

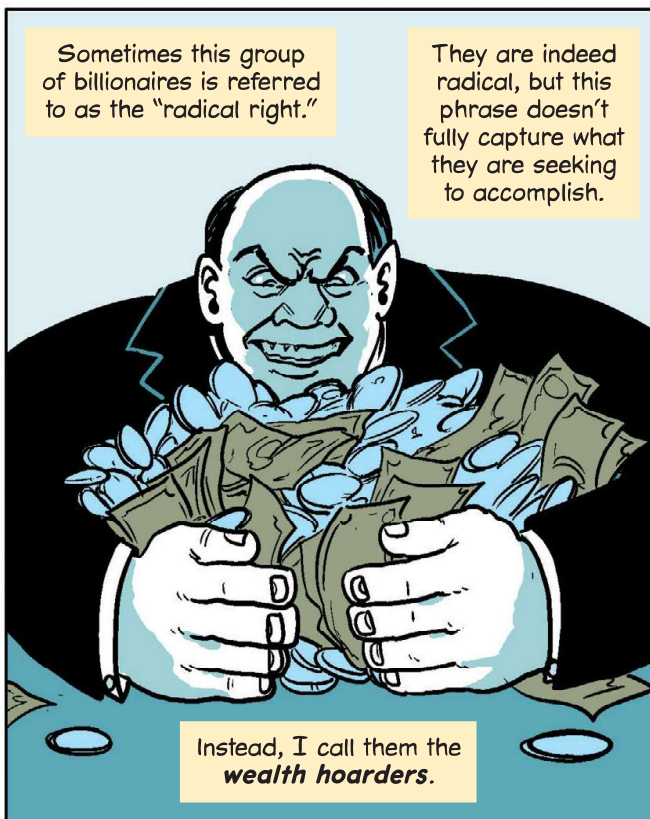
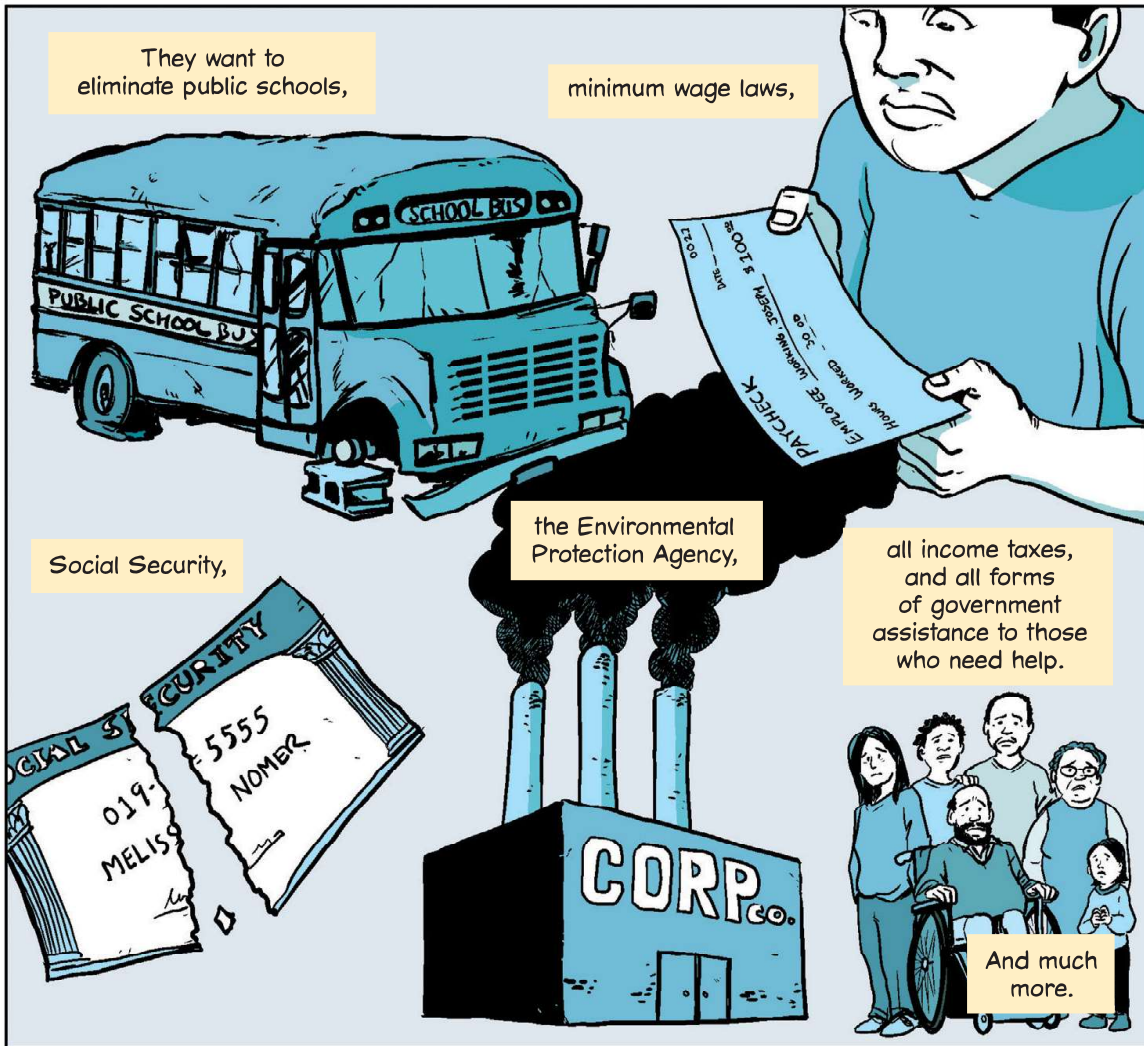
4
the
wealth
hoarders

As we work to unrig the rules so that our country works for everyone, it helps to know who's working to **rig** those rules so that our country serves only the very wealthy.

A small group of extremist billionaires has been working for more than a half century to change our country to their liking—in a way that will hollow out our democracy.

They want to turn the United States into a fiefdom where the very wealthy make the laws and control the government.





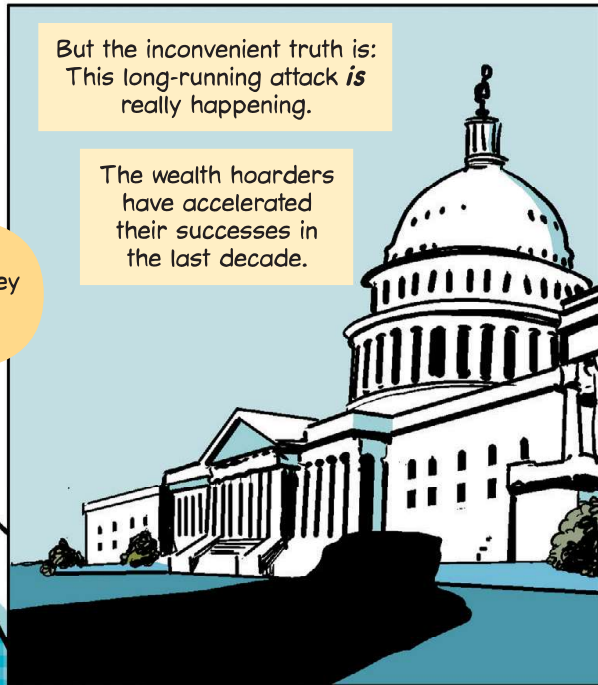
I wish I were making this up, but I'm not.

The wealth hoarders' plans, strategies, and goals are so multifaceted, far-reaching, and radical that it's hard to get one's head around them.

It's easier to believe that they aren't really happening.

But the inconvenient truth is: This long-running attack *is* really happening.

The wealth hoarders have accelerated their successes in the last decade.



We are seeing the effects everywhere. Their assault is not going away.

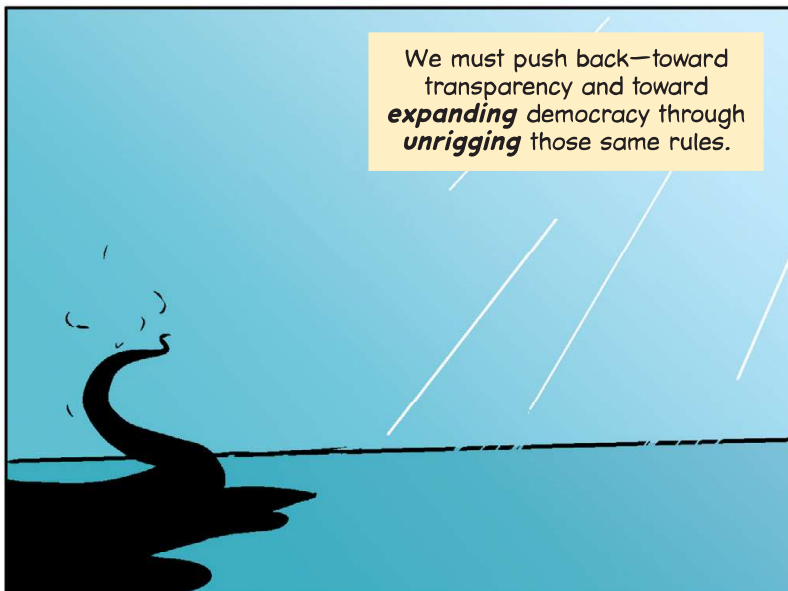
But we can stop the wealth hoarders' plans.

Their gains depend on secrecy, deception, and **limiting** democracy by rigging the rules.

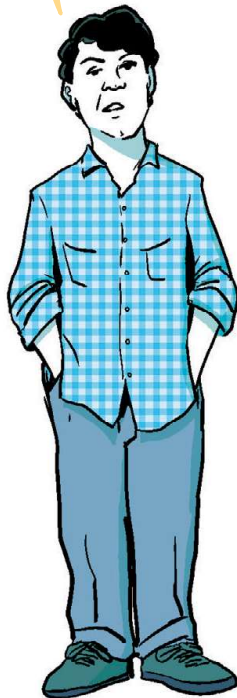


We must push back—toward transparency and toward **expanding** democracy through **unrigging** those same rules.

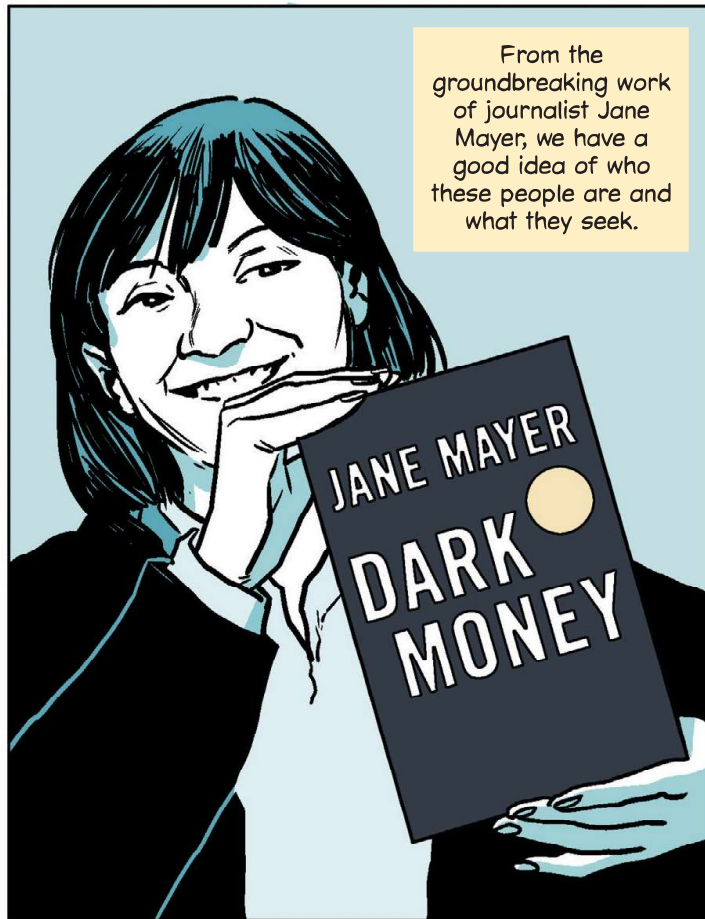
At stake: everything we care about.



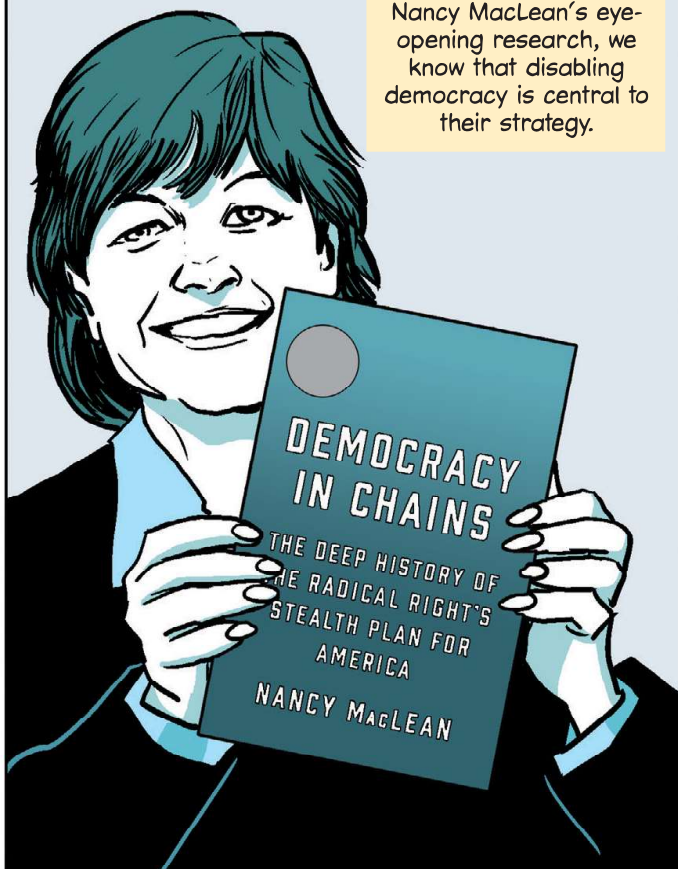
To stop the wealth hoarder agenda, it helps to better understand the people behind it.



From the groundbreaking work of journalist Jane Mayer, we have a good idea of who these people are and what they seek.



And thanks to historian Nancy MacLean's eye-opening research, we know that disabling democracy is central to their strategy.



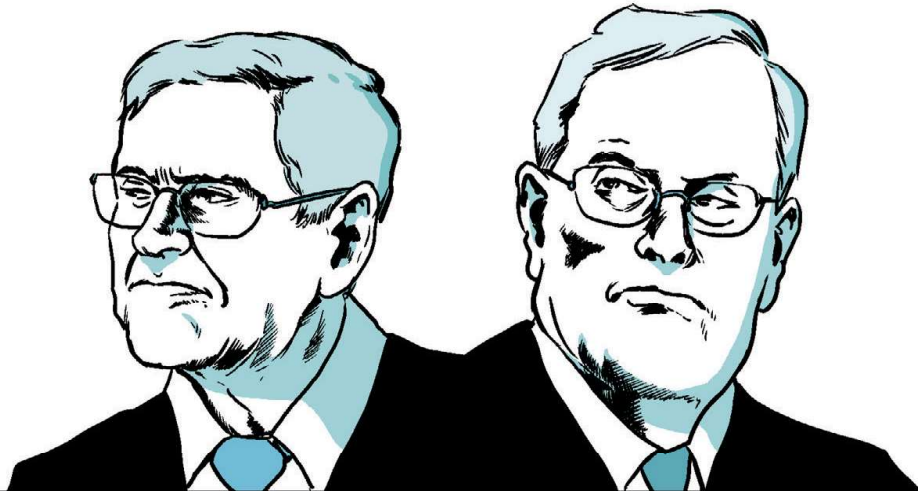
This chapter is based on their work. It's a long chapter, due to its importance.



wealth hoarder leaders

Let's start with Charles and David Koch. Charles is, and David was, until his 2019 death, among the wealthiest people in the world.

Charles and David were born into wealth inherited from their father, Fred.

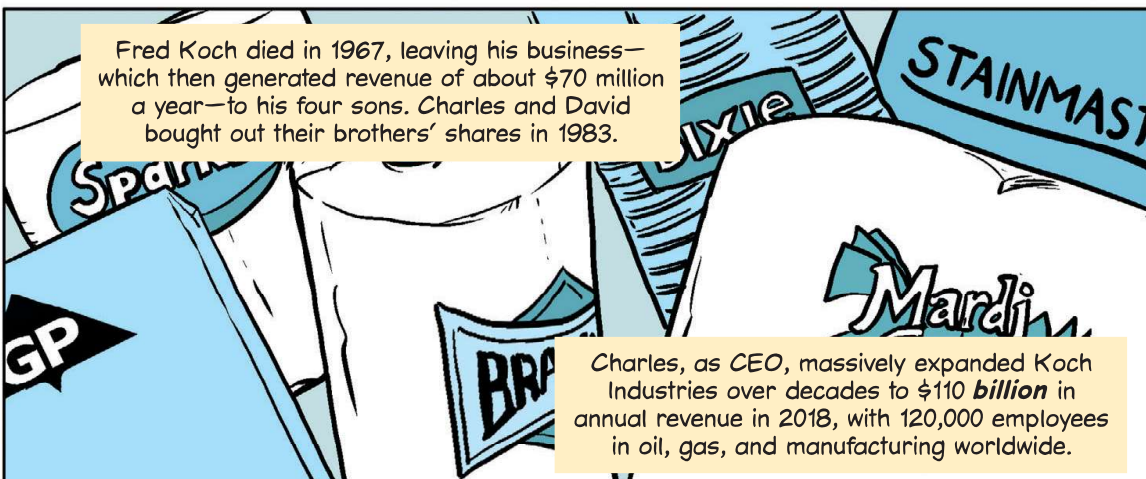


Fred Koch's oil-refining business, founded in the United States, grew substantially by helping Adolf Hitler in Germany.

Fred Koch oversaw the construction of a massive oil refinery in Hamburg—a key component of the Nazi war machine, as one of the few plants that could produce the fuel needed for German fighter planes.



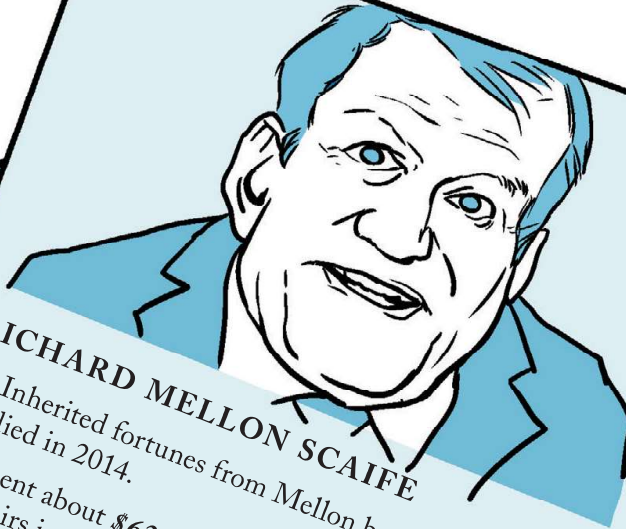
Fred Koch died in 1967, leaving his business—which then generated revenue of about \$70 million a year—to his four sons. Charles and David bought out their brothers' shares in 1983.



Charles, as CEO, massively expanded Koch Industries over decades to \$110 **billion** in annual revenue in 2018, with 120,000 employees in oil, gas, and manufacturing worldwide.

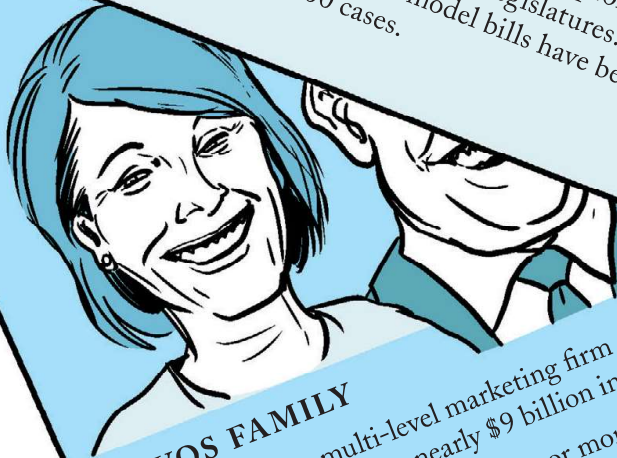
In 2019, Charles Koch had a net worth of \$50 billion.

There are hundreds of extremely wealthy families allied with the Kochs, like these:



RICHARD MELLON SCAIFE

- Inherited fortunes from Mellon banking and Gulf Oil; died in 2014.
- Spent about **\$620 million** to influence American public affairs in an extreme conservative direction.
- Provided major funding to the Heritage Foundation, an aggressively political think tank promoting extreme conservative ideas.
- Provided major funding to the American Legislative Exchange Council (ALEC), which promotes conservative and corporate causes in state legislatures. From 2010 through 2018, ALEC-model bills have become state law in more than 600 cases.

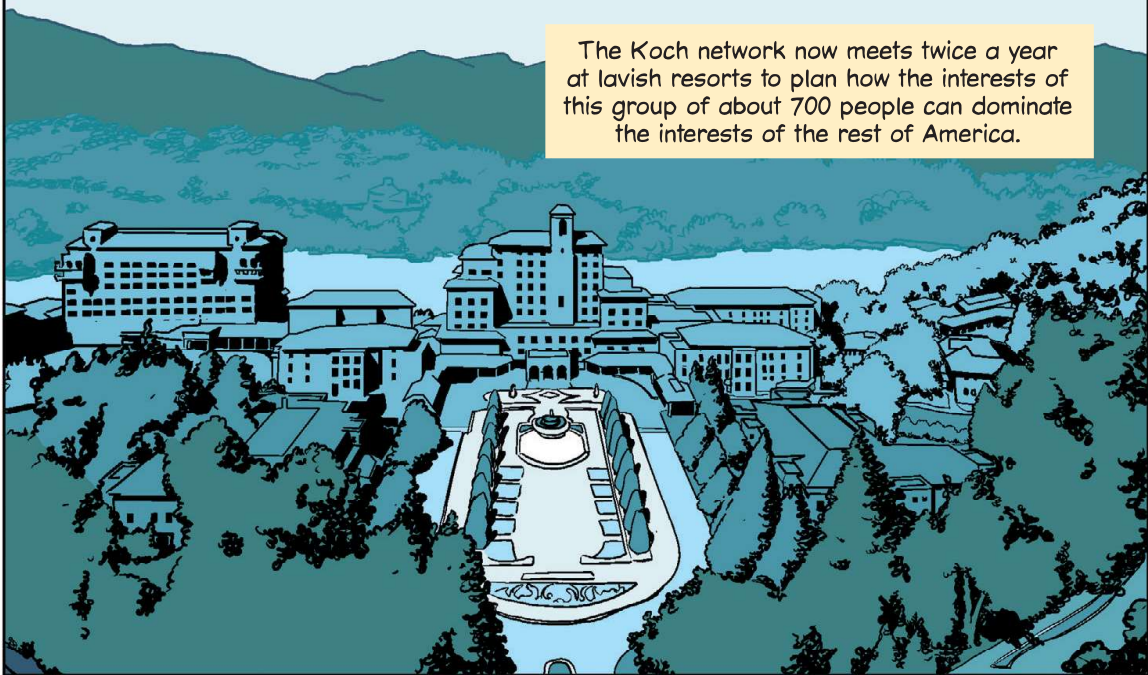


DEVOS FAMILY

- Founded the multi-level marketing firm Amway in 1959, which grew to nearly \$9 billion in 2018 revenues.
- Has contributed \$200 million or more to many conservative causes since 1970.
- Has long supported reducing public school funding and increasing the amount of public funds that go to private schools.
- Betsy DeVos was confirmed as Secretary of Education in 2017, following her family's gifts of \$957,950 to twenty-one Republican senators.

In 2003, Charles Koch had the idea of organizing like-minded millionaires and billionaires into a formal network to centrally fund and coordinate the wealth hoarders' efforts.

The Koch network now meets twice a year at lavish resorts to plan how the interests of this group of about 700 people can dominate the interests of the rest of America.



The network keeps its membership secret.



It keeps its funding of wealth hoarder groups secret, too, so members can avoid public accountability.



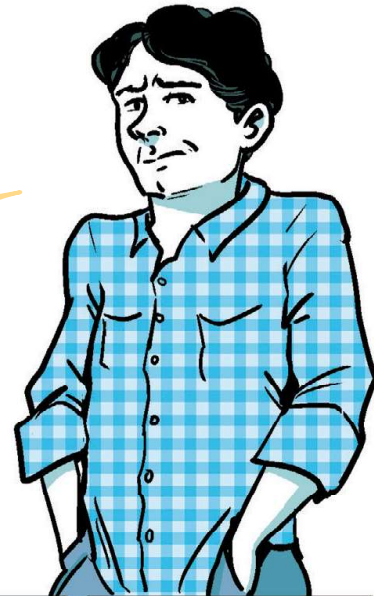
But what, exactly, are these billionaires trying to accomplish?

Their anti-government groups and ideas, and political attack ads, would lose credibility if the public could see clearly that these groups were doing the bidding of a network of billionaires.



wealth hoarder ideology

Rich people
don't need
government.



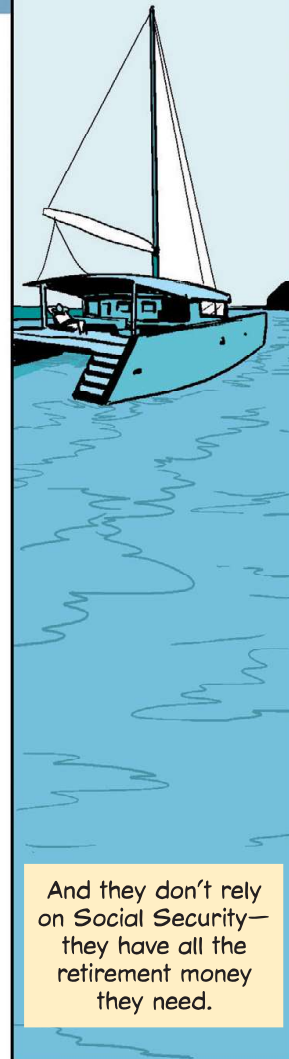
Instead of
public schools,
they can afford
private schools.



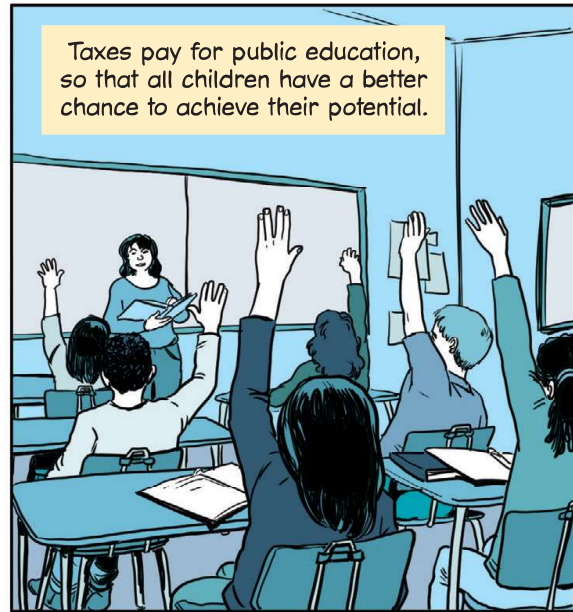
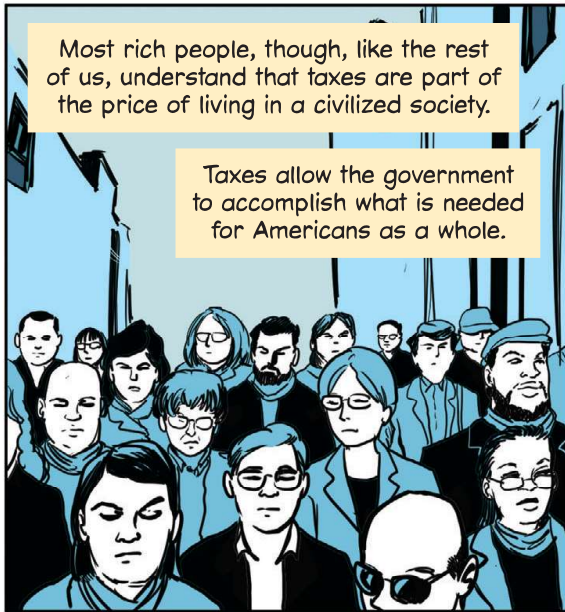
Instead of public
parks, they have
their own estates.



They can pay for
private security
patrols and private
health care.



And they don't rely
on Social Security—
they have all the
retirement money
they need.



We all pay something so that we have a collective benefit—a society that works better than it would if everyone fended for themselves.

The wealth hoarders think differently.



Everyone
is out for
themselves.

I've already
got mine.

Why should
I pay taxes to
help anyone
else?

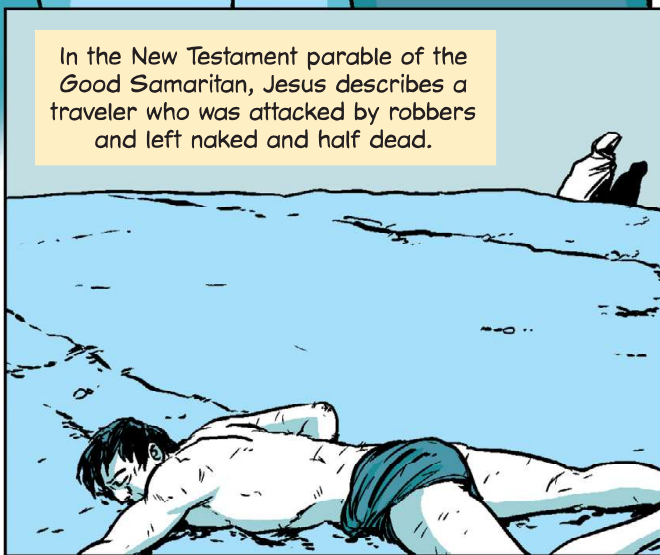


Academics
and writers, many funded
by wealth hoarder patrons,
have published volumes of
justification for this greed-
based philosophy—

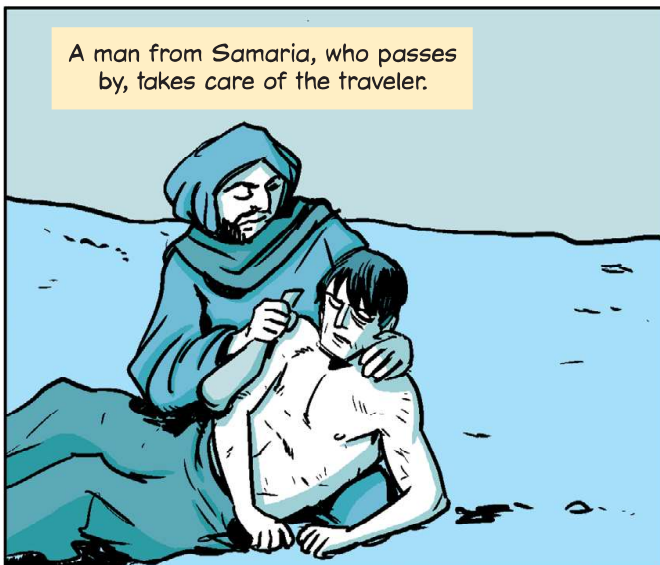


—like the 1975 article
“The Samaritan’s Dilemma”
by James McGill Buchanan,
an influential libertarian
economist.

In the New Testament parable of the
Good Samaritan, Jesus describes a
traveler who was attacked by robbers
and left naked and half dead.

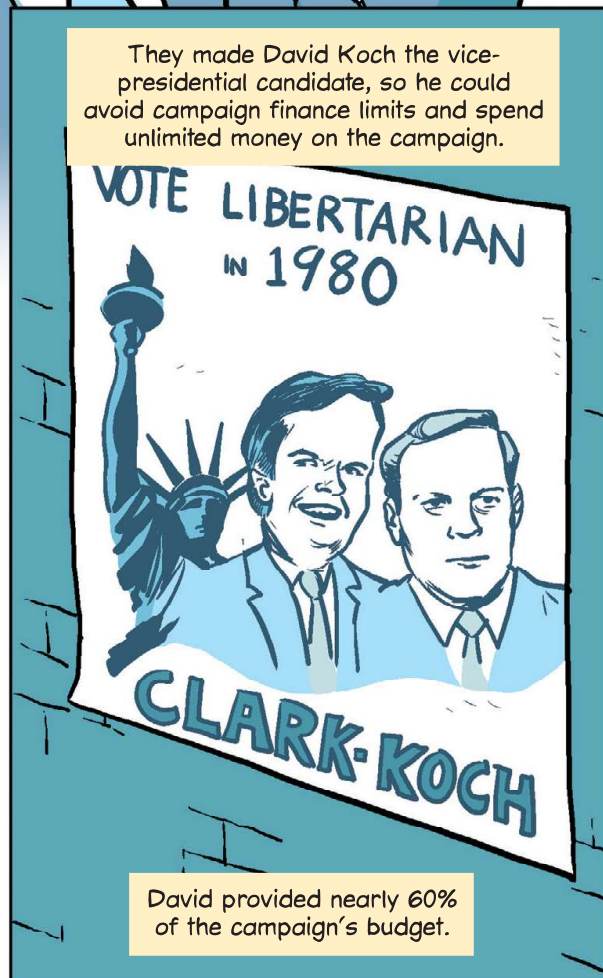
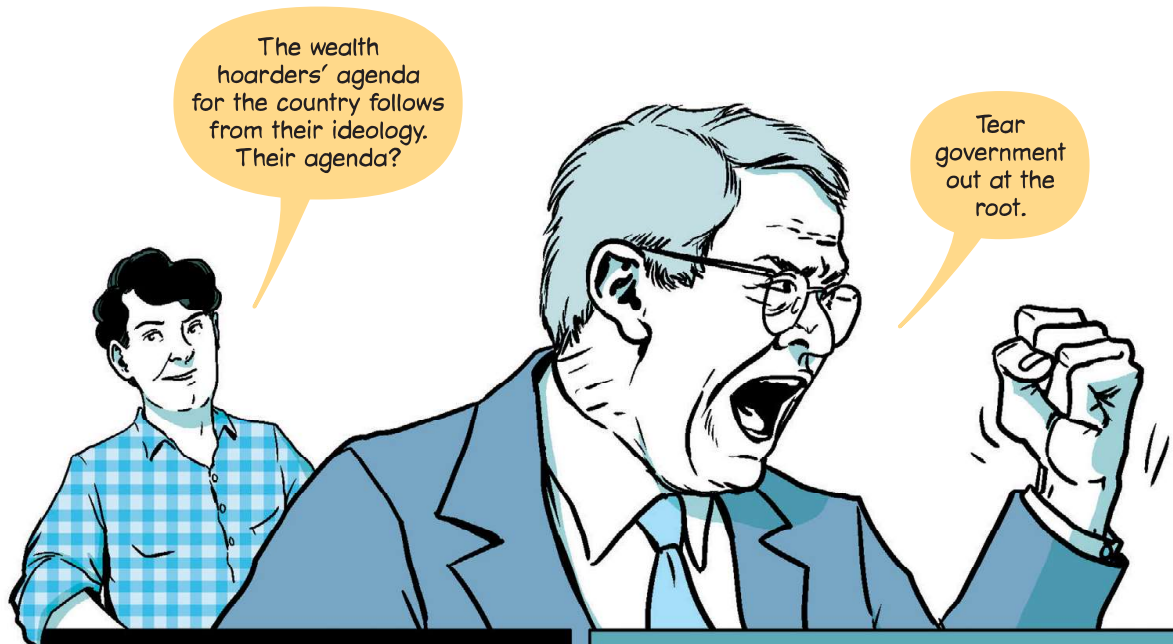


A man from Samaria, who passes
by, takes care of the traveler.





the wealth hoarder agenda



Their published presidential platform, if implemented, would wipe out government as we know it.

1980

Libertarian Party Policy Platform



TO BE ABOLISHED:

- Public schools and required education of children
- Minimum wage and child labor laws
- Social Security
- Medicare and Medicaid
- All campaign finance laws
- The EPA, SEC, and FDA*
- The FBI and CIA
- All income, corporate, and capital gains taxes
- Prosecution of tax evaders
- All forms of welfare for low-income people

*Environmental Protection Agency, Securities and Exchange Commission, Food and Drug Administration

The result on Election Day?
Just 1% of the vote.

In 1980, most Americans
despised the wealth hoarders'
aims, as they still do today.



Still, Charles and David Koch kept
at it, seeking ways to make their
deeply unpopular vision a reality.



They found answers in the work of
Buchanan, who sought similar ends.

Buchanan saw that in a modern, inclusive democracy, the wealth hoarders' unpopular ideas would always lose.

So Buchanan developed and promoted strategies to cripple and bind democracy—to stop it from reflecting the interests of the majority of the people.

We must remove the sacrosanct status assigned to majority rule.



Buchanan saw that individual politicians come and go, but the rules of elections and government are what determine, over time, which interests win.

The problems of our times require attention to the **rules** rather than the **rulers**.

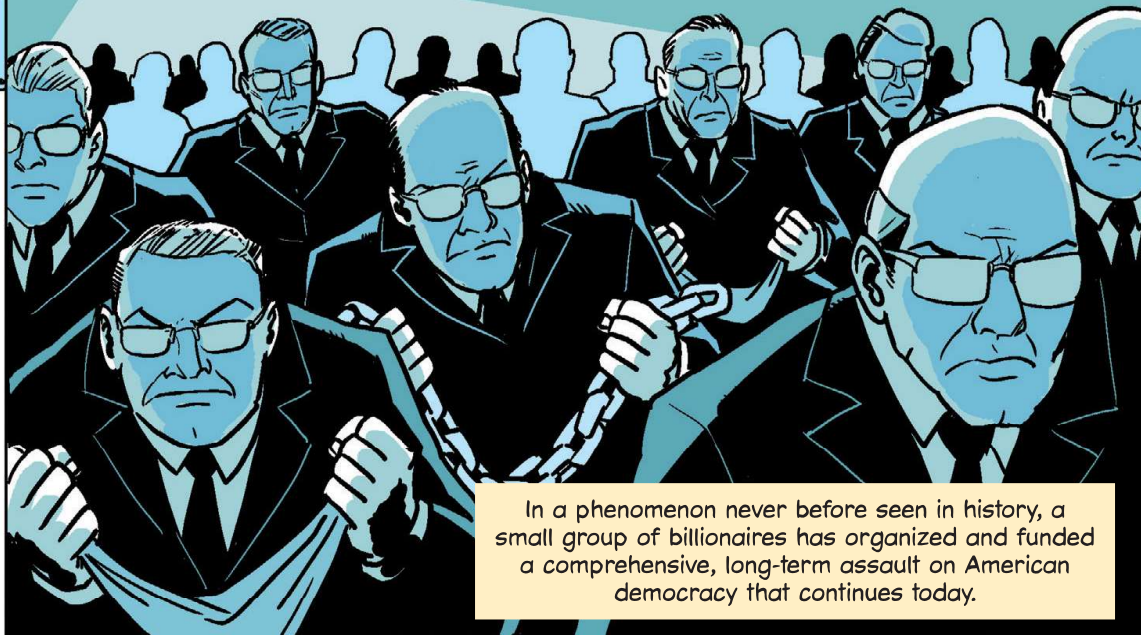


Buchanan dreamed of a government barred by constitutional law from offering social programs or regulating businesses and wealth, even when most people want these things.

A government unresponsive to the majority, instead privileging the interests of the wealthy few.



The Kochs put these strategies into action.



In a phenomenon never before seen in history, a small group of billionaires has organized and funded a comprehensive, long-term assault on American democracy that continues today.



the kochtopus

By the late 1980s, the Kochs sought a more practical approach to politics than supporting the Libertarian candidate for president.

They and their allies used their vast wealth to stealthily push radical anti-government ideology into the mainstream.

They invested in intellectuals to generate ideas aligned with the wealth hoarder agenda.

They invested in think tanks and "thought leaders" to get these ideas into the public's consciousness.

They influenced college and university curricula.

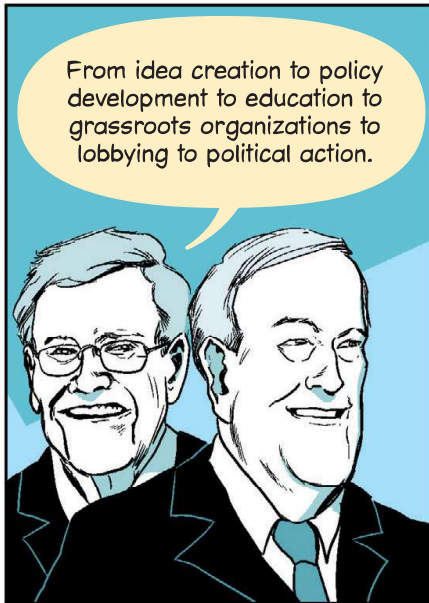
They remade the American judiciary.

They supported groups to pressure elected officials.

They took over the Republican Party.

They targeted the government's most successful programs.

And much more, as I'll show you.



When possible, the Kochs used nonprofit foundations to bankroll these efforts, so that funding for their plans was tax-deductible.

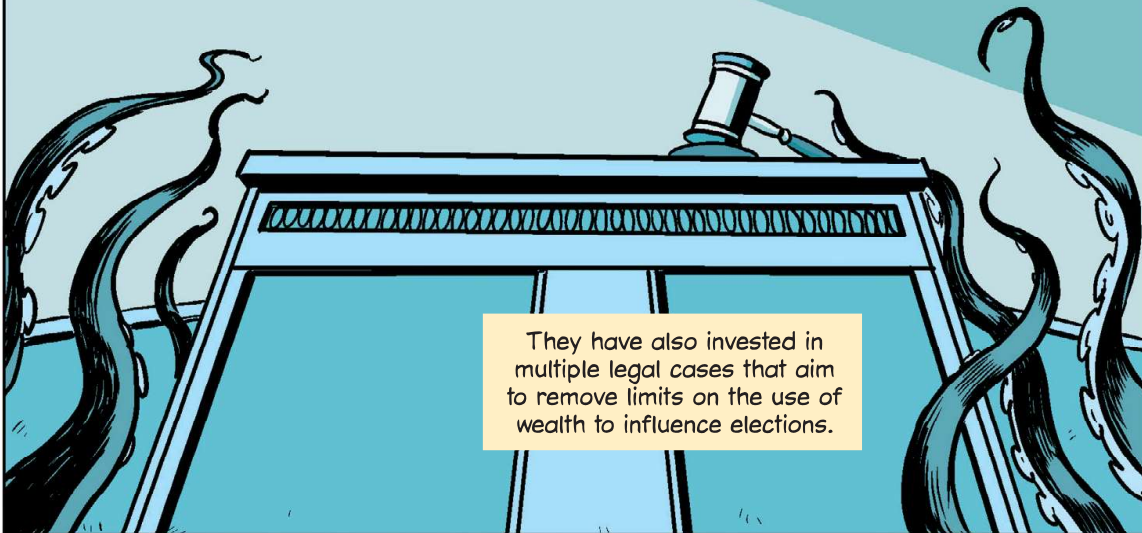
Heritage Foundation
FreedomWorks **Tax Founda**
Competitive Enterprise Insti
deralist Society
Americans for Pro
o for Growth
Citizens for a Sound Economy
State Policy Net
Cato Inst

Why pay taxes when you could fund right-wing think tanks instead?



remaking courts and the law

The wealth hoarders have invested heavily over decades to train and promote the appointments of like-minded judges and to influence judges already on the bench.



They have also invested in multiple legal cases that aim to remove limits on the use of wealth to influence elections.

INFLUENCING JUDGES

The Olin Foundation, funded by the ammunition and chemical baron John Olin, had views allied with the Kochs.



It led a successful multi-decade campaign to move judges, and all of legal education, to the right.

A type of analysis that applies economic concepts to law was considered a fringe libertarian theory—until the Olin Foundation spent an astonishing \$68 million to support it in American law schools from 1985 to 1989.

Law and Economics

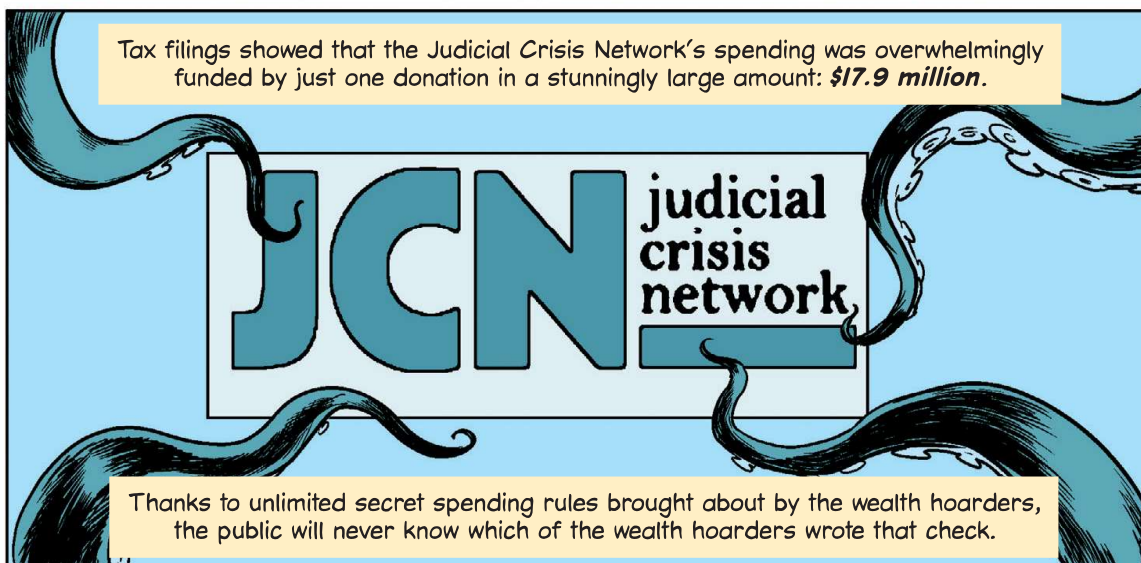
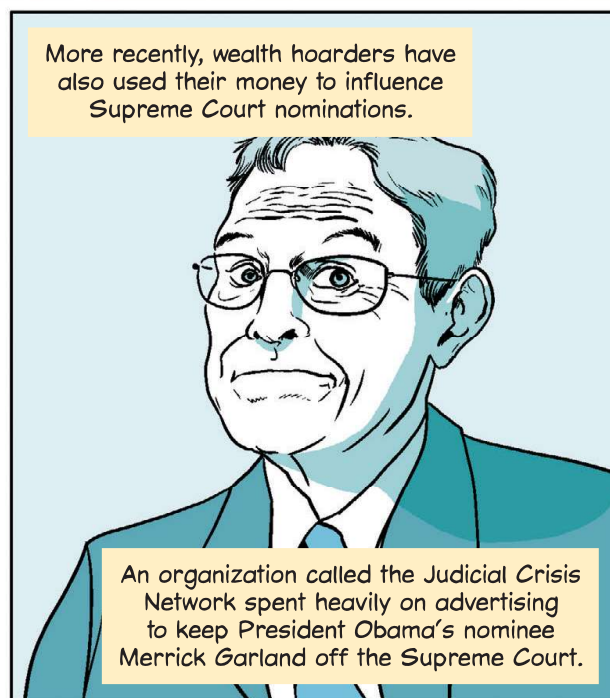
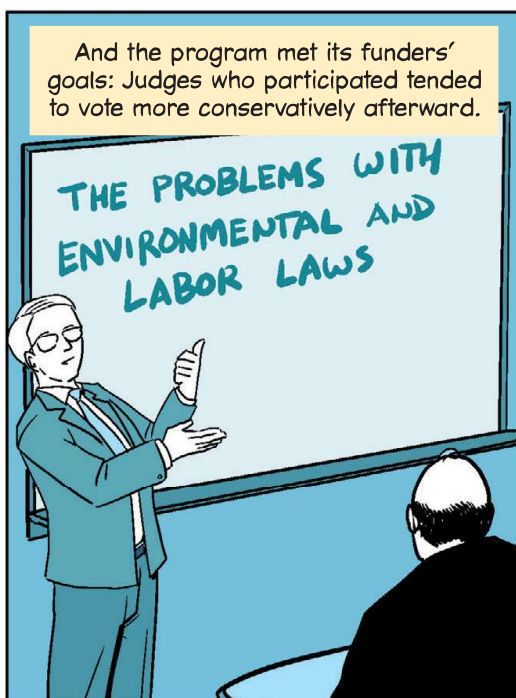
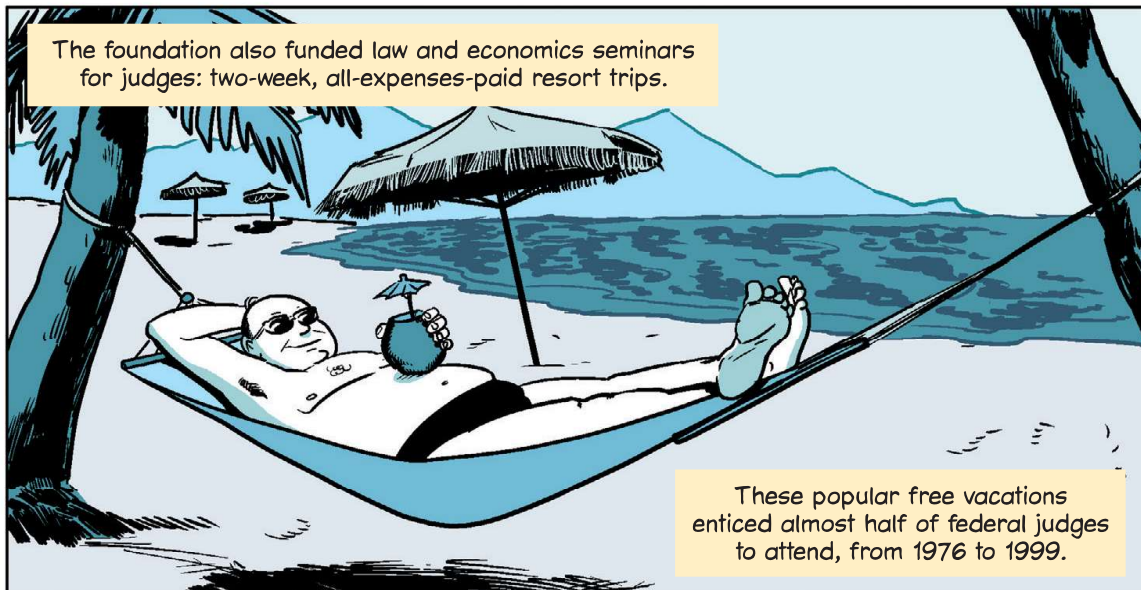
Harvard \$10 million

Yale \$7 million

Chicago \$7 million

Columbia \$2 million

The foundation even paid students to take law and economics classes.

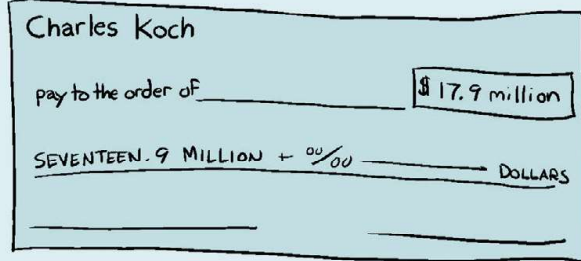


By the way,
that check is not
stunningly large to
the wealth
hoarders.

Suppose you
have a net worth of
\$100,000, the median
net worth of American
households.



\$17.9 million to someone with the wealth
of Charles Koch is like \$36 to you.



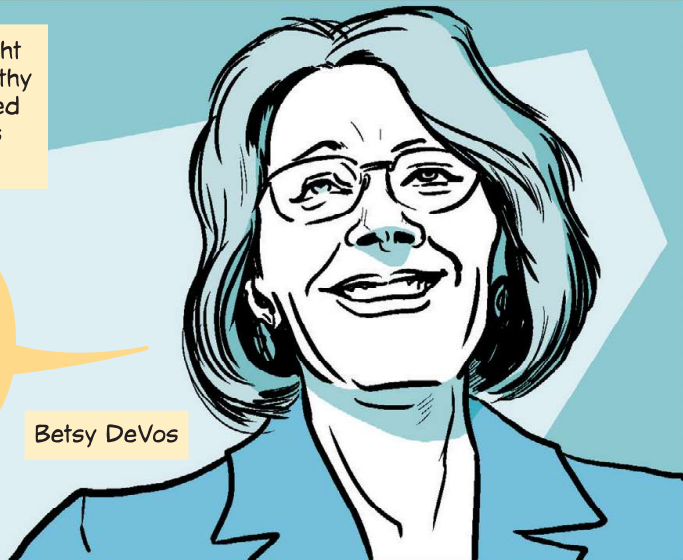
That's how little it costs them to overrun our
politics with money, and why breaking the grip of
money on our politics is the only way forward.

UNLIMITED DARK MONEY

For years the wealth hoarders sought
to end restrictions on how much wealthy
people can spend to get their favored
candidates elected, with the DeVos
family showing particular intensity.

I have decided...
to stop taking offense
at the suggestion that
we are buying influence.
Now I simply
concede the point.
They are right.

Betsy DeVos



In 1997, Betsy DeVos became a founding board member of
a group called the James Madison Center for Free Speech.



James Madison
JAMES MADISON CENTER FOR FREE SPEECH

Other early donors included the Christian Coalition and the
National Rifle Association, both allies of the Koch network.

The Center's goal: eliminating all laws restricting money in politics.



It brought case after case challenging these laws.

The wealth hoarders' investments in influencing the courts paid off spectacularly with two court decisions in 2010, *Citizens United v. FEC* and *SpeechNOW.org v. FEC*.

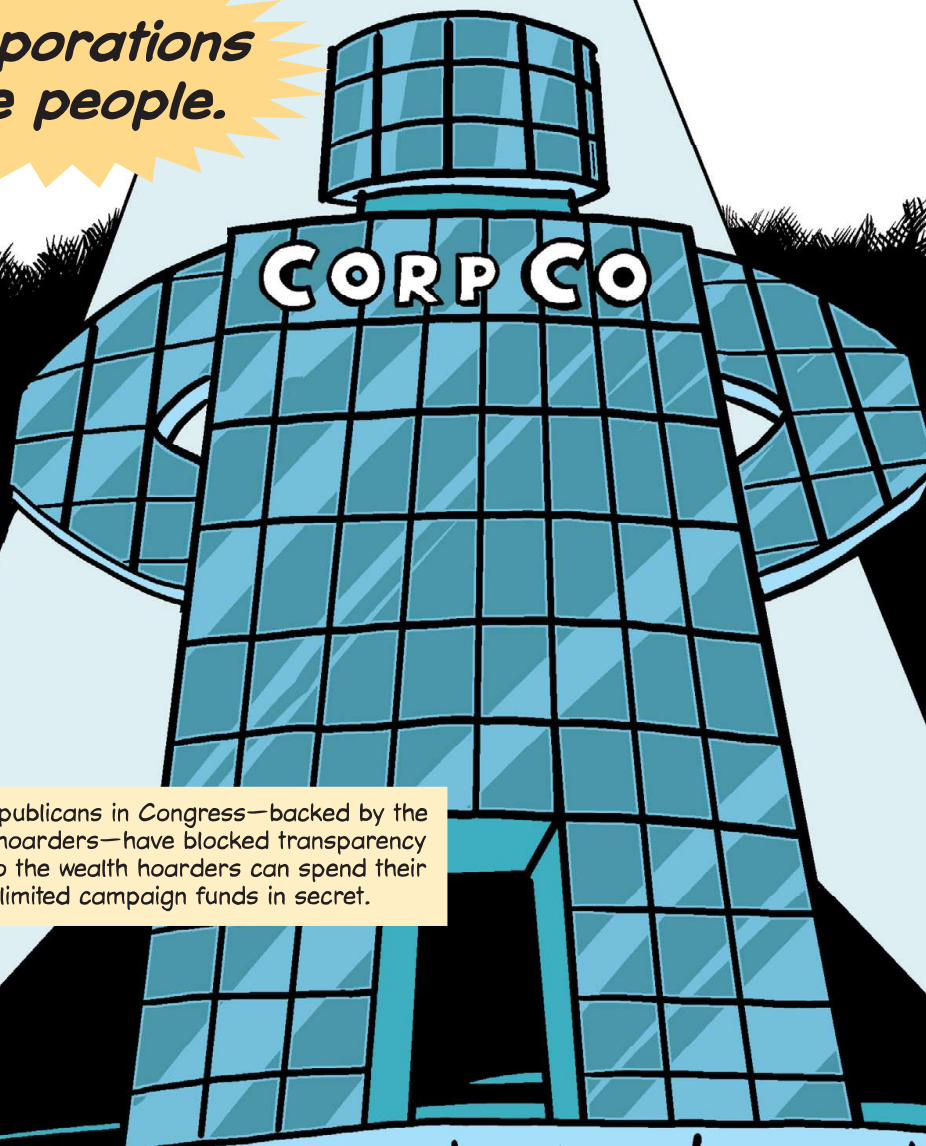


**SPEECH
NOW.ORG**



They provided the wealth hoarders with what they had long sought: the ability to spend an unlimited amount to influence elections.

***Corporations
are people.***

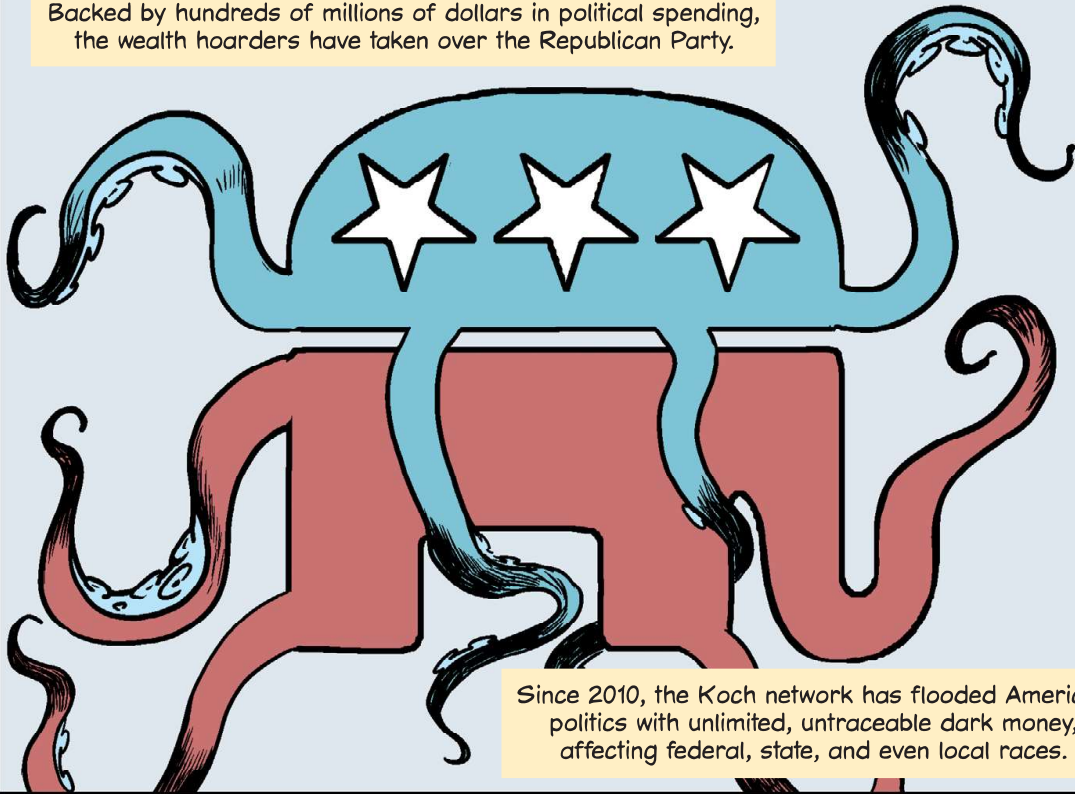


And Republicans in Congress—backed by the wealth hoarders—have blocked transparency laws, so the wealth hoarders can spend their unlimited campaign funds in secret.

What has their money bought?

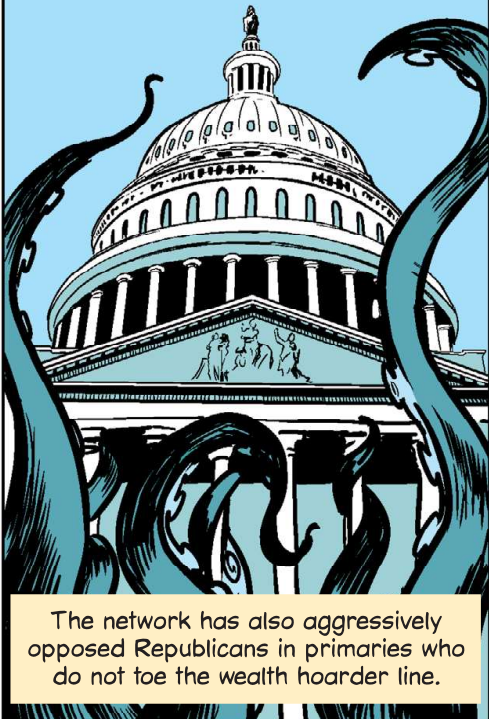
takeover of the republican party

Backed by hundreds of millions of dollars in political spending, the wealth hoarders have taken over the Republican Party.



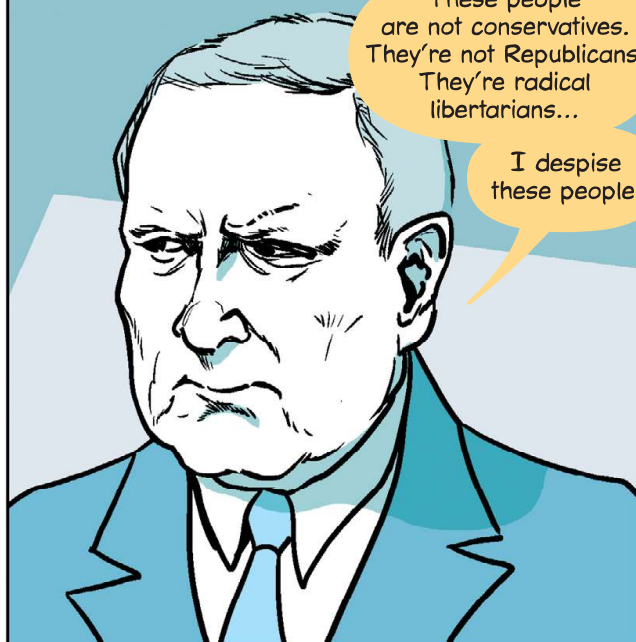
Since 2010, the Koch network has flooded American politics with unlimited, untraceable dark money, affecting federal, state, and even local races.

It has helped win hundreds of Republican seats in state legislatures and Congress.



The network has also aggressively opposed Republicans in primaries who do not toe the wealth hoarder line.

For example, Orrin Hatch, a conservative U.S. senator from Utah, was targeted in the 2012 Republican primary by a candidate backing the wealth hoarder anti-government agenda.



These people are not conservatives. They're not Republicans. They're radical libertarians...

I despise these people.

Hatch, who was reelected, wanted to avoid primary challenges like this in the future, so he learned to comply with the wealth hoarder agenda

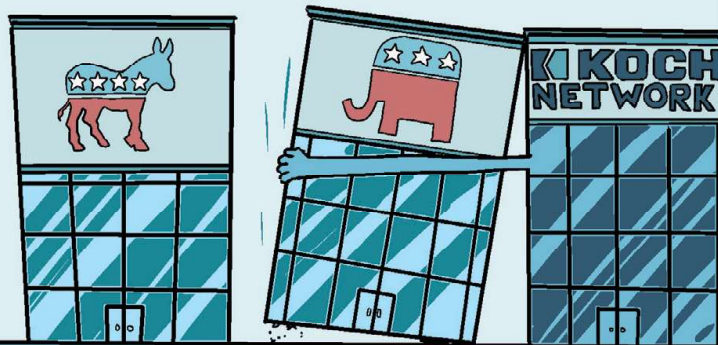


For example, in 2017, Hatch backed massive tax cuts for the wealthy, while saying "we don't have any money" for a children's health insurance program that he had co-created twenty years earlier.

The overall result: Newly elected Republicans who follow the wealth hoarder agenda because that's what they were sponsored to do, and incumbent Republicans who follow the wealth hoarder agenda because they're afraid of getting "primaried."



In addition to sponsoring candidates, the Koch network has built its own massive political organization rivaling the Republican Party in size.



It has its own national voter database, with detailed personality profiles on 89% of the U.S. population.

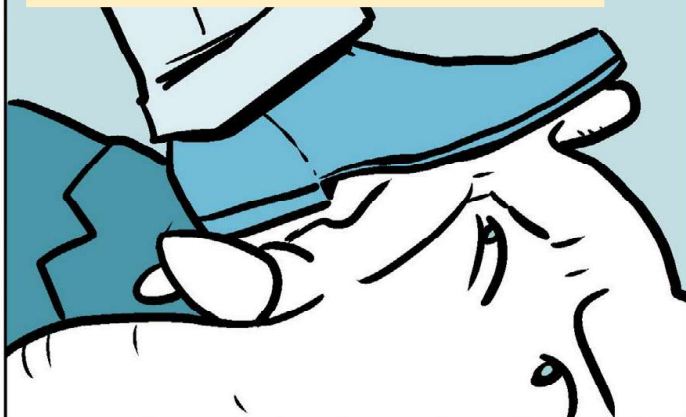


It has pollsters, ad makers, and a large grassroots organizing wing.



It employs thousands of people who are fighting for the wealth hoarder agenda.

These pressure tactics from every direction let the wealth hoarders keep their feet to the necks of Republican lawmakers to force compliance, and to influence Democratic lawmakers, too.



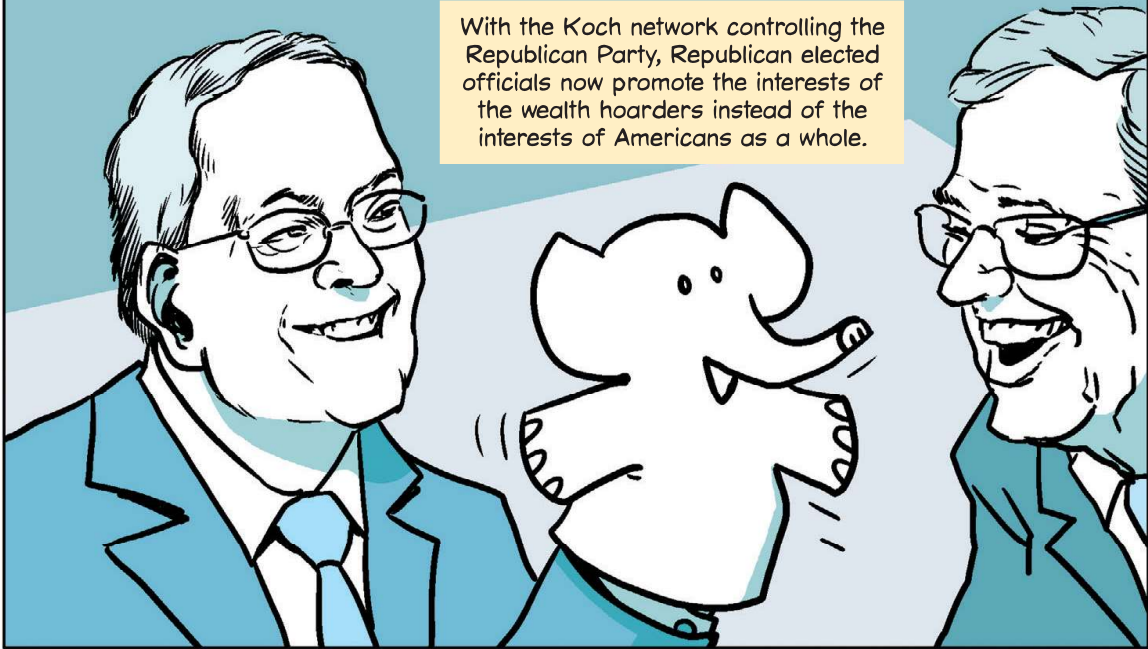
And this massive system changing our government is accountable to no one—



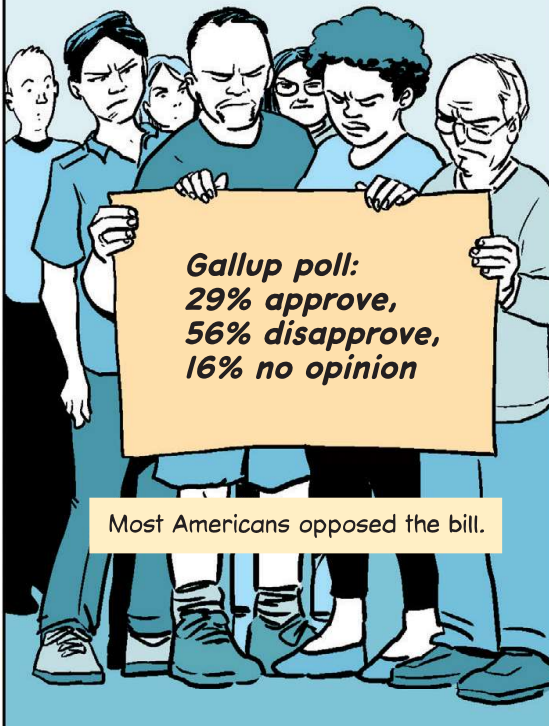
—except a small group of the wealthiest people in America.

tax breaks for the rich

With the Koch network controlling the Republican Party, Republican elected officials now promote the interests of the wealth hoarders instead of the interests of Americans as a whole.



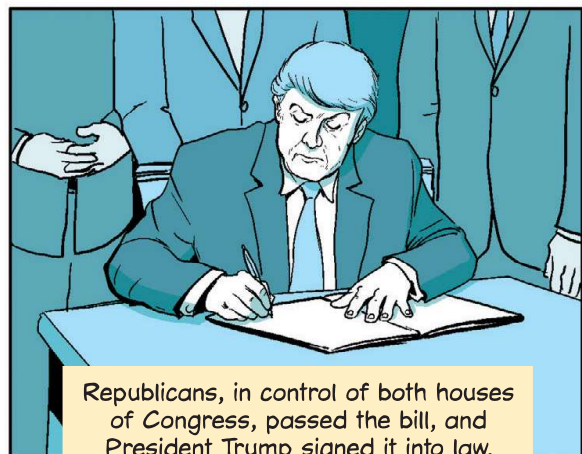
For example, in 2017, Republicans passed a tax bill that slashed taxes on corporations and the very wealthy—creating enormous government deficits and adding to the national debt.



But the wealth hoarders backed it.

My donors are basically saying, "Get it done or don't ever call me again."

Rep. Chris Collins (R-New York)



INCREASING DEBT

Most people would call it fiscally irresponsible to pass tax cuts while running up debt.

And it's not just cutting taxes.

The wealth hoarders also add to the deficit by supporting enormous government spending on defense without a way to pay for it.

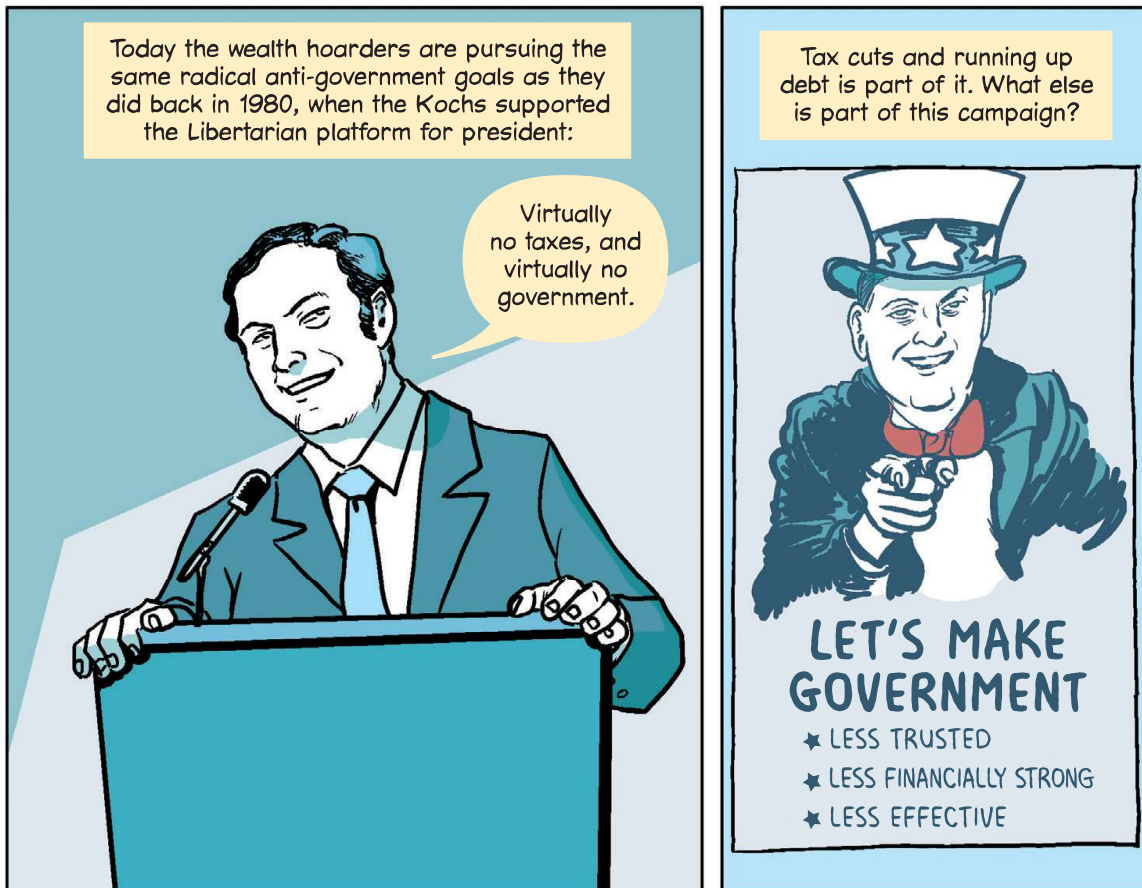
For example, U.S. spending since 9/11 on wars in Iraq, Afghanistan, and elsewhere now exceeds \$5.9 trillion.

That's equivalent to **\$50,000 for every American household**—almost all of it borrowed money that adds to the national debt.

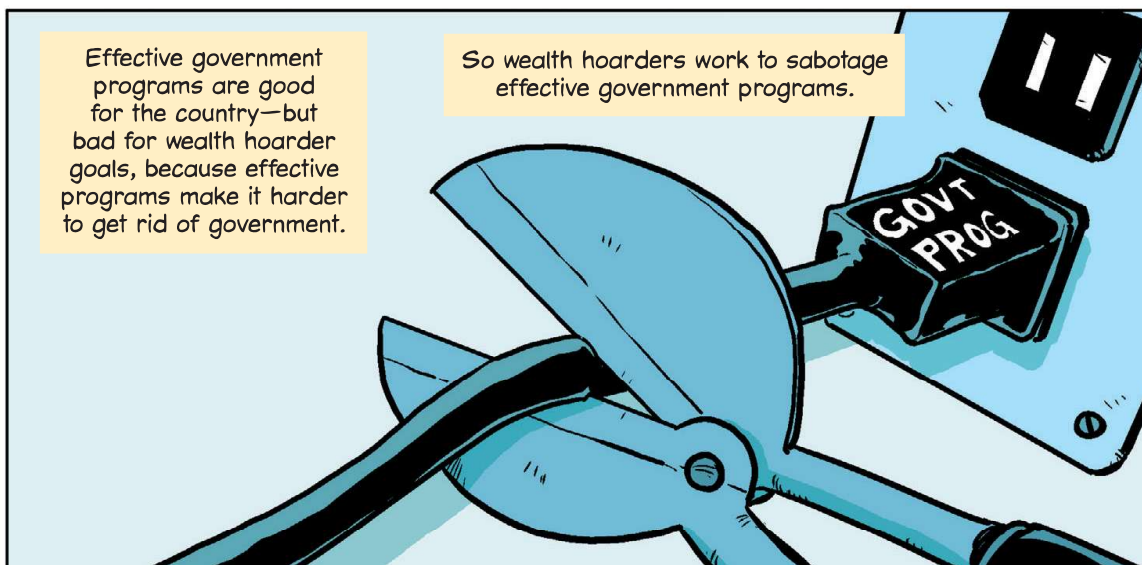
Why this fiscal irresponsibility? Because huge deficits, driven by tax cuts and military spending, help the wealth hoarders' goals—they constrain what government can do in the future.

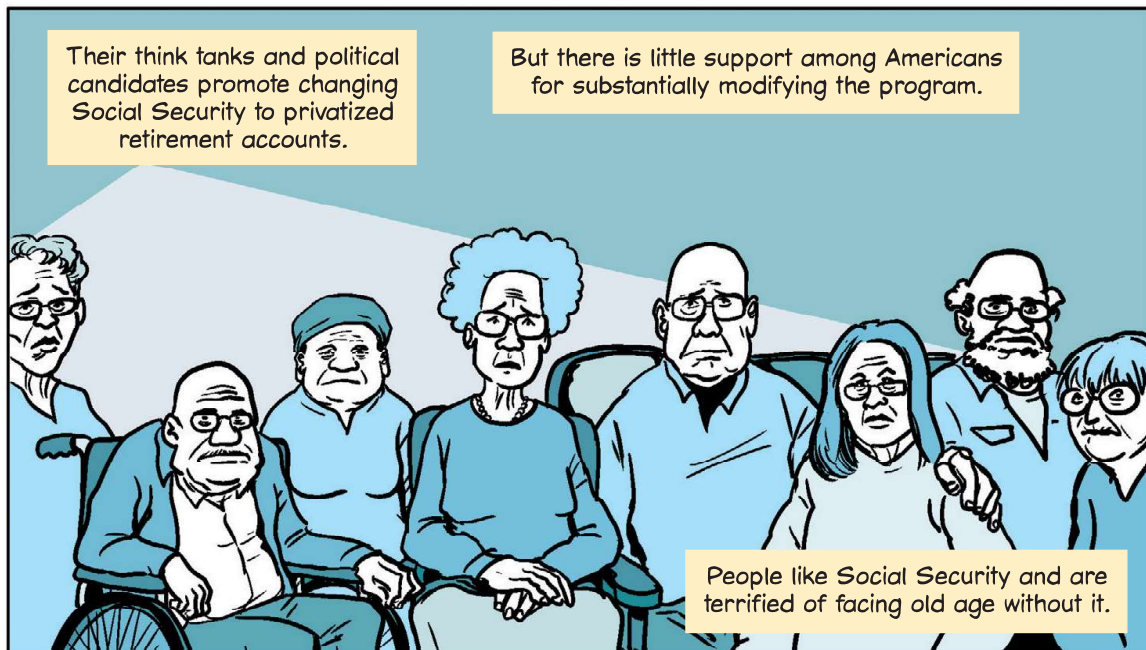
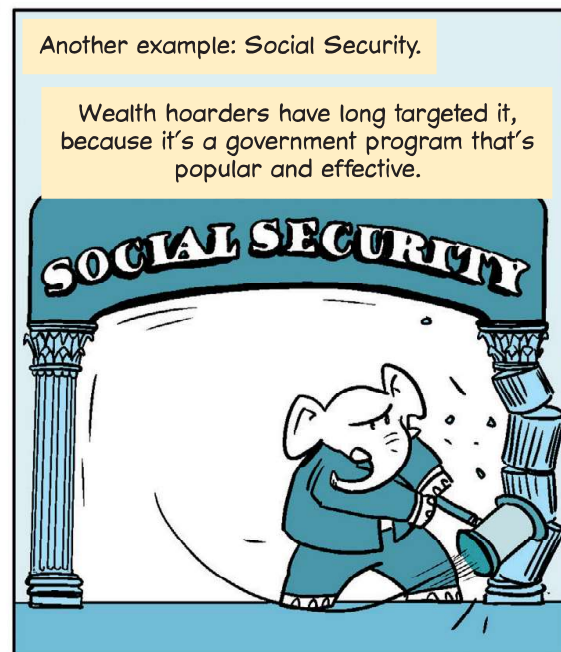
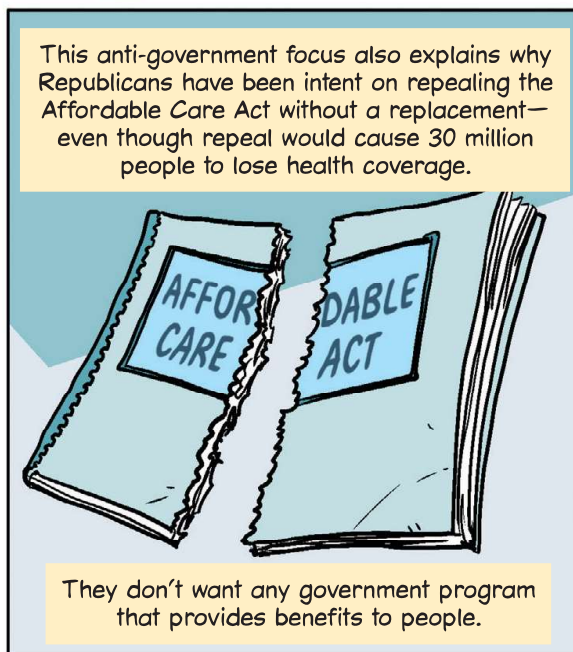
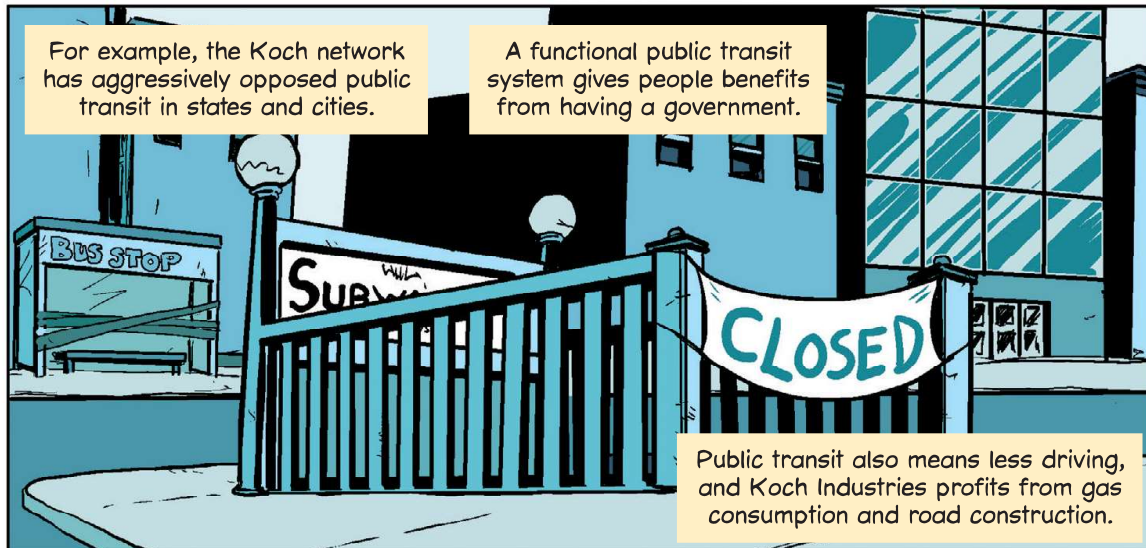
**Congressional
Budget Office**

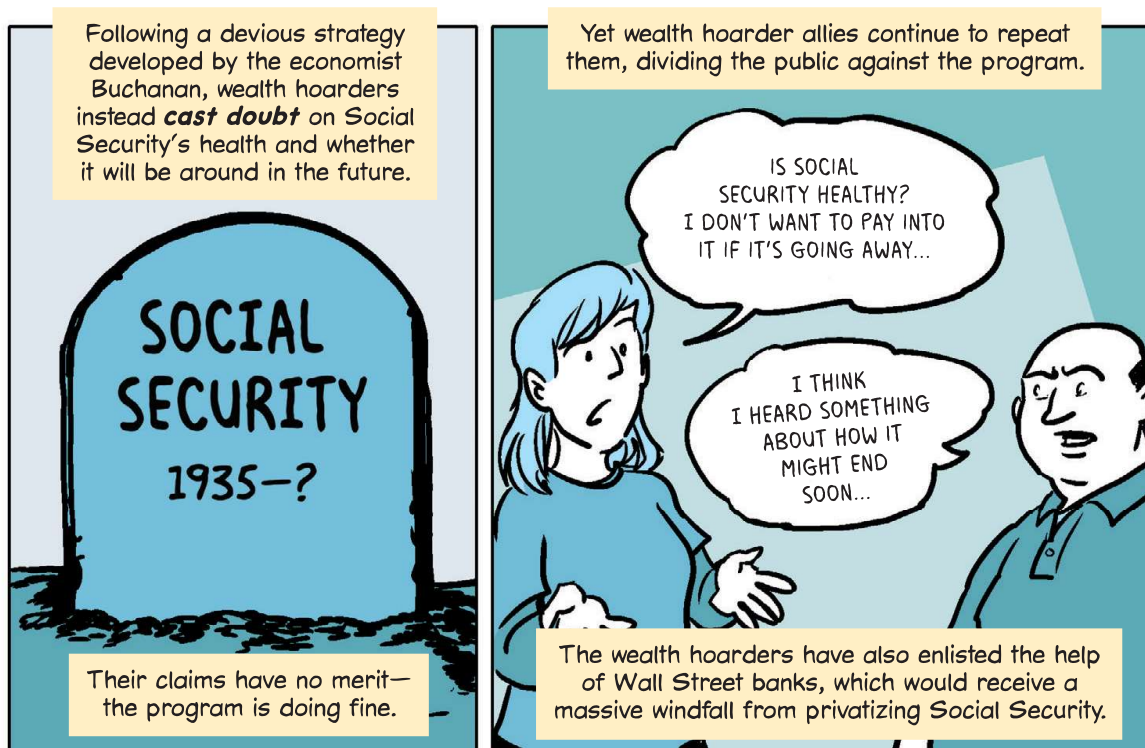
breaking government



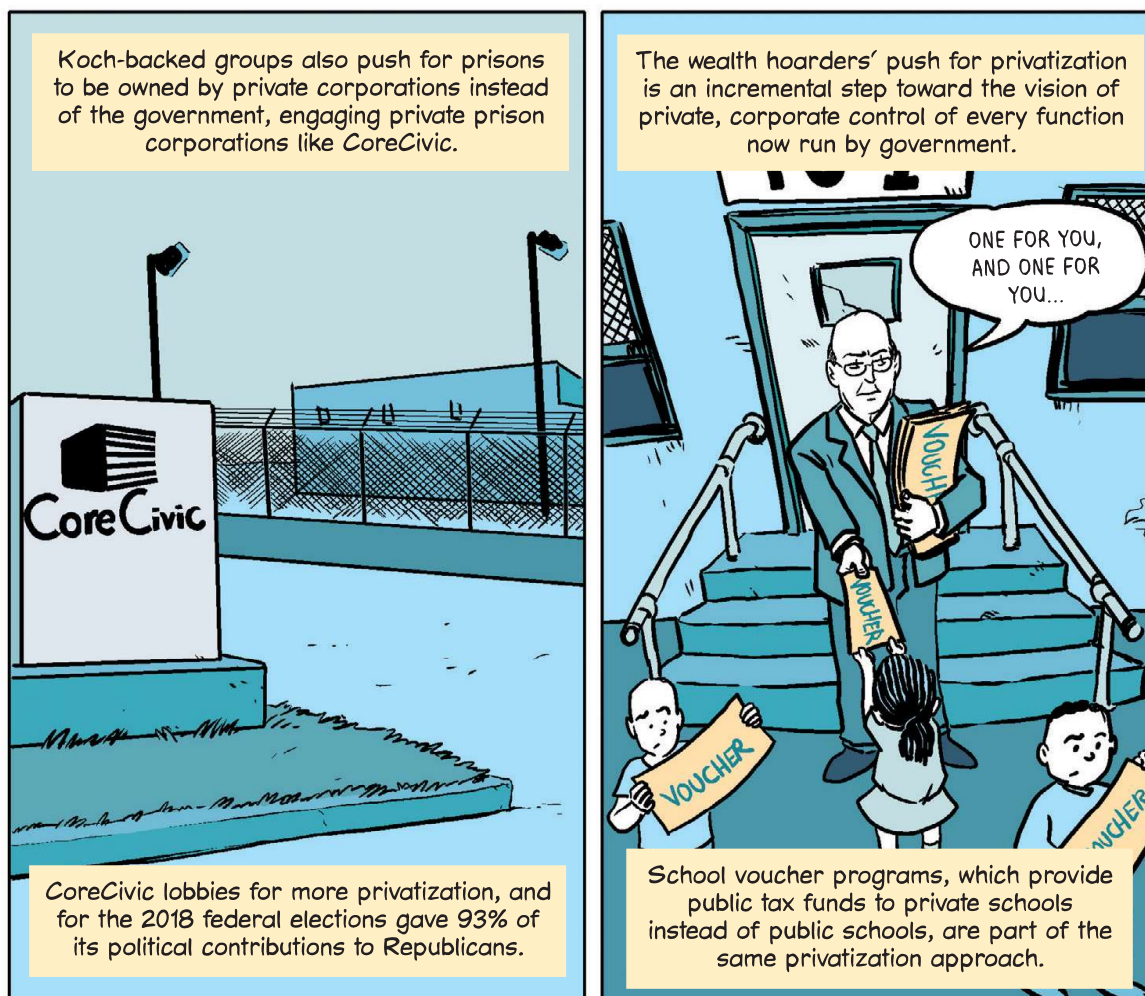
SABOTAGING GOVERNMENT'S SUCCESSES



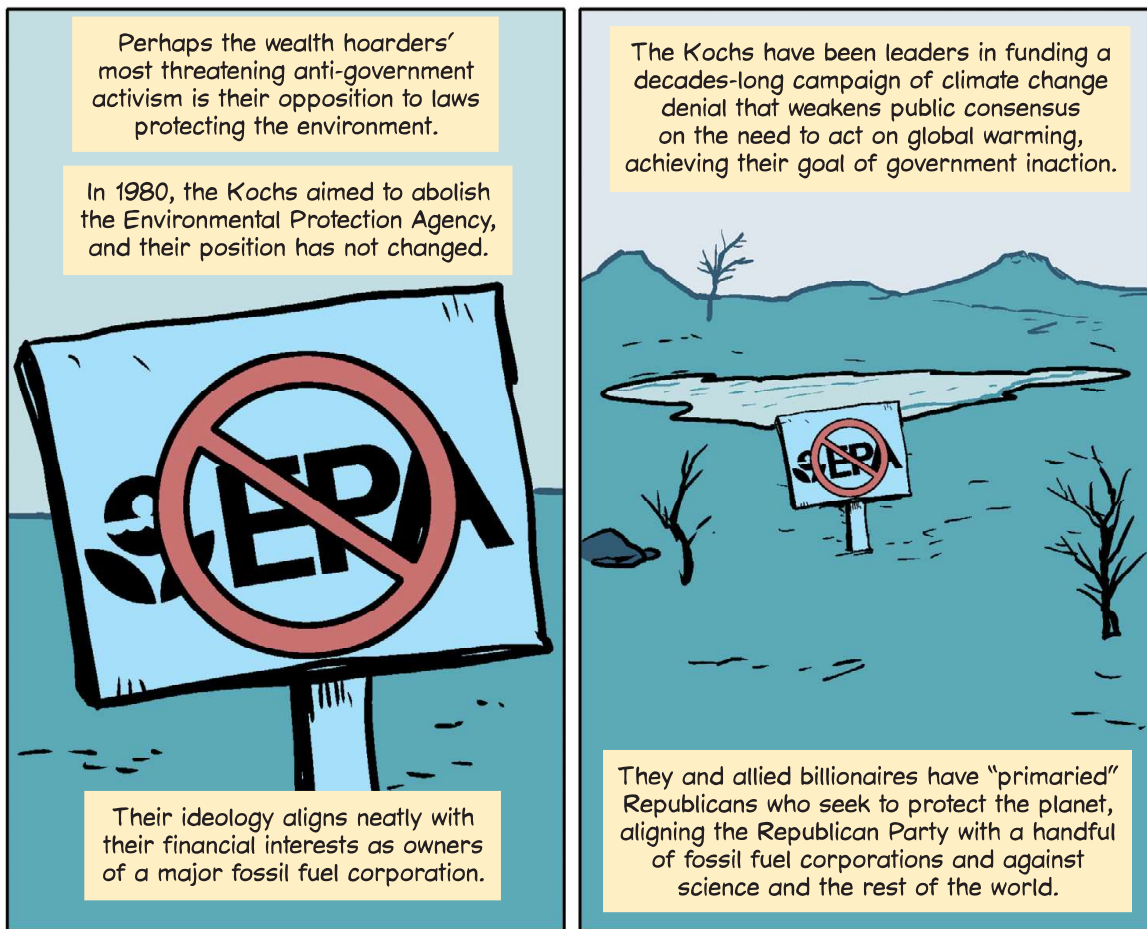




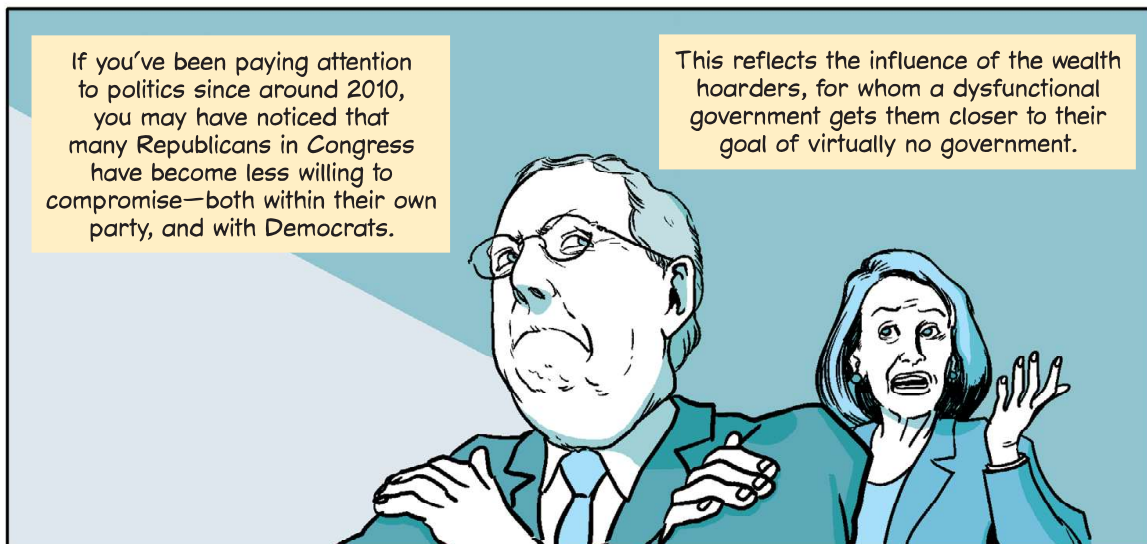
PRIVATIZATION

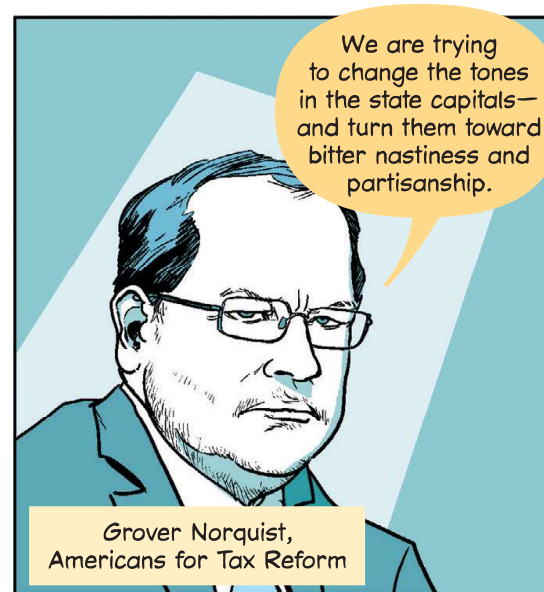


FUNDING CLIMATE CHANGE DENIAL



BITTER NASTINESS AND PARTISANSHIP

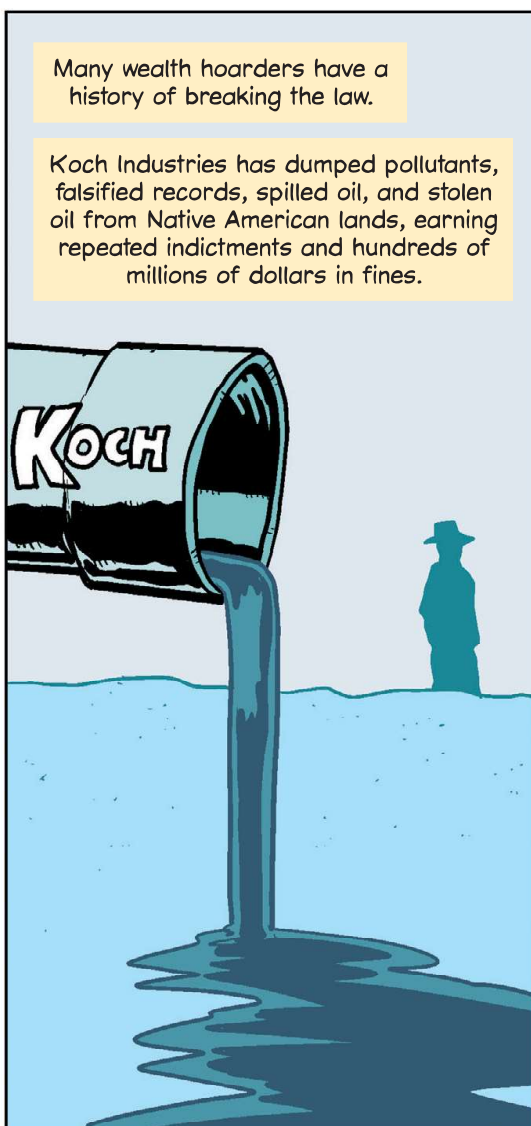




DECREASING TRUST



LAWBREAKERS



making what's radical mainstream

The wealth hoarders pursue many other strategies to make their radical anti-government proposals mainstream.

They influence colleges and universities, sponsoring anti-tax, anti-regulation faculty and courses at hundreds of schools.

After a whole semester of Hayek*, it's hard to shake them off that perspective over the next four years.

Prof. John Tomasi,
Brown University

**FREE
MARKETS**

Freshman seminar, funded by the
Koch Foundation, \$147,154

The schools graduate young professionals trained in wealth hoarder ideology—foot soldiers to staff the wealth hoarders' hundreds of organizations nationwide.

*Libertarian economist

In another tactic, wealth hoarders pressure nonpartisan groups to be more conservative by accusing them of *bias* against conservatives.

The Ford Foundation began awarding a series of grants to a right-wing think tank, American Enterprise Institute, in 1972, after these accusations began.

That was quite the heist you pulled on the Ford Foundation, congratulations!

The same criticism of "bias" has pushed mainstream news outlets to add more conservative commentators.

TALK TODAY

Now on Sunday news shows, for example, conservative guests far outnumber liberals.

disabling democracy

The rigged rules of democracy that I discuss throughout this book?

They didn't just happen. They are part of the wealth hoarder strategy.

In a functioning democracy, with majority rule, the wealth hoarders cannot win, because what they seek to implement is unpopular.

So to prevail, the wealth hoarders must **disable** democracy. They have been doing so aggressively.

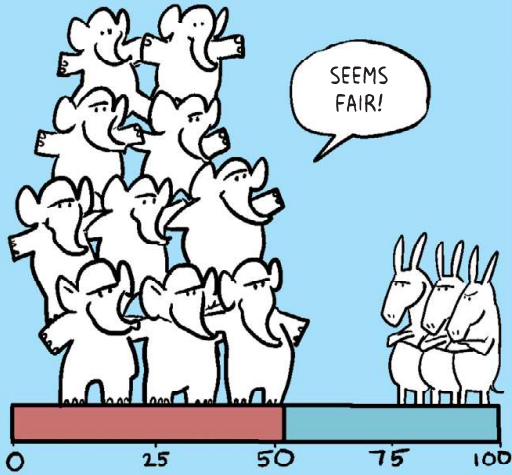
DARK MONEY

POLITICAL MACHINE

By influencing the judiciary and Republican lawmakers, the wealth hoarders killed limits and transparency for political spending, both central to democratic rule.

In Republican-controlled state legislatures, they've drawn the most extreme gerrymanders in modern history.

In North Carolina in 2016, for example, Republicans won 53% of votes in U.S. House elections—but won ten out of thirteen seats.



Republican legislatures have also passed a slew of voter-suppression laws since 2010, following the wealth hoarder strategy of distorting election results by making it harder for people to vote—especially people of color, low-income citizens, and young people.

I don't want everybody to vote... Our leverage in the elections quite candidly goes up as the voting populace goes down.



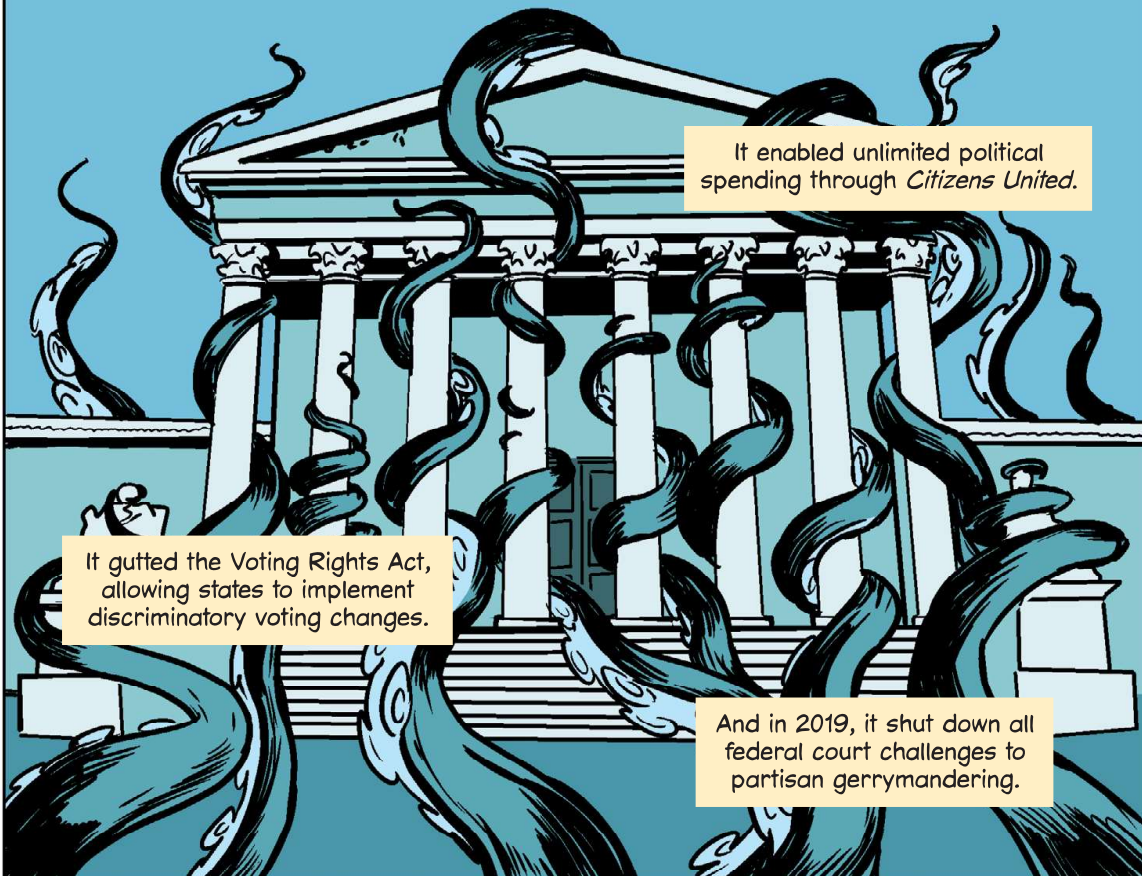
Paul Weyrich, co-founder, Heritage Foundation

The Supreme Court, its membership heavily influenced by the wealth hoarders, has followed their anti-democracy agenda.

It enabled unlimited political spending through *Citizens United*.

It gutted the Voting Rights Act, allowing states to implement discriminatory voting changes.

And in 2019, it shut down all federal court challenges to partisan gerrymandering.



LOCKING DOWN THE CONSTITUTION

The wealth hoarders' ultimate goal: changing the U.S. Constitution to shackle American democracy so that it benefits the very wealthy and is forever unresponsive to the peoples' will.

Their proposed constitutional changes include:

- Requiring a balanced budget.

- Slashing income taxes and eliminating estate taxes.

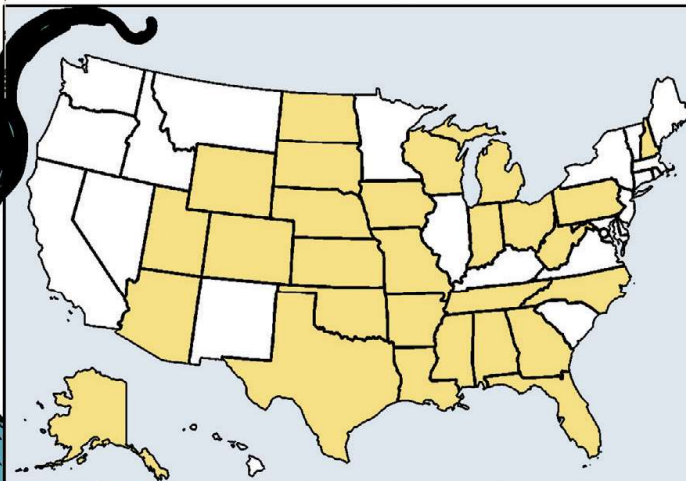
Passage of this amendment would force immediate, radical cuts to government spending, with Social Security benefits among the many casualties.

- State legislators, not the people, electing U.S. senators.

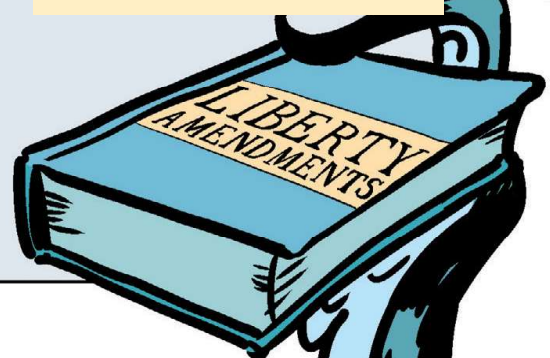
The U.S. Constitution allows for a convention to propose changes to it, without going through Congress, if two-thirds of states (that's thirty-four states) agree.

Article V.

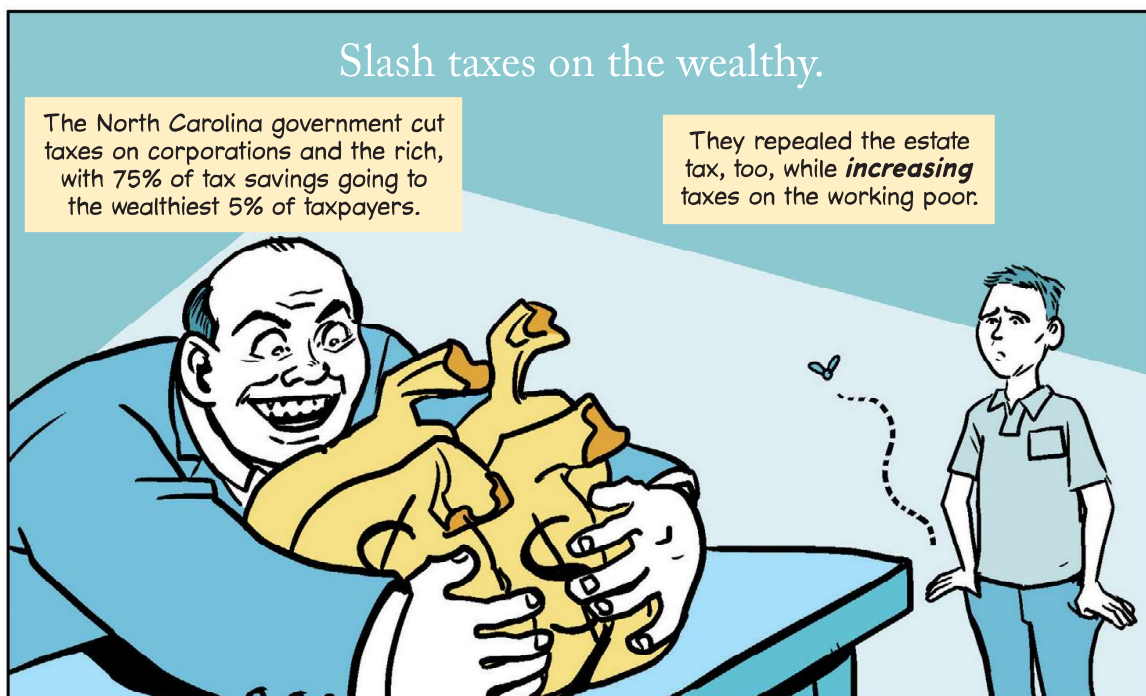
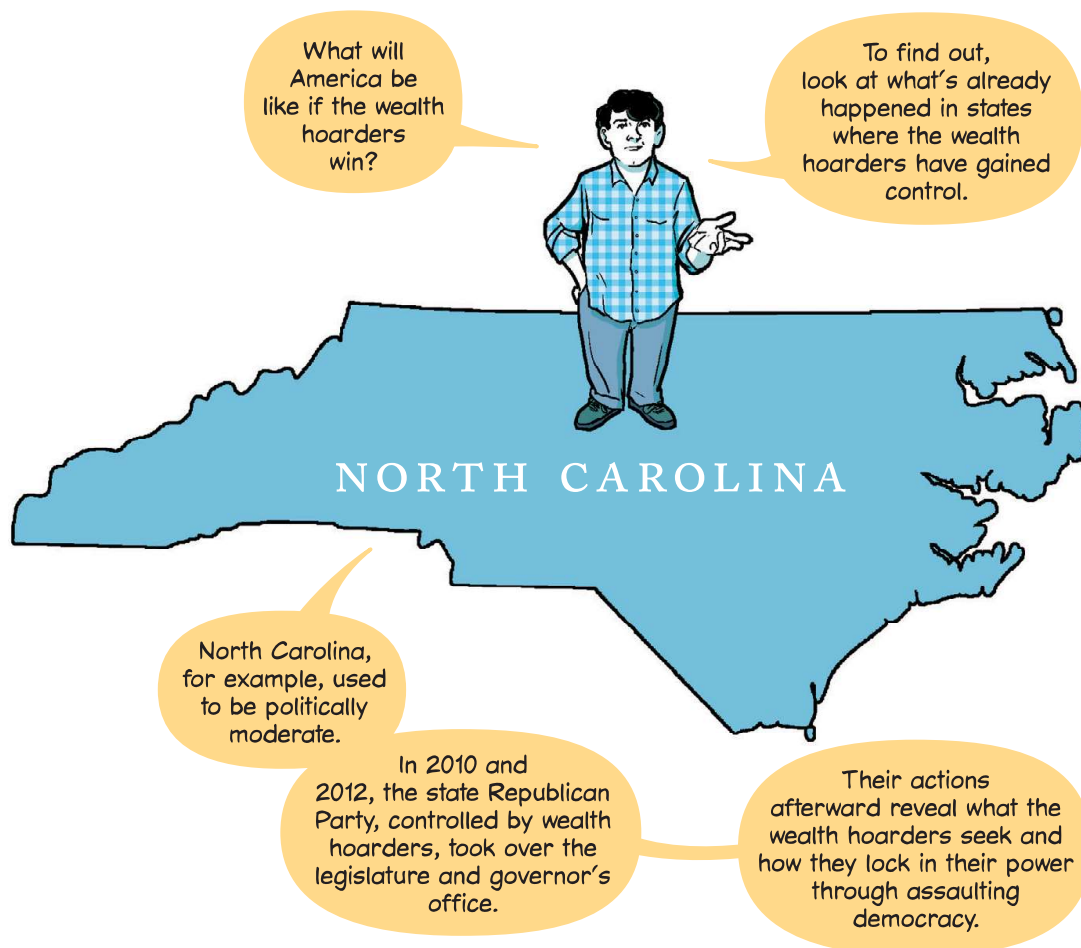
two thirds of both Houses shall deem it necessary, shall propose Amendments, or several States, shall call a Convention for proposing Amendments, when ratified by the Legislatures of three fourths of the several States, or by the Conventions of three fourths of the several States, or by the Congress: Provided that no Amendment which



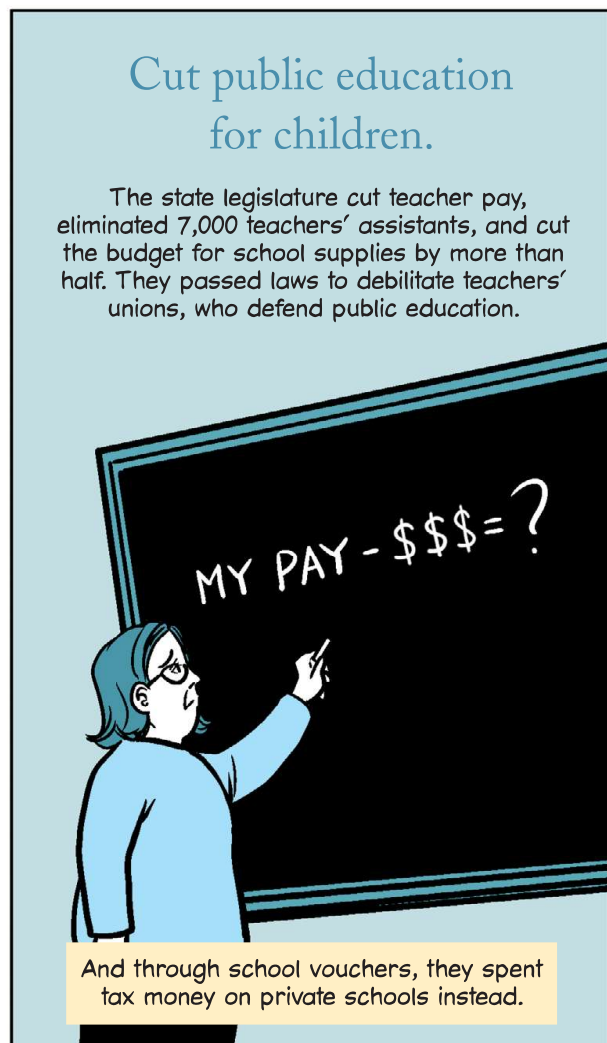
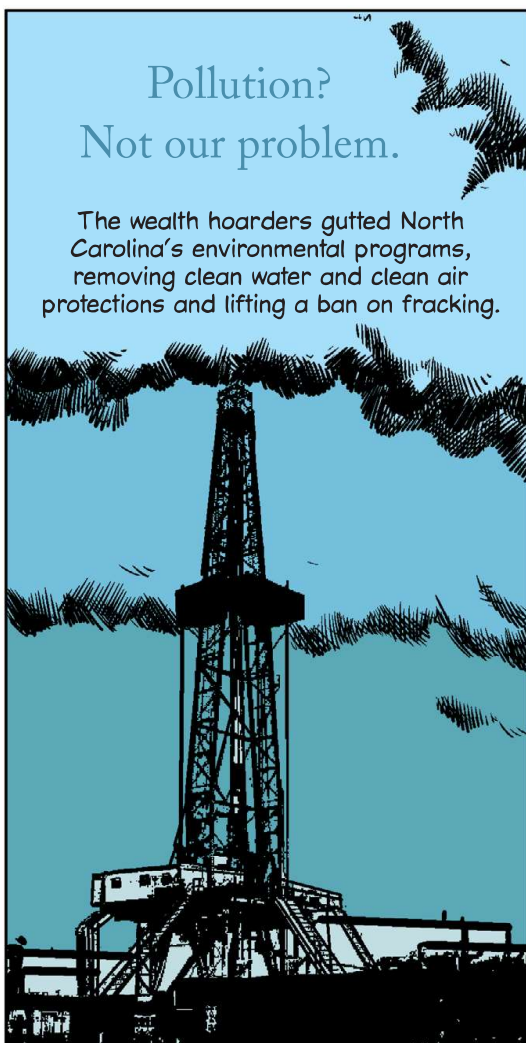
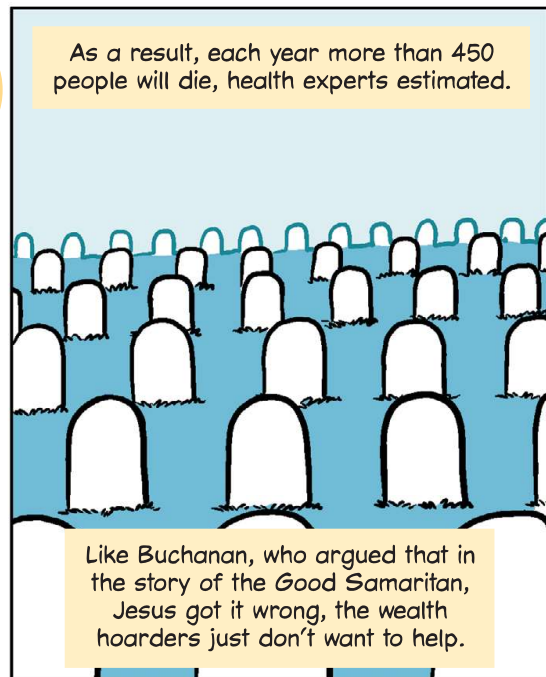
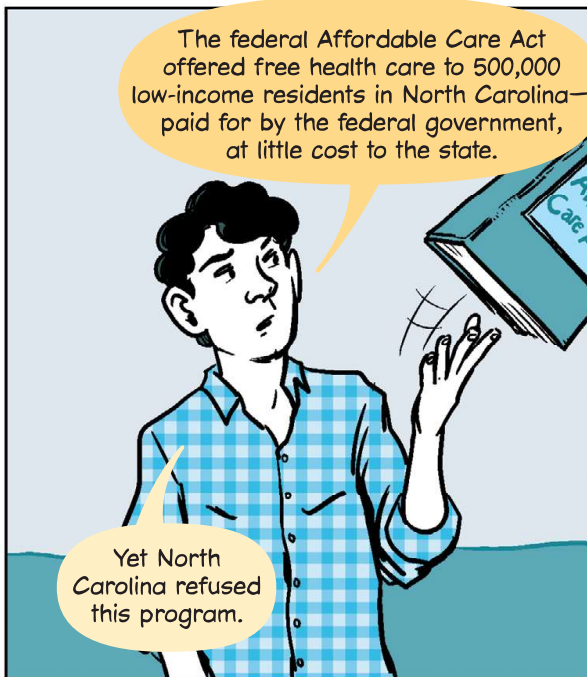
Lest you think this plan is just a fantasy, twenty-eight states have already passed resolutions for a convention, and the amendments above come from a 2013 book that was a number-one bestseller.



the wealth hoarders' endgame

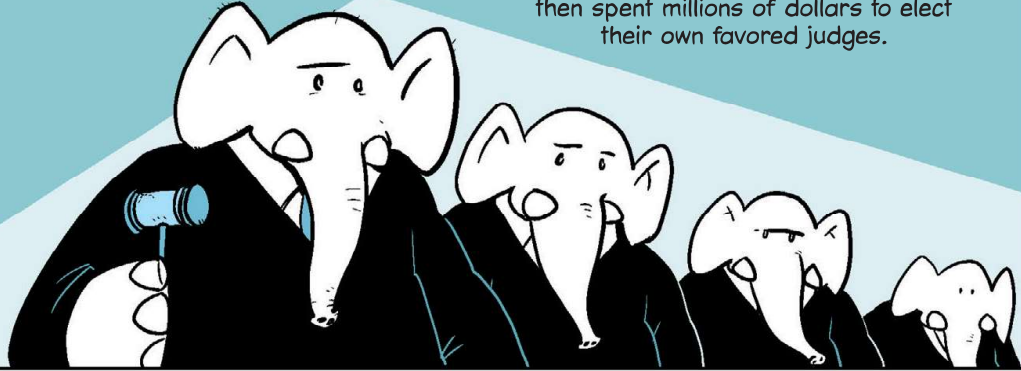


If you're sick and can't pay
for medical treatment, tough luck.



Unlimited spending to influence elections.

Republicans eliminated public funding of judicial elections ("clean elections"), then spent millions of dollars to elect their own favored judges.



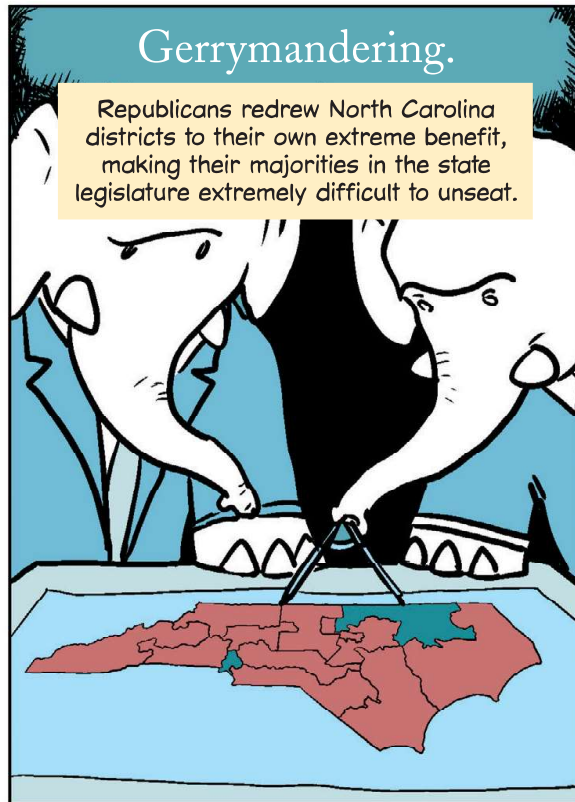
Voter suppression.

The Republican legislature made it harder to vote in ways that disproportionately affected African Americans and young people.



Gerrymandering.

Republicans redrew North Carolina districts to their own extreme benefit, making their majorities in the state legislature extremely difficult to unseat.



This is the wealth hoarder strategy: rigging the rules so that the interests of a handful of billionaires reign, regardless of what most people want and how most people vote.



POISONED WATER

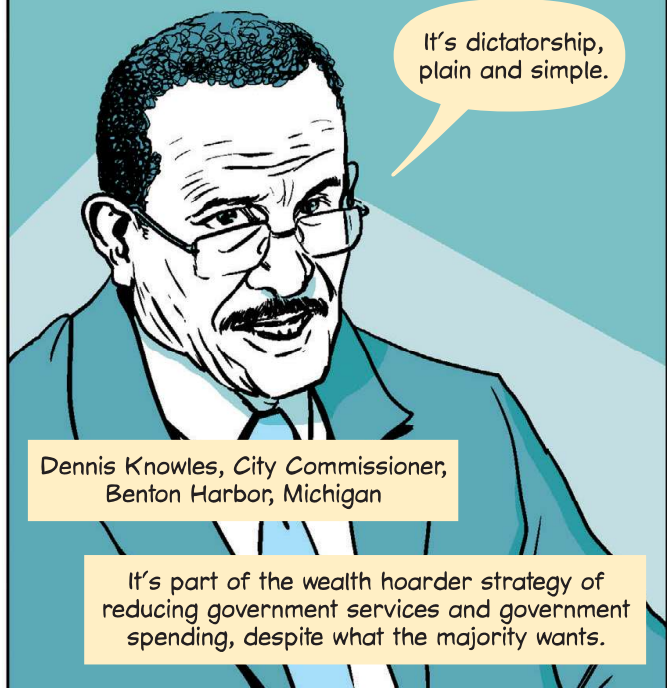
The residents of Flint, Michigan, know what a world without democracy tastes like: poisoned water.

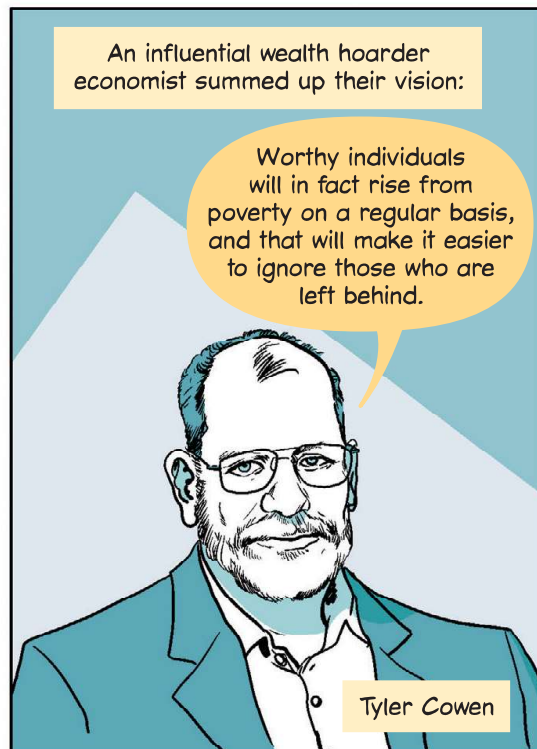
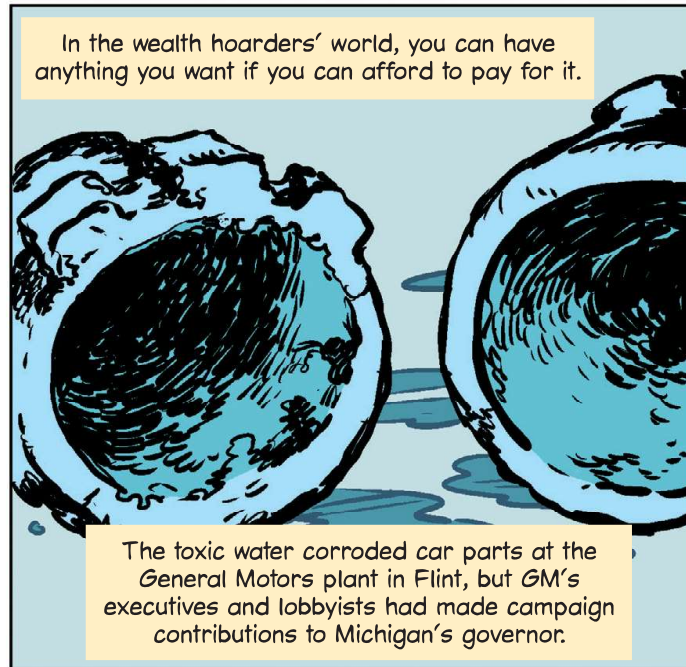
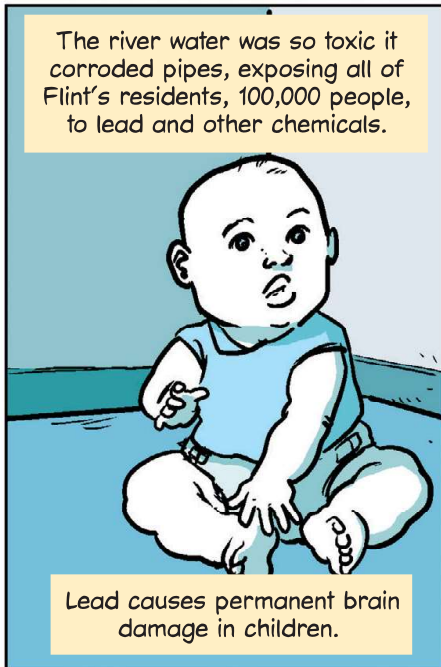
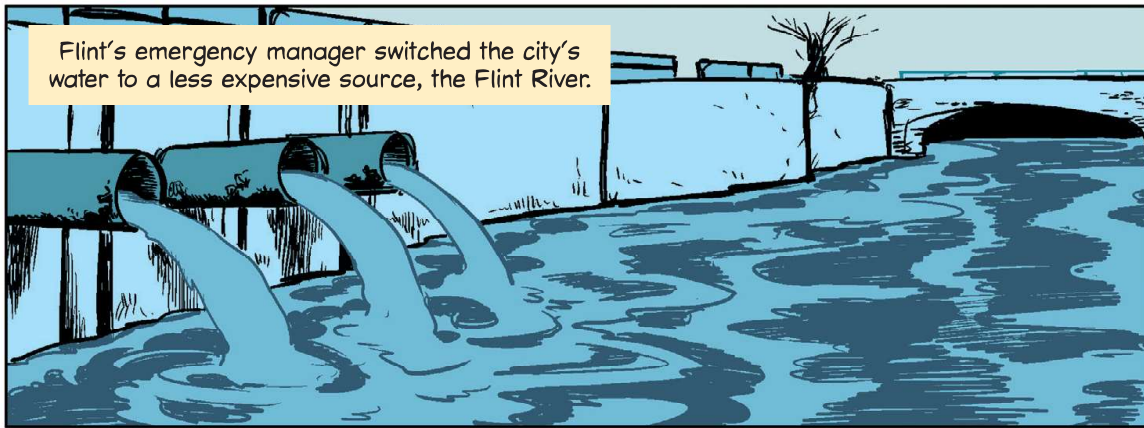


A Koch-funded center in Michigan successfully pushed for a state law that allows the governor to take over local government in communities facing a "financial emergency."

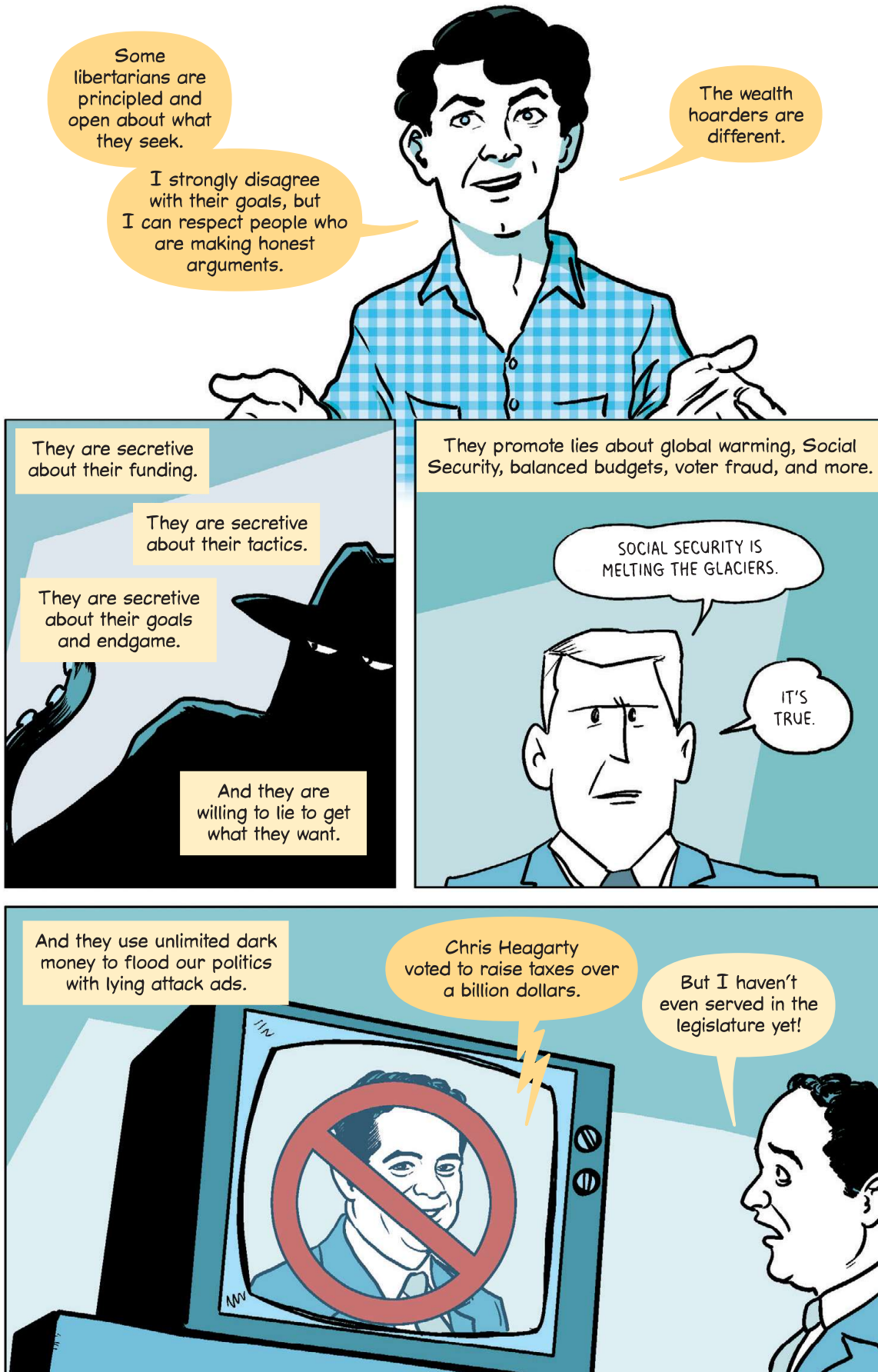


Emergency managers, appointed by the governor, can nullify union contracts, sell off local resources to private companies, and impose other measures at will, regardless of the opinions of elected leaders and people in the community.





secrecy and coercion



Because their radical anti-government vision is widely and deeply unpopular, they seek to keep their **true aims** secret.



Remember, the wealth hoarders' bold Libertarian presidential platform in 1980 received only 1% of the vote.

But if wealth hoarders keep their aims hidden, and lie about them, they have a better chance of success.



So as we've seen, the wealth hoarders have pursued their aims incrementally, taking government apart piece by piece.



They make justifications for each action separately, in any way they can, without stating the full scope of their radical aims.

The wealth hoarders
seek to keep their
funding secret, too.

Their hundreds of seemingly unrelated groups and
dark money political campaigns would be a lot less
effective if people knew that the funds for all of it came
from the same small group of extremely rich people.

Using secrecy
and deception to get
people to do what they
wouldn't do otherwise
is coercion.

The wealth hoarders
claim to promote freedom,
but their tactics reveal that
they want freedom only
for the wealthy.

The rest of us
can't be trusted to
make our own, fully
informed decisions—
we must be
deceived.



image makeover

In 2012, the Kochs set out to improve their image.

Said their strategist about middle-of-the-road Americans:

Big business they see as very suspicious... We've got to convince these people we mean well and that we're good people.

The Kochs joined an alliance with progressive groups for criminal justice reform.

Meanwhile, they continued to champion candidates opposed to reform.



VITTER FOR SENATE

The Kochs began working on criminal justice issues after their company faced charges for dumping benzene, a carcinogen, into the air, and making false statements to cover it up.



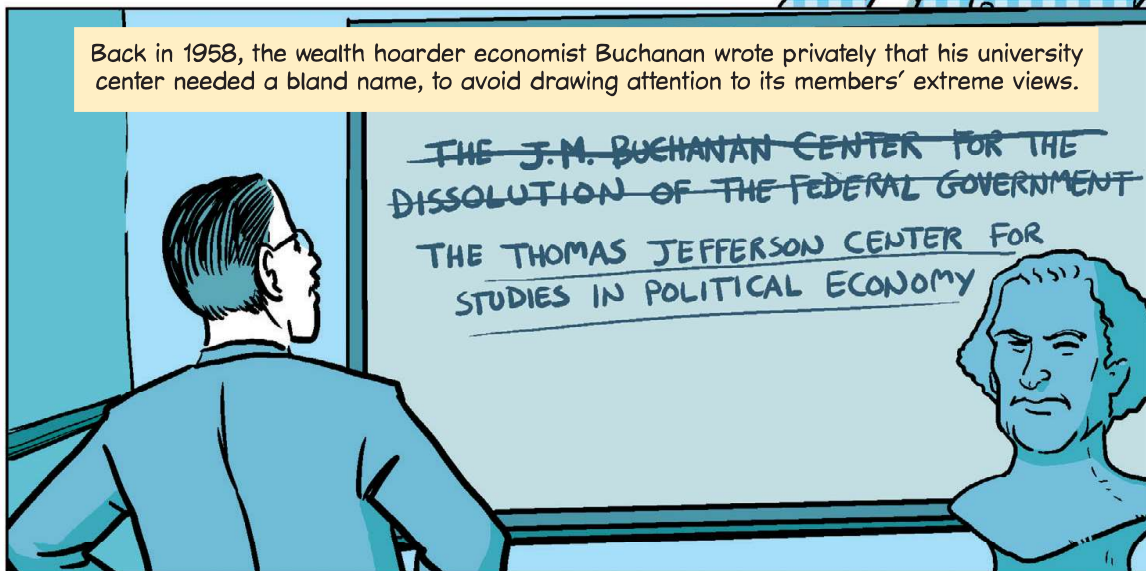
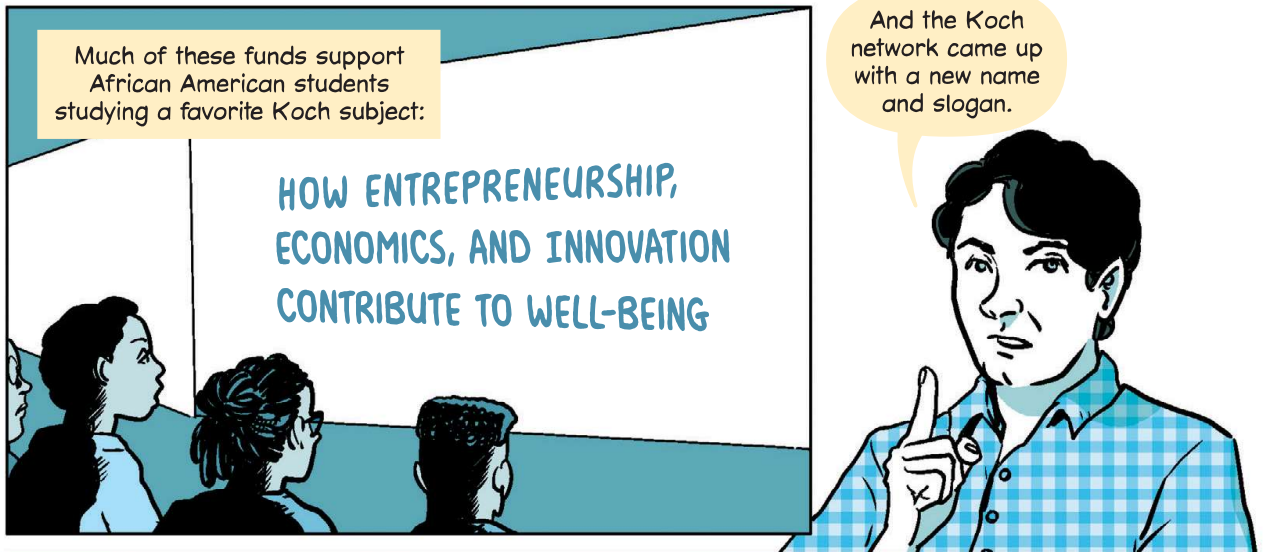
They have promoted legal changes that would make it harder to win conviction of corporate executives for crimes like these.

The Kochs have emphasized their funding of the United Negro College Fund.



UNCF

A mind is a terrible thing to waste



how to fight back

The wealth hoarders give the most attention to the **rules** rather than the **rulers**.

To counter them and create the kind of country we want, we must do the same.

The approaches I outline in other chapters, like supporting clean elections, expanding voting, stopping gerrymandering, and passing transparency laws are the key places to focus.



You can also help by spreading the word, and shining a light, to combat secrecy.



When people know the specific goals the wealth hoarders seek, like the elimination of public schools and Social Security, they recoil.

You can help by spreading the word about what's happening in North Carolina, for example.





The wealth hoarders also depend on the dark money they spend to secretly influence elections.



Passing laws in your state and city for transparency of political spending is an effective way to counter wealth hoarder aims.



It's time for transparency about large donations to nonprofit groups, too, even if they aren't engaged in elections.

Transparency laws would shine a light on the funding of hundreds of think tanks and other organizations promoting wealth hoarder goals.

It would allow the public to see more clearly how a relative handful of billionaires is distorting America.

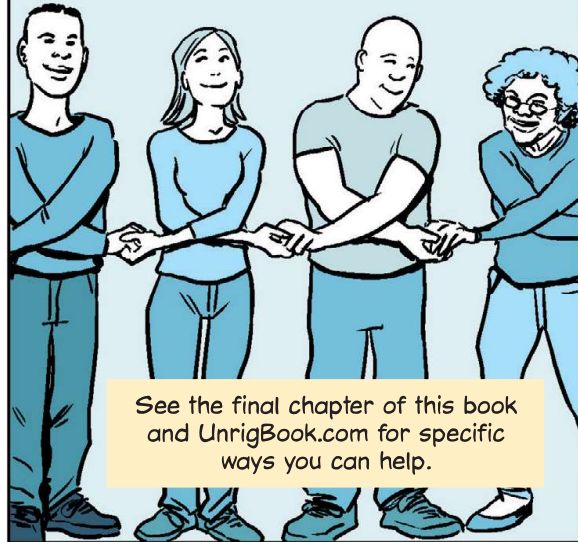
FOCUS ON YOUR STATE

The wealth hoarders have the most control at the state government level, compared to the local and federal levels.

This is partly because most people pay attention to what is happening nationally, and what is happening in their own city or town, more than they pay attention to what is happening in state government.



To be most effective in unrigging democracy, focus at the state level. State government has a lot of power. Working with others, your efforts can make a big difference.



See the final chapter of this book and UnrigBook.com for specific ways you can help.

The wealth hoarders' strength in the states has been aided by the economic decline of local newspapers, as fewer journalism watchdogs are around to tell the public what's really going on in state government.

Supporting state investigative journalism organizations is another way you can contribute.



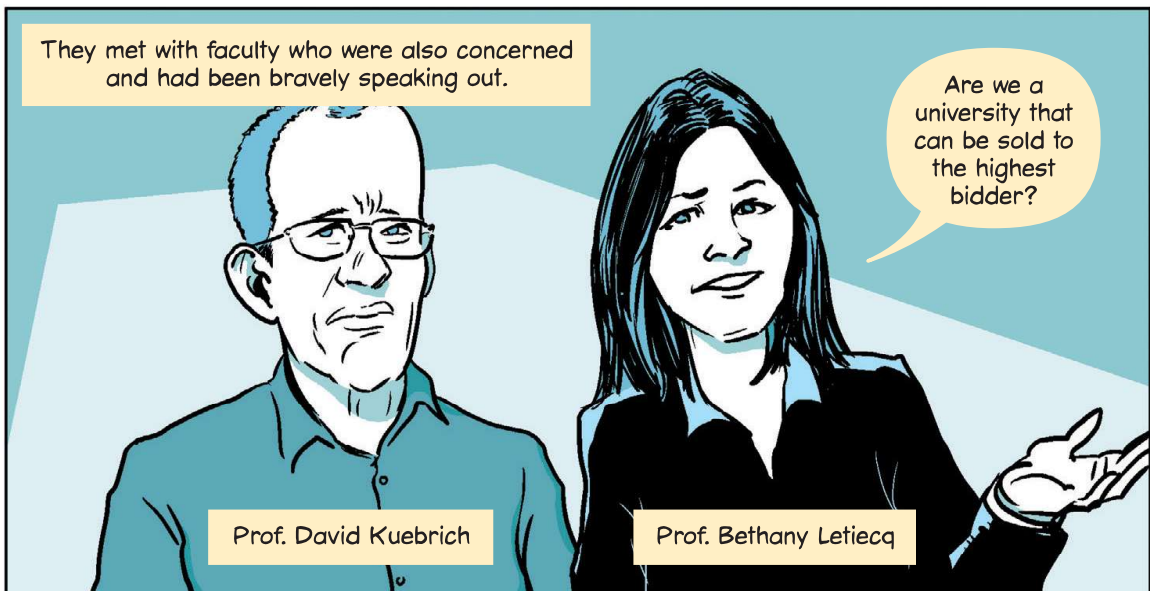
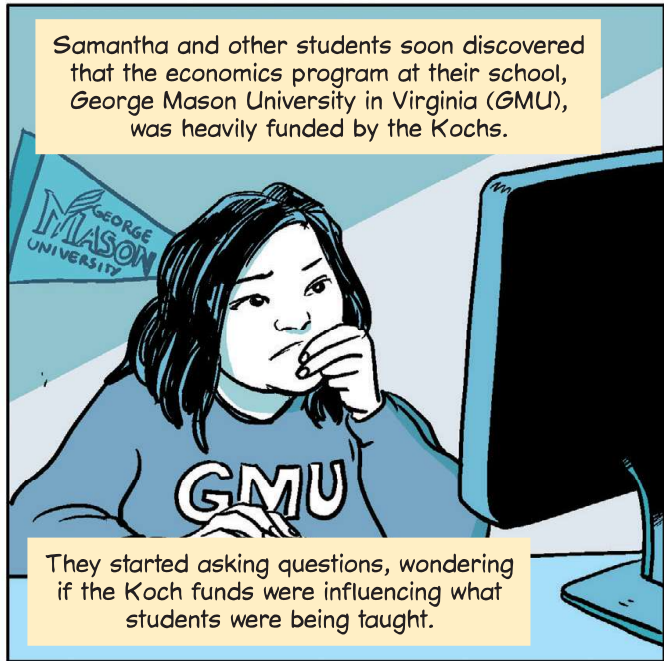
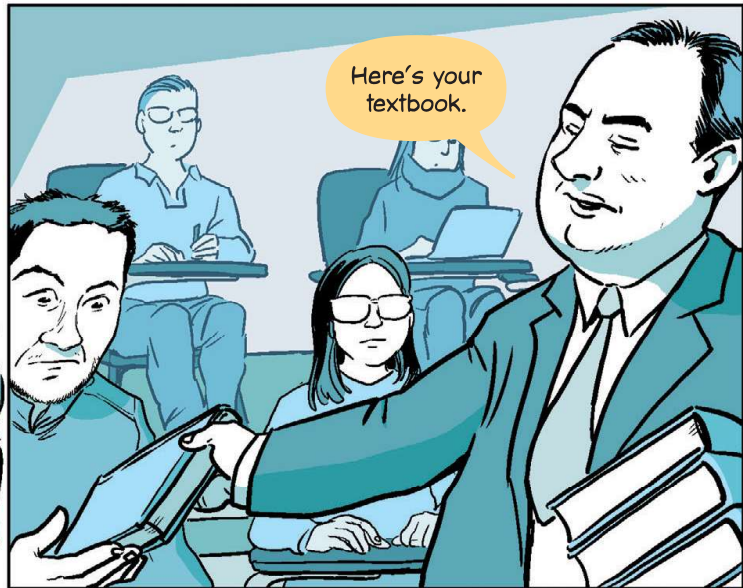
UNKOCH MY CAMPUS

For every paid wealth hoarder minion, there's someone out there standing up to them.

Like Samantha Parsons.



As an eighteen-year-old college freshman in 2012, Samantha heard an odd story about the professor in a friend's economics class.

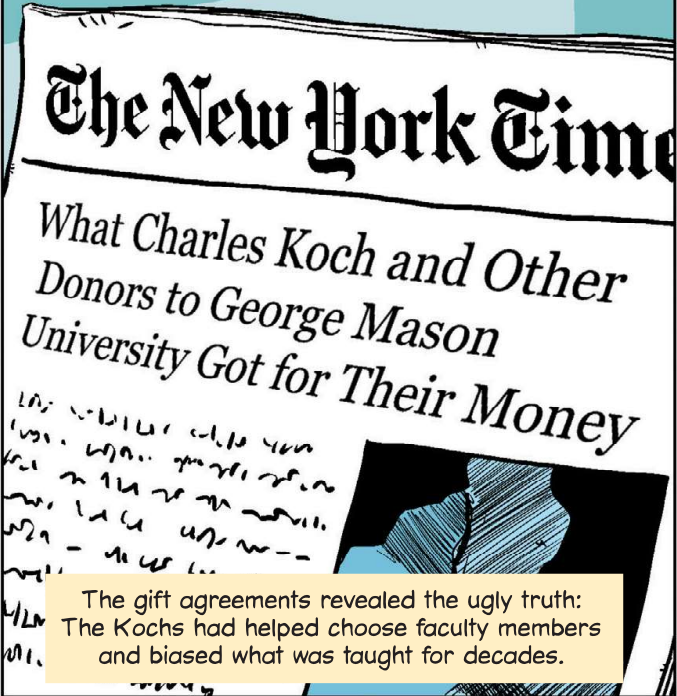


The faculty and students pressed the school administration for copies of gift agreements from big donors, but were stonewalled.



The students found volunteer legal help and sued the university under freedom of information laws.

The university was forced to release gift agreements that were previously hidden, generating national headlines.



The gift agreements revealed the ugly truth: The Kochs had helped choose faculty members and biased what was taught for decades.

The point of the university is to serve students. I trusted GMU to look out for our education. I feel betrayed.

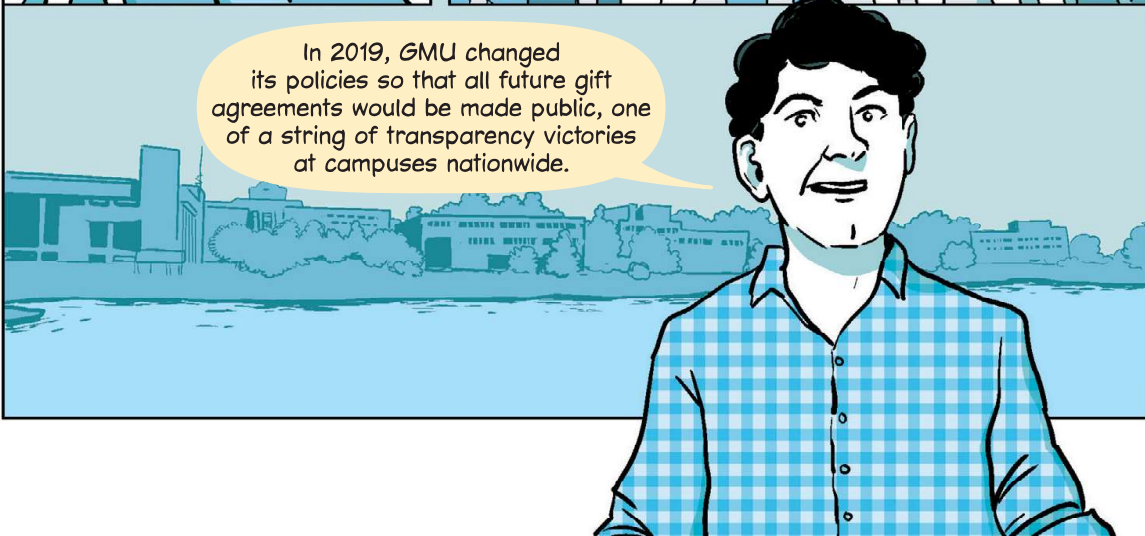


Student leader
Janine Gaspari

While advocating for transparency at GMU, Samantha helped start UnKoch My Campus, a group supporting activists in exposing and ending Koch influence nationwide.



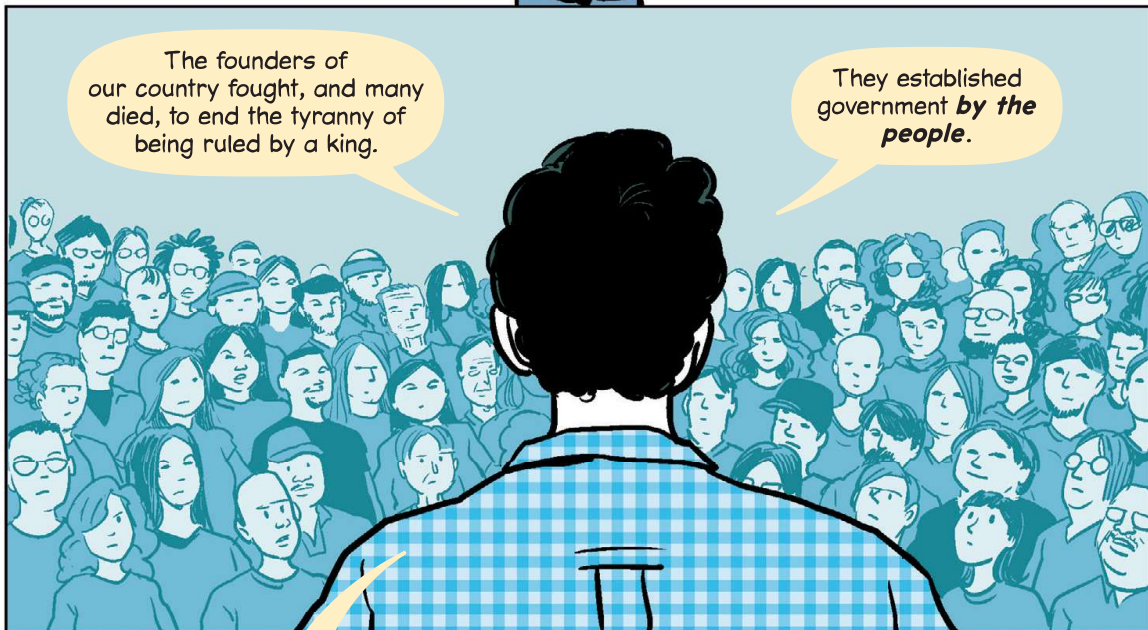
In 2019, GMU changed its policies so that all future gift agreements would be made public, one of a string of transparency victories at campuses nationwide.



UNRIG THE RULES



We must make defending and expanding democracy our top priority.



The founders of our country fought, and many died, to end the tyranny of being ruled by a king.

They established government *by the people*.



We benefit today from the many Americans who have stood up, fought back, and sacrificed to protect and expand our democracy.



So that we could take for granted having government by the people.



So that we could have a better life.

But we can't take it for granted anymore.

