⁶ MacGillis, Alec. NY Times, February 21, 2016.

3. Environmental Regulations

According to a national study done by Yale University in 2010, *American's Knowledge of Climate Change*, a majority of Americans believe that global warming is happening, while 19% say it is not happening, and 19% say they don't know. Half of Americans (50%) say that if global warming is happening, it is caused mostly by human activities. Over a third (35%) say that if it is happening it is caused by natural changes, while 7% reject the question and say global warming is not happening. Thirty three percent (33%) say that most scientists think global warming is happening, while 38% say there is a lot of disagreement among scientists whether or not global warming is happening.

In a poll by Gallup, from 2008 to 2010, "...the percentage of Americans who believed the world was warming had dropped a precipitous 14 points from 2008. Almost half of those polled by Gallup in 2010 (48%) believed that fears of global warming were 'generally exaggerated,' the highest numbers since the polling firm first posed the question more than a decade before." (Mayer, p. 224)

As late as 2003, over 75% of Republicans supported strict environmental regulations. (Mayer, p. 209) In 2014, among Democrats and Democratic leaners, 45% say they worry a great deal about the quality of the environment. This percentage drops to 16% among Republicans and Republican leaners.⁷

In December 2015, the Paris climate agreement was unanimously approved by 195 nations. The landmark accord commits nearly every country in the world to lower greenhouse gas emissions. The United Nations Secretary-General Ban Ki-moon said in an interview, "this is truly a historic moment. For the first time, we have a truly universal agreement on climate change, one of the most crucial problems on earth." Senator Jim Inhofe (R-Okla.), chairman of the Senate Environment and Public Works Committee, blasted the accord saying it is not binding, it doesn't change anything, that China and India would not be held to high standards, and demanded that the accord be submitted to the Senate for approval, which was not required since it was not a treaty.⁸ Inhofe has long been a critic of global warming and worked for months to undermine the Paris agreement before the conference. Inhofe has received repeated campaign donations from Koch Industries PAC. In December of 2015, the U.S. Supreme Court took the unprecedented action of blocking the EPA from regulating coal-fired power plants while the issue worked its way through lower courts. This action jeopardizes the Paris agreement because if the U.S. cannot regulate coal-fired power plants, it cannot keep its commitment in the climate agreement.

⁷ Retrieved from <http://www.gallup.com/poll/167843/climate-change-not-top-worry.aspx>

⁸ Cane, Timothy. *The Hill*, December 12, 2015.

There are two big questions here. The first is ***why does 38% of Americans believe that there is disagreement among scientists about global warming and 48% believe that fears about global warming are ‘generally exaggerated’, when in fact there is almost universal consensus among scientists?*** The second big question is ***even though nearly every nation on earth believes global warming is such a critical issue that they came to Paris with plans to address it, and signed the accord, why has the Republican Party adopted such a strong position against the science supporting global warming?*** What has caused them to move to this position over the past 15 years? Do they really not believe the overwhelming evidence that the earth is warming up at a dangerous rate and human beings are significantly contributing to it, or is there another reason?

4. Campaign Finance Reform

In a 2014 Washington Post article, Dan Balz observed, “When W. Clement Stone, an insurance magnate and philanthropist, gave \$2 million to Richard M. Nixon’s 1972 campaign, it caused public outrage and contributed to a movement that produced the post-Watergate reforms in campaign financing “for which there was bi-partisan support.” (Mayer, p. 8) For the 2016 election cycle, after the Supreme Court’s decision in Citizens United, the Koch brothers and their network have pledged nearly one billion dollars (\$889 million). There are no limits on political spending by outside groups, and their contributors can remain anonymous. The Republicans now are adamantly opposed to any regulations governing campaign spending. In July 2012, the Republicans blocked the DISCLOSE Act (also known as H.R. 5175), which would have required organizations spending \$10,000 or more to reveal their donors because in the 2012 cycle 81% of the dark money was going to Republicans.⁹ ***How did we get here, and why?***

5. The Republican Gains

According to Larry Sabato, a political science expert at the University of Virginia Center for Politics, the Republicans have won 11 governorships, 13 U.S. Senate seats, 70 former Democratic seats in Congress, 910 state legislative seats, and taken control of 30 state legislative chambers in the 2010 and 2014 midterm elections. It is a historical trend for two-term presidents to lose seats to the other party, but it has been worse than usual during Obama’s administration. This raises the questions of why and how? According to Sabato voters in midterm elections tend to be older and whiter and therefore more conservative. Young voters and minorities who tend to vote Democratic also tend to not show up for midterm elections. Also some of the lost Senate seats were in red states which favored the Republicans. Another reason, as Sabato points out, is that in the past voters were more centrist and would vote with one party in presidential elections but may vote for the other party in midterms. In

⁹ Statement from the Sunlight Foundation on the DISCLOSE Act vote, July 17, 2012.

recent years, as the parties have become more extreme in their positions, their members tend to vote a straight party line down the ballot and stay with their party.¹⁰ This analysis explains some of the reasons why the Democrats have lost seats in the last two midterm elections, but not why they have lost so badly.

The Underlying Problem/The Common Thread

The current configuration or status of these five issues: Income and wealth inequality, the political divide, environmental regulations, campaign finance reform, and recent Republican gains in the last two midterm elections all have a common underlying cause — wealthy white men (and a few wealthy women) who have used the tax laws to wage an underground four-decade-long campaign to shape public policy for their own self-interest at the expense of everyone else. It has been a stealth campaign to protect and increase their wealth, and to gain power. There is a common back story to each of these symptoms outlined above.

It is human nature to want to protect what we have and to want to pass on what we have to our heirs. It is also human nature to want the right to express our beliefs and to have the freedom to make an argument for what we value and think is important, and in doing so to influence what others think. That is why our founding fathers wrote the first amendment into the U.S. Constitution — defining our freedom of religion, speech, press, assembly, and petition. **But when this is done in a deceptive, dishonest way... When wealthy men and women use their wealth to distort the truth in order to manipulate and deceive the general population so they can gain political power and enhance their wealth, then we are in danger of losing our republic and becoming a plutocracy. And that is where we are.**

A republic is a form of government in which the power resides with citizens who have the right to vote for and elect representatives who are responsible to them and who govern by the law. A plutocracy is a country ruled or controlled by the small minority of wealthiest citizens. Legally, we are a constitutional republic. In reality, over the past forty years, we have been evolving into a shadow plutocracy.

A primary example is what has occurred during the past seven years of the Obama administration. In November 2008, Obama was elected President by the citizens of the republic. But in January 2009, shortly after his inauguration, the Koch brothers convened a meeting of some of the wealthiest men in America at the Renaissance Esmeralda Resort and Spa in Indian Wells, California. Their goal was to use their combined wealth to do everything they could to nullify Obama's election. They were committed to do everything they could to ensure that our republic failed. They were not meeting to commit to a plan for what they could

¹⁰ Sander, Katie. *PunditFact*: 'Have Democrats Lost 900 Seats in State Legislatures Since Obama Has Been President?', January 15, 2015.

do over the next four years for the American people. They were meeting to strategize how they could increase their own wealth and power.

Back in Washington, Mitch McConnell, the Republican Senate majority leader, announced his primary goal was to take Obama down one issue at a time to damage his approval ratings, and to ensure that Obama would be a one-term president. At the same time, the Republican leadership in the House met and committed to obstruct Obama in every way they could. The result, of course, has been seven years of even worse gridlock, not because the Republicans always had policy differences, but because they wanted to increase their political power.

As Jane Mayer writes: “The 112th Congress soon unfolded as a case study of what David Frum, an advisor to the former president George W. Bush, described as the growing and in his view destructive influence of the Republican Party’s ‘radical rich.’ The ‘radicalization of the party’s donor base,’ he observed, ‘propelled the party to advocate policies that were more extreme than anything seen since Barry Goldwater’s 1964 presidential campaign.’ It also ‘led Republicans in Congress to try tactics they would never have dared use before.’” (Mayer, p. 273)

Examples of this abound throughout the Obama administration. The Koch brothers and their network kept constant pressure on the administration to accept tax cuts that directly increased their wealth at the expense of everyone else. For years the Kochs and 17 of the wealthiest families in the country collectively spent half a billion dollars to lobby for an elimination of estate taxes, which they termed as ‘death taxes.’ These families would save \$71 billion dollars. In December 2010, Republican negotiators insisted on cuts in estate taxes that would cost the Treasury \$23 billion. This was two years after the 2008 financial meltdown.

Another prime example was the Koch’s influence over the House Energy and Commerce Committee. The previous Congress had successfully passed the cap-and-trade bill that died in the Senate. In this Congress, Koch Industries PAC was the single largest donor to 22 of the committee’s 31 Republican members and five of its Democratic members. Almost all of the members on the committee had signed the Koch’s “No Climate Tax” pledge, along with 156 members of Congress. The committee also led a crusade against alternative, renewable energy programs.

Currently the Koch brothers are opposing government subsidies for electric cars. Phillip Ellender, a spokesman for Koch Industries said, “What we oppose is government subsidizing and mandating a particular form of energy over another. We oppose all subsidies — even for those industries in which we participate.”¹¹ That has not been true historically. Koch Industries

¹¹ Fung, Brian. Washington Post: Tec Blog, February 19, 2016.

took full advantage of government tax credits and subsidies for their oil, ethanol, and pipeline businesses during the George W. Bush administration. (Mayer, p. 213)

One member of the Committee, in whose campaign the Kochs had heavily invested, was Morgan Griffith who represented Saltville, Virginia. Griffith led the charge in the House Republicans' war on the EPA and got the House to reduce its budget by 27%. The EPA had halted the flow of mercury from an Olin Corporation plant into Saltville's streams. Koch Industries has also had a steady stream of charges brought against them for violating environmental regulations with impunity. "In 2012, according to the EPA's Toxic Release Inventory database, which documents the toxic and carcinogenic output of eight thousand American companies, Koch Industries was the number one producer of toxic waste in the United States." (Mayer, p. 275) Koch Industries had spent over \$8 million in 2011 lobbying Congress, mostly on environmental issues.

Another example of the Koch brothers' shadow power on the Congress was Paul Ryan's April 2011 budget plan called "The Path to Prosperity." In the past there was not much support for it, but this time it easily passed in the House 235-193 without a single Democratic vote. This was after the huge Republican gains in Congress in the 2010 midterm elections. Among other things, it:

- Converted Medicare to a voucher system in which seniors could buy private medical insurance;
- Repealed Medicaid expansion as part of Obama's Affordable Care Act;
- Reduced the top income rate down to 25%, half of what it was under the Reagan administration, which had reduced it from 70% at the urging of the Heritage Foundation; and
- Prescribed massive cuts in government spending, with 62% of it coming from programs for the poor.

Robert Greenstein of the Center on Budget and Policy said the plan "would likely produce the largest redistribution of income from the bottom to the top in modern U.S. history." (Mayer, p. 294)

And then there was the battle in the spring of 2011 over raising the debt ceiling. As Mayer writes: "...the self-styled 'Young Guns,' backed by the Tea Party faction in the House, forced a fight over raising the debt ceiling, a pro forma measure long used to authorize payment of the country's financial obligations. It looked as if the Tea Party radicals were protesting profligate spending, but in fact all they were doing was refusing to formally authorize payment of funds that Congress had already appropriated, in essence refusing to pay congress's credit card bill after the previous year's shopping spree. In the end, their self-destructive fight hurt themselves

more than anyone else, but meanwhile the radicals' willingness to pitch the U.S. government into default created a national crisis. The increasingly desperate standoff might produce chaos and dysfunction, but that prospect merely served the conservatives' anti-government agenda." (Mayer, p. 296)

Mayer goes on to say "By 2011, the extremist upstarts had formed a powerful clique within the party's leadership and appeared itching to challenge Boehner's authority. Many owed more to the Kochs and other radical rich backers than they did to the party....Pushing the Young Guns forward toward the financial cliff was Americans for Prosperity, the Kochs' political arm. Some forty other Tea Party and antitax groups also clamored for all-out war. Among the most vociferous was the Club for Grow, a small, single-minded, Wall Street-founded group powerful for one reason: it had the cash to mount primary challenges against Republicans who didn't hew to the uncompromising line. The club had developed the use of fratricide as a tactic to keep officeholders in line after becoming frustrated that many candidates it backed became more moderate in office." (Mayer, p. 297)

Obama and Boehner were close to negotiating what they called a 'grand bargain' that would close some tax loopholes, which the Young Guns and Eric Cantor were opposed to because it would cut into the profits hedge funds and private equity firms (major contributors to Cantor's campaign fund). It was estimated that closing this one loophole would raise \$20 billion over the next decade. During this time Boehner went to New York to plead with David Koch for help. Obama thought he and Boehner had a deal, but Boehner suddenly stopped returning his phone calls and then publicly denounced Obama and blamed him for the failure to reach an agreement. The outcome of all of this was the "sequester" and America's credit rating being downgraded by Standard & Poor's (S&P) for the first time in history.

How Have They Done It?

They have accomplished this phenomenal power by using the tax code to their advantage. In his book, *Rich People's Movements: Grassroots Campaigns to Untax the One Percent*, Isaac William Martin, a professor of sociology at the University of California in San Diego, points out that the passage of the income tax in 1913 (the Revenue Act) was viewed as devastating by the wealthy, and set off a century-long campaign to roll back progressive forms of taxation. The same Revenue Act also defined 29 types of nonprofit organizations that are exempt from some federal income taxes, which the wealthy have used to promote their agenda.

Around this same time, John D. Rockefeller got permission from the state of New York (because he had failed to get permission from Congress) to set up a general-purpose private foundation so he could give away some of his mounting wealth. This began the practice of private foundations. By 1917, philanthropists convinced Congress to give them a tax break, so

Congress granted unlimited charitable deductions to private foundations. The term 'private foundation' was finally defined in the Internal Revenue Code in 1969.

Another tax structure is charitable remainder trusts which are authorized by the Internal Revenue Code. The concept of charitable trusts came over on the Mayflower and prior to the 1970's they were used by wealthy families to pass their assets on from one generation to the next. They did this by setting up charitable trusts that stipulated that all net income had to be donated to non-profit charities for a set number of years, usually 20 years, and after that time, the principal could pass to their beneficiaries tax free.

In time, instead of donating the profits from their trusts to public charities, wealthy families like the Kochs began making tax deductible contributions to their own private foundations:

- 501(c)(3) charities which may make grants to other organizations for charitable purposes (i.e., the DonorsTrust; the Foundation for Individual Rights in Education), or they may be set up as private operating foundations which run programs of their own (i.e., the Heritage Foundation; the American Enterprise Institute; George Mason University; the Cato Institute) — namely think tanks and academia organizations created to influence public policy.
- 501(c)(4) social welfare organizations, which are nonprofits operated for the promotion of social welfare, except that 49% of their assets can be spent on political activities and they do not have to reveal their donors.
- 501(c)(6) organizations in which the members share a common business relationship like a chamber of commerce or a real estate board.

501(c)(4) and 501(c)(6) organizations were set up as vehicles to funnel money for political and issue spending. Americans for Prosperity, the Center to Protect Patient's Rights, Freedom Partners, Libre Initiative, Americans for Limited Government, Club for Growth, Partnership for Ohio's Future, Americans for Tax Reform, and the Tea Party Patriots are examples of these types of organizations. In some cases, the organizations are simply post office boxes used to hide the money trail.

The advantage of these private foundation organizations are that they provide the donors with a tax deductible way to impact society however they please. The private foundations give them complete control on how to use their money, thus they are flexible and agile, and they provide cover for businessmen who want to stay under the radar.

Another important development in the history of private foundations is that think tanks were initially founded for the purpose of using social science to promote general public welfare (i.e., Ford Foundation; Brookings Institute; Russell Sage Foundation). According to John Judis, *The*

Paradox of American Democracy, with the creation of organizations like the Heritage Foundation and the Cato Institute, think tanks were turned into stealth political weapons driven by narrow private or partisan interests.

Key Figures in the Movement

In the spring of 1971, there were antiwar and student demonstrations, black power militants, Ralph Nader investigating auto safety hazards, and criticism of corporate America by liberal intellectuals. The late sixties and early seventies were a difficult time for the American business community because of the passage of a package of government environmental regulations and the creation of the Environmental Protection Agency. In the summer of 1971, two months before Lewis Powell was nominated to the Supreme Court by Nixon, he wrote a memorandum for the business league at the request of the Chamber of Commerce. His memo, “Attack on American Free Enterprise System” was a call to arms for corporate America to organize and fight back.

“...He urged America’s capitalists to wage ‘guerilla warfare’ against those seeking to ‘insidiously’ undermine them. Conservatives must capture public opinion, he argued, by exerting influence over the institutions that shape it, which he identified as academia, the media, the churches, and the courts. He argued that conservatives should control the political debate at its source by demanding ‘balance’ in textbooks, television shows, and news coverage. Donors, he argued, should demand a say in university hiring and curriculum and ‘press vigorously in all political arenas.’ The key to victory, he predicted, was “careful long-range planning and implementation,’ backed by a ‘scale of financing available only through joint effort.’ “ (Mayer, p. 75) And so it came to pass. Powell’s memo inspired and provided a battle plan for “...a new breed of wealthy ultraconservatives to weaponize their philanthropic giving in order to fight a multifront war of influence over American political thought.” (Mayer, p. 76)

Early figures in the war of influence included:

- **Richard Mellon Scaife** (Mellon Banking; Alcoa; Gulf Oil) through his foundations, the Carthage Foundation and the Sarah Scaife Foundation, spent \$1 billion over a 50 year period from 1964 to 2014 to influence American public affairs. He supported 133 of the conservative movement’s most important organizations, and was the largest supporter of the Heritage Foundation for several decades. He also financed the investigation of Bill Clinton that provided Congress with what they needed to hold impeachment hearings.
- **Joseph Coors** (Coors Brewing Company) was a supporter of the John Birch Society and the first donor to the Heritage Foundation.

- **Paul Weyrich** was co-founder of the Heritage Foundation which was formed to be a clandestine front group for businessmen. "The organization we propose would screen him (businessmen) and provide him a vehicle which would in effect do his political work for him at a price." (Mayer, p. 81) He established the Republican Study Committee who were the only outside activists who regularly caucused with Republican members of Congress. He led the Heritage Foundation's efforts to suppress voter turnout as he stated in 1980 "I don't want everybody to vote. As a matter of fact our leverage in elections quite candidly goes up as the voting populace goes down." (Mayer, p. 329)

Importantly, Weyrich also founded the American Legislative Exchange Council (ALEC). Richard Mellon Scaife provided most of its start-up funding, and the Koch Industries had a representative on its board for over two decades and were heavy financial supporters. ALEC defines itself as a tax-exempt 501(c)(3), but it in reality is a corporate lobbying group. "Thousands of businesses and trade groups paid expensive dues to attend closed-door conferences with local officials during which they drafted model legislation that state legislators subsequently introduced as their own. On average, ALEC produced about a thousand new bills a year, some two hundred of which became state law. The State Policy Network's think tanks, some twenty-nine of which were members of ALEC, provided legislative research." (Mayer, p. 346)

In 2009, ALEC's influence increased. "The Policy Network added its own 'investigative news' service, partnering with a new organization called the Franklin Center for Government and Public Integrity and sprouting news bureaus in some forty states. The reporters filed stories for their own national wire service and Web sites. Many of the reports drew on priorities of ALEC. Frequently, the reports attacked government programs, particularly those initiated by Obama. The new organizations claimed to be a neutral public watchdog, but much of its coverage reflected the conservative bent of those behind it....Cumulatively, these three groups created what appeared to be a conservative revolution bubbling up from the bottom to nullify Obama's policies in the states. But the funding was largely top-down. Much of it came from giant, multinational corporations, including Koch Industries, the Reynolds American and Altria tobacco companies, Microsoft, Comcast, AT&T, Verizon, GlaxoSmithKline, and Kraft Foods....Much of the money went through DonorsTrust, the Beltway-based fund that erased donors' fingerprints." (Mayer, p. 347)

Weyrich also co-founded the Moral Majority with Jerry Falwell in order to bring the social and religious conservatives into their fold.

- **John Olin** (Olin Corporation, a chemical and ammunitions company) was a key sponsor of the American Enterprise Institute and set up the John M. Olin Foundation in 1953 to change the slant of American higher education. His foundation spent about half of its assets of \$370 million promoting free market, anti-regulatory ideology on prestigious campuses. In 1973, the EPA singled out the Olin Corporation for egregious pollution practices in several states, including falsifying records of its dumping of 66,000 tons of toxic waste including mercury into a landfill in Niagara Falls, New York. The Olin Foundation, under the leadership of William Simon, developed the ‘beachhead’ theory, a practice of establishing conservative beachheads in the most prestigious schools by funding like-minded faculty members, and establishing conservative institutes named after important historical figures — hence Princeton’s Madison Program. His proudest achievement was the establishment of his Law and Economics programs in American law schools (beginning at Harvard), which stressed the need to analyze the economic impact of government regulations. Most controversial were the Law and Economics two-week all expenses paid seminars in luxurious settings. Within a few years, 40% of the federal judiciary participated, including Ruth Bader Ginsberg and Clarence Thomas.
- **The DeVos Family**, Richard, Richard Jr. ‘Dick’ and his wife Betsy, and Jay Van Andel (Amway), were leading members of the Dutch Reformed Church which became a vitriolic part of the Christian Right and crusaded against abortion, homosexuality, feminism, modern science that conflicted with their teachings, and government intervention. They were investigated by the Federal Trade Commission and the Internal Revenue Service for being a pyramid scheme. The charges were dropped after DeVos and Van Andel had a meeting with President Ford in the White House. They were later charged by the Canadian government for a 13 year tax fraud scheme that had lowered their tax bill by \$26.4 million. They eventually pleaded guilty and paid a \$20 million fine in exchange for the criminal charges being dropped, and an additional \$38 million to settle a related civil suit.

Beginning in 1970, they donated at least \$200 million to multiple conservative organizations like the Heritage Foundation. In 1997, Betsy DeVos, Dick’s wife, became a board member of the James Madison Center for Free Speech. “The nonprofit organization’s sole goal was to end all legal restrictions on money in politics. Its honorary chairman was Senator Mitch McConnell, a savvy and prodigious fund-raiser.” (Mayer, p. 234)

James Bopp Jr. was the Center’s general counsel, and while Bopp listed himself as an outside contractor, every tax deductible dollar given to the Center went to Bopp’s law

firm. Bopp developed a 10-year plan to eliminate campaign finance limits. Using liberals' civil rights and free speech language against them, Bopp "...manufactured these cases to present certain questions to the Supreme Court in a certain order and achieve a certain result..." (Mayer, p. 236)

The result was the Supreme Court's decision in *Citizens United* in 2010. In the summer of 2009, the Koch donor summit raised \$13 million. After *Citizens United*, they raised \$900 million in a single fundraising session. "It unshackled the big money," David Axelrod contends. "*Citizen's United* unleashed constant negativity, not just toward the president, but toward government generally. Presidents before have been under siege, but now there is no longer the presumption that they are acting in the public interest. There's a pernicious drumbeat." After the ruling, he said, "we felt under siege." (Mayer, p. 239)

Even before *Citizens United*, in a 1996 column that she wrote for the Capitol Hill newspaper *Roll Call*, Betsy DeVos defended the unlimited contributions: "'I know a little something about soft money, as my family is the largest single contributor of soft money to the national Republican Party. I have decided, however, to stop taking offense at the suggestion that we are buying influence. Now I simply concede the point. They are right. We do expect some things in return. We expect to foster a conservative governing philosophy consisting of limited government and respect for traditional American values. We expect a return on our investment; we expect a good and honest government. Furthermore, we expect the Republican Party to use the money to promote these policies, and yes, to win elections'. People like us, 'she concluded archly, 'must surely be stopped.' "(Mayer pp. 235,236)

- **Sean Noble** – In 2009, Randy Kendreck, a wealthy Arizona Republican, was vehemently opposed to Obama's health care proposal. She asked Sean Noble, an Arizona political operative to become her political consultant. In April 2009, they incorporated the Center to Protect Patient Rights (CPPR). This organization headed by Noble led the fight against the Affordable Care Act (ACA) which included targeting key members of congress, especially moderate Republicans who were working with the Obama administration to draft the plan. In August 2009, they launched a very successful phony grassroots campaign to disrupt Democratic congressmen and senators' town hall meetings. FreedomWorks and a website called Right Principles.com instructed Tea Partiers how to disrupt the meetings so it seemed spontaneous, and that they had a large number of angry voters. (I experienced one of these meetings in Portland, Oregon that summer.) These meetings were a turning point in turning people against Obama's

proposed plan, causing the moderate Republicans to withdraw. Noble was also instrumental in getting Scott Brown elected to fill Ted Kennedy's senate seat in Massachusetts which caused the Democrats to lose their 61 seat majority in the Senate. In the end the ACA passed with exactly the number of votes it needed, and not one Republican vote.

The passage of the ACA in March 2010, following on the heels of the Supreme Court decision the previous January in *Citizens United*, ignited Republican donors to contribute enormous sums of money to defeat the Democrats in the 2010 midterm elections. Immediately after *Citizens United*, a small group of wealthy Republicans met in Karl Rove's living room. It was at this meeting that an integrated, highly coordinated strategy was created to win the 2010 midterm elections. Rove created Crossroads and Crossroads GPS, a 501(c)(4) funded by Texas oil money and the Citizens to Protect Patient Rights. Noble, who at this point was on the payroll of the Kochs, raised \$75 million for CPPR to win House seats. Ed Gillespie who had previously created REDMAP to take Republican control of state legislatures and governorships focused on his state strategy. The U.S. Chamber of Commerce worked closely with Rove's and Nobel's groups. As a result, the Democrats suffered massive losses.

- **Ed Gillespie** – Every ten years, state legislatures redraw their congressional districts based on the new census data. The political party that controls the legislature is in the position to gerrymander the districts to their advantage, and thereby create safe districts that guarantees them control of those seats for the next decade. Redistricting would occur again in 2011.

Ed Gillespie, former chairman of the Republican National Committee who had made a fortune as a Washington lobbyist, understood this. He created a strategy to win seats in state legislatures and governorships so he could put them in the Republican column. He called his strategy REDMAP – Redistricting Majority Project.

When *Citizens United* occurred in January 2010, he realized it provided him with the opportunity to raise large sums of money that could be funneled through (c)(4) social welfare nonprofits that would hide the names of the donors. To implement his plan, he took over the Republican State Leadership Council (RSLC), a nonprofit used by corporations who wanted to influence state laws. In April 2010, Gillespie initiated the meeting described above that took place in Karl Rove's living room. The 20 men who met there formed a 'war council' that came to known as the Weaver Terrace Group. "Kenneth Vogel, in *Big Money*, describes it as 'the birthplace of a new Republican Party'

– one steered by just a handful of unelected operatives who answered only to the richest activists who funded them.” (Mayer, p. 249)

As Mayer explains in *Dark Money*, “To hide their hands, the operatives steered the funds to a plethora of obscure, smaller groups. This also helped satisfy the legal requirement that no single public welfare group spend more than half of its funds on elections. Soon, to the unschooled eye, a rash of spontaneous attacks on Democrats appeared to be breaking out all across the country. In reality, the effort was so centrally coordinated, as one participant put it, there wasn’t one race in which there were multiple groups airing ads at the same time.” (Mayer, p. 249)

Gillespie funneled money into state races in Michigan, Wisconsin, Ohio, and other states, but his test case was North Carolina. North Carolina had been a purple state that Obama had won in 2008. The Democrats had dominated the state legislature for 100 years. Gillespie enlisted James Arthur “Art” Pope, the multimillionaire chairman and CEO of Variety Wholesalers, a family-owned discount-store chain. Through his Pope family foundation Pope had spent \$40 million in the previous decade in an effort to push American politics to the right. Pope was the major funder of Gillespie’s strategy in North Carolina.

As in other states, Gillespie used the tactic of funneling money through newly created social welfare nonprofits that had local-sounding names and did not include the word Republican – like Real Jobs NC which ran attack ads against twenty different Democrats around the state. The result was a Republican rout. They won 18 of the 22 local legislative races targeted by Pope and his organizations, which placed both chambers of the general assembly under Republican control for the first time since 1870.

The pattern repeated itself across the nation. As Mayer writes, at the last minute when he realized what was happening, “Obama tried to warn voters that Republicans were trying to steal the elections with secret, special-interest cash. He began speaking out on the campaign trail about how *Citizens United* has allowed ‘a flood of deceptive attack ads sponsored by special interests using front groups with misleading names....groups with harmless sounding names like Americans for Prosperity.’ In the final days before the election, the Democratic Party aired a national ad...but it was almost impossible to explain to the public in sound bites the connections between the sea of dark money the donors’ financial interests, the assault on Obama’s policies, and their lives. The conventional wisdom among professional political consultants was that Americans either didn’t get it or just didn’t care.” (Mayer, p. 265)

As mentioned earlier, the Democratic losses in the 2010 midterms were massive. The Republicans took control of the House, picked up 12 Senate seats, and won 910 state legislative seats across the country. “As a consequence of their gains, Republicans now had four times as many districts to gerrymander as the Democrats. By creating reliable safe seats, they could build a firewall protecting the Republican control of Congress for the next decade.” (Mayer, p. 266)

What followed was the highly dysfunctional and dramatic 112th Congress on the national scene described earlier. But there was another story playing out in North Carolina. Their gerrymandered redistricting plan, funded by outside dark money, “severely reduced the number of seats that Democrats could win... by packing minority voters into three districts that already had high concentrations of African-American voters”. (Mayer, p. 335) North Carolina’s congressional delegation went from seven Democrats and six Republicans to nine Republicans and four Democrats.

Meanwhile, the new Republican governor, Pat McCrory, named Pope as the state’s budget director. Within months the legislature overhauled the state’s tax code and budget following the guidelines from two conservative think tanks created by Pope. The legislature enacted conservative policies that had been developed by these same think tanks. “The legislature slashed taxes on corporations and the wealthy while cutting benefits and services for the middle class and the poor. It also gutted environmental programs, sharply limited women’s access to abortion, backed a constitutional ban on gay marriage, and legalized concealed guns in bars and on playgrounds and school campuses. It also erected cumbersome new bureaucratic barriers to voting. Like the poll taxes and literacy tests of the segregated past, the new hurdles, critics said, were designed to discourage poor and minority voters, who leaned Democratic...The legislature eliminated the earned-income tax credit for low-income workers. It also repealed North Carolina’s estate tax, a move that was projected to cost the state \$300 million in its first five years....At the same time, the legislature cut unemployment benefits so drastically that the state was no longer eligible to receive \$780 million in emergency federal unemployment aid for which it would otherwise have qualified. As a result, North Carolina, which had the country’s fifth-highest unemployment rate, soon offered the most meager unemployment benefits in the country....the state also spurned the expanded Medicaid coverage for the needy that it was eligible for at no cost under the Affordable Care Act. This show of defiance denied free health care to 500,000 uninsured low-income residents.” To make up for the budget shortfalls, the legislature gutted the public school and higher education budgets. (Mayer, p. 339, 340)

And then there was the Koch Family:

Charles and David Koch's father, Fred Koch, built refineries for Great Britain, Stalin, and Hitler in the late 1920's and early 1930's. Fred's willingness to work with Stalin and Hitler created the Koch family's early fortune. Fred Koch and his wife had four sons: Freddie, Charles, and the twins - David and Bill. Fred was a tough disciplinarian who readily used corporal punishment. He admired the German way of life and hired a harsh and demanding German nanny to care for Freddy and Charles whom the boys despised. Charles emerged as the dominate leader of the boys. David attached himself to Charles.

In order to keep Charles from harassing his brothers, his parents sent him away to boarding school at the age of eleven. For the next 15 years, he was rarely at home. After Charles was expelled from Culver Military Academy he was exiled to live with his relatives on a ranch in Texas. The outcome of all of this was that Charles developed a strong resentment of being controlled by authority and a strong need to be in control.

Fred Koch was one of the founding members of the John Birch Society which spread conspiracy theories about Communist plots to infiltrate America. Fred Koch underwrote the marketing of books and pamphlets. Ironically the John Birch Society adopted the practices of the Communist Party which relied on stealth, subterfuge, secrecy, manipulation, deceit, and dishonesty – tactics which the Charles and David have used throughout their forty year campaign to gain political power. Although Charles and David joined the John Birch Society, they did not adhere to their father's strong anti-communist conspiracy views.

At his father's request, in 1961 Charles returned to Wichita and helped his father run the family business. Fred Koch died in 1968. During this time Charles became enamored with Robert LeFevre's libertarian Freedom School in Colorado Springs which was adamantly opposed to America's government. The school advocated that there should be no taxes, government programs for the poor, no military, no police departments, no public schools, no health or zoning laws, and no government sponsored integration – in short, no government. Charles became a financial supporter of the school. This was the beginning of his support for libertarian causes.

Fred died in 1968 as the wealthiest man in Kansas, and passed his estate on to his four sons tax-free through a charitable trust. One year later Charles took over as CEO of Koch Industries. The primary asset of the company was the Pine Bend Refinery in Minnesota

which, by 2015, was the world's largest exporter of Canadian oil — 25 percent of U.S. imports each day from Canada's tar sands. In 1970, David and Bill joined the company. In 1980 Bill and Fred tried to get control of the company from Charles. In 1983, David and Charles bought out their brothers for \$1.1 billion which left Charles and David each owning 40% of the company's stock. What followed was 17 years of litigation between the brothers with Bill and Freddie arguing that David and Charles had been dishonest about the true value of the company. Frederick did not speak to Charles the rest of his life, and Bill founded his own energy company.

With Charles in control the company, Koch Industries grew rapidly, and as their fortunes grew, they invested heavily in promoting libertarian politics in America. Clayton Coppin, in his unpublished 2003 report *Stealth*, "...suggests that Charles harbored a hatred of the government so intense it could only be truly understood as an extension of his childhood conflicts with authority...Charles went to great lengths to ensure that neither his brothers nor anyone else could challenge his personal control of the family company. Later clashes with unionized workers at the Pine Bend Refinery and with the expanding regulatory state strengthened his resolve. 'Only the governments and the courts remained as sources of authority,' Coppin writes, and if enacted, Charles's 'libertarian policies would eliminate these.'" (Mayer, pp. 53, 54)

In the evolution of Charles' thinking, in 1976 he funded a conference called the Center for Libertarian Studies, at which he delivered a paper outlining his thinking for how to take control of American politics. His plan involved following the tactics and secrecy of the John Birch Society, but also cultivating credible leaders and a positive public image while developing cooperative relationships with the media. In 1978, he wrote an article for the *Libertarian Review* arguing that libertarians needed to organize. "Ideas do not spread by themselves: they spread only through people. Which means we need a *movement*...our movement must destroy the prevalent statist paradigm." (Mayer, p. 54)

In 1980, Charles persuaded David to run for vice-president on the Libertarian ticket. The party's platform that year called for the abolition of all campaign finance laws, the Federal Election Commission, Medicare and Medicaid, all income and corporate taxes, the Security and Exchange Commission, the Environmental Protection Agency, the FBI and the CIA, the Food and Drug Administration, The Occupational Safety and Health Administration, seat belt laws, and all forms of welfare. That year the Libertarian party got only 1% of the vote.

From that experience, instead of seeking power through public office, the Kochs decided to wage an evolving, complex, covert campaign to promote their libertarian agenda. Essentially following Lewis Powell's battle plan and the John Birch Society's tactics, they have created their own wide assortment of nonprofit organizations, and they have secretly funded other ultraconservatives' nonprofits to change Americans' thinking and to build their political power base. As is typical for wealthy plutocrats, they have tried to do this by secretly exerting their power behind the scenes. This is especially true of Charles, while David has played the role of public philanthropist to gain them respectability.

In 1976, Charles transformed his private foundation into the Cato Institute, the first libertarian think tank, with \$10 to \$20 million tax-deductible donations during its first three years. He hired Ed Crane, a California financier to head the institute, but Charles maintained complete control. From the beginning, Charles has professed that the institute was neutral and disinterested, but in reality, it was Charles' vehicle to promote his libertarian agenda of lower taxes, looser government regulations, and fewer government programs for the poor and middle class — all of which supported "Kochs' accumulation of wealth and power." (Mayer, p.88)

During the 1990's, Koch Industries suffered a number of legal setbacks. As mentioned earlier, they had flaunted environmental regulations with impunity. They were sued by the Justice Department for massive oil leaks, benzene emissions, and mercury leaks and paid millions of dollars in fines. In 1996 they were sued for the deaths of two people who burned to death in their car because of butane gas leaks from Koch Industry pipelines. The Kochs ended up paying a fine of \$296 million. The Senate investigated them for stealing oil from Native Indian lands in Oklahoma, but the Kochs paid off the right people to get the case dismissed by a grand jury. However, their brother Bill filed a whistle blower lawsuit against them for the same case and won a large settlement.

After suffering these defeats in Congress and the courts, the Kochs enlisted Richard Fink to help them develop a new strategy. Fink had helped Charles turn George Mason University into a libertarian institution. He had headed the Mercatus Center at George Mason, which was an anti-regulatory lobbying group posing as a disinterested academic group. In 1980, Fink stepped down from the Center and went to work as Charles' chief political lieutenant for both his business and his political agenda.

Fink studied the Koch's problems for six months and then wrote a three-phase plan to take over American politics called *The Structure of Social Change*. "The first phase

required an ‘investment’ in intellectuals whose ideas would serve as the ‘raw products’. The second required an investment in think tanks that would turn the ideas into marketable policies. And the third phase required the subsidization of ‘citizen’ groups that would, along with ‘special interests,’ pressure elected officials to implement the policies. It was in essence a libertarian production line, waiting only to be bought, assembled, and switched on.” (Mayer, p. 142)

Charles bought into the plan. “It must span, he said, ‘ideas creation to policy development to education to grassroots organizations to lobbying to political action.’” This process became known as the *Kochtopus*. (Mayer, p. 142)

Fink also convinced Charles it was to his advantage to come in from the fringes and become a part of the established political process, so the Kochs got in bed with the Republican Party by becoming major donors. This has come back to bite the Republican Party as the Kochs gained more and more power over the Party. The Kochs have pushed them to more and more extreme positions, and they have used fratricide (i.e., running more conservative Republicans against Republican incumbents) to threaten them if they refuse to do what the Kochs want. Because Charles wants absolute control with no resistance, the Kochs have set up their own shadow political party structure independent of the Republican Party. This has long been Karl Rove’s dream.

Charles has implemented Fink’s plan ever since to fight his anti-government campaign. “In 1992, David Koch likened the brothers’ multipronged political strategy to that of venture capitalists with diversified portfolios. ‘My overall concept is to minimize the role of government and to maximize the role of the private economy and to maximize personal freedoms,’ he told the *National Journal*. ‘By supporting all of these different [nonprofit] organizations I am trying to support different approaches to achieve those objectives. It’s almost like an investor investing in a whole variety of companies. He achieves diversity and balance. And he hedges his bets.’

What resulted from this approach was a complicated flowchart enabling the Kochs to use their fortune to influence public policy from an astounding number of different directions at once. At the top, the funds all came from the same source – the Kochs. And in the end, the contributions all served the same pro-business, limited-government goals. But they funneled the money simultaneously through three different kinds of channels. They made political contributions to party committees and candidates, such as Dole. Their business made contributions through its political action committee and exerted influence by lobbying. And they founded numerous nonprofit groups, which

they filled with tax-deductible contributions from the private foundations. Other wealthy activists made political contributions, and other companies lobbied. But the Kochs' strategic and largely covert philanthropic spending became their great force magnifier." (Mayer pp. 145, 146)

"Only the Kochs know precisely how much they spent on this sprawling political enterprise, because the public record remains incomplete. By dispersing much of the money through a labyrinth of nonprofit groups, the Kochs made the full extent of their political 'investment' difficult if not impossible for the public to detect. In 2008 alone, public records indicate that the three main Koch family organizations gave money to thirty-four different political and policy organizations, three of which they founded and several of which they directed." (Mayer, p. 147)

By 2015, the Kochs were subsidizing pro-business, anti-tax, anti-regulatory programs in 307 different universities, had financially supported organizations like the state-level 'bill mill' ALEC, and had created a plethora of think tanks to produce policy papers and to lobby the legislature for his agenda. They had created fake populist grassroots "Astroturf" synthetic demonstrations and movements through Citizens for a Sound Economy (which he had set up in 1984), and when it self-destructed in 2003, he and Fink created Americans for Prosperity as a 501(c)(3) and social welfare (c)(4) to both continue the agenda of CSE and well as to serve as a private bank for a plethora of political assaults.

In 2003, the Kochs began holding their semiannual donor summits. These have been shrouded with extreme secrecy. Cell phones and electronic devices are confiscated. White noise is played around the perimeter to prevent eavesdropping. Attendees are cautioned to not take written notes. Only one attendance list has been discovered. The combined net wealth in 2015 of the 18 known attendees was \$214 billion. (Mayer, p. 9) Coal, oil, and gas magnates formed the core of the Koch donor network. The amount the donor summits raised exploded after Citizens United. In the January 2015 summit, attendees pledged \$889 million — not for cancer research or creating jobs or any other worthwhile goal, but simply to gain political power...which sounds a lot like an oligarchy.

The Kochs have been behind every major conservative battle for the past three decades, especially since Obama was elected, including the No Stimulus Effort, Citizens United, trying to prevent the Affordable Care Act, the anti-tax battles, and the climate change fight. They are responsible for the Republican Party's united stance of obstructionism against anything the Obama administration has tried to do. As Eric Cantor, the former

Republican whip and founder of the Young Guns in Congress said in a private planning meeting in his Washington condo, “We’re not here to cut deals and get crumbs and stay in the minority for another forty years....Instead, he argued, the Republicans needed to fight. They needed to unite in opposition to virtually anything Obama proposed in order to deny him a single bipartisan victory.” (Mayer, p. 172)

A major development since 2012 is that the Koch network has created its own shadow political party to supplant the Republican Party. “Computers had transformed the business of winning elections into a rapidly changing high-tech competition for massive amounts of voter data. Realizing that its data operation had fallen woefully behind in 2012, the Koch network took serious remedial action. Freedom Partners, as the Koch donors now referred to themselves, quietly made a multimillion-dollar investment in i360, a state-of-the-art political data company, which then merged with the Kochs’ troubled data collection effort, Themis. Soon the operation had hired a hundred staffers and assembled detailed portraits of 250 million U.S. consumers and over 190 million active voters. Field workers for the Kochs’ many advocacy groups were armed with handheld devices on which they constantly updated the data. Their political operatives could then determine which voters were ‘persuadable’ and bombard them with personalized communications aimed at motivating them to vote or to stay home.

The Kochs’ development of their own data bank marked a pivotal moment in their relationship with the Republican Party. Until then, handling the voter files had been a core function of the Republican National Committee. But now the Kochs had their own rival operation, which was by many accounts easier to use and more sophisticated than that of the RNC. Several top Republican candidates started to purchase i360’s data, even though they were more expensive, because they were better. With little other choice, in 2014 the RNC struck what it called an ‘historic’ deal to share data with the Kochs. But the détente was reportedly strained. By 2015, the acrimony had broken out into the open as Katie Walsh, the chief of staff at the RNC, all but accused the Kochs of usurping the Republican Party.

In an extraordinary public rebuke, she told *Yahoo News*, ‘I think it’s very dangerous and wrong to allow a group of very strong, well-financed individuals who have no accountability to anyone to have control over who gets access to the data when, why and how.’

Michael Palmer, the president of i360, punched back, saying, ‘We believe that a robust marketplace...is a healthy way to advance past the single monopoly model that has

failed the Republican Party in recent presidential elections.’ Having embraced the Kochs’ free-market ideology and their right to spend unlimited money, the Republican Party was now ironically finding itself sidelined and perhaps imperiled by the rapaciousness of its own big donors. Alarmed, a source ‘close to the RNS’ told *Yahoo*, ‘It’s pretty clear that they don’t want to work with the party but want to supplant it.’

If in 2012 the Kochs had rivaled the Republican Party, by 2014 they had in many ways surpassed it. ‘They’re building a party from outside to take over the party – they’re doing it by market segments – it’s like a business plan,’ observed Lisa Graves, the head of the Center for Media and Democracy, a liberal watchdog group that studied the mechanics of political manipulations.

Americans for Prosperity had expanded its ground game to 550 paid staffers, with as many as 50 in a single pivotal state like Florida, as *Politico* reported. Other Koch-backed advocacy groups, such as Generation Opportunity and the LIBRE Initiative, planted grassroots organizers wherever there were hotly contested elections. The Koch constellation also added Aegis Strategic, an organization that aimed to recruit and train candidates. This way the Koch network could avoid the kinds of flaky misfits who had plagued Republicans in 2012.” (Mayer, pp.368, 369) This new shadow party does not have a name of course; it has the Republican Party as its front organization. The Kochs have come a long way since 1980 when David got only 1% of the vote running for vice president.

Other names to remember:

The Koch network is made up wealthy donors and their political operatives. Some of the big donors are: Charles and David Koch, Sheldon Adelson (Las Vegas Sands casino mogul), Harold Hamm (Continental Resources fracking operation in North Dakota), Stephen Schwarzman (Blackstone), Philip Anschutz (Qwest Communications), Stephen Cohen (SAC Capital Advisors), John Menard Jr. (Menard home improvement stores in Wisconsin), Ken Griffin (Citadel hedge fund), Charles Schwab, Diane Hendricks, Ken Langone (Home Depot and investment banker), John Childs (Thomas H. Lee Partners private equity investors), Stephen Bechtel Jr. (Bechtel Corporation), Richard Farmer (Cintas Corporation), Stan Hubbard (Hubbard Broadcasting), Joe Craft (coal baron), Paul Singer (Manhattan Institute), Robert Mercer (Renaissance Technologies), Richard Strong (Strong Capital Management, Richard DeVos (co-founder of Amway), Corbin Robertson Jr. (Quintana Resources Capital oil company), and Richard Gilliam (Cumberland Resources coal mining concern). What many of these donors have in common is

antagonism toward the government because they had tax and regulatory-related legal problems with the government.

And then there are their political operatives: Sean Noble (Center to Protect Patient Rights), Michael Hartz (TC4 Trust), Richard Fink (president of the Charles G. Koch Foundation, the Knowledge & Progress Fund, and the Claude R. Lambe Foundation), Karl Rove (Crossroads and Crossroads GPS), Ed Gillespie (REDMAP and the Republican State Leadership Council), Jim DeMint (Heritage Foundation), Dick Armey (FreedomWorks), Arthur Brooks (American Enterprise Institute), Tim Phillips (Americans for Prosperity), and Edward Crane (Cato Institute).

What's obvious here?

Many of the wealthiest citizens have wanted to control American politics so they can get laws passed that allow them to become even wealthier. They espouse libertarian principles of free markets and limited government, which means they want to be free to do whatever they want to do to amass more wealth. By free markets and limited government they mean no inheritance taxes, no income taxes or at least lower rates, no environmental or safety regulations that will limit their profits, and no services or programs for the poor or middle class that will take money out of their pockets.

To accomplish this they have waged a four-decade long, covert, and deceptive campaign to change how the general public thinks (to get them to believe in libertarian principles), to influence the judiciary, and to win elections so they can control the executive and legislative branches of government. To change the thinking and beliefs of the American public and to influence the legislative process, they have:

- Deceptively bought influence in American universities.
- Manufactured phony grassroots groups to create the appearance that there is a ground swell of support for their agenda.
- Co-opted the Tea Party movement to serve as a ground force to promote their agenda;
- Used think tanks as political weapons to write papers and develop policies based on false science and then repeatedly marketed their message until people believe it.
- Created their own conservative media vehicles, paid conservative talk radio celebrities under the table to present their scripts, and used Fox News to disseminate their message.

To accomplish their electoral goals and to control the legislative branches of both the state and the federal government, they have:

- Through Ed Gillespie's REDMAP project, secretly bought elections on the state and local level so they could get favorable bills passed on the state level, and so they could gerrymander federal congressional districts;
- Created a 'bill mill', ALEC, with special interests to write model legislation that they then pass on to like-minded state legislators who then introduce the bills as their own;
- Threatened Republican politicians, through the Club for Growth, who will not toe the line with their agenda by running more conservative candidates against them in primaries;
- Waged a decade-long battle to eliminate any restrictions on campaign spending;
- Made the Federal Election Commission (FEC) powerless by getting one of their own appointed as the chairman of the commission — the wolf guarding the henhouse; and
- Now they have created their own shadow political party to supplant the Republican Party.

To influence the judicial branch, they have used their institutes and positions in universities to create programs, like the Law and Economics program, to indoctrinate huge numbers of federal judges in their paradigm.

To finance all of this, they have used and manipulated the tax code related to 501(c)(3), (4), and (6) organizations, which has allowed them to make tax-deductible donations to their own foundations to wage their battles, and to solicit money from other wealthy donors and hide their identities. Following the example of the John Birch Society, they have done all of this secretly and deceptively because they knew they could not get away with it if people really understood what they were doing.

Examples of this are:

- They use social welfare 501(c)(4) organizations to fund much of their political activity because their donations are not only tax deductible but hidden. They get around the 49% limit that can be spent on political activity by creating or using multiple social welfare organizations on a given project, which also helps them hide the money trail. They created the model all the way back in 1996 with a shell organization called Triad Management Services which ran attack ads against Democrats in 29 races. (Mayer, p. 144)
- They use neutral names for their institutes and programs in higher education, and for their nonprofit organizations, to hide the real nature of what they are doing.
- The Kochs and their cohorts secretly pay Rush Limbaugh and Glenn Beck to promote their ultraconservative views on talk radio (The Heritage Foundation pays the company that syndicates Limbaugh's broadcasts, Premiere Networks, \$2 million a year to

promote its issues, and FreedomWorks pays \$1 million a year to Glenn Beck to “read ‘embedded content’ written by the FreedomWorks staff.”) (Mayer, pp. 172 and 183).

- They have waged a relentless campaign of producing false propaganda that they know is not supported by science to create doubt in the public’s mind about issues like global warming, and they just keep repeating their lies because they know that if they do that, a percentage of the population will believe it is true.
- The extreme secrecy around the Koch donor summits.
- The fake populist grassroots movements they created through the Citizens for a Sound Economy and Americans for Prosperity, as well as their success of co-opting the Tea Party movement to fight for their agenda.
- The Kochs have set up their own shadow political structure outside of the Republican Party in terms of a national database and operatives in every state.
- The Kochs’ new deceptive “welfare” public relations campaign to hide their real intent.

Why Does All of This Matter?

This is what I believe:

The answers to this go back to the five symptoms outlined above and the questions raised at the beginning of this paper. Income inequality has become extreme. The poor are getting poorer and the middle class is disappearing, while the rich get phenomenally richer and more powerful. According to Robert Reich, in *Saving Capitalism*, 63% of Americans have less than \$500 saved for emergencies.

The extreme political divide that exists in America today is the direct result of the campaign that the Kochs and their cohorts have waged the last 40 years. They have pushed the Republican Party to the extreme right which has caused a counter response pushing the Democratic Party to the left. It has also created a civil war within the Republican Party that has left it divided and chaotic.

The principle of force fields is that when one force pushes against another, the second force pushes back with equal or greater force to protect itself. What this means in human relations, is that when someone pushes against us, we push back and the result is that we become further apart and competitive, or worse still, embattled.

When we view that principle through the lens of developmental psychology, it gives us insight into what causes relationships to fail or to flourish. We human beings develop through cognitive and emotional stages throughout our lives. We are conscious of the physical development occurring in people as they get taller and stronger and more coordinated. A similar less obvious process is going on inside of us in terms of our cognitive and emotional

development. We develop increasingly more complex ways to think and to emotionally be in the world.

As adults, we move in and out of different levels of development each day. As we become more rested and safe, and supported and successful, we become older or more complex or more mature; and therefore, more competent and generous and collaborative. We are more able to understand others' points of view and needs, and we search for more mutually beneficial solutions. We negotiate and compromise instead obstruct and use force. **I call this being "generative."**

As we become more tired or threatened, or abandoned or fail, we become younger or simpler or more immature, which means we become less competent and more self-protective and competitive or combative. We only see our own point of view and we try to force our perspective onto others. We refuse to compromise and try to control others and the situations we are in. We are resentful and believe that we have not been treated fairly. We will be deceptive and secretive and manipulate others to get our way. If that doesn't work, we use force.

We assume that what is good for us is good for everyone. We are afraid that there is not enough for everyone, so we must do whatever we can to ensure that we get our 'fair share.' But what we really do is grab everything we can, and we rationalize it by saying that others are similarly motivated: So I need to do it to them before they do it to me. **I call this "scorekeeper development," which is characteristic of elementary-aged children or adults who do not trust.**

Jane Mayer's quote on Charles Koch at the end of *Dark Money* is telling: "When called upon to split a treat with others, he would say with a wise-guy grin, "I just want my fair share – which is all of it." I believe this really characterizes who Charles Koch is. He is not who he purports to be. He has been operating a covert operation for over four decades using secret donors, phony front organizations, and deceptive practices to achieve his objectives. The Koch brothers have done it deceptively because they do not trust; they do not believe that if they were open and transparent about what they want, that people who are not similarly motivated would respect them and agree with them.

Because of the extreme wealth and the power that the Kochs have amassed over four decades, the Kochs have created an environment of rancor and distrust that has infected the entire country. Congress gets historically low approval ratings, yet people vote for people who represent extreme positions and who they believe will stand firm and not compromise. They believe that people on the other side of the political divide will do the same, so they have to stand firm to protect themselves. In addition, the Kochs have created an environment of fear in legislators through their threat of running more conservative candidates against them. I believe

that the majority of legislators actually want to do the right thing and want to work in constructive ways to solve problems. I think the threat of the Koch network lobby prevents them from doing so. The Kochs and their donor network have created an environment of distrust and fear.

Where we are today — with campaign finance regulations and the public's confusion about the science related to global warming and the Republican Party's total denial — are the consequence. I do not believe that the majority of Republican legislators really do not understand that global warming is a real threat. They are not that stupid. I believe that they are afraid to say publicly what they believe, and I believe that they lack moral courage.

I had wondered before I read *Dark Money* why and how the Republicans had made such massive gains in state and federal elections during the last two midterm elections. How could Americans thinking change that far to the Right in two years after Obama's decisive win? Mayer's book answers those questions. They did it with a plan, with lots of money, and deceit. **Everyone has a right to express their views and to make their case in the arena of public discourse and public opinion. But it must be done with transparency, not deceit. It must be done in the sunlight.**

The Koch brothers say that they want limited government. What they really want, I believe, is power over the government for their own self-interest. They want to control the government, just like Charles has controlled his companies and the Cato Institute. He and David want the John Boehners of the world coming to them asking for help. He wants no one to have control over him as his father did. It is fascinating that he has been able to convince all of his wealthy cohorts to give him their hundreds of millions of dollars and let him control how it is used.

In Mayer's chapter entitled 'Selling the New Koch: A Better Battle Plan,' she describes how the Koch network assessed their loss in the 2012 presidential race not as a policy problem, but as a messaging problem. In March 2013, the heads of Washington's most influential think tanks met at their annual Conservative Political Action Conference. At that conference, Arthur Brooks, the president of the American Enterprise Institute said that their problem was that 38% of Americans believe that Republicans did not care about the poor. Thus "... if the '1 percent wanted to win control of America, they needed to rebrand themselves as champions of the other '99 percent'." (Mayer, pp. 354,355)

In June 2014, at the Kochs' semiannual donor summit, Richard Fink, Kochs' 'grand strategist,' presented a seminar called "The Long-Term Strategy: Engaging the Middle Third." In his talk he stated that a third of voters agreed with them, a third were not reachable, so they needed to focus on winning the middle third of voters. This segment, he said, thinks that big business is greedy and does not care about the under-privileged.

“Assuming that he was among friends, Fink readily conceded that these critics weren’t wrong. ‘What do people like you say? I grew up with very little, okay? And I worked my butt off to get what I have. So,’ he went on, when he saw people ‘on the street,’ he admitted, his reaction was ‘Get off your ass and work hard, like we did.’

“Unfortunately, he continued, those in the ‘middle third’ – whose votes they needed – had a different reaction when they saw the poor. They instead felt ‘guilty.’ Instead of being concerned with ‘opportunity’ for themselves, Fink said, this group was concerned about ‘opportunity for other people’.

“So, he explained, the government-slashing agenda of the Koch network was a problem for these voters. Fink acknowledged, ‘We want to decrease regulations. Why? It’s because we can make more profit, okay? Yeah, and cut government spending so we don’t have to pay so much taxes. There’s truth in that.’ But the ‘middle third’ of American voters, he warned, was uncomfortable with positions that seemed motivated by greed.

“What the Koch network needed to do, he said, was to persuade moderate, undecided voters that the ‘intent’ of economic libertarians was virtuous. ‘We’ve got to convince these people we mean well and that we’re good people,’ said Fink. ‘Whoever does,’ he said, ‘will drive this country.’ ...

“But rather than altering their policies, those in the Koch network, according to Fink, needed a better sales plan. ‘This is going to sound a little strange,’ he admitted, ‘so you’ll have to bear with me.’ But to convince the ‘middle third’ of the donors’ good ‘intent’, he said, the Koch network needed to reframe the way that it described its political goal. What it needed, he said, was to ‘launch a movement for well-being.’

“The improved pitch, he said, would argue that free markets were the path to happiness, while big government led to tyranny and fascism. His reasoning went like this: Government programs caused dependency, which in turn caused psychological depression. Historically, he argued, this led to totalitarianism. ...

“ Free fighters, as Fink labeled the donors, needed to explain to American voters that their opposition to programs for the poor did not stem from greed and their opposition to the minimum wage wasn’t based on a desire for cheap labor. Rather, as their new talking points would portray it, unfettered free-market capitalism was simply the best path to human ‘well-being....

“ To ‘earn the respect and good feeling’ of those whose support they needed, Fink went on to explain during his talk, the Kochs would also form and publicize partnerships with unlikely

allies....like the United Negro College Fund and with the National Association of Criminal Defense Lawyers. “ (Mayer, pp. 358-361)

“Eight days later, the Charles Koch Institute hosted what it called its Inaugural Well-Being Forum at the Newseum in Washington.” (Mayer, p. 366) On the panel that day was Arthur Brooks. This was their initial attempt to rebrand themselves as caring for the 47% that Romney had declared as victims in his 2012 presidential campaign. It is their current strategy to deceive the American people for their own greed and power. This is what the Kochs have always done.

So why does this matter? We are losing our republic to a secret plutocracy. Mayer begins her book with a quote from Louis Brandeis: “We must make our choice. We may have democracy, or may have wealth concentrated in the hands of a few, but we can’t have both.” Wealth inequality is not just a problem because it makes the lives of millions of Americans harder. It is a problem because it poses a threat to our democracy. Today, we are not the country that our forefathers envisioned. We are not who we can be and need to be. We are a nation that is constricting, from a developmental perspective, and are distrustful and embattled and competitive. We are not working together to solve the problems facing our nation. Instead we are playing zero sum hard-ball politics caused by a secret group of wealthy families who care more about their own welfare and wealth than what is good for our country, and the world when it comes to global warming.

I envision a true democratic republic which is characterized by fairness, and equality, and respect, and transparency, rather than a secretive plutocracy in which the masses are controlled by a few wealthy men who are primarily motivated by their own self-interest.

What does this republic look like?

- Elections cannot be bought and everyone’s vote has equal value.
- Politicians cannot be bought by individuals such as Congressman John Lewis who was willing to risk his life to defend civil liberties like the right to vote.
- When ordinary people who work hard and play by the rules, they are able to create better lives for themselves and their families.
- It is characterized by income equality for all levels of income, all races, all genders, and all ethnicities — a system that raises everyone up.
- It values voter encouragement, not voter suppression.
- Everyone one has affordable and effective health care, including mental health and addiction treatment.
- It has common sense environmental regulations based on real science, and policies that support the development of clean energy solutions.
- It is a place without bigotry.

- Politicians are committed to work together collaboratively and respectfully to solve problems, create better lives for our citizens, and ensure a better world for all rather than obstruct everything to increase their own power.
- People are held accountable. It is an environment where Black men do not spend decades of their lives in prison for non-violent drug offenses that hurt no one but themselves, while wealthy financial or fossil fuel folks destroy thousands or millions of lives and go scot free.
- It is a place where Black lives do matter.
- Middle-aged white men with limited education, who have lost their means of making a living and are feeling despair, are given hope and a path to create new productive and purposeful lives for themselves.
- Immigrants who have come here to create a better life for themselves and their families, and who have worked hard and played by the rules, are treated with compassion and fairness.
- LGBT people are treated fairly and not used as political weapons.
- People in positions of institutional power do not sexually prey on children, and institutional leaders do not cover it up.
- People treat each other with compassionate curiosity instead of distrustful and self-righteous judgment.
- Everyone has access to an affordable education to become all that they can be without being burdened by crushing debt
- There are campaign finance regulations to ensure that everyone's vote counts equally.

Add your own: There is no limit to our vision capacity. Our vision is as big as our imagination and heart. What's your vision for America?

What Needs to Happen?

One obvious answer is that we need to get Citizens United reversed and reinstall campaign finance regulations that limit the amount of money that can be spent on elections and require transparency of all donors. The law governing 501(c)(3) and (4) organizations needs to be changed and these groups need to be monitored. There is an opportunity now with the death of Antonin Scalia to change the balance on the Supreme Court and reverse Citizens United, but this will only happen if a Democrat gets elected to the presidency in 2016. It will significantly help if the Democrats can also take back the Senate.

Until then, we need to find out what has been and is going on by the Koch brothers and their cohorts. We need a 'Kochtopus watch' network that discloses what they are up to in real time so they lose their power to deceptively manipulate public opinion. Some, like blogger and Web

producer Lauren Windsor, who published the tapes from the Kochs' donor summit where Richard Fink laid out their new public relations 'welfare' scheme, have done a great job of exposing the Koch's real motives. Other liberal leaning websites like the *Center for Media and Democracy's PR Watch*, the *People for the American Way's Right Wing Watch*, *The Drudge Report*, *Jim Hightower*, and *The Huffington Post* all provide a great service.

But, it is not just the Koch network. We need to also monitor the rising use of dark money on the Democratic side. The Democrats were slow on the uptake, but they have decided that to be competitive, they have to fight fire with fire. They are creating their own 501(c)(4) social welfare, issue advocacy organizations, like the NewDEAL that was founded by Governor Martin O'Malley and Senator Mark Begich of Alaska. There are two excellent nonpartisan organizations monitoring everyone: the Sunlight Foundation mentioned earlier, and the Center for Responsive Politics and their website OpenSecrets.org. Check them out if you are not familiar with them.

In addition to getting more transparency in our politics, we need a motivated electorate that is willing to consistently take action over a long period of time, and not just sit back and feel powerless and assume that they cannot change the current political system. We need a ground force that will counter the secret Koch political organization that they have created in every state. We need people who are willing to engage others in respectful discourse that seeks to understand instead of beat down and threaten. We need people who are willing to financially support them and provide them with the resources they need to sustain their work and to be effective and not dissolve like the Occupy Wall Street Movement did.

We need students to stand up to university administrators who allow their academic institutions to be bought off by conservative organizations with hidden agendas.

We need leaders who will inspire and can both articulate visions for a 'Generative America,' and help craft pragmatic plans to implement those visions. These leaders need to be ethical and courageous and motivated to do what is in the best interests of the American people — leaders who are not available to be bought off by special interests and who are not motivated by amassing power for themselves.

We need an on-going effort to register voters to counter the voter suppression trend by Republicans in many states. This is an immediate action that everyone can volunteer to do. I think that Ed Gillespie got it right, and Richard Fink got it partially right. We need to focus on the states, and we need to focus on the middle third that are open to thoughtful discourse.

We need to focus on the states because a lot of the policy that affects peoples' lives is passed on the state level, and Republican-controlled state legislatures in collaboration with ALEC have passed, and Republican governors have signed, a lot of harmful legislation in recent

years — anti-gay, anti-abortion, anti-regulatory, anti-poor, anti-health care, tax laws favorable to the wealthy, and voter suppression laws aimed at the poor, at students, and at minorities. The state legislatures also draw the federal congressional map every ten years.

Thus we need a long-term, robust, well-coordinated voter registration strategy — not just in the months preceding elections, but continuously. We need to understand what the current voter demographic is in each state and county, and recruit people in those communities to do voter registration. In the process, we need to educate voters why it is important to vote, and we need robust GOTV strategies, especially in midterm election cycles. Voters need to understand how dark money has impacted their lives, and they need to understand the current issues that are going to affect their lives. For example, the importance of having a Democratic president elected in 2016 to change the balance on the Supreme Court to get Citizens United reversed. A constitutional amendment to reserve Citizens United is not going to get through the Congress. We need to register, educate, and GOTV.

Some Final Thoughts and an Invitation

This issue should matter to both Democrats and Republicans. Democrats have been on the losing side for the past six years in many areas, especially on the state level, and will not likely regain control of the Congress for the next decade. What has occurred in North Carolina should be a rallying cry to take action. They are also going down the same dark money path that the Republicans have gone down.

Ironically, it is perhaps even a more immediate and critical problem for the Republican Party. Republicans have had their party taken over, pushed to the extreme right, and then supplanted by a new covert party. The Republican Party has been gripped by an internal civil war for the past several years, a civil war created by the Koch donor network and their political operatives. As Amy Walters recently pointed out on the February 29, 2016, PBS News Hour program, they have only been united in fighting Obama. Now in the 2016 presidential election cycle, with the assent of Donald Trump, the Party is on the verge of splitting apart in the coming months. We may be looking at the dissolution of the Party as it currently exists.

For all the money that the Koch network spent on doing research to figure out what the ‘middle third’ wanted, and how they could market their agenda deceptively to them, they got it wrong again. The Koch donor network and their political operatives thought the battle in 2016 would be between a main stream candidate like Jeb Bush, and a conservative outsider like Ted Cruz. Trump came in and transcended that divide and appealed to a disaffected group of voters who felt like no one was representing them.

As David Frum in his article in the January/February 2016 issue of *The Atlantic* points out, “Trump’s surge was a decisive repudiation by millions of Republican voters of the collective wisdom of their party elite.” Their rebellion against the organized money in the plutocratic GOP has caught the Republican establishment off guard. Trump’s message did not resonate with those who had easily recovered their losses from the 2008 recession. But it did resonate with those white, middle-aged, blue collar workers with less than a college degree who had lost their earning power and have not benefited from the economic recovery.

In her article, ‘The Rise of American Authoritarianism,’ Amanda Taub gives even more insight into Trump supporters. She points to research done by a group of political scientists on authoritarianism, which is not a political preference but a personality profile. Authoritarians are people who have a high need for security and order, and a heightened fear of outsiders who threaten their status quo. This group is attracted to leaders whom they perceive as strong leaders who will protect them by taking forceful action.

Trump’s supporters are not ideologically driven, and they are not all Republicans. They also include Democratic-leaning union rank and file members. They are driven by economic insecurity, specifically, by the loss of working class jobs. They are also threatened by social change that may include threats from terrorist groups like ISIS, as well as threats posed from same-sex marriage, or Muslims building mosques in their cities, or illegal immigrants, or dark skinned people becoming the majority.

As result, they do not support tax cuts for the wealthy, and they do not want entitlement programs slashed through more government austerity. They are against globalization which takes away their jobs and lowers their wages (hence they are against the trade agreements that establishment Republicans support). They are anti-immigrant and racially prejudiced because immigrants and minorities are ‘the other,’ and they see the immigrants and minorities making claims and taking money away from them. They also see minorities displacing their privileged position in society as they gradually become the minority race.

The fact that Fox News and conservative radio personalities constantly spread a message of threats posed by ISIS, and constantly degrade Obama for not doing enough about it, feeds this fear. I mentioned earlier that from a developmental psychology perspective, when people feel threatened, their cognitive and emotional capacities constrict. For some percentage of the population, probably 20 to 25%, this is their normal mode of operating. For another 20% of the population, this is not their normal level of operating, but when they feel threatened enough, they, too, begin to think in simpler ways. They become more self-protective, more prone to forceful action, less accepting of others who are different from them, less compromising, and less willing to negotiate. They feel like they need a strong leader to protect them. In a poll done

by Morning Consult the day after the New Hampshire primary, 44% of white respondents nationwide scored as 'high' or 'very high' authoritarians.¹²

What is important to realize here is that this faction of the American populace and of the Republican Party exists apart from Trump. He is simply appealing to their needs. He did not create them. They will be here after Trump, and they will be pushing the Republican Party further to the right on social issues while simultaneously eroding support for the libertarian economic policies that the Koch donor network has gotten the establishment Republican faction to embrace. The donor class has failed to understand this demographic group and the power they are and will continue to wield within the GOP in the future. This may be the dynamic that substantively alters who the Republican Party is in the future, as Amy Walters has forecasted.

Trump has broken from GOP gospel and promised to save Social Security and not get their kids into a war in Syria. He has run a campaign free of influence from dark money, and he has promised to protect their wages from being cut by Republican immigration policy. He has promised to build the wall with Mexico, deport millions of illegal immigrants, and prevent Muslims from coming into the country. He has promised to create jobs. And his style is tough, simple, and direct. He makes them feel safer.

This is not what the Koch donor network had in mind for this presidential election cycle. They had put their money on Jeb Bush to further their agenda. That hasn't turned out so well for them. They wasted a lot of money, and as Frum states, "...the Republican donor elite failed to impose its preferred candidate on an unwilling base in 2015." After all, this was a primary objective of the shadow Koch political party machine. Their next hope was Rubio, who did not do well on Super Tuesday and is fading. After Super Tuesday, the establishment Republicans and the Koch network were so panicked they got \$20 to \$25 million in pledges to stop Trump, and Mitt Romney did the unprecedented step of publicly repudiating Trump.

Ironically, the supporters of Trump and Bernie Sanders are a rebellion against the intransigent obstructionism that the Koch network has created in the Republican Party for the past seven years. They created the 'party of no.' They put all of their money and energy into blocking anything constructive from being done for the American people because they thought that would enable them to gain more political power and to take control of the government. Many voters are fed up with it and they are taking action.

¹² VOX.com/2016/3/1/11127424/trump-authoritarianism

Whether you find yourself standing on the left or the right side of the political divide or somewhere in between, it is very important to understand that the people who are supporting Trump or Sanders are not bad people. They are not evil. They are simply frustrated and scared and feeling powerless to effect the change they need to improve their lives and to feel safe.

Like most Americans, I don't know how to win back our republic. I am just an average citizen. I am tired of feeling powerless and hopeless about our current state of affairs. I vowed to myself after reading Mayer's book that I would not just feel frustrated and forget about it, as I have in the past, and not take action. So I thought about what I could do, given my health and physical limitations, where I live, my experience and competencies, and the fact that I do not have millions of dollars to work with. So I began talking to people to understand what was happening around me and what I might contribute. Over a few weeks, I began to see a path for what I could do to counter the voter suppression laws and regulations that have been passed in my state.

I am working to create a permanent volunteer force. I want to create a perpetual campaign of registering and education voters, and getting them to vote, especially in midterm elections. I want voters in places like North Carolina to understand what Ed Gillespie and Art Pope did to them. I want the voters in every one of the 21 states that have passed voter suppression laws that ALEC wrote to take back their power by registering more people to vote, ensuring they have the voter ID that they need, and then getting them to the polls. **I invite you explore what you can do to preserve our democratic republic, and to join me in a conversation about how we can do that.**

One option to create better public awareness that is the march from Philadelphia to Washington in April with a congressional sit-in to put pressure on Congress to sign pending legislation related to dark money. Check it out at www.democracyspring.org.

If you have read this and do not feel bothered by it, then I have failed at my objective. Recently Jane Mayer published a brief summary of *Dark Money*. It is an excellent thirty minute read that succinctly describes the main points in her book, high lights ten takeaways, and gives a brief analysis of each. Her summary publication is a great addition to her book, but not a replacement for it. It brings into focus the major points in her book, but it is not motivational. It did not move me to want to take action. It does not tell the back story of the people and events that have taken place to get us to where we are today.

It does not give you the insight into why George Mason University is renaming its law school after Antonin Scalia because of an anonymous thirty million dollar donation. The reason is that the Koch brothers have poured tens of millions of dollars to shape George Mason into their leading libertarian university. This is just their latest 'anonymous' donation. It does not explain

that North Carolina's passage of anti-gay legislation is latest outcome of Ed Gillespie's Red Map strategy that, with the help of 'Art' Pope's and the Koch donor network's money, flipped the state into the Republican column through deceptive campaigning during recent midterm elections. Since read Mayer's book, when I frequently hear Republican politicians and candidates like Ted Cruz use the terms *free markets*, *limited government*, and *liberty*, those terms have a whole new meaning and context for me. The summary by itself does not give me that insight. Read the whole book if you can.

Again, think about what you can do. I look forward to hearing your thoughts, continuing this conversation, and creating a call to action together. You can reach me at leritz@bellsouth.net.