

Donor Intent of the Koch network

LEVERAGING UNIVERSITIES FOR SELF-INTERESTED POLICY CHANGE



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Introduction

Charles Koch's political activities consist of a large and rapidly growing network of wealthy corporate and ideological donors that coordinate funding to achieve policy change by leveraging universities, think tanks, front groups, and politicians.

The Koch family has funding efforts to impose corporate-friendly policies and repeal civil-rights protections. and Since 2003, this strategy has been coordinated at Charles Koch's highly secretive bi-annual donor "seminars." [Charles Koch told USA Today](#) that his *Seminar Network* intended to spend \$899 million around the 2016 election

Despite the notoriously covert nature of their operation, several key documents and recordings have been obtained that reveal Koch's intent and the strategy they've been using for decades. These are primary sources include accounts from Koch network allies, Koch foundation officials, and Charles Koch himself.

We have collected what we believe to be the key resources needed to illuminate Koch's business strategy, and its resulting political and academic strategy.

After an introduction to the Koch family's driving motivation, Koch Industries Inc., the early writings of Charles Koch from 1970's reveal the longstanding indignation of a billionaire "resisting regulation," and his aspirations to build a free-market "cadre" of scholars through "highly leveraged" campus donations in order to "defeat the statist paradigm." Additional documents and recordings from Koch foundation officials not only reveal the final version of Koch's "integrated strategy," but confirm that has been used for decades and continues as the guiding strategy of Koch's *Seminar Network*.

In excerpts from an unpublished history of Charles Koch (commissioned by his brother in a family-feud), we see several papers presented at a 1976 conference of the Center for Libertarian Studies sponsored by \$65,000 from Charles Koch. In several papers, Koch himself, his political lieutenant George Pearson, and several free-market "Austrian school" economists laid out strategies for a corporate-funded political revolution, many which have been adopted by Koch's network. Papers described how donors can maintain control over the use of their campus donations, how the libertarian movement should learn from the Nazi Youth program and its success in capturing the state, and what lessons the movement should learn from Koch's longtime membership in the industry-funded/far-right group, the John Birch Society.

Additional documents reveal the clear intent by other donors and scholars, aiming to covertly leverage philanthropy for political and ideological gain.

These primary sources show beyond a shadow of a doubt that the Koch network's campus donations are for overtly political ends, using covert means, in bad faith.

CHARLES KOCH AND KOCH INDUSTRIES

For two generations, the Koch family has waged a covert political war to preserve the interests of the nation's wealthiest corporations and families.

Charles Koch is Chair and CEO of Koch Industries, the second largest private corporation in the United States. Originally founded by Koch's father, Charles and his brother David (the "Koch brothers") have grown the company exponentially, with revenues at \$110 billion as of 2018 (estimated by Forbes).

Koch Industries is a highly diversified corporation, with extensive interests in industry including (but not limited to) the acquisition, development, refinement, manufacture, transport, and trade - of - crude oil, oil products, tar sands oil, oil pipeline, nitrogen fertilizer, petroleum, petro-chemicals, petro-chemical fibers, carpet, coal, natural gas, concrete, lumber, paper, industrial metals, industrial chemicals, ethanol, cattle ranching, water filtration, and real estate, as well as financial sector interests like commodity trading, derivatives, hedge funds, risk management. Koch is also a producer of electronic components for phones and voting machines, and produces defense technology like aircraft radar and communications systems, missile guidance systems and unmanned vehicle monitoring systems, etc.

These activities are highly profitable and, because they bring about considerable harms to people and the environment, they are highly regulated, and such regulations pose a (perceived) threat to the Koch family's wealth.

The family has waged an elaborate political struggle against government oversight for decades, not just opposing but repeatedly violating regulations designed to protect the public.

LONG STANDING PATTERN OF CORPORATE CORRUPTION

Koch's corporate activities frequently violated regulations, and moreover, but they have repeatedly shown a criminal inclinations.

A 1989 U.S. Senate investigation found Koch Oil to be "a widespread and sophisticated scheme to steal crude oil" from Native American land "through fraudulent mis-measuring and reporting," ultimately resulting in the theft of at least \$31 million dollars worth of oil.

The engineers instructed to carry out the corrupt method of over-extraction called it the "Koch method."

In 1999, Koch was convicted of not just negligence, but malice in the death of two Texas teenagers a faulty gas pipeline explosion.

In 2000, the [Environmental Protection Agency](#) found that Koch Petroleum systematically covered up the dumping of high ammonia wastewater and jet fuel in Minnesota.

In 2001, the [Department of Justice](#) found that Koch elaborately and purposefully concealed the illegally dumping of at least 91 tons of benzene into Texas waterways.

In late 2016, despite being the largest owner of the Colonial Pipeline, Koch Industries will [avoid any liability](#) for the historic gas spill in Shelby County, Alabama, which resulted in hundreds of thousands of gallons of gas spilled, and several deadly explosions - claiming at least one life. The list could go on. See [Greenpeace's profile on Koch Industries](#) for more.

This lack of corporate accountability is a textbook example the “economic freedom” and corporate “well-being” promoted by the Koch foundation.

Koch has facilitated a network of political and corporate donors who have spent hundreds of millions of dollars on universities, think-tanks, and political groups for political agenda that reforms regulations and taxes to profit the wealthy and white-collar criminals.

[Charles Koch told USA Today](#) that their umbrella group, the Freedom Partners Chamber of Commerce, intended to spend \$899 million on the 2016 election.

Their political largesse, in true Koch styling, has also proven criminal. Also in 2016, the [Federal Election Commission](#) announced record fines for several Koch affiliated “dark money groups . . . for concealing the sources of funds spent on political ads in 2010.”

1. Koch's Philanthropic Strategy and the Role of Academia

The objectives of Koch Industries and the Charles Koch Foundation's academic programming can be illuminated clearly by several documents and recordings.

In a rare interview, David Koch described the Koch family's philanthropic strategy:

If we're going to give a lot of money, we'll make darn sure they spend it in a way that goes along with our intent. And if they make a wrong turn and start doing things we don't agree with, we withdraw funding. We do exert that kind of control" (Doherty, 2007).

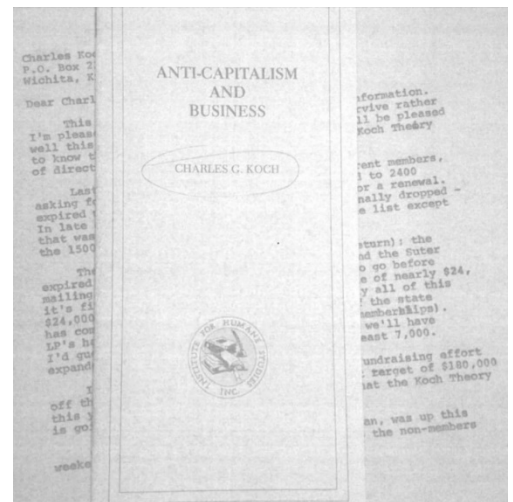
While this is an accurate description, the breadth and depth of the strategy is considerably larger.

One of the earliest insights into Charles Koch's intentions funding higher education can be seen in a 1974, in the text of a speech given as chairman of the Institute for Humane Studies to a room of business men.

A. "ANTI-CAPITALISM AND BUSINESS" (CHARLES KOCH, 1974):

Charles Koch laments:

We have supported the very institutions from which the attack on the free market emanates. Although much of our support has been involuntary through taxes, we have also contributed voluntarily to colleges and universities on the erroneous assumption that this assistance benefits business and the free enterprise system, even though these institutions encourage extreme hostility to American business. We should cease financing our own destruction and follow the counsel of David Packard, former Deputy Secretary of Defense, by supporting only those programs, departments or schools that "contribute in some way to our individual companies or to the general welfare of our free enterprise system."



He continues:

We must recognize that a direct political approach contains certain inherent dangers. [...] Thus, political activity is less cost effective than the other approaches, and businessmen should allocate resources accordingly. The important strategic consideration to keep in mind is that any program adopted should be highly leveraged so that we reach those whose influence on others produces a multiplier effect. That is why educational programs are superior to political action, and support of talented free market scholars is preferable to mass advertizing. The development of a well financed cadre of sound proponents of the free enterprise philosophy is the most critical need facing us at the moment. As the Powell Memorandum points out, "business and the enterprise system are in deep trouble, and the hour is late." But the system can be restored if business will reexamine itself and undertake radical new efforts to overcome the prevalent anticapitalist mentality. (Charles Koch, 1974, Anticapitalism and Business, pg 67)

The "[Powell Memorandum](#)" is was a 1971 document from corporate attorney Lewis Powell to the U.S. Chamber of Commerce. It is a blueprint for corporate survival in the face of the Civil Rights, labor, and environmental gains made in the 1960s. Powell, later a Supreme Court Justice, included clear instructions for the corporate subversion universities and media. Koch refers to the document several times, suggesting its analysis, though "laudable," might be too optimistic.

B. "THE BUSINESS COMMUNITY: RESISTING REGULATION" (CHARLES KOCH, 1978)

One of Charles Koch's few public essays was published in the Libertarian Review, in an issue entitled "Toward the Second American Revolution: Libertarian Strategies for Today."

Koch proposes a strategy for "businessmen," composed of three parts, "government relations, education, and political action."

Regarding "government relations," Koch implores businesses¹ to "advocate the repeal of existing regulations in our industries":

Never ask for tighter regulation of a competitor even if he has the advantage of being less regulated than you are. This starts the suicidal cycle which ends in the destruction of both. Instead we should concentrate on loosening our own

¹ At a [2015 retreat](#), Charles Koch repeated this line nearly verbatim, that "Business leaders [must] recognize that their behavior is suicide, that it is suicide long term. To survive, long-term, they have to start opposing, rather than promoting, corporate welfare." Ironically, since 2000, Koch industries has received at least 231 federal, state, or local subsidies, totaling at least \$430,830,085, and at least \$6,282,000 in federal loans, loan guarantees and bailout assistance ([Subsidy Tracker](#)).

regulations. We should defend our own right to be free of unjust regulations, and not try to shackle competitors. Strategically, the critical point is to fight to eliminate, rather than continue, all interventions, even those that provide short-term profits. Only by rigidly adhering to this policy can we begin the step-by-step process of freeing ourselves. . .

Koch not only recommended mass deregulation, he encouraged industry to resist existing regulations:

[W]e should not cave in the moment a regulator sets foot on our doorstep. Put into practice Henry Manne's recommendation that "the business community utilize available techniques of legal adversary proceedings to announce publicly and vigorously, both as individual companies and through associations, that they will not cooperate with the government beyond the legally compelled minimum in developing or complying with any control programs." As he urges, "publicize as widely as possible the inevitable inefficiencies, mistakes, and human miseries that will develop with these controls ... help the public understand that morality, in the case of arrogant, intrusive, totalitarian laws, lies in the barest possible obedience and in refusal to cooperate willingly beyond the letter of the law."²

Koch elaborates and extends Manne's call to action:

Do not cooperate voluntarily; instead, resist wherever and to whatever extent you legally can. And do so in the name of justice. . .

We have accepted the fallacious concept that the corporation has a broad "social responsibility" beyond its duty to its shareholders. We have been made to feel ashamed of private ownership and profits, and have been hoodwinked into characterizing government regulation as "virtuous" and in the "public interest." As a typical example, the Advertising Council, backed by most of the major U.S. corporations, goes so far as to describe regulation as, "the promotion of fair economic competition and the protection of public health and safety." What simple-minded nonsense!

Instead of this bankrupt approach, we need to go on the offensive. We need to cast aside our desire to be popular with our colleagues and the establishment intellectuals, to cast aside our fears of reprisals by government. We need to advertise that the market system is not only the most efficient, it is also the only

² Henry Manne eventually served as the longtime dean of George Mason University's School of Law (1986-1996), with considerable financial support from Charles Koch.

moral system in history. We need to attack government regulation for wreaking havoc on those it is allegedly designed to help- those least able to fend for themselves. We need to stigmatize interventionism as being intrinsically unjust because it deprives individuals of their natural right to use their lives and property as they see fit. We need to defend the right of "capitalist acts between consenting adults"

Regarding "Education," Koch echoed his 1974 IHS speech (above), criticizing existing efforts by business owners, whose "educational strategy has been guided more by concern with short-term "respectability" and acceptance by the establishment than with long-term survival":

We have voluntarily supported universities and foundations who are philosophically dedicated to the destruction of our businesses and of what remains of the free market. This must stop. We must stop financing our own destruction. Period.

Even when business has supported "free enterprise" education, it has been ineffectual because businessmen have had little understanding of the underlying philosophy or of a meaningful strategy. Businessmen have spent their money on disasters such as buying a "free enterprise" chair at their alma mater and watching in dismay as the holder teaches everything but free enterprise.

Also largely wasted has been the money contributed to those private colleges who make free enterprise noises, but have failed to produce competent graduates dedicated to establishing the free enterprise system. There are too many of these.

The development of talent is, or should be, the major point of all these efforts. By talent, I mean those rare, exceptionally capable scholars or communicators willing to dedicate their lives to the cause of individual liberty.

Koch clarifies the ends for which he is developing this free market "talent," namely producing a "libertarian cadre" that will "defeat" his "statist adversaries" and "statism." Statism is broadly defined as a political system where the government, or "state," has some say in economic and social policy:

To be effective, this talent must have the knowledge, skill, and sophistication to meet statist adversaries and their arguments head on, and to defeat them. They must have the desire and commitment to unceasingly advance the cause of liberty. Statists have succeeded while we floundered because they've had their talent, their cadre, to develop and sell their programs. During the 15 years I have been actively investing my time and money in re-establishing our free society, our biggest

problem has been the shortage of talent. When conscientious, dedicated scholars or communicators worked on a project, we were effective; when they weren't available, we failed.

Thus, business must concentrate its support on those few institutes and university departments that have effective programs for producing a libertarian cadre. . .

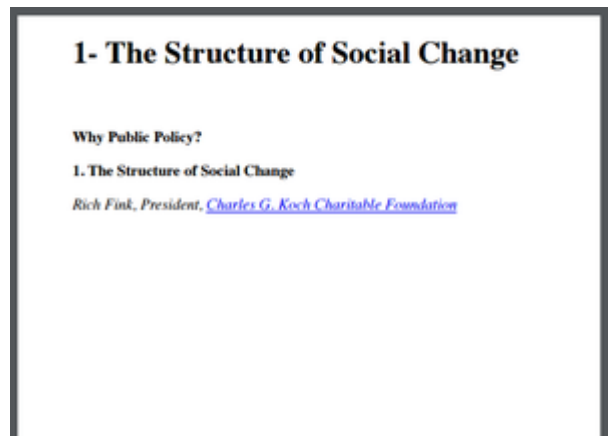
It is undeniable that ideas do determine actions and that we should refine and apply our ideas. But ideas do not spread by themselves; they spread only through people. Which means we need a movement. Only with a movement can we build an effective force for social change. Our movement should have as its goal the fulfillment of the ideal of the free and independent entrepreneur. To accomplish this, our movement must destroy the prevalent statist paradigm and erect, in its stead, a new paradigm of liberty for all people.

C. "THE STRUCTURE OF SOCIAL CHANGE" (RICHARD FINK, LATE 1970S)

In the late 1970's, the founding President of the Charles Koch Foundation developed a strategy to weaponize philanthropy. In 1996, a published version appeared in *Philanthropy Magazine*, under the title, "From Ideas to Action: The Role of Universities, Think Tanks, and Activist Groups."

This document lays out the Koch foundation's three-part "integrated strategy" for privately funded policy change, where donors fund universities to produce "intellectual raw materials," think tanks to convert raw to "usable form," and political front groups to provide the appearance of public support, inducing lawmakers in the "implementation of policy change." It is referred to as an "integrated strategy."

Fink describes how "investment in the structure of production of ideas can yield greater social and economic progress when the structure is well-developed and well-integrated." He describes Hayek's "three broad categories or stages of production."



The higher stages represent investments and businesses involved in the enhanced production of some basic inputs we will call "raw materials." The middle stages of production are involved in converting these raw materials into various types of products that add more value than these raw materials have if sold directly to consumers. In this model, the later stages of production are involved in the

packaging, transformation, and distribution of the output of the middle stages to the ultimate consumers.

Hayek’s theory of the structure of production can also help us understand how ideas are transformed into action in our society. . . the model, which I call the Structure of Social Change, deals with the discovery, adaptation, and implementation of ideas into change that increases the well-being of citizens. **Although the model helps to explain many forms of social change, I will focus here on the type I know best—change that results from the formation of public policy.**

When we apply this model to the realm of ideas and social change, at the higher stages we have **the investment in the intellectual raw materials, that is, the exploration and production of abstract concepts and theories. In the public policy arena, these still come primarily (though not exclusively) from the research done by scholars at our universities.** At the higher stages in the Structure of Social Change model, ideas are often unintelligible to the layperson and seemingly unrelated to real-world problems. To have consequences, ideas need to be transformed into a more practical or useable form. . . This is the work of the think tanks and policy institutions. Without these organizations, theory or abstract thought would have less value and less impact on our society. Citizen activist or implementation groups are needed in the final stage to take the policy ideas from the think tanks and translate them into proposals that citizens can understand and act upon. These groups are also able to build diverse coalitions of individual citizens and special interest groups needed to press for the implementation of policy change.

D. “LEVERAGING SCIENCE AND UNIVERSITIES,” (KOCH FOUNDATION OFFICIALS, 2014):

Charles Koch’s political activities are now largely consolidated under the umbrella group, Freedom Partners Chamber of Commerce, for privately funded policy change through targeted funding of universities, think tanks, front groups, and politicians.

Since 2003, this strategy has been coordinated at Charles Koch's highly secretive bi-annual donor “seminars.” Though these meetings are very secretive, a small number of documents and recordings have leaked out, confirming the explicit use of Richard Fink’s “integrated strategy.”

A panel discussion at Koch’s 2014 seminar entitled “Leveraging Science and Universities” consisted of a panel of top officials at the Charles Koch Foundation (CKF); Ryan Stowers (CKF Vice President for Higher Ed), Kevin Gentry (CKF Vice President), Brian Hooks (CKF President and Mercatus Center staffer) and several academic collaborators Diana Thomas

(Creighton University), Jim Otterson (Wake Forest University), and Adam Millsap (Florida State University/Mercatus).

Koch officials (Kevin Gentry and Ryan Stowers) confirm the use of the "integrated strategy," and bragged about how their academic programs act as a "talent pipeline" to "become the major staffing" at Koch network think tanks and "grassroots" front groups, to bolster "state-based capabilities and election capabilities."

At the 2014 summit, Kevin Gentry of Koch Industries and the Charles Koch Foundation bragged to a roomful of donors:

Out of the growing network of scholars, we built university centers starting with the Mercatus Center at George Mason University. That center is critical to a lot of publication (inaudible) policy. . . We've also developed university programs for undergraduate students. Professors educate thousands of students in the idea of a free society, in courses and outside the classroom and more casual group settings, and then help those students see the message to fight for freedom. . . Now, these programs also act as a talent pipeline. Professors recruit the most passionate students from these programs and graduate programs, so they're training the next generation of the freedom movement. . . Today we work with a network of nearly 5,000 scholars. . . Not only does higher education act as a talent pool stream where teachers and professors operate other new programming, but it also -- students that graduate out of these higher education programs also populate the state-based think tanks and the national think-tanks. . . they become the major staffing for the state chapters on the grassroots innovation around the country. . .

So you can see the, the higher education is not just limited to impact on higher education. The students who aren't interested in becoming professors, but are interested in what we're -- I've got to be careful how I say this more broadly, are very interested and then they, they populate our, our program, these think tanks, and grassroots. And as we pointed out, that group of students taught in these centers, that we've been able to produce two million or so grassroots. And they in turn work with the (inaudible) sector that even talks to the media, that talks to (inaudible). So the network is fully integrated. So it's not just work at the universities with the students, but it's also building state-based capabilities and election capabilities, and integrating this talent pipeline. So you can see how this is useful to each other over time. No one else, and no one else has this infrastructure. We're very excited about doing it. And because we're (inaudible) wellbeing, a lot of our current resources are focused on economic freedom and are focusing on electoral process. . . So I hope that those of you [who] are excited about the electoral process, you'll invest there. Those of you who are excited about universities, invest there. Now, Rachel Campos-Duffy is going to chair this panel to talk about how this energy, this network is focused on 32 priority states which the

population, the culture of freedom that will not just change the policies of those states, but also have a significant impact on the federal government. ([Gentry, 2014](#))

The Koch foundation's Brian Hooks makes the point further:

So think about policies like Obamacare, or Medicare, or any welfare state policy, all of them. And so we've (inaudible) now because of this network and our guys are fighting back. And so where I work, The Mercatus Center at George Mason University, just for example, we put together a collection the largest collection, in fact, of free market faculty that exists anywhere at any university anywhere in the world. What that means is that these guys are producing research that groups in this network can rely on to advance economic freedom every single day. In practical terms, we put out about 1,600 relevant studies that are integrated, which means that groups in this network (inaudible). . . Now, thanks in large part to the investment that this network has made, we have founded new university research centers around the country. We can take that model and expand economic freedom [and] the freedom movement. (Hooks, 2014)

Additional documents from Koch Donor Seminars: [Leaked Program 2010](#), [Leaked Program 2014](#), [full transcript of "Leveraging Science and Universities,"](#) and [Sourcewatch's list of known seminar attendees.](#)

E. THE BENSON MEMO (BRUCE BENSON, 2007)

Bruce Benson, then chair of Florida State University's Department of Economics, sent a memo to the economics faculty describing very clearly that the Koch foundation and a "a group of Foundations with similar agendas" wanted to provide funding to the department.

He clarified that the funding was highly constrained:

Note that Charles Koch is a libertarian, as are his brothers. The Koch Foundation agenda is to expose students to free-market ideas, and to provide opportunities for students who want to study with faculty who share Koch's appreciation for markets and distrust of government. The proposal is, therefore, not to just give us money to hire anyone

Koch Foundation Proposal for Supporting FSU Economics Department

The following are estimated expenditures suggested by the Koch Foundation. They are not finalized. The Dean is working out details with Koch representatives details. In fact, I expect that some details that I do not discuss below may arise (for instance, it is possible that a center or institute will be created, but that was not part of the original proposal and has not been explicitly added yet), and some of the things discussed here could change, as negotiations proceed.

Faculty	Cost
• 2 Junior Faculty Lines (6 yrs)	\$ 1.7 million
• 3 Senior Faculty Lines (6 yrs)	\$ 3.85 million
• Benson as Dept Chair (3 yr term)	\$ 105,000
Graduate Students	
• 2 Grad Fellowships/2 cohorts (4yrs)	\$ 552,000
• Post Doctoral Program (1/yr: 4yrs)	\$ 300,000
Undergraduate	
• Teaching Specialist (5yrs)	\$ 625,000
• Undergrad Student Program (3yrs)	\$165,000
TOTAL	\$ 7 million

EXPLANATION

First, for information about the Koch Foundation, go to <http://www.egkfoundation.org/> where you will see that the Foundation was created by Charles G. Koch, head of Koch Industries (the largest privately held firm in the world, with some 80,000 employees, and \$90 Billion in revenues from a wide variety of activities in refining and chemicals, process equipment and technologies, fibers and polymers, commodity and financial trading, and forest and consumer products; Koch Industry brands include Stainmaster Carpet, Lycra spandex, Quilted Northern Tissues, Dixie Cups, etc.). Note that Charles Koch is a libertarian, as are his brothers. The Koch Foundation agenda is to expose students to free-market ideas, and to provide opportunities for students who want to study with faculty who share Koch's appreciation for markets and distrust of government. The proposal is, therefore, not to just give us money to hire anyone we want and fund any graduate student that we choose. There are constraints, as noted below.

Second, Koch is not proposing to provide all \$7 million. Charles Koch has organized a group of Foundations with similar agendas that meet twice a year to discuss funding strategies, etc. If some version of this proposal is agreed to, Koch will invite representatives from FSU to these meetings, introduce us, allow us to make our pitch, and encourage others to join them in funding the program. Koch has a huge endowment, and if this works out, they are likely to provide more support in the future (see discussion of graduate student support below, for instance), as they have at other institutions (examples provided later). However, they also want FSU to demonstrate a

we want and fund any graduate student that we choose. There are constraints, as noted below.

Florida State University's Bruce Benson described how potential university recipients would attend the Koch foundation's donor summits, and the additional expectations to expand funding from Koch's donor network on their campuses:

Koch has organized a group of Foundations with similar agendas that meet twice a year to discuss funding strategies, etc. If some version of this proposal is agreed to, Koch will invite representatives from FSU to these meetings, introduce us, allow us to make our pitch, and encourage others to join them in funding the program.... [T]hey also want FSU to demonstrate a commitment to the program (e.g., make a sincere effort to raise other money from their network of foundations). . .

Constrained hiring: As we all know, there are no free lunches. Everything comes with costs. In this case, the money for faculty lines and graduate students is coming from a group of funding organizations with strong libertarian views. These organizations have an explicit agenda. They want to expose students to what they believe are vital concepts about the benefits of the market and the dangers of government failure, and they want to support and mentor students who share their views. Therefore, they are trying to convince us to hire faculty who will provide that exposure and mentoring. If we are not willing to hire such faculty, they are not willing to fund us. ([Benson memo](#), 2007)

Thanks to another email recovered through record requests, we also know that Benson's memo was vetted for accuracy by the Koch foundation before he sent it:

I will be sending you a memo soon describing and discussing the Koch proposal (I have the memo drafted but I sent it to a couple of Koch representatives to make sure that I am not misrepresenting anything they propose; as soon as I hear from them I will distribute the memo). ([Benson email](#), 2007)

F. REMARKS AT APEE (CHARLIE RUGER, 2016)

In 2016, UnKoch My Campus made recordings at the annual conference of a Koch funded academic association, the [Association for Private Enterprise Education](#) (APEE). This included several Koch moderated panels where Koch-funded professors confirm their role in the "integrated strategy," and describe the lengths they go in order to advance this strategy.

Several professors and Koch officials spoke far-too candidly, about how to "take over" curriculum, majors, and hiring, and about using the classroom as "primarily as

recruitment grounds” for Koch's liberty movement. Read more about [UnKoch's APEE recordings](#).

The Charles Koch Foundation's Charlie Ruger acknowledges overtly the way in which APEE is facilitating the Koch foundations "Structure of Social Change," clearly confirming the political purposes of their academic programming:

So, when we go to build new academic institutions in partnership with the universities, we're doing it because in order to, you know, make a dent we're gonna need to have a disproportionate impact.

[...]

it's not just funding summer salaries or funding for individual research projects, it's got to do with taking those ideas, taking that research, and bringing them out of the academy. So we want these great ideas of the APEE network to be applied the way we think about it at least, across sort of an integrated structure of production for culture change.

[...]

They can also play an interesting role in engaging with different kinds of stakeholders in these social institutions. That can mean arranging state legislative testimony to make sure that, you know, these kinds of ideas have a seat on the table in public policy.

[...]

And it's not just the money, we also bring a network with us. So, the Charles Koch Foundation does a lot of funding of universities and higher education institutions over all, but we've got a constellation of network organizations that are focused on applying what comes out of universities to change the world. And so, that's sort of the core of the partnership. Money plus the network.

Ruger revealed their interest in tenure track lines:

So we're funding lots of tenure-track faculty positions about 225 of them at last count, spread out at about 53 of these major centers. Lots of visiting assistant professorships, and those are exciting to us because a lot of the time they become tenure-track positions. So, a visitor comes in for 2 or 3 years, usually they go back to their home institution having learned something about administering a major academic initiative or they get offered a permanent position with the university and that's great. We fund lots and lots of PhD fellowships. That has a lot to do with sort of, what we think of as 'building a bench.' There's not a very robust sort of pipeline of of, you know, freedom friendly academic talent entering the academy.

Ruger also confirmed the criticisms that donors are exerting undue contractual influence by retaining the right to decide annually whether to renew or withhold funding:

Everything we do is on an annual basis. So we want our partners to have certainty and be able to do long term programs and stuff. So we'll say 'for the first 3 to 5 years of an investment, we'll commit, formally, 3 or 4 million dollars or whatever it is and we do that with a coalition of stakeholders, a coalition of donors. And here's what the university has said it would like to do with the money. If it does anything else with it, you know, 'best of luck but the next check isn't coming.'

Koch funded professors on the panel confirmed that this was their understanding (see below).

Ruger also described the motivations of their partner donors:

CKF and our partners put together have committed about 170 million dollars in resources over, let's say, the next 5 or 6 years to these center projects. Only about 40% of that comes from the Charles Koch Foundation. The rest comes from a network of business leaders from across the country who see our system of free enterprise as being in great peril, and they're willing to put all of their resources, their fortunes, on the line, to help that not happen.

Ruger briefly gave an example of a donor partnership, citing their Koch's Kentucky free market centers with John "Papa John" Schnatter:

So, in the case of the University of Louisville with John Schnatter, Papa John's is headquartered in Louisville. [...] And then University of Kentucky is sort of the same geographical region, he's got a lot of business interests there, that kind of thing.

Schnatter has business interests in the state of Kentucky, the location of Papa John's U.S.A Inc., as it is also the location of Papa John's legal troubles with labor regulations, including a years long, [six state, class action lawsuit against Papa John's](#) for an elaborate system of wage theft, violating minimum wage laws. Papa John's settled out of court for \$12.3 million in 2015.

Schnatter was an attendee of [Koch's Feb 2014 Freedom Partners donor summit](#) in Palm Springs, CA. [Documents reveal](#) that at the 2014 summit, Schnatter had a one on one meeting with the Koch Foundation's director of Higher Education, Ryan Stowers. Ryan Stowers was a member of the executive committee of the (Association of Private Enterprise Education) APEE, according to most the organization's most recent 990 tax forms.

2. From “Stealth,” (Clayton Coppin, 2003 Unpublished)
A. “Expenditures on Scholarship Aimed At Bringing About Social Change,” (George Pearson, 1976)

2. From “Stealth,” (Clayton Coppin, 2003 Unpublished)

During a family conflict, Charles Koch’s brother (Bill Koch) commissioned historian Clayton Coppin to produce a report on Charles’ political activity in 2003. Entitled “Stealth,” the document has never been published, but it was first described in detail by Jane Mayer in her 2016 book, “Dark Money.” UnKoch has obtained the full text, and permission to quote [relevant excerpts](#) directly.

Coppin details the 1976 conference of the Center for Libertarian Studies at New York University, sponsored by \$65,000 from Charles Koch. Koch himself, his political lieutenant George Pearson, and several free-market “Austrian school” economists presented papers that laid out strategies for a corporate-funded political revolution. Many of these ideas have been adopted and developed by Koch’s network, and many of the scholars went on to become Charles Koch’s closest political collaborators included co-founders of the Cato Institute and Libertarian Party officials that eventually platformed David Koch’s 1980 run for Vice President of the United States.

[George Pearson](#) presented a paper on how donors can maintain control over the use of their donations to universities. [Leonard Liggio](#), a longtime collaborator of Charles Koch, presented a paper proposing that the libertarian movement should take a lesson from the Nazi Youth program and its success in capturing the state.

Charles Koch presented a paper on lessons that the libertarian movement should learn from his longtime membership in the industry-funded far-right group, the John Birch Society, that Koch’s father co-founded.

A. “EXPENDITURES ON SCHOLARSHIP AIMED AT BRINGING ABOUT SOCIAL CHANGE,” (GEORGE PEARSON, 1976)

George Pearson was also a longtime member of Koch’s local JBS Chapter, and served as the longtime Director of Public Affairs at Koch Industries spending decades laying the groundwork for Koch’s academic-political strategy. In addition to heading up Koch’s charitable foundations, he was an officer Koch’s Institute for Humane Studies and [co-founded](#) the Cato Institute with Charles Koch himself.

Coppin described a paper presented by George Pearson, who presented a paper “as a surrogate for Charles Koch” on the issue of donor control on campus:

“Expenditures on Scholarship Aimed At Bringing About Social Change.” This paper is a compendium of Charles Koch’s thinking about how he could invest in and control the libertarian movement.

The paper begins by assuming that to advance libertarian thought it is necessary to have a group of advocates in major universities. Pearson considers a number of

ways that funds can be used in academia to advance the libertarian ideology, but all of them contain problems of control. Pearson points out that when a chair is endowed the donor gives the endowment to the institution and has no control beyond the appointment of the chair's first occupant. After that, the institution is in control of the endowment. The lack of control of future endowments is a significant drawback from Pearson's perspective. Pearson explores a number of other possibilities: partial endowments, annuities, and independent support. Each has its shortcomings. Some are ineffectual; others provide the donor with no control.

Pearson suggested that programs such as the Foundation for Economic and Education at UCLA offer a better option for the donor. Pearson describes how the Foundation receives funds from the donor and then uses these funds to make research grants and other awards to faculty members in the economics department at UCLA. This procedure allows the department to offer a more attractive financial package and attract better scholars. From the donor's perspective, says Pearson, "this in turn allows the foundation to influence the hiring decisions of the department... It has additional advantages in that it can be controlled to supplement salary without any displacement of department funds allowing for the leveraging of state funds while still giving the donor some control." (Coppin, 2003)

Pearson criticized programs that "announced their intentions publicly to the university community" because that "resulted in a reaction from the established faculty and that reaction destroyed any effectiveness the [programs] may have had."

Pearson proposed the creation of standalone academic programs on campuses:

An organization associated with a university that can tap its resources and reputation but still be primarily answerable to the donor is the best option. He cites the Institute for Humane Studies as such an organization; it was fully controlled by Charles Koch, was loosely associated with Stanford University, had an ambiguous name, and did not clearly state its libertarian goals. . .

Charles wanted to fund only individuals and organizations he could control. It is clear from Pearson's comments that Charles Koch simply did not want to give up his money if he didn't have control.

Pearson shows Charles Koch's awareness that visible control and a forthright agenda created formidable opposition. Pearson concluded that to keep control without creating such opposition it would be necessary to use ambiguous and misleading names, obscure the true agenda, and conceal the means of control. (Coppin, 2003)

2. From “Stealth,” (Clayton Coppin, 2003 Unpublished)
B. “National Socialist Political Strategy: Social Change in a Modern Industrial Society with an Authoritarian Tradition,” (Leonard Liggio, 1976)

B. “NATIONAL SOCIALIST POLITICAL STRATEGY: SOCIAL CHANGE IN A MODERN INDUSTRIAL SOCIETY WITH AN AUTHORITARIAN TRADITION,” (LEONARD LIGGIO, 1976)

Leonard Liggio, longtime collaborator of Charles Koch also presented a paper at the Center for Libertarian Studies conference.

His paper proposed that the libertarian movement should take a lesson from the Nazi Youth program and its success in capturing the state:

Other papers delivered at the libertarian strategy conference reviewed historical movements that were effective at causing social change. Historian Leonard Liggio’s paper, “National Socialist Political Strategy: Social Change in a Modern Industrial Society with an Authoritarian Tradition,” was an examination of the Nazi success in capturing the German state. Liggio was particularly interested in the Nazis’ use of youth movements as an essential part of their overall movement.

Based on the Nazi experience Liggio makes the case for a libertarian youth movement concentrated in the universities. Building a youth movement required a concentrated organizational effort that would give a group identity to its members. It also required a series of publications directed at the issues of concern to students. A libertarian student movement in the middle of the 1970s would have to be anti-war, anti-imperialistic, pro-legalization of drugs, and anti-military expenditures.

For decades that followed, Leonard Liggio and Charles Koch led the Institute Humane Studies (IHS), which serves as the primary youth recruitment and training arm of Koch’s “Liberty Movement,” anchored at George Mason University. In 1977 Charles Koch founded the Cato Institute with Liggio as the founding Vice President. In 1979, Liggio became Executive Vice-President of Koch’s Institute of Humane Studies, and President from 1980 to 1988. Liggio served as Chair of the Humane Studies Foundation from 1980 to 1994, and then Vice-Chair until 1998. Liggio became a professor at George Mason University in 1986, where he was a [frequent contributor](#) to Mises Institute publications until his death in 2014 ([Liggio CV](#)).

C. LESSONS LEARNED FROM THE JOHN BIRCH SOCIETY, (CHARLES KOCH, 1976)

Charles Koch presented a paper at the 1976 Center for Libertarian Studies conference, which Coppin describes in great detail as the “most important paper presented.” Koch’s paper on lessons that the libertarian movement should learn from his longtime membership in the industry-funded far-right group, the John Birch Society (JBS). Koch’s

paper affirms the goals of JBS, and sought to address its shortcomings:

He began by acknowledging that the John Birch Society reflected all the weaknesses and strengths of its founder Robert Welch. The John Birch Society, JBS, was sharply attacked from the right and left, but nevertheless, had 90,000 members, 240 employees, and annual expenditures of about \$7,000,000 a year.

Koch attributed this success in gaining followers and funding to Robert Welch's organizational ability and tireless efforts at fundraising and promoting the cause. Koch argued, JBS was hierarchical and authoritarian at all levels, [and] Welch's poor management was responsible for keeping the JBS on the margin and for the poor return on the money it spent. He argues, Welch's personality, inadequate products and the inability to attract youth and natural leaders limited the John Birch Society influence.

Welch and JBS were widely attacked for their extreme right-wing positions and conspiracy theories that saw enemies everywhere. . . Welch was the main problem, but the heavy emphasis on conspiracy attracted a large number of unattractive members with little positive ideology. The publications, while numerous, were, "journalistically written without adequate scholarship, making it difficult to attract academics and students."

Koch argued that, "with the organization structured so that there are no effective checks on Welch," he was able to say and do whatever he pleased no matter what the consequences. All of this led to one of the Society's biggest failures, its inability to influence people in the "communication media and arts." This was probably due, argues Koch, "to the unacceptability to them of the Society's ideology, combined with the Society's hostility to them as probable members of the Conspiracy, and Welch's and other Society members' personalities."

Koch then listed specific lessons learned from JBS, including:

- Natural leaders, whether businessmen, professional or academic, are necessary to attract influential people. . .
- Control must be limited to a small group of sound, knowledge and dedicated people, otherwise the effort will quickly deteriorate. At the same time, it is vital to draw in a much larger group of leaders and to make them part of the decision-making process.
- Good scholarship, well-documented and supported, with public statements being carefully controlled, is essential.

- In order to avoid undesirable criticism, how the organization is controlled and directed should not be widely advertised.
- Use all modern sales and motivational techniques to raise money and attract donors. This among, other things, means adding a personal touch including meeting in a home or other place the prospect enjoys being.
- Attempt to work with, rather than combat, the media and people in the arts.
- Representatives provide much of an organization's image; therefore, they need to be attractive, articulate, knowledgeable, and well-trained. (sic)
- People tend to accept theories and statements of "fact" because of who states them and how they are presented rather than their validity; therefore, it is essential to develop the image and credibility of the movement's leaders.
- A major portion of a movement's efforts needs to be directed toward attracting youth since this is the only group that is largely open to a radically different social philosophy.
- A movement should concentrate on problems (of direct and major concern to the populace) arising out of the present political system in order to destroy the "legitimacy" of that system. The movement's own ideology should be presented in terms of how it can solve these problems whereas alternative ideologies cannot. Correct predictions can be a powerful tool in "selling" the ideology.

Koch closed with a list of "unresolved questions" for the libertarian movement "about the necessary conditions for any movement to produce change," which Coppin points out were "revealing of Charles Koch's plan to bring about the anarcho-capitalist revolution." These questions included:

- To what extent are non-intellectual motivations (e.g., prestige emotional commitment, short-term self-interest, social belonging, peer approval, a sense of achieving something truly important or riding the wave of the future) necessary? . .
- Is it possible to have the necessary control and direction without driving away quality people? Since over-control crushes motivation, this type of regime may only attract drones. Can the required mix be obtained? How?
- What are the necessary external conditions for a well-run and well-funded movement to be successful?
- Under what conditions should radical ideas be introduced gradually and tactfully, and when should they be advocated starkly for shock value? . .
- How large and capable a cadre is required before a new activist organization can be successfully launched? Is it necessary to gain intellectual and financial support

2. From “Stealth,” (Clayton Coppin, 2003 Unpublished)
C. Lessons Learned from the John Birch Society, (Charles Koch, 1976)

prior to formation? Should a magazine be started before the initial organizing effort?

3. Meaning of Select Phrases Used by the Koch Foundation

A. ORIGINS OF KOCH’S “WELL-BEING” (RICHARD FINK AND JAMES OTTESON, 2014)

Following “Leverage Science and Universities,” at the same 2014 Koch donor summit, Richard Fink presented a talk entitled “The Long-Term Strategy: Engaging the Middle Third,” wherein he described Koch’s effort to win the “middle third” of potentially politically active citizens by rebranding their free market efforts as a “movement for well-being” [[Audio](#), [Transcript](#)].

Mirroring Charles Koch’s 1978 tirade against “statists,” Fink described how Koch’s “seminar network [is] in the best position to challenge the collectivists and to turn this country around. We are the most credible threat that the collectivists have.”

First, Fink showed off his Structure of Social Change:

So how are we going seize this opportunity? Well, let me — let me present a diagram which I promise you I won’t give you a death march. Liz, I promise I’m not going to do this. But this is the integrated (inaudible) structure of production which I shared with you during the first half of today that those who are returning have seen many times. We have built the most effective set of institutions, individuals, and ideas for the side of liberty that has existed during my lifetime. Now, it’s still (inaudible) opposition, but this offers our best hope.

Fink described how “roughly a third” of “active Americans” are “very conservative libertarians, and we’ve been very successful in mobilizing them,” and that “collectivists have about a third, and they believe that growing government is the ultimate solution to all of our problems”:

The battle for the future of the country is who can win the hearts and minds of that middle third. That middle third is not ideologically unified in a way that the freedom, or the conservative, or the collectivist third is. . . [W]hoever can mobilize a majority of that 30 percent will determine the direction of the country. . .

Fink lays out a strategy based on telling the “middle third” what he believes they want to hear:

And I want to talk about three different topics that I think are critical for reaching the [the middle third] . . . this is going to sound a little strange so you’ll have to bear with me for this - intent, well-being, and meaning . . . What do they think about big business? Big business they see as very suspicious. Okay, yeah, they

produce great products. . . But you know what? They're greedy. They don't care about the underprivileged. . .

What do people like you say? I grew up with pretty much very little, okay. And I worked my butt off to get what I have. So, I see someone on the street (inaudible) I said, listen, get off your ass, and work hard like we did. We did it; you can do it, okay? . . .

What this middle third sees is something very different, the people in the younger generation, okay, who have benefited from our productivity — our largesse. They go to good colleges, they have cars, they have decent houses. . . they say, I'm not born into opportunity. I haven't really earned it. It was my generation. And why does this kid (inaudible) not have it? They feel guilty about it . . . Intent to them is not just opportunity for themselves. It's opportunity for other people. It's very important. . .

Yeah, we want decrease regulations. Why? It's because we can make more profit, okay? Yeah, cut government spending so we don't have to pay so much taxes . . . There's truth in that, you all know, because we're in the 30 percent of the freedom fighters. But the middle part of the group doesn't see it that way. . . We're actually producing well-being, but we've got to convince these people that we mean well, that we intend, and that we're good people. . . Let's talk about one way we're going to do this, and that is our focus on well-being. . . When we focus on decreasing government spending, over-criminalization, decreasing taxes, it doesn't do it, okay? We've been reaching the third by telling them what's important — what we think is important should be important to them. And they're not responding and don't like it, okay? Well, we get business — what do we do? We want to find out what the customer wants, right, not what we want them to buy. . .

If we can solve this problem and make this successful, I believe this seminar group will. . . not only be able to see material results to our free market activities, but also earn the respect and good feeling through that middle third. I think you going to hear that with some of our partnerships with the United Negro College Fund, with the National Association of Criminal Defense Lawyers, and the other programs that we're developing.

In an earlier panel at the same 2014 Koch donor seminar ("Leverage Science and Universities"), Dr. Jim Otteson discussed the intent and effect of using the language of "well-being" in Koch's free market scholarly activities, as opposed to openly using the phrases "capitalism."

It's been a game changer. So I'm at Wake Forest University, as I mentioned to Ryan, I'm in the process of beginning . . . the Eudaimonia Institute. That's Aristotle's word for happiness, or flourishing. And I'll tell you one anecdote to

illustrate the power of framing, how important that is. A very . . . prominent left wing political scientist, and when I say prominent [who] blogs where he rails against Republicans almost daily like jokes about how bad capitalism is. . . So what I decided to do was reach out to him and ask him to go and have a cup of coffee, so we met for a cup of coffee. . . I was describing to him this idea I had for the Eudaimonia Institute where we'd study the development human well-being. As I was describing this to him, he interrupted me and he said, you know, this is really what we should be doing at this institute. I'm really glad you're talking about this. Could I be a partner with you in this? And I said, wow, I'm so glad you mentioned that. So I told him a little bit more about what I had in mind. He interrupted me again and he said, you know, I'd even be willing to take Koch money. . .

If I had said to him, "Well what I want to do is, is have reports studying the effects of capitalism," or even if I had said "economic freedom," this would have been exactly the sort of person who probably would have been leading the charge against it. He would have been leading the protest against it. But when you say, "No, what we're interested in is human wellbeing, what are the elements" this is not a partisan question. This is not even an ideological question. This is a question about managing government. What are the elements of human well-being? . . . Who can be against well-being? . . . The framing is absolutely critical. (Otteson, pg 15-17)

B. "REPUBLIC OF SCIENCE," (MICHAEL POLANYI, 1962)

The Charles Koch Foundation consistently uses very specific terms throughout its programming and contracts, several of which have a very specific meaning only known to insiders from their network. Let us examine the Koch network's use of "Republic of Science."

The first provision in a standard contract between the Koch foundation and a university binds all parties to the Koch foundation's definition of "academic freedom," which includes promoting a "republic of science."

1. Promoting Academic Freedom. Consistent with the Donor's principles of supporting open inquiry and a diversity of ideas in higher education, the Donor's grant is intended to help promote a republic of science at the University where ideas can be exchanged freely and useful knowledge will benefit the well-being of individuals and society. Thus, the Parties agree that the academic freedom of the University, the Center, and their faculty, students, and staff is critical to the success of the Center's research, scholarship, teaching, and service (Duke Grant Agreement 2018, Section 1)

"Republic of Science" is a reference to the work of an obscure philosopher, Michael Polanyi, specifically an essay entitled *The Republic of Science: Its Political and Economic Theory* (1962).

Polanyi's concept of a Republic of Science is prominently featured in Charles Koch's 2005 book, *The Science of Success* and in his own pet philosophy, "Market Based Management™."

The "Republic of Science" is a free-market utopia where the unregulated pursuit of truth replaces government. Polanyi constructs an admittedly loose analogy between science and politics; "in the free cooperation of independent scientists we shall find a highly simplified model of a free society."

He suggests that a "community of scientists is organised in a way which resembles certain features of a body politic," and that the scientific community "works according to economic principles similar to those by which the production of material goods is regulated (pg 1)."

With the analogy in place, Polanyi's observes that free science is the "most efficient" method, and should not be regulated:

the pursuit of science by independent self-coordinated initiatives assures the most efficient possible organisation of scientific progress. And we may add, again, that any authority which would undertake to direct the work of the scientist centrally would bring the progress of science virtually to a standstill. (pg 3)

The essay goes on to argue for free-market capitalism, "establishing the principles of a free society on firmer grounds," and that "a free society," like the scientific community, "has no bearing on the right of men to do as they please; but assures them to speak the truth as they know it" (pg 19).

Polanyi concludes not only that science should be determined by the market, but that the free market and science are fundamentally the same, and "suggests a generalisation of the principles governing the Republic of Science":

It appears, at first sight, that I have assimilated the pursuit of science to the market. But the emphasis should be in the opposite direction. The self-coordination of independent scientists embodies a higher principle, a principle which is reduced to the mechanism of the market when applied to the production and distribution of material goods. (Polanyi, pg 18)

Polanyi's Republic includes a reimagining of academia where research funding is determined by a market-based process:

Subsidies should be curtailed in areas where their yields in terms of scientific merit tend to be low, and should be channelled instead to the growing points of science, where increased financial means may be expected to produce a work of higher scientific value. (pg 8)

Polanyi clarifies “[i]t does not matter for this purpose whether the money comes from a public authority or from private sources, nor whether it is disbursed by a few sources or a large number of benefactors” - a point of interest for Charles Koch.

Not only does this have nothing to do with Academic Freedom, the presence of this language in the contract commits the university to a fringe free-market view of science involving the total privatization of research funding that will allow market forces to guide human knowledge.

Like Charles Koch, Polanyi was a member of the Austrian school of economics, and Polanyi’s Republic was developed within this fringe school of economic thought.

Austrian economics is at the heart of Koch’s academic programming, spreading a radical ideology that views any government as inherently coercive and immoral. It is also the common ideology behind Koch’s network of neo-confederate economists with ties to white nationalist groups like the League of the South ([UnKoch 2018](#)).

4. Covert Language and Radical Aims

A. “RADICALS FOR CAPITALISM,” (RICHARD FINK AND PETER BOETTKE, 2007)

In Brian Doherty’s 2007 book, “Radicals for Capitalism,” George Mason University professor Peter Boettke recalled the Koch Foundation president Richard Fink’s description of spreading free-market “Austrian school” economics:

[Fink] gave an orientation to the first-year grad students. . . He used an analogy with the civil rights movement: Before, we just wanted to be let on the bus and not raise a ruckus. Now we’re gonna be like Malcolm X, Austrian and proud. In your face with the Austrian economics. Rich would get you hyped up about this stuff. We were coming I from a non-top-ranked school and had this [Austrian] label on our heads, so we had to outcompete other people. (Doherty, pg 430)

Koch economist Ed Stringham later described Boettke’s own spin on Fink’s imagery. In the Journal of Private Enterprise, Stringham quotes Boettke as saying:

Our goal is not just to get a seat on the bus. Our goal is to take over the bus. Our goal is not just to sit in the back of the classroom and make a small point. Our goal is to be running the classroom ([Stringham](#), 2010)

B. “SEEMS NEUTRAL, BUT IT ISN’T” (JAMES PIERESON, 2005-2008)

James Piereson served as the chairman the VERITAS Fund for Higher Education and Vice Chair of DonorsTrust, the Koch network’s anonymizing donor advised fund.

Piereson has been one of the most prolifically connected individuals in Charles Koch’s donor network, having held positions at a number of their non-profits and charitable foundations, including; Olin Foundation, DonorsTrust, Searle Freedom Trust, Thomas W. Smith Foundation, Center for Individual Rights, Philanthropy Roundtable, Hoover Institution, and the Manhattan Institute.

In a 2005 profile by the New York Times, the intent of Piereson and impact of his Olin foundation were made clear:

Much of Olin's giving has centered on law schools, reflecting Mr. Piereson's belief that they disproportionately shape public life. . . Even more influential has been Olin's support of the law and economics movement, which has transformed legal thinking. Its supporters say that economic tools, like cost-benefit analysis, bring rationality to the law, while critics warn that the focus on economics can cheat notions like fairness that defy quantification.

Olin has spent \$68 million on law and economics programs, including those at Harvard, Yale, Stanford and the University of Chicago. **"I saw it as a way into the law schools -- I probably shouldn't confess that," Mr. Piereson said. "Economic analysis tends to have conservatizing effects."** ([NYT](#), 2005)

In an interview for the 2008 book, *The Rise of the Conservative Legal Movement*, Piereson was even more candid about the using misleading frames to hide overtly political and ideological intent:

If you said to a dean that you wanted to fund conservative constitutional law, he would reject the idea out of hand. But if you said you wanted to support Law and Economics, he would be much more open to the idea. Law and Economics is neutral, but it has a philosophical thrust in the direction of free markets and limited government. That is, like many disciplines, it seems neutral, but it isn't in fact. (Teles, 2008, pg 189)

In a 2005 essay, Piereson stated the mission of his group of donors, namely "to alter the closed and often destructive culture of the modern American university" by using "voices of criticism" to "bring the entire ideological house of cards crashing down upon itself" ([Piereson](#), 2005).

In a 2005 essay, Piereson warned that donor leveraged programs should take care not to make their true intentions known and how to "get away" with creating ideologically-right programs without "rais[ing] questions about academic integrity." Piereson advised donors to avoid creating programs that:

point to pre-ordained conclusions or that imply an ideological orientation, such as chairs in "free enterprise" or centers purporting to demonstrate the falsity of Marxism. Such titles will generate controversy and raise questions about academic integrity. True, leftists sponsor ideological programs all the time, but since they run the university, they can get away with it. ([Piereson](#), 2005)

In 2005, as the Olin foundation was closing, Piereson told the *New York Times* that he was planning a new academic program to facilitate free-market policy change:

Mr. Piereson is spending his last months in office promoting a route to political influence -- intellectual armament -- as unlikely as it has been effective. "The ideas have to be tended to," Mr. Piereson said. "Only after that can you tend to the policies." . . .

He is hoping to start an initiative to counter liberal influence in academia. Liberal academics "don't like American capitalism, American culture, and they don't like American history -- they see it as a history of oppression," he said. "There are some

people who are prepared to spend large sums of money to address this problem.”
([NYT](#), 2005)

Shortly afterward, Piereson helped launch the VERITAS Fund for Higher Education Reform, administered by DonorsTrust.