

Quid Pro Koch: The Kochs' Secret Higher Ed Agenda



10/30/2015

An UnKoch My Campus Whitepaper

Executive Summary

As the epicenter of modern-day lobbying veers farther away from Washington, D.C. and into our daily lives, our college campuses are increasingly subject to the influence of corporations. There are many culprits we can point to in this arena, but one billionaire donor has distinguished himself for his aggressively coordinated spending and wielding of political influence through university grants.

Charles Koch, CEO of Koch Industries, has overseen \$68 million in grants to over 300 universities since 2005.¹ Unlike other philanthropists backing higher education, Koch gives to schools with the explicit goal of creating intellectual fodder for his network of political interest groups, and recruiting and training students to integrate into that network.²

In an essay by longtime Koch Industries executive Richard Fink (who was nicknamed “Charles Koch’s Brain” by Koch biographer Daniel Schulman), Fink notes that universities are the first investment in a three-part process to create and implement policy. In this sense, Mr. Koch’s financing of universities around the country forms the foundation of his infamous political machinations.

Charles Koch himself has advocated for business leaders to selectively invest in universities, based on how much control is afforded to the donors. In a 1974 speech as president of the Institute for Humane Studies, Charles Koch emphasized, “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.’”

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Koch’s decades-long campaign to build intellectual capital for his political machine has escalated in recent years. Mr. Koch increased university support from just seven schools in 2005 to well over 300 cumulative schools in 2015. His growing network of political donors is now following his lead, sparking several multi-million dollar campus contributions in 2014 and 2015.³ And Mr. Koch shows no sign of slowing, telling *USA Today* that a sizeable chunk of his donor network’s \$889 million budget during the 2016 election cycle is for university grants and research.⁴

Working in partnership with other millionaire and billionaire political donors, Charles Koch has taken advantage of schools suffering from dried-up state budgets, doling out grants to universities on the condition that his preferred economics theories are given more prominence in the curriculum. (In a self-reinforcing cycle,

¹ Connor Gibson & Lindsey Berger, “Koch Pollution on Campus,” Greenpeace, Sept. 15, 2014, <http://www.greenpeace.org/usa/global-warming/climate-deniers/koch-pollution-on-campus/>

² Dave Levinthal, “Koch foundation proposal to college: Teach our curriculum, get millions,” Center for Public Integrity, September 12, 2014, <http://www.publicintegrity.org/2014/09/12/15495/koch-foundation-proposal-college-teach-our-curriculum-get-millions>

³ Ibid, Gibson & Berger

⁴ Fredreka Schouten, “Charles Koch: We like 5 GOP candidates in primaries,” *USA Today*, April 21, 2015, <http://www.usatoday.com/story/news/politics/2015/04/21/charles-koch-republican-candidates-2016/26142001/>

Koch's lobbying army is often the reason that state budgets fall short⁵, opening up the opportunity for Koch to privatize various cultural, educational and social institutions.)

Rather than trusting credentialed educators to use grants however they see fit, Charles Koch exerts control in the departments he funds using carefully-worded contracts, with specific objectives provided by Koch and frequently including mandates to tenure-track any professors financed by Koch. These controversial contracts are widely regarded by professors as a threat to academic freedom and shared governance, validating widespread student concerns of undisclosed corporate influence in higher education.

Koch-funded professors have helped legitimize Koch Industries' lobbying efforts by adding their name—and the institutional credibility of their employer universities—to Koch's efforts. These financial ties to Charles Koch are often undisclosed. Consider these two examples:

- Public records just released by the University of Kansas show how Professor Art Hall was secretly paid by the Fred & Mary Koch Foundation with the specific purpose of attacking clean energy incentives, which Koch was actively lobbying against.⁶ Similarly, Koch-financed academics at Utah State University and Suffolk University wrote reports attacking not only Kansas' clean energy law, but also similar laws in North Carolina and Ohio⁷ and, more recently, the Obama Administration's Clean Power Plan in 16 states.⁸
- The Mercatus Center at George Mason University (GMU) was founded and is still directed by Charles Koch, Richard Fink and other Koch Industries executives and affiliates. Mercatus is frequently cited in the political arena for its anti-regulatory reports. The Center has taken \$9.8 million from Koch since 2005, as well as \$35 million in grants to the George Mason University Foundation. Mercatus is linked with GMU's economics department, the main program supported by Charles Koch at GMU, now known as the pre-eminent hub for studying Austrian economics, Mr. Koch's favored school of thought.

The UnKoch My Campus Campaign

Unless we increase transparency and put policies in place to protect the classroom from outside ideological control, donor politics will take precedence over the education of tuition-paying students while the quality of higher education will continue to erode irreparably.

UnKoch My Campus (UKMC) was founded by students and activists who are fighting to maintain the university as an institution of high-quality learning. In a nation-wide push for transparency, students and professors at Koch-funded schools have amassed evidence demonstrating Charles Koch's disregard for freedom in the classroom, an arena he considers to be up for sale to the highest bidder.⁹

In the pages that follow, we have provided an overview of active UKMC campuses where students are attempting to uncover the true intent of Koch contributions to their schools, and encourage greater

⁵ "A Reporter's Guide to the Koch-funded Rich States, Poor States ALEC Report," The Progressive, April 14, 2014,

<http://www.progressive.org/news/2014/04/187636/reporters-guide-koch-funded-rich-states-poor-states-alec-report>

⁶ Lee Fang, "Emails show Koch Industries backed effort to undermines renewable energy in Kansas," The Intercept, August 28, 2015,

<https://theintercept.com/2015/08/28/emails-show-koch-industries-backed-effort-undermine-renewable-energy-kansas/>

⁷ Scott Peterson, "Utah State's Ryan Yonk: Same Soup, Different Bowl," Checks & Balances Project, July 16, 2015,

<http://checksandbalancesproject.org/utah-states-ryan-yonk-same-soup-different-bowl/>

⁸ Naveena Sadasivam, "Koch-Supported Group Offers Skewed Argument Against Clean Power Plan," Inside Climate News, April 16, 2015,

<http://insideclimatenews.org/news/16042015/koch-supported-group-offers-skewed-argument-against-clean-power-plan>

⁹ See references under "Charles Koch Foundation vs. Academic Freedom," PolluterWatch, <http://polluterwatch.org/charles-koch-university-funding-database#KochAcademicFreedom>

transparency. We hope that by making these facts known, we will inspire other students to join our growing movement.

A listing of Koch campus funding to date and a searchable database of schools receiving Koch funding from 2005-2013 can be found on our website at www.unkochmycampus.org/resources.

If you are interested in more information or have any questions about our report, please contact Kalin Jordan at Kalin@unkochmycampus.org.

The UnKoch My Campus Team
October 2015

Campus Snapshots

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American University

American University has received \$37,000 in funding from the Charles Koch Foundation (CKF) in the past several years.¹⁰ While this amount is small compared to other universities featured in this report, the inappropriately far-reaching nature of the contracts uncovered at Florida State University, University of Kansas, Clemson University, Suffolk and others should raise concerns for students at any university that receives Koch money.

Rather than focusing on bringing transparency to grant and gift contracts at America, UKMC is currently focusing on amending university policy to prevent private donors from obtaining external influence over academic processes, which should not be able to be co-opted for private gain. Given that there doesn't appear to be a problem of excessive undue influence yet, UKMC's current goal is to have policies enacted that will safeguard the university as a place where research and learning can occur without being unduly influenced by private interests on either side of the political spectrum.

Clemson University

Clemson University has received over \$3 million from CKF since 2007.¹¹ These donations have gone to the Institute for the Study of Capitalism to fund professorships on campus with very specific restrictions and strings attached. The agreement required Clemson to submit their candidate's credentials for review by CKF. It also allows Koch to withdraw its money if the faculty deviates from the Koch's political ideology, giving Koch influence over course curriculum.

In December of 2014, students and alumni at Clemson University submitted a FOIA request, requesting records and memoranda of understanding (MOUs) around the Koch agreement. The University responded to this request by asking for a shorter request and payment before proceeding, and students and alumni are working to raise money and push forward with this line of inquiry.

Florida State University

As of 2013, Florida State University (FSU) has received more than \$4 million in funds from Koch foundations.¹² Florida State University has a rich relationship with the Charles Koch Foundation, BB&T, and other partner donors. The influence of these donors is present in the Department of Economics, the Department of Finance, the Devoe Moore Center, the Leroy Collins Center, the School of Law, and University Administration. The most coherent example of this influence can be found in the Department of Economics, where a series of contracts (the most recent of which was uncovered by students) provides CKF control over hiring, firing, undergraduate curriculum and teaching, extra-curricular student programming, doctoral fellowships, administrative positions,

¹⁰ "Want to find out if your campus needs to be "UnKoched"? UnKoch My Campus Resources, Accessed October 15, 2015, <http://www.unkochmycampus.org/resources/>

¹¹ Ibid.

¹² Ibid.

and more. Student records requests have uncovered that this agreement was forced on the department by Koch affiliated administrators (Dean David Rasmussen and Chair Bruce Benson). Student research also revealed that a Faculty Senate report detailing these events was censored by administrators.

In November 2014,¹³ students caught their controversial president in a lie about his political relationship with Koch Industries, and in September 2014, students provided information to the Center for Public Integrity that resulted in a [massive media story](#) about CKF's undue influence at FSU.

In June 2015,¹⁴ a firestorm broke out when students revealed a hidden effort to revise university policy without notifying faculty, students, or other academic stakeholders. Students [released a joint report](#) with UKMC regarding the ways in which CKF violates FSU

donor policy, and submitted it for public comment. Under faculty and media scrutiny, the university accepted several of their recommended policy revisions verbatim, though not the crucial revisions. Student research has also uncovered several more instances of misinformation from the university regarding their relationship with CKF, including lying to journalists and taking down information from university websites.



George Mason University

George Mason University (GMU) receives the most funding of all schools funded by the Charles Koch Foundation. GMU itself has been given \$34 million since 2005.¹⁵ On top of these grants to GMU departments, Koch controls two think tanks on GMU's campus: the Mercatus center, which has taken about \$10 million from board member Charles Koch, and the Institute for Humane Studies, which has taken about \$18 million from Charles Koch, who is chairman of IHS. Additionally, the President of GMU, members of the Board of Visitors and many professors have associations with Charles Koch or other organizations the CKF funds. Due to the strong relationship GMU has with CKF, the economics department's focus on Austrian economics and deregulation, and the use of research produced by the Mercatus Center to influence legislation, UKMC believes that GMU's name and reputation is being used as a political tool by Charles Koch to promote his ideologies and further his private business and political interests.

¹³ Joshua Gillan, "Thrasher says he has 'never received any contributions from the Koch brothers'," Politifact, November 14, 2014, <http://www.politifact.com/florida/statements/2014/nov/19/john-thrasher/thrasher-says-he-has-never-received-any-contributi/>

¹⁴ Joseph Zeballos, "Progress Coalition report uncovers alleged violation of university donor policy," FSU News, June 4, 2015, <https://web.archive.org/web/20150921184134/http://www.fsunews.com/story/news/2015/06/04/progress-coalition-report-uncovers-alleged-violation-university-donor-policy/28490341/>

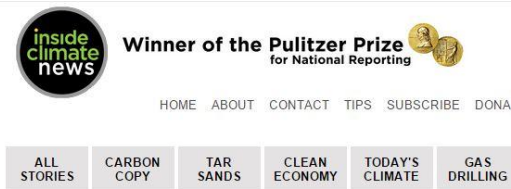
¹⁵ "Want to find out if your campus needs to be 'UnKoched'?" UnKoch My Campus Resources, Accessed October 15, 2015, <http://www.unkochmycampus.org/resources/>

For over two years, students have been trying to examine this influence by asking for transparency in the donor agreements with CKF. Despite UKMC's efforts, university-donor agreements remain private and GMU's President still refuses to meet with students. Similar efforts by the GMU Faculty Senate were also blocked by the administration.¹⁶ UKMC has been seeking transparency by submitting FOIA requests and putting pressure on the administration to release the documents. Students have submitted two records requests (the first of which was denied, the second of which will cost thousands of dollars), raised awareness on campus, and bird-dogged members of the administration online, in person, and through the media, resulting in coverage of the campaign on WAMU's [The Kojo Nnamdi Show](#), and in [campus media](#).

Suffolk University

Suffolk University has received over \$800,000 from the Charles Koch Foundation since 2008, all of which has gone to the Beacon Hill Institute (BHI).¹⁷ BHI is an anti-regulation think tank housed on campus run by a former tobacco lobbyist. BHI has been criticized by economists and scientists for its inaccurate and faulty research, especially around energy policy. The Kochs are using their influence over policy analysis at BHI to push their political and economic agenda in state legislatures across the country, with the help of the American Legislative Exchange Council (ALEC) and the State Policy Network (SPN). In the fall of 2013, the first UKMC campus campaign was launched at Suffolk. By the end of the semester, after collecting petition signatures

from students and alumni, UKMC was able to meet with then President McCarthy and ask for more transparency around Koch donations.

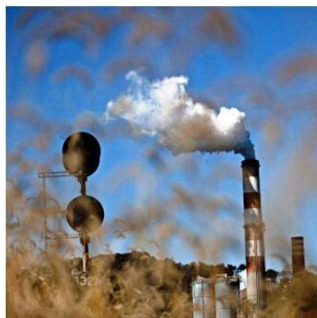


Koch-Supported Group Offers Skewed Argument Against Clean Power Plan

The Beacon Hill Institute uses misleading information in reports aimed at derailing EPA plan to reduce carbon emissions, environmentalists say.

By Naveena Sadasivam, InsideClimate News

Apr 16, 2015



The Mitchell Power Station, a coal-fired power plant built along the Monongahela River in New Eagle, Pennsylvania, was shut down last year. Through its Clean Power Plan, the U.S. EPA and the Obama administration have been taking major steps to get coal-fired power plants into compliance with carbon regulations. Credit: Jeff Svendsen/Getty Images

A conservative think tank connected to the political network overseen by Charles and David Koch is publishing a series of misleading reports attacking the Obama administration's plan to reduce carbon emissions from power plants, according to advocates of clean energy.

The free-market Beacon Hill Institute, the research arm of the Suffolk University economics department in Boston, argues that the Clean Power Plan will mean

After working with Forecast the Facts during the spring semester of 2014, and delivering another petition with over 20,000 signatures, UKMC successfully moved President McCarthy to release a document of all grants received in the previous three years. This is the first and only documentation from a private university that UKMC has been able to secure regarding Koch funding to date, and the first time Suffolk made that information public. In the fall of 2014, Suffolk appointed a new interim president, who has since refused to meet with the campaign.

The UKMC effort has been covered by [the Suffolk Journal](#) and in [national media outlets](#), and in the spring of 2015, UKMC worked tirelessly to draw [national media attention](#) to the fact that BHI was contributing research to reports attacking the Obama Administration's Clean Power Plan in 16 states. Suffolk has agreed to continue releasing their grants document yearly, with the next expected in the fall of 2015.

¹⁶ Minutes of the Faculty Senate Executive Committee Meeting, November 19, 2012,

http://www.gmu.edu/resources/facstaff/senate/MINUTES_EXC_2012-13/EXC_MINUTES_11-19-12_FINAL.htm

¹⁷ "Want to find out if your campus needs to be 'UnKoched'? UnKoch My Campus Resources, Accessed October 15, 2015,

<http://www.unkochmycampus.org/resources/>

University of Dayton

Since 2010 the University of Dayton has received over \$58,000 from the Charles Koch Foundation.¹⁸ In April of 2015, a member of the Dayton community reached out to UKMC to inform us that after contacting a member of the University's Board of Trustees and pointing to the moral implications of accepting Koch funding, the university would no longer be accepting Koch money. This would be the first time a university has taken this step.

University Of Kansas

Since 2001, Koch foundations have donated at least \$1.4 million to the University of Kansas (KU) School of Business.¹⁹ It started with a large amount to establish the KU Center for Applied Economics (CAE), a public policy think-tank, and hire its founding executive director, Art Hall. From 1997 to 2004, Hall was chief economist of Koch Industries' lobbying subsidiary, Koch Companies Public Sector. Now heading an institution operating directly out of KU, Hall's stealth lobbying for Koch Industries comes with an assumption of academic legitimacy. In his capacity with CAE, Hall has worked in collaboration with other Koch affiliates to advance state policy change that reflect Kochs' agenda. In fact, several reports Hall has published under the CAE are co-authored by Koch-funded economists.

After students published their first [opinion piece](#) in the *Lawrence Journal-World* voicing their concerns about potential undue influence, the Dean of the School of Business, Bendapudi Neeli, wrote an op-ed in response claiming there is no undue influence and accepted a meeting with the students shortly after. Because no agreements or hiring contracts were shared, the students filed a records request to access these public documents. The students raised the \$1,800 required to obtain the records within a week and boosted regional and [national attention](#) around the issue through [media coverage](#).

Just as the university was about to release the records, Art Hall sued the university and obtained a temporary restraining order to block FOIA results from being published. [Hall's legal fees were covered by the Koch Foundation](#). To further reinforce their case for the university releasing the public records, the students secured a local attorney to represent them, formally entering the lawsuit as a third party.



¹⁸ Ibid.

¹⁹ Ibid.

In August, the three parties agreed to a settlement, effectively releasing some of the documents requested. Many of those originally requested have yet to be seen, but 15 pages published after the settlement proved that students were on to something: Koch paid Hall to create “intellectual products” to use “as a tool in economic policy debates.” This included private research conducted by Art Hall that led to him urging the Kansas legislature to end clean energy incentives, complimenting an active campaign run by Koch Industries lobbyists.

Following the settlement, the KU Graduate Teaching Assistants Coalition is pushing for stronger university policies and procedures to prevent future undue donor influence at KU.

University of Maryland

In October of 2014, the University of Maryland (UMD) announced that the Charles Koch Foundation would donate \$1 million to the business school to partially fund the creation of the Ed Snider Center for Enterprise and Markets, with the Snider Foundation donating the remaining \$5 million.²⁰ Students submitted a FOIA request at the end of the fall semester of 2014 and were denied access to memorandums of understanding because Koch money was given to UMD's private foundation, which is not subject to public disclosure under open record laws.

Students from UMD worked with UKMC to lead a panel discussion about their campaign at the United States Student Association's Legislative Conference in March of 2015. They are currently working to create a student review panel that will have the power to review and approve any large private donations in the future.

²⁰ Steven Overly, “U-Md. plans to build research center with \$6 million gift from Snider, Koch groups,” Washington Post, October 14, 2014, http://www.washingtonpost.com/business/capitalbusiness/university-of-maryland-to-announce-6-million-gift-from-snider-koch-foundations/2014/10/24/fc50822e-5b43-11e4-b812-38518ae74c67_story.html