

THE IMPORTANCE OF BUYING ERNST

WHY THE KOCHS GO WILDE LOBBYING
IN THE HAWKEYE STATE



BRIDGE
PROJECT

Contents

Koch Industries in Iowa.....	4
Georgia-Pacific	4
Flint Hills Resources	9
Koch Pipeline Company	13
Koch Fertilizer/Koch Nitrogen.....	15
Koch Lobbying In Iowa	17
Koch Industries' PACs In Iowa.....	17
Koch Companies Public Sector Lobbying.....	17
Americans for Prosperity: Lobbying.....	29
The Kochs Have Deep Ties to Joni Ernst	33
Ernst Had Deep Ties To Koch Brothers.....	33
Ernst Opposed The Clean Water Act.....	40
The Koch Agenda In Iowa: Americans for Prosperity	43
AFP-Iowa's Leadership, Structure, and Capacity	43
AFP Opposed Wind Energy Tax Credits That Were Critical for Iowa's Economy.....	45
AFP's Opposition to Support for Ethanol and the Renewable Fuel Standard.....	47
AFP-Iowa On Budget, Spending, and Taxation.....	49
AFP-Iowa Attacked Farm Bill	50
Health Care.....	51
Municipal Broadband.....	51
The Koch Agenda In Iowa: Citizens for a Sound Economy	52
The Koch Agenda In Iowa: Concerned Veterans for America.....	55
Criticism From Other Veterans Groups	55
Support For Joni Ernst By Concerned Veterans For America	55
The Koch Agenda: Freedom Partners, Generation Opportunity, I360, 60 Plus Association.....	58
Generation Opportunity	58
i360.....	58
60 Plus Association	58
Freedom Partners	58
CitizenLink Spending In Iowa to Support Joni Ernst.....	60
American Future Fund	60

The Koch brothers have wielded their outsized influence across the country, but particularly in a handful of states that serve their financial interests. With Koch Industries maintaining at least \$90 million in holdings in the state as of 2011, Iowa falls into that category. The Kochs' operation in Iowa is vast, and includes direct lobbying from Koch Industries, promoting their agenda through Koch-funded advocacy organizations such as Americans for Prosperity and Concerned Veterans for America, and influencing the outcome elections from senate seats right down to mayoral and city council races. Despite the Koch brothers' deep business ties to the heartland, their priorities couldn't be more out-of-step with the values of the Hawkeye State.

Perhaps the best example of the Kochs' self-interest is their opposition to the renewable fuel standard and biodiesel fuel standards – a boon to Iowa's economy – to protect their own oil profits. In fact, since 2006, Koch companies have lobbied on at least 37 bills in Iowa related to ethanol, biodiesel, and other renewable fuels. Iowans understand the Koch brothers are not on their side as one biodiesel bill that the Kochs worked to defeat was supported by nearly two-thirds of Iowa voters. The Kochs aren't just hitting Iowa's farmers on renewables; Americans for Prosperity even lobbied against the Farm Bill in 2014. The negative Koch impacts don't end with farmers. Just about every issue lobbied on by the Kochs lines their pockets while hurting Iowans. For example, the Kochs, who are major formaldehyde producers, lobbied against the classification of formaldehyde as a carcinogen, and in Iowa, lobbied on a bill that would ban formaldehyde in children's toys. The Kochs fought a bill giving workers injured on the job access to better care by allowing them to see their own doctors. They also lobbied against a bill that permitted Iowans to file consumer fraud lawsuits against dishonest businesses.

The Kochs spent a great deal of money - both direct contributions and political advertisements from their advocacy groups – on elections in Iowa, hoping to get politicians who are in lock-step with their values elected to positions where they can do the Kochs' bidding. In the 2014 election, the Koch network threw their weight behind U.S. senate candidate Joni Ernst. The Koch family donated directly to her campaign and Koch-backed Americans for Prosperity-Iowa ran ads against her opponent, Bruce Braley. With her election win, the Kochs have purchased a strong ally. Ernst said in a debate that the Clean Water Act was damaging to businesses and she suggested replacing it with "voluntary measures." Meanwhile, Koch Industries and subsidiaries committed 18 violations or instances of non-compliance of the federal clean water laws between 2009 and 2014 just in Iowa alone.

It's a wonder that the Koch family with roots in the heartland could be so out-of-touch with traditions the region holds dear. That's why we will continue keeping a hawkeye on their shady business practices and self-interested advocacy efforts in Iowa.

KOCH INDUSTRIES IN IOWA

Koch Industries Had At Least \$90 Million In Holdings In Iowa As Of 2011

2011: Koch Industries And Its Subsidiaries Owned 18 Commercial And Industrial Facilities In Iowa, Valued At Nearly \$90 Million, Including The Central Iowa Pipeline. According to the Des Moines Register, “Koch and its subsidiaries now own 18 commercial and industrial facilities in Iowa valued most recently at nearly \$90 million, including the pipeline running through 10 Iowa counties.” [Des Moines Register, 7/31/11]

- **Koch Industries Properties In Iowa Included Flint Hills Resources’ Four Ethanol Plants.** According to the Des Moines Register, “The other 17 properties include: - Flint Hills Resources - The subsidiary owns ethanol plants in Menlo, Fairbank, Iowa Falls and Shell Rock. The plants, purchased within the past 12 months, were originally owned by Hawkeye Growth, a company headed by Republican businessman Bruce Rastetter.” [Des Moines Register, 7/31/11]
- **Koch Industries Properties In Iowa Included Flint Hills Pine Bend’s Three Asphalt Plants.** According to the Des Moines Register, “The other 17 properties include: [...] - Flint Hills Pine Bend - Asphalt plants in Algona, Buffalo and Dubuque.” [Des Moines Register, 7/31/11]
- **Koch Industries Properties In Iowa Included Koch Fuels’ Fuel Terminal.** According to the Des Moines Register, “The other 17 properties include: [...] - Koch Fuels - Fuel terminal in Bettendorf.” [Des Moines Register, 7/31/11]
- **Koch Industries Properties In Iowa Included Five Fertilizer Terminals And A Fertilizer Plant.** According to the Des Moines Register, “The other 17 properties include: [...] - Koch Nitrogen - Fertilizer terminals in Sergeant Bluff, Marshalltown, rural Hardin County, Keota and Fort Madison, and a plant in Duncombe.” [Des Moines Register, 7/31/11]
- **Koch Industries Properties In Iowa Included Georgia-Pacific’s Three Housing Manufacturing Plants.** According to the Des Moines Register, “The other 17 properties include: [...] - Georgia-Pacific companies - Facilities in Fort Dodge, Dubuque and Monticello that manufacture containers and gypsum panels for residential and commercial construction.” [Des Moines Register, 7/31/11]

2013: Koch-Affiliate Flint Hills Resources Bought Platinum Ethanol’s Ethanol Plant In Arthur, Iowa For An Undisclosed Amount. According to the Denison Bulletin & Review, “Flint Hills Resources announced an agreement with Platinum Ethanol to acquire its Arthur ethanol plant. The transaction is expected to close later this year, subject to customary closing conditions including regulatory approvals. The purchase price is not being disclosed. The Arthur plant will be Flint Hills Resources’ fifth ethanol plant in Iowa and sixth ethanol plant overall. The Arthur facility opened in 2008 and has an annual capacity of 110 million gallons of ethanol. It also produces 300,000 pounds of distillers’ grains and approximately 23 million pounds of non-food grade corn oil each year. The plant employs about 50 people.” [Denison Bulletin & Review, 7/23/13]

Georgia-Pacific

Georgia-Pacific Was A Wholly Owned Subsidiary Of Koch Industries. According to Georgia-Pacific’s website, “Georgia-Pacific started out as a hardwood lumber wholesaler in Augusta, Georgia, in 1927. Today, Georgia-Pacific LLC is a wholly owned subsidiary of Koch Industries, Inc., a private company based in Wichita, Kansas.” [Georgia-Pacific, Accessed [4/14/14](#)]

- **2005: Koch Industries Acquired Georgia-Pacific For More Than \$13 Billion.** According to the Telegraph Herald, “A local union is cautiously optimistic about Georgia-Pacific’s potential move into private ownership and the impact it could have on its diminished Dubuque plant. Paper products giant Georgia-Pacific has agreed to be acquired for more than \$13 billion by Koch Industries Inc., creating the nation’s biggest private firm. Merle Duehr Jr., business representative for the United Steel Workers of America Local 1861-U, said the pending acquisition is of concern for Georgia-Pacific’s corrugated box production plant in Dubuque - a plant that has seen its work-force numbers cut by some 60 percent over the past year and a half.” [Telegraph Herald, 11/16/05]

ECONOMIC IMPACTS

Layoffs In Dubuque

2009: Georgia-Pacific Laid Off “About A Dozen” Workers At Its Dubuque Plant. According to the Telegraph Herald, “Julie Davis, spokeswoman for Atlanta-based Georgia-Pacific Corp., said none of the workers whose jobs were cut last month have been recalled. She said then that ‘about a dozen’ workers had been laid off and the Dubuque operation employes about 90 people. ‘We have not yet started to recall employees but when we can, we definitely plan to,’ Davis said.” [Telegraph Herald, 4/17/09]

Closed Plant In Monticello

2012: Georgia-Pacific Closed Its Monticello Plant, Laying Off 45 Employees. According to The Gazette, “The ax fell Wednesday for about 45 employees at Monticello’s longtime Georgia-Pacific plant. Georgia-Pacific notified employees Wednesday that it will wind down operations over the next several weeks and then close the Monticello facility. The plant, which opened in 1962, makes boxes from corrugated sheet. ‘We just haven’t been able to get that plant to the place where it was profitable,’ said Julie Davis, communications director for Georgia-Pacific’s packaging business. Davis had only praise for the Monticello work force, but said market conditions had made it difficult to continue operating the plant.” [The Gazette, 2/8/12]

- **Monticello Mayor Dena Himes’ Husband Previously Worked At The Plant For 32 Years, Said The Closing Would Devastate Workers.** According to The Gazette, “Monticello Mayor Dena Himes, whose husband worked at the plant for 32 years, said Georgia-Pacific was one of the city’s largest industries. She said the closing will be devastating to employees, in part because they had not had to look for work in such a long time.” [The Gazette, 2/8/12]
- **Mayor Himes Was A Republican.** According to BIPAC’s voter guide for Iowa House District 31, Dena Himes was a Republican. [BIPAC, Accessed [4/14/14](#)]

ENVIRONMENTAL IMPACTS

Asbestos

Estate Of Former Dubuque, IA Mayor Thomas Tully Filed Suit Against Lorillard Tobacco And 14 Others For Tully’s Death. According to the Telegraph Herald, “A trial has been set for a lawsuit filed by a former Dubuque mayor’s family that is battling a tobacco company over the man’s death from second-hand smoke. The estate of former Dubuque mayor Thomas A. Tully filed a suit against Lorillard Tobacco Co. and 14 others for Tully, who died at the age of 69 in April 2010. The trial is set for Jan. 14, 2014, with an estimated length of two weeks. The executors of the estate are Joan Tully and her children, Thomas P. Tully and Maureen Lindecker.” [Telegraph Herald, 4/2/13]

- **Georgia-Pacific Was Named As One Of The Defendants.** According to the Telegraph Herald, “Besides Lorillard, the petition names Georgia-Pacific LLC, Union Carbide Corporation and Metropolitan Life Insurance Company among the defendants, along with ‘various unknown John Does’ to be named when identified.” [Telegraph Herald, 4/2/13]

The Estate Alleged That Tully Contracted Mesothelioma And Died A Premature Death From Asbestos Cigarette Filters. According to the Telegraph Herald, “The elder Thomas Tully contracted mesothelioma, a common affliction for those who inhaled smoke from Kent Micronite cigarettes in the 1950s. The filters in the cigarettes contained asbestos, which was intended to provide heat resistance and was marketed as ‘the greatest health protection in cigarette history.’ According to asbestos.com, Lorillard sold nearly 11.7 billion of these cigarettes from 1952 to 1956, and has paid \$18.5 million in compensation to settle 70 claims for victims suffering from several asbestos-related diseases. According to the petition, Tully was exposed to asbestos-containing products and raw materials manufactured, sold and/or distributed by the defendant during some of the years Tully was employed at Dubuque Lumber Company, from 1953 to 1999. The petition alleges that the products released airborne asbestos fibers, which Tully inhaled and ingested along with his fellow workers. As a result of inhalation and ingestion, the petition alleges, he contracted mesothelioma, which ultimately resulted in his premature death.

[...] The estate alleges negligence, strict liability for manufacture and sale of defective products, breach of express and implied warranties of merchantability and fitness for intended purposes, conspiracy, fraud and loss of consortium.” [Telegraph Herald, 4/2/13]

Particulate Matter Pollution

Georgia-Pacific’s PM-2.5 Pollution

Georgia-Pacific Was The 8th-Highest Producer Of PM-2.5 In Dubuque County. According to the Telegraph Herald, “[T]op producers Highest PM-2.5-emitting facilities, by tonnage, in Dubuque County in 2012: 1. Jeld-Wen Inc. 25.62 2. John Deere Dubuque Works 12.09 3. A.Y. McDonald Mfg. Co. 7.07 4. Modernfold Inc. 6.53 5. IPL, Dbq. Gen. Station (Alliant) 4.77 6. Dyersville Die Cast 4.12 7. Georgia-Pacific 3.87 8. Giese Manufacturing 3.71 9. APC Dubuque 1.70 10. Western Dubuque Biodiesel 1.46 Source: Environmental Protection Agency” [Telegraph Herald, 2/25/14]

- **Telegraph Herald HEADLINE: “Tiny Particle Threatens Air Quality, Local Economy.”** [Telegraph Herald, 2/25/14]

Telegraph Herald: PM-2.5 Was A Microscopic Particle That Worsened Air Quality And Hurt The Local Economy. According to the Telegraph Herald, “Public and private entities in Dubuque are joining forces to reduce local levels of PM-2.5, a microscopic particle with the potential to significantly impact air quality as well as the local economy.” [Telegraph Herald, 2/25/14]

- **PM, Or Particulate Matter, Was A Term Used To Describe Numerous Particles In The Air, Such As Dust, Dirt, Soot And Smoke.** According to the Telegraph Herald, “Particulate matter, commonly referred to as PM, is a term used to describe numerous particles in the air, including dust, dirt, soot and smoke.” [Telegraph Herald, 2/25/14]
- **PM-2.5 Posed The Biggest Health Risks, As They Can Lodge Deeply Into The Lungs.** According to the Telegraph Herald, “According to the Environmental Protection Agency, particles less than 2.5 micrometers in diameter - PM-2.5 - are believed to pose the biggest health risks. Because of their small size, they can lodge deeply into the lungs. Officials say PM-2.5 comes from many sources, ranging from the burning of coal to vehicle emissions to the use of ammonia for agricultural purposes.” [Telegraph Herald, 2/25/14]
- **The EPA Announced It Would Begin Imposing Restrictions In Areas Where High PM Levels Were Present.** According to the Telegraph Herald, “Efforts to address the small particles could have a ripple effect of the economy, with the EPA imposing restrictions in areas where high PM levels are present. [...] The issue has taken on a new sense of urgency since late 2012, when the EPA announced that it would begin adopting tougher National Ambient Air Quality Standards. The EPA will designate cities with high PM levels as ‘non-attainment areas.’ These areas would be subject to numerous restrictions on industry, making it hard for new businesses to locate there or for current businesses to expand. The EPA could begin handing out these designations in early 2015.” [Telegraph Herald, 2/25/14]

Georgia-Pacific Plants Contributed To Formaldehyde-Polluted Schools

Koch Nitrogen Facility Listed Among Facilities Responsible For Toxicity Outside Webster City High School.

According to a special report by USA Today, Koch Nitrogen Co in Fort Dodge, Iowa was one of the “Polluters most responsible for toxics outside” Webster City High School. [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]

- **Webster City High School Was In The 9th Percentile In The Country For Exposure To Cancer Causing Toxics and Toxic Chemicals.** According to a special report by USA Today, Webster City High School ranked in the 9th percentile for exposure to cancer-causing chemicals and other toxic chemicals. [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]

Koch Nitrogen Facility Listed Among Facilities Responsible For Toxicity Outside Sunset Heights Elementary School. According to a special report by USA Today, Koch Nitrogen Co in Fort Dodge, Iowa was one of the “Polluters most

responsible for toxics outside” Sunset Heights Elementary School. ” [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]

- **Sunset Heights Elementary School Was In The 13th Percentile In The Country For Exposure To Cancer Causing Toxics and Toxic Chemicals.** According to a special report by USA Today, Sunset Heights Elementary School ranked in the 13th percentile for exposure to cancer-causing chemicals and other toxic chemicals. [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]

Koch Nitrogen Facility Listed Among Facilities Responsible For Toxicity Outside Webster City Alternative High School. According to a special report by USA Today, Koch Nitrogen Co in Fort Dodge, Iowa was one of the “Polluters most responsible for toxics outside” Webster City Alternative High School. [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]

- **Webster City Alternative High School Was In The 13th Percentile In The Country For Exposure To Cancer Causing Toxics and Toxic Chemicals.** According to a special report by USA Today, Webster City Alternative High School ranked in the 13th percentile for exposure to cancer-causing chemicals and other toxic chemicals. [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]

Koch Nitrogen Facility Listed Among Facilities Responsible For Toxicity Outside Webster City Middle School. According to a special report by USA Today, Koch Nitrogen Co in Fort Dodge, Iowa was one of the “Polluters most responsible for toxics outside” Webster City Middle School. [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]

- **Webster City Middle School Was In The 14th Percentile In The Country For Exposure To Cancer Causing Toxics and Toxic Chemicals.** According to a special report by USA Today, Webster City Middle School ranked in the 14th percentile for exposure to cancer-causing chemicals and other toxic chemicals. [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]

Prescott Elementary School And St. Mary- St. Patrick School In Dubuque, IA Are In The 4th Percentile In The Country For Exposure To Cancer Causing Toxics And Toxic Chemicals. According to a special report by USA Today, Prescott Elementary School and St. Mary- St. Patrick School in Dubuque, Iowa are both in the 4th percentile in the country for exposure to cancer-causing toxics and toxic chemicals. [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]

- **Formaldehyde Represents 94% Of The Pollution At Each School.** According to a special report by USA Today, Formaldehyde constitutes “94% of overall toxicity” as a chemical “responsible for the toxicity outside” of both Prescott Elementary School and St. Mary-St. Patrick School in Dubuque, Iowa. [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]
- **GP Has A Plant In Dubuque.** According to Koch Industries’ website, there is a Georgia-Pacific plant in Dubuque, Iowa. [KochInd.com, viewed [12/16/14](#)]

Central Alternative High School And Lincoln Elementary School In Dubuque, IA Are In The 12th Percentile In The Country For Exposure To Cancer Causing Toxics And Toxic Chemicals. According to a special report by USA Today, Central Alternative High School and Lincoln Elementary School in Dubuque, Iowa are both in the 12th percentile in the country for exposure to cancer-causing toxics and toxic chemicals. [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]

- **Formaldehyde Represents 86% Of The Pollution At Each School.** According to a special report by USA Today, Formaldehyde constitutes “86% of overall toxicity” as a chemical “responsible for the toxicity outside” of both Central Alternative High School and Lincoln Elementary School in Dubuque, Iowa. [USA Today Special Report: The Smokestack Effect: Toxic Air And America’s Schools, Viewed [12/16/14](#)]
- **GP Has A Plant In Dubuque.** According to Koch Industries’ website, there is a Georgia-Pacific plant in Dubuque, Iowa. [KochInd.com, viewed [12/16/14](#)]

Bryant Elementary School in Dubuque, IA Is In The 13th Percentile In The Country For Exposure To Cancer Causing Toxics And Toxic Chemicals. According to a special report by USA Today, Bryant Elementary School in Dubuque, Iowa is in the 13th percentile in the country for exposure to cancer-causing toxics and toxic chemicals. [USA Today Special Report: The Smokestack Effect: Toxic Air And America's Schools, Viewed [12/16/14](#)]

- **Formaldehyde Represents 85% Of The Toxicity At Bryant Elementary School.** According to a special report by USA Today, Formaldehyde constitutes “85% of overall toxicity” as a chemical “responsible for the toxicity outside” of Bryant Elementary School in Dubuque, Iowa. [USA Today Special Report: The Smokestack Effect: Toxic Air And America's Schools, Viewed [12/16/14](#)]
- **GP Has A Plant In Dubuque.** According to Koch Industries' website, there is a Georgia-Pacific plant in Dubuque, Iowa. [KochInd.com, viewed [12/16/14](#)]

St. Francis Primary And Audubon Elementary School In Dubuque, IA Are In The 16th Percentile In The Country For Exposure To Cancer Causing Toxics And Toxic Chemicals. According to a special report by USA Today, St Francis Primary and Audubon Elementary School in Dubuque, Iowa are both in the 16th percentile in the country for exposure to cancer-causing toxics and toxic chemicals. [USA Today Special Report: The Smokestack Effect: Toxic Air And America's Schools, Viewed [12/16/14](#)]

- **Formaldehyde Represents 78% Of The Pollution At Each School.** According to a special report by USA Today, Formaldehyde constitutes “78% of overall toxicity” as a chemical “responsible for the toxicity outside” of both St Francis Primary and Audubon Elementary School in Dubuque, Iowa. [USA Today Special Report: The Smokestack Effect: Toxic Air And America's Schools, Viewed [12/16/14](#)]
- **GP Has A Plant In Dubuque.** According to Koch Industries' website, there is a Georgia-Pacific plant in Dubuque, Iowa. [KochInd.com, viewed [12/16/14](#)]

Flint Hills Resources

Flint Hills Resources Was A Wholly Owned Subsidiary Of Koch Industries. According to Flint Hills Resources' website, "Flint Hills Resources was born out of a desire to better compete and pursue opportunities in the refining and chemicals industries. It is a wholly owned subsidiary of Koch Industries, Inc., and has independent leadership and separate financial decision-making authorities. Flint Hills Resources was named for the Flint Hills of Kansas, an area that features lush tall grass prairies, pristine natural springs and beautiful vistas. The company's headquarters is in Wichita, Kan., near the Flint Hills." [Flint Hills Resources, Accessed [4/14/14](#)]

- **Flint Hills Resources Was A Refining, Biofuels And Chemicals Company.** According to the Des Moines Register, "Scott Simpson was named plant manager of Flint Hills Resources' Menlo facility, the company said recently. Simpson will oversee the ethanol plant's production and staff. Simpson, who has been at Flint Hills for more than 15 years, became a production manager last year. He has served as interim plant manager since February. Simpson was previously at the company's Fairbanks, Ala., refinery in a number of roles. Flint Hills Resources is a refining, biofuels and chemicals company." [Des Moines Register, 8/5/12]

FLINT HILLS RESOURCES REFUSED TO RENEGOTIATE WATER CONTRACT, COSTING RESIDENTS MORE

Flint Hills Used 50 Percent Of Iowa District's Water, But Paid For 22 Percent Of The District's Water Bill

Flint Hills' Ethanol Plants Used Half Of Xenia Rural Water District's Water But Only Accounted For 22 Percent Of Water Revenue. According to the Des Moines Register, "The three ethanol plants use about one-half of the district's [Xenia Rural Water District, based in Xenia, Iowa] water, but only account for 22 percent of the revenue." [Des Moines Register, 5/9/11]

District Either Needed Flint Hills Or Residents To Pay More

Xenia Rural Water District Accumulated Significant Debt, Increased Rates On Residential Customers

Xenia Rural Water District Was In Serious Financial Distress Due To Failed Attempt To Double Its Customer Base And Raised Rates In March 2010 And March 2011. According to the Des Moines Register, "The utility's financial struggles first surfaced in 2009, when Xenia revealed in a letter to customers that it had racked up more than \$140 million in debt in a failed attempt to double its customer base. [...] March 2010: The first of a series of residential rate increases takes effect. Today, the average monthly residential water bill for Xenia customers is \$90, compared to \$55 before the increase took effect. March 2011: Xenia asks operators of three ethanol plants in the district to renegotiate their water contracts and agree to pay higher rates. If they refuse, the utility says it will have no choice but to raise rates again for residential customers. April 2011: Flint Hills Resources informs Xenia it will not agree to an increase for its Menlo ethanol plant, saying agreeing to the increase would put it at a competitive disadvantage. Later in the month, a state audit found that Xenia's financial problems worsened in 2010 to the point where there is 'doubt about its ability to continue as a going concern.'" [Des Moines Register, 5/9/11]

Xenia Needed Flint Hills To Renegotiate Its Contract In Order To Avoid Increasing Residential Rates Again

Xenia Rural Water District Officials Said Residents Could See A Rate Increase Of Up To 17 Percent If Flint Hills Did Not Agree To Pay More. According to the Des Moines Register, "Customers of Xenia Rural Water District could see a rate increase of up to 17 percent if an ethanol producer doesn't agree to a plan put forth by the troubled utility, officials said. Xenia wants Flint Hills Resources, operator of a Menlo plant, to pay more if a deal is going to be struck with all ethanol plants in the district. Poet, the corporation that operates the district's other two plants, has said it will not agree to pay increased rates unless Flint Hills, owned by Koch Industries, commits to the plan, said Walt Tomenga, president of Xenia's board." [Des Moines Register, 4/6/11]

Flint Hills Refused To Negotiate, Forcing Residents To Pay More

Flint Hills Refused To Renegotiate Its Contract

Xenia Rural Water District Asked Koch's Flint Hills Subsidiary To Pay More For Water Supplied To Its Ethanol Plant; Koch Subsidiary Rejected Request. According to the Des Moines Register, "That legislation was sought by the Xenia Rural Water District, which had asked Koch's Flint Hills subsidiary to agree to pay more for water supplied to its Menlo ethanol plant, a request that Flint Hills rejected." [Des Moines Register, 7/31/11]

- **Flint Hills Resources, A Koch Industries Subsidiary, Refused To Amend Its Contract So That It Would Pay More For Its Water Usage.** According to the Des Moines Register, "A rural water district mired in debt will not be getting any help from a Menlo ethanol plant that's one of its biggest customers, thwarting a plan to put the troubled utility on better financial footing. Flint Hills Resources has refused to amend a 20-year contract to allow a 60 percent rate increase for the plant, according to Walt Tomenga, chairman of the Xenia Rural Water District's board." [Des Moines Register, 5/9/11]

Flint Hills Acknowledged That Refusal Meant That Residential Customers Would Face Rate Increases As High As 17 Percent

Des Moines Register HEADLINE: "Ethanol Plant's Snub May Mean Xenia Water Rate Hike." [Des Moines Register, 5/9/11]

Flint Hills Acknowledged That By Refusing To Renegotiate Its Water Contract, Residential Customers Would Likely See Rate Increases. According to the Des Moines Register, "Flint Hills spokesman Jake Reint said last week that the Menlo plant's existing contract already puts the company at a competitive disadvantage, a situation that would worsen under the new terms. 'Xenia is asking us to compound this mistake by accepting terms that are even less favorable and would threaten the long term health of our Menlo operation,' he said. Reint acknowledged the company's decision could have an adverse impact on the water district, but insisted that 'no customer should have to pay more due to Xenia's past difficulties in order to bail out Xenia's investors.'" [Des Moines Register, 5/9/11]

Since Flint Hills Refused To Pay More, Xenia Rural Water District Customers Would Likely See Dramatically Higher Water Bills. According to the Des Moines Register, "Without that amendment, Xenia's other 9,500 mostly residential customers could soon be seeing dramatically higher water bills. Those customers now pay about \$90 per month on average, up from about \$55 last year. Tomenga said another residential rate hike pushing monthly bills beyond \$100 may be necessary." [Des Moines Register, 5/9/11]

Rates Would Increase By 17 Percent If Flint Hills Refused To Pay More, A 51.3 Percent Hike Compared To Rates Before March 2009. According to the Des Moines Register, "If the plan fell through, residents would face a 17 percent increase - 51.3 percent higher than rates before March 2009, Xenia consultant Mike Maloney said." [Des Moines Register, 4/6/11]

Koch Lobbyists Declared An Interest In A Bill Regarding Xenia Rural Water District In The State Legislature

Koch Lobbyists Declared An Interest In Allowing Rural Water Districts To Enter Bankruptcy; That Bill Died. According to the Des Moines Register, "So what does Koch Industries want from Iowa lawmakers in return for its donations? Apparently not much, if lobbyist disclosure reports on file with the Iowa General Assembly are any indication. Legislators feel the influence of the company and its foundations in other ways, however. For the 2011 legislative session, which ended June 30, the company's three Iowa lobbyists declared an interest in just three of the 1,241 bills introduced in the House or Senate. [...] And they took no position on the two others. [...] The other would have allowed rural water districts to enter into bankruptcy. [...] None of the three bills made it out of committee." [Des Moines Register, 7/31/11]

ETHANOL SUBSIDIES HYPOCRISY

Koch Executive Said That While Koch Industries Opposed Subsidies, Flint Hills Would Take Ethanol Subsidies Because Every Ethanol Company Received Subsidies. According to the Des Moines Register, “In response, Koch executive Philip Ellender said that the company bought the four ethanol plants because the company refines oil into gasoline. ‘It’s pretty simple,’ Ellender said. ‘We produce ethanol because federal law requires it to be blended with petroleum products, which we produce.’ He said the company accepts subsidies because ‘we will not place our company or employees at a competitive disadvantage in the mixed-market economy in which we compete.’ If the company had its choice, Ellender said, there would be no subsidies because subsidies ‘distort economic signals about price and demand and create inefficiencies.’” [Des Moines Register, 7/31/11]

- **Flint Hills Resources Plants Were Awarded \$40.8 Million In Aid From Iowa Since 2003.** According to the Hawk Eye, “New figures show biofuels companies made up more than half of the top 50 recipients awarded state aid since 2003, when the state began tallying public assistance. The figures were compiled by the Des Moines Register under Iowa’s open records law show [...] Plants in Menlo, Shell Rock, Fairbank and Iowa Falls owned by Koch Industries-run Flint Hills Resources were awarded \$40.8 million.” [Hawk Eye, 1/16/12]
- **Critics Estimated That Flint Hills Received Hundreds Of Millions Of Dollars Annually In Government Ethanol Subsidies.** According to the Des Moines Register, “Some critics estimate that Flint Hills receives hundreds of millions of dollars annually in government ethanol subsidies.” [Des Moines Register, 7/31/11]
- **Environmental Working Group Criticized Ethanol Subsidies.** According to The Tribune, “In recent years, some environmental groups have argued that it does not make sense for the federal government to keep subsidizing this push into the prairies. A recent report from the Environmental Working Group, for instance, argued that Congress should scale back crop insurance for farmers who move into the country’s grasslands and wetlands. Farm groups, for their part, say the insurance is vital for their work. Instead, they say, Congress should expand conservation programs. And what about biofuels? Groups such as EWG have criticized ethanol mandates for pushing up corn and soybean prices and driving the crop boom. There is a lot more hope for next-generation cellulosic biofuels grown from switchgrass or other plants with a much smaller environmental footprint. Or biodiesel made from algae, say. But until those become viable, the crop rush continues.” [The Tribune, 2/22/13]

REAL ESTATE

Owned Five Ethanol Plants In Iowa

Flint Hills Resources Bought Platinum Ethanol’s Ethanol Plant In Arthur, Iowa For An Undisclosed Amount. According to the Denison Bulletin & Review, “Flint Hills Resources announced an agreement with Platinum Ethanol to acquire its Arthur ethanol plant. The transaction is expected to close later this year, subject to customary closing conditions including regulatory approvals. The purchase price is not being disclosed. The Arthur plant will be Flint Hills Resources’ fifth ethanol plant in Iowa and sixth ethanol plant overall. The Arthur facility opened in 2008 and has an annual capacity of 110 million gallons of ethanol. It also produces 300,000 pounds of distillers’ grains and approximately 23 million pounds of non-food grade corn oil each year. The plant employs about 50 people.” [Denison Bulletin & Review, 7/23/13]

Flint Hills Resources Operated Four Other Ethanol Plants In Iowa: Fairbank, Iowa Falls, Menlo And Shell Rock. According to the Sioux City Journal, “Shaw cited a recent study from Argonne National Laboratory that reported corn ethanol production cuts greenhouse-gas emissions by 34 percent compared to gasoline. [...] Technology is making the process even cleaner, said Jake Reint, spokesman for Wichita, Kan.-based biofuels company Flint Hills Resources, which operates four ethanol plants in Iowa - Fairbank, Iowa Falls, Menlo and Shell Rock. ‘There is no perfect energy source but the industry is making improvements and corn ethanol in particular has the potential to thrive in a competitive marketplace,’ Reint said. ‘A competitive marketplace requires innovation, and that ultimately leads to more efficient practices, and that’s good for consumers and the environment.’” [Sioux City Journal, 12/1/13]

Koch Minnesota Refinery Served Iowans

Flint Hills-Owned Major Gasoline Refinery In Rosemont, MN Served Iowa Customers. According to the Des Moines Register, “Flint Hills outbid the plants' owner, Hawkeye Growth, in a bank auction for control of the ethanol plants. The Wichita, Kan., company, which is owned by Koch Industries, operates a major gasoline refinery at Rosemont, Minn., that serves Iowa.” [Des Moines Register, 8/18/10]

Bettendorf Holdings

Flint Hills Resources Held A \$1,328,000 Real Estate Deed In Bettendorf, Iowa. According to the Quad-City Times, “The Quad-City Times publishes all real estate deeds \$50,000 and over without exception. [...] SCOTT COUNTY [...] Flint Hills Resources LP to Flint Hills Resources Renewables LLC, 4017 Elm St., Bettendorf, \$1,328,000.” [Quad-City Times, 4/14/13]

FLINT HILLS RESOURCES ACQUISITIONS AND IOWA POLITICAL CONNECTIONS

Flint Hills Acquired Four Iowa Ethanol Plants In Bankruptcy Auction From Hawkeye

Koch-Affiliate Flint Hills Resources Outbid Hawkeye Growth; Hawkeye President Bruce Rastetter Was Disappointed That Hawkeye Could Not Reacquire Its Plants After Bankruptcy Sale. According to the Des Moines Register, “Another oil company entered the ethanol-making business Tuesday as Flint Hills Resources bought plants in Menlo and Shell Rock. [...] Flint Hills outbid the plants' owner, Hawkeye Growth, in a bank auction for control of the ethanol plants. The bidding was arranged by the lead lender for the Menlo and Shell Rock plants, Royal Bank of Scotland. No terms were disclosed. Koch Industries is privately held. ‘We are disappointed, but will go ahead with our own operations,’ said Hawkeye President Bruce Rastetter. Hawkeye’s plants at Iowa Falls and Fairbank were reorganized in bankruptcy last year and now are owned by a lending group headed by Credit Suisse Bank, with Rastetter continuing in management.” [Des Moines Register, 8/18/10]

Rastetter Was President Of Hawkeye And A Wealthy Iowa Republican Donor

Rastetter Co-Founded Hawkeye

Bruce Rastetter Co-Founded Hawkeye Energy Holdings, Which Produced More Than 450 Million Gallons Of Ethanol Per Year Before It Was Sold To Flint Hills Resources. According to the Des Moines Register, “BRUCE RASTETTER: Rastetter, 54, grew up on a small farm near Iowa Falls and has become a leading voice in the renewable- fuels industry. He founded Heartland Pork Enterprises, which was the 13th-largest pork producer in the nation when he sold it in 2004. In 2003, he co-founded Hawkeye Energy Holdings, which produced more than 450 million gallons of ethanol per year before its sale this year to Flint Hills Resources.” [Des Moines Register, 5/10/11]

Rastetter Donated Hundreds Of Thousands Of Dollars To Republicans, Including Iowa Gov. Terry Branstad

Bruce Rastetter Was Part Of A Team Of Iowa Republicans Who Attempted To Persuade Gov. Chris Christie To Run For President. According to the Des Moines Register, “A team of Iowa Republicans will fly to New Jersey on May 31 to try to persuade Gov. Chris Christie to run for president. Money from Iowa campaign contributors ends up being just a small ripple in the national fundraising ocean, but these donors have each contributed tens of thousands of dollars to presidential and congressional candidates and political committees over the years, according to campaign finance data collected by the nonpartisan Center for Responsive Politics. [...] BRUCE RASTETTER [...] Rastetter became chief political fundraiser in Terry Branstad's campaign for governor last year, contributing about \$160,000 himself. Branstad in February appointed Rastetter to the Board of Regents, which oversees Iowa's public universities. Rastetter started last week. He's still chief executive and a board member of Hawkeye Energy, as well as CEO of his family farm, now called Summit Farms. Contributions: \$212,250 to more than 70 federal candidates or political committees since 1998, including presidential candidates McCain, Giuliani and Mitt Romney.” [Des Moines Register, 5/10/11]

Rastetter Was Chief Political Fundraiser In Gov. Terry Branstad's Campaign For Governor, Contributed \$160,000 Himself. According to the Des Moines Register, "BRUCE RASTETTER [...] Rastetter became chief political fundraiser in Terry Branstad's campaign for governor last year, contributing about \$160,000 himself. Branstad in February appointed Rastetter to the Board of Regents, which oversees Iowa's public universities. Rastetter started last week. He's still chief executive and a board member of Hawkeye Energy, as well as CEO of his family farm, now called Summit Farms." [Des Moines Register, 5/10/11]

Rastetter Contributed \$212,250 To More Than 70 Federal Candidates Or Political Committees Since 1998, Including Presidential Candidates John McCain, Rudy Giuliani And Mitt Romney. According to the Des Moines Register, "BRUCE RASTETTER [...] Contributions: \$212,250 to more than 70 federal candidates or political committees since 1998, including presidential candidates McCain, Giuliani and Mitt Romney." [Des Moines Register, 5/10/11]

Koch Pipeline Company

ENVIRONMENTAL IMPACTS

Wood River Pipeline

In the 1970s, Koch Industries subsidiary Wood River Pipeline Co. was interested in building a pipeline that would run through Iowa. Initially, they failed to receive state approval to build a new pipeline, even after allegedly bribing Iowa state officials. Instead, they acquired a route from another pipeline company in 1980. Years later, there were reports that Koch Pipeline Co., Wood River Pipeline Co.'s successor, tried to force a new pipeline through a family farm that would likely be connected to the central Iowa pipeline.

1970s Koch Executives Allegedly Bribed Iowan Officials In Order To Acquire Pipeline Permit

1978: Koch Affiliate, Wood River Pipeline Co., Sought State Approval Of Controversial Oil Pipeline Through 12 Northeast Iowa Counties. According to the Des Moines Register, "Koch Industries' business holdings have grown gradually in Iowa, but they're rooted in controversy. In 1978, Koch, through its Wood River Pipeline Co., sought state approval of a 475-mile diagonal pipeline running from Wood River, Ill., through 12 northeast Iowa counties, to its Pine Bend oil refinery in Minnesota. That request drew howls of protest from farmers and opposition from environmental groups and regulators." [Des Moines Register, 7/31/11]

Koch Executives Never Denied Allegations That Their Officials Offered Iowa 1 Million Gallons Of Diesel Fuel If The Iowa Commerce Commission Green-Lit Their Proposal, Which It Eventually Did. According to the Des Moines Register, "Allegations surfaced that Koch officials had offered the state a million gallons of diesel fuel if the Iowa Commerce Commission would give their proposal the green light. Koch never denied the allegation. The commission eventually approved a permit." [Des Moines Register, 7/31/11]

1980s: Koch Affiliate Acquired Pipeline Corridor That Ran Through Central Iowa

1980: Wood River Pipeline Co. Dropped Northeast Iowa Pipeline, Instead Chose A Route Through Central Iowa On An Existing Corridor Owned By Another Pipeline Company. According to the Des Moines Register, "Two years later, Koch officials dropped plans for the project, choosing instead a route through central Iowa on an existing corridor owned by another pipeline company." [Des Moines Register, 7/31/11]

- **Koch Pipeline Co. Operated The Wood River Pipeline That Transports Energy From Illinois To Minnesota That Serves Iowa.** According to Company Facts from Koch Pipeline, "Koch Pipeline Company, L.P. ('KPL') owns and operates about 4,000 miles of pipelines that transport crude oil, refined petroleum products, natural gas liquids, ethanol and chemicals. [...] Where We Operate [...] 580-mile Wood River Pipeline in Missouri has transported crude oil from Hartford, Ill., to the St. Paul, Minn., area." [Koch Pipeline, Accessed [4/15/14](#)]

- **Wood River Pipeline Connected To Minnesota Through Iowa.** According to a map of existing oil pipelines, produced by TransCanada and obtained via the Le Mars Sentinel, the Wood River pipeline started in southwest Illinois and connected to Minneapolis, Minnesota through central Iowa. [Le Mars Sentinel, [11/17/05](#)]

Wood River Pipeline Rerouting

Jeff Charis-Carlson Op-Ed: Koch Pipeline Company Attempted To Force New Crude Oil Pipeline Through Small Minnesota Farm; Rerouted Pipeline After Persuasion From Small Farmers. According to an opinion by Jeff Charis-Carlson in the Iowa City Press-Citizen, “Iowans have to be careful when reading through ‘Turn Here Sweet Corn’ - Minnesotan small farmer Atina Diffley’s recent memoir about the rewards and trials that come in a life devoted to organic produce. [...] The last 50 pages alone - in which she describes her family’s legal battle to stop the Koch Pipeline Company from running a new crude oil pipeline through their farm - is a sweeping David-and-Goliath tale. Not only do the Diffleys persuade the company to reroute the proposed pipeline, but they also make the company change the way it deals with the organic farms it comes in contact with.” [Jeff Charis-Carlson – Iowa City Press-Citizen, 9/21/12]

Leaks By Koch Pipelines

1981: Koch Pipeline Dumped 900,000 Gallons Of Crude Oil In Polk County, Near Des Moines River

1981: Koch Pipeline Ruptured, Dumped 900,000 Gallons Of Crude Oil In Eastern Polk County, Near The Des Moines River; Cleanup Costs Exceeded \$250,000. According to the Des Moines Register, “But the company’s problems continued in January 1981, when the new pipeline ruptured in eastern Polk County, dumping an estimated 900,000 gallons of crude oil near the Des Moines River. The spill did no environmental damage, and no fines were imposed. But the cleanup costs exceeded \$250,000.” [Des Moines Register, 7/31/11]

1999: Koch Dumped 150,000 Gallons Of Crude Oil Into Creek Bed Leading To Des Moines River

Associated Press HEADLINE: “Broken Pipeline Creates 150,000-Gallon Pool Of Crude Oil.” [Associated Press, 5/3/99]

1999: Koch Pipeline Co.’s Pipeline Break Spilled More Than 150,000 Gallons Of Crude Oil Into Creek Bed Leading Into Des Moines River. According to the Associated Press, “Koch Pipeline Co. officials believe unrelated construction may have led to a pipeline break that gushed more than 150,000 gallons of crude oil into a creek bed leading to the Des Moines River. Neighbors reported the spill Saturday when the black oil bubbled from the pipeline 5 feet below ground to the surface of a field near U.S. Highway 65 in this suburb east of Des Moines. The pool of oil then began following the creek bed to the river. Fleck & Son Trucking Co. joined public works crews as they hauled in dirt and constructed an earthen dike, Fire Chief Leonard Murray said. ‘A lot of people were helping,’ he said. ‘Williams (Pipe Line Co.) was up here helping manage the event even though it wasn’t their line.’ Vacuum trucks were sucking up large pools of oil Sunday.” [Associated Press, 5/3/99]

Steve Dittmore, Koch Pipeline Co. Spokesman, Said The Pipeline Should Not Have Given Way. According to the Associated Press, “Crews will be working around the clock until it is cleaned up, Steve Dittmore, a spokesman for Koch, said Sunday. ‘We are still not sure yet how long it will take.’ About 3 million gallons of crude oil moved through the 24-inch diameter pipe daily from near St. Louis to near St. Paul, Minn. The pipeline was nearly new and should not have given way, Dittmore said. It was relocated in 1995 when an adjacent section of the highway was rebuilt.” [Associated Press, 5/3/99]

2001: Koch Pipeline Ammonia Leak Killed Over 1 Million Fish, Company Was Fined Nearly \$1.5 Million

December, 2001: Koch Pipeline Co. Paid Nearly \$1.5 Million After An Ammonia Leak Killed Nearly 1.3 Million Fish Along 49 Miles Of Lotts Creek And The East Fork Of The Des Moines River Near Algona. According to the Des Moines Register, “In one of the largest fish-kill cases in Iowa history, Koch Pipeline Co. paid nearly \$1.5 million after an ammonia leak in December 2001 killed nearly 1.3 million fish along 49 miles of Lotts Creek and the east fork of the Des Moines River near Algona.” [Des Moines Register, 12/27/08]

Koch Pipeline Spilled 58,000 Gallons Of Ammonia Into Lotts Creek, Which “Lost Virtually All Its Fish” As A Result. According to the Associated Press, “The 58,000 gallons of ammonia that spilled into Lotts Creek and the East Fork Des Moines River has dropped to safe levels for fish, officials from the Iowa Department of Natural Resources said. Lotts Creek lost virtually all its fish after a maintenance crew accidentally cut a Koch Pipeline anhydrous ammonia pipeline near Whittemore in Kossuth County. The spill killed all creek wildlife above Livermore.” [Associated Press, 12/25/01]

Des Moines Register: The Spill Was “One Of The Largest Environmental Disasters To Hit The State.” According to the Associated Press, “The spill in December 2001 near Algona in Kossuth County was one of the largest environmental disasters to hit the state.” [Associated Press, 9/18/03]

- **Koch Pipeline Co. President: There Should Have Been No Long-Term Effects From The Pipeline Spill.** According to the Associated Press, “‘Scientific study has demonstrated that Lott’s Creek has rebounded very well, and there should be no long-term effects from the incident,’ said Patt McCann, president of Koch Pipeline.” [Associated Press, 9/18/03]

\$1.45 Million Settlement Was “Largest Environmental Civil Penalty” In Northern District Of Iowa History

Des Moines Register: “Charles Larson Sr., U.S. Attorney For The Northern District Of Iowa, Said The Penalty Was The Largest Environmental Civil Penalty Ever Issued In His District.” According to the Associated Press, “Charles Larson Sr., U.S. attorney for the Northern District of Iowa, said the penalty was the largest environmental civil penalty ever issued in his district. ‘It sends a strong message that we intend to keep our environment safe,’ he said.” [Associated Press, 9/18/03]

Koch Pipeline Company’s Settlement Paid \$1 Million To The Federal Government And \$450,000 To Iowa. According to the Associated Press, “A company blamed for a fertilizer spill that killed more than 1 million fish in tributaries of the Des Moines River in north central Iowa has agreed to pay \$1.45 million to state and federal officials, officials announced Thursday. ‘There’s a message for people who do business in the state that we are serious,’ Iowa Natural Resources Director Jeff Vonk said. The settlement with Koch Pipeline Co., of Wichita, Kan., was filed Thursday in U.S. District Court in Cedar Rapids. If approved, the company will pay \$1 million to the federal government and \$450,000 to Iowa to improve the health of the Des Moines River and its tributaries and access to the waterways. ‘The positive thing for the people of Iowa is the money will be spent in that watershed,’ Vonk said.” [Associated Press, 9/18/03]

Spent Additional \$1.3 Million On Cleanup

Koch Pipeline Co. Spent \$1.3 Million On Spill Cleanup And Habitat Restoration. According to the Associated Press, “Koch Pipeline cooperated fully with the DNR on the cleanup and recovery efforts, said company spokeswoman Mary Beth Jarvis. Altogether, the company spent \$1.3 million to mitigate the impact of the spill and for habitat restoration.” [Associated Press, 9/18/03]

Koch Fertilizer/Koch Nitrogen

ECONOMIC IMPACTS

Laid Off Thirty-Seven Workers

Associated Press HEADLINE: “Thirty-Seven Employees Laid Off At Koch Fertilizer Plant.” [Associated Press, 7/11/03]

2003: Koch Nitrogen Co., Now Koch Fertilizer, Laid Off Workers In Fort Dodge, IA, Dodge City, KS, And An Unnamed Plant. According to the Associated Press, “Thirty-seven employees at the Koch Nitrogen Co. fertilizer plant here [unnamed plant] received pink slips Thursday morning. This will leave 85 employees at the plant, said Mary Beth Jarvis, a Koch spokeswoman. The company also announced layoffs Thursday at Koch’s fertilizer plants in Dodge City, Kan., and Fort Dodge, Iowa. A smaller fertilizer plant in Beatrice, Neb., wasn’t affected.” [Associated Press, 7/11/03]

- **2009: Koch Nitrogen Became Koch Fertilizer.** According to Koch Fertilizer, “Since its formation, Koch Fertilizer has grown from a single ammonia production facility and import terminal in the United States to become one of the world’s largest producers and marketers of fertilizers. Together with its affiliates, Koch Fertilizer has the capability to manufacture, market and distribute more than 13 million metric tons of fertilizer products annually. 1988 Koch companies purchase Gulf Central Pipeline and associated Cornbelt ammonia terminals 1989 Koch Nitrogen Company formed to market ammonia [...] 2009 Koch Nitrogen Company, LLC entered into a Urea Ammonium Nitrate Purchase and Sale Agreement with Pryor Chemical Company, a subsidiary of LSB Industries, Inc. Koch Fertiliser Ltd. relocated its offices from Tidworth to the Marlborough Business Park in Wiltshire, U.K.” [Koch Fertilizer, Accessed [4/15/14](#)]

2003: Koch Nitrogen Co. Laid Off Workers After It Acquired Four Plants From Farmland. According to the Associated Press, “All four plants were part of a multimillion dollar acquisition of Farmland assets that closed on May 7. Since then, Koch officials have determined the most profitable course during what Jarvis described as a volatile time in a very competitive industry. ‘We’ve spent weeks learning about a course of action so we could position our assets to survive,’ Jarvis said.” [Associated Press, 7/11/03]

Workers Claimed Layoffs Created Unsafe Work Environment

Anonymous Koch Nitrogen Co. Employees Claimed That The Layoffs Created An Unsafe Work Environment.

According to the Associated Press, “No particular divisions or employees were targeted for the layoffs. Some employees, who didn’t want to be identified, told the Enid News and Eagle that they had been deceived into believing their jobs would be spared when plant ownership changed. They also questioned the corporation’s responsibility for safety, saying letting go of experienced supervisors and maintenance workers was creating an unsafe work environment, the newspaper reported. Last month, a 50-year-old former employee who had begun doing different job duties for Koch, accidentally fell off a railroad car shortly after a granular urea loading job had been completed.” [Associated Press, 7/11/03]

KOCH LOBBYING IN IOWA

Koch Industries' PACs In Iowa

Des Moines Register HEADLINE: “What Do The Koch Brothers Want For Their Political Donations?” [Des Moines Register, 7/31/11]

Koch-Affiliated Political Action Committees Contributed \$5.2 Million To State Races And Referendums Since 2003. According to the Des Moines Register, “Contributions by PAC Campaign contributions by Koch-affiliated political action committees to state races and referendums since 2003: [...] Total contributions\$5.2 million” [Des Moines Register, 7/31/11]

- **Flint Hills Resources Contributed \$1.1 Million To State Races And Referendums Since 2003.** According to the Des Moines Register, “Contributions by PAC Campaign contributions by Koch-affiliated political action committees to state races and referendums since 2003: Flint Hills Resources\$1.1 million” [Des Moines Register, 7/31/11]
- **Georgia-Pacific Contributed \$2.2 Million To State Races And Referendums Since 2003.** According to Des Moines Register, “Contributions by PAC Campaign contributions by Koch-affiliated political action committees to state races and referendums since 2003: [...] Georgia-Pacific\$2.2 million” [Des Moines Register, 7/31/11]
- **Koch Industries Contributed \$1.9 Million To State Races And Referendums Since 2003.** According to the Des Moines Register, “Contributions by PAC Campaign contributions by Koch-affiliated political action committees to state races and referendums since 2003: [...] Koch Industries\$1.9 million” [Des Moines Register, 7/31/11]

Koch Companies Public Sector Lobbying

KOCH INDUSTRIES' IOWA LOBBYISTS

Koch Industries Employs Three Iowa Lobbyists

Tom Cope Was One Of Koch Industries' Three Iowa Lobbyists. According to the Des Moines Register, “Tom Cope, one of three lobbyists representing Koch and its subsidiaries in Iowa, says the company’s presence at the Capitol last session was typical. [...] Cope said the lobbying team’s narrow focus is predicated on the company’s business interests. ‘We register on bills that are determined to have an impact, positively or negatively, on that client’s business interests in Iowa,’ Cope said. ‘That is no different than any other client.’” [Des Moines Register, 7/31/11]

- **Cope Once Served As An Aide To Former Republican Rep. Jim Leach.** According to the Des Moines Register, “The lobbyists have taken few positions on specific pieces of legislation in recent years, said Cope, who once served as an aide to former U.S. Rep. Jim Leach, R-Ia.” [Des Moines Register, 7/31/11]

Former Republican Lawmakers Bryce Oakley And Don Avenson Of The Iowa House Were Also Koch Lobbyists. According to the Des Moines Register, “Other members of the Iowa lobbying team hired through Koch Industries Public Sector are Bryce Oakley, a former Republican lawmaker, and Don Avenson, a former Democratic speaker of the Iowa House.” [Des Moines Register, 7/31/11]

KOCH INDUSTRIES LOBBIED AGAINST CLOSING A TAX LOOPHOLE THAT ALLOWED LARGE, OUT-OF-STATE COMPANIES TO AVOID PAYING IOWA TAXES

2010: Koch Lobbied Against Legislation Requiring Combined Reporting Of Corporate Income Taxes

2010: Koch Lobbied Against Requiring “The Net Incomes Of Affiliated Groups Of Corporations Engaged In A Unitary Business To Be Computed On A Combined Return Basis For Corporate Tax Purposes.” In 2010, Koch Companies Public Sector lobbyists Don Avenson, Brice Oakley and Tom Cope lobbied against Senate Study Bill (SSB) 3122 in the 83rd General Assembly. According to an article titled “Combined Reporting on the Move: Recent Proposals and Legislation” in *State Tax Return*, a monthly newsletter published by the law firm Jones Day, “Iowa SSB 3122 requires the net income of affiliated groups of corporations engaged in a unitary business to be computed on a combined return basis for corporate tax purposes.” [Iowa Lobbyist Declarations, SSB 3122, 83rd General Assembly, accessed [8/22/14](#); SSB 3122, 83rd General Assembly, accessed [8/22/14](#); Jones Day, *State Tax Return*, [March 2010](#)]

Des Moines Register: “Multistate Corporations Won't Have To Pay More State Taxes, Because Lawmakers Again Rejected Moving To A ‘Combined Reporting’ System.” According to the Des Moines Register, “BUSINESSES: Most business tax credits were left intact, but credits worth about \$115 million were stripped away if lawmakers thought they weren't creating jobs or accomplishing their goals. Multistate corporations won't have to pay more state taxes, because lawmakers again rejected moving to a ‘combined reporting’ system. At the last minute, lawmakers moved to help small businesses. A program will help those who are having trouble accessing credit get private loans, and a new state fund will dish out low-interest loans of up to \$50,000. Businesses that intentionally skip out on paying various taxes and benefits for their workers by telling the state they're ‘contract workers’ rather than company employees will face new oversight. In some cases, this ‘misclassification’ has been linked to the hiring of undocumented immigrants.” [Des Moines Register, 3/31/10]

March 2014: Iowa Fiscal Partnership: “Iowa Doesn’t Have Combined Reporting To Plug Tax Loopholes.”

According to a backgrounder from the Iowa Fiscal Partnership, “On top of this, Iowa doesn’t have combined reporting to plug tax loopholes; this omission makes it easy for a multistate firm to shift its profits out of state and avoid Iowa taxes.” [Iowa Fiscal Partnership, [3/5/14](#)]

Iowa Policy Project Executive Director Mike Owen: “The Business Lobby Has Fought Tooth And Nail” Against Combined Reporting In Iowa. According to an opinion by Iowa Policy Project Executive Director Mike Owen on Iowa Policy Points, “Iowa could fix this by adopting something called “combined reporting,” which the business lobby has fought tooth and nail when proposed in the past by Governors Tom Vilsack and Chet Culver. Many states — including almost all our neighbors (Illinois, Wisconsin, Minnesota, Kansas and Nebraska) — already do this. See our 2007 report, which remains relevant because Iowa has refused to act.” [Mike Owen – Iowa Policy Points, [12/11/14](#)]

State Policy Network Affiliate Opposed Combined Reporting for Iowa In 2008

2008: Iowa Taxpayers Association Opposed “The Adoption Of A Combined Corporate Income Tax Reporting Structure.” According to the Iowa Taxpayers Association, “The Iowa Taxpayers Association opposes the adoption of a combined corporate income tax reporting structure in Iowa.” [Iowa Taxpayers Association, [January 2008](#)]

ITA: “The Revenue Change Would Be An Increase Of \$75 Million Dollars For The General Fund In FY 2009.”

According to the Iowa Taxpayers Association, “Corporate Combined Reporting was recommended in the FY 2009 Budget by Governor Culver. The revenue change would be an increase of \$75 million dollars for the General Fund in FY 2009.” [Iowa Taxpayers Association, [January 2008](#)]

ITA: Combined Reporting “Adds Complexity To An Already Complex System And May Lead To Costly Litigation.”

According to the Iowa Taxpayers Association, “Moving from separate entity reporting to combined unitary reporting is a major tax structure change and the consequences of such a change must be considered carefully. It adds complexity to an already complex system and may lead to costly litigation. It also lacks consistent interpretation and may pose compliance issues.” [Iowa Taxpayers Association, [January 2008](#)]

- **The Iowa Taxpayers Association Was A State Policy Network Affiliate.** According to the State Policy Network Membership Directory, the Iowa Taxpayer Association was a listed “Other Organization” for the State Policy Network in Iowa. [spn.org, accessed [5/12/15](#)]

February 3, 2010: A Senate Subcommittee Held An Information-Gathering Session On SSB 3122

Iowa Lobbying Firm Blogged About Senate “Information Gathering Session” On SSB 3122. In a blog post on February 3, 2010, titled “Combined Reporting Resurfaces in Subcommittee,” the Iowa lobbying firm Capitol Strategies wrote, “The Senate subcommittee on combined reporting, SSB3122, met this morning in an information gathering session.” [Capitol Strategies Blog, [2/3/10](#)]

Following The Info-Gathering Session, The Media Reported That SSB 3122 Would Crack Down On Large Corporations Avoiding Iowa Taxes

The Legislation Would “Prevent[ed] Large Companies Headquartered Outside The State From Shifting Income Among Their Affiliates To Avoid Paying Iowa Tax.” According to the Mason City Globe Gazette, “Iowa lawmakers are taking another look at requiring combined reporting of corporate income taxes to prevent large companies headquartered outside the state from shifting income among their affiliates to avoid paying Iowa tax. [Mason City Globe Gazette, 2/3/10]

Iowa Revenue Officials Said Corporate Income Tax Receipts Had Declined From 8 Percent To 3 Percent Of Total State Tax Receipts, And That Combined Reporting Could Bring Between \$42 Million and \$109 Million In Revenue to Iowa. According to the Mason City Globe Gazette, “Iowa revenue officials say corporate income tax receipts have declined from 8 percent to about 3 percent of total state tax receipts and combined reporting could net between \$42 million and \$109 million in increased receipts. Sen. Pam Jochum, D-Dubuque, said she supports the ‘long overdue’ change as a way to boost fairness and protect Iowa-based small businesses like 23 other state's currently do.” [Mason City Globe Gazette, 2/3/10]

Des Moines Register: SSB 3122 Would Institute Combined Reporting, Which Advocates Said “Would Better Capture Taxes On Iowa Corporations’ Net Income And Prevent Them From Legally Avoiding Some State Taxes.” According to the Des Moines Register, “Iowa corporations would pay millions more a year in state taxes if Iowa had ‘combined reporting,’ a state revenue official told lawmakers Wednesday. [...] Advocates said combined reporting would better capture taxes on Iowa corporations’ net income and prevent them from legally avoiding some state taxes. A proposal to require combined reporting inched forward in the Iowa Legislature Wednesday.” [Des Moines Register, 2/4/10]

State Tax Official Said The Legislation Was Needed Because Large Companies Used Gimmicks To “Shift Income And Avoid Taxes.” According to the Des Moines Register, “Jim McNulty of the Iowa Department of Revenue [...] told lawmakers that corporate income taxes account for 3 percent of state general fund revenues. It was 8 percent 25 years ago. The decline is because of tax credits and ‘more aggressive efforts by corporations to shift income among members of their affiliated groups,’ he said. Some firms, such as Wal-Mart, use real estate investment trusts to shift income and avoid taxes, he said.” [Des Moines Register, 2/4/10]

The Legislation Could Bring Over \$100 Million More In Revenue to Iowa Per Year

An Iowa Tax Official Said The Changes Would Have Forced “Large Multistate Corporations” To Pay “An Additional \$42 Million To \$109 Million Each Year Between 2000 And 2005.” According to the Des Moines Register, “Large multistate corporations such as Wal-Mart, 3M, John Deere and Wells Fargo would have together paid an additional \$42 million to \$109 million each year between 2000 and 2005 if that tax system had been in place here, said Jim McNulty of the Iowa Department of Revenue. The amount changed from year to year because of fluctuations in profits.” [Des Moines Register, 2/4/10]

The Small Business Administration Study Said States With Combined Reporting “Tend To Have Higher Entrepreneurship Rates.”

State Senator Quirnbach Said The Legislation Would Change A Tax System That “Dramatically And Unfairly Discriminates Against Small Businesses.” According to the Des Moines Register, “[State Senator Herman Quirnbach, D-Ames:] ‘The current system dramatically and unfairly discriminates against small businesses. The Wal-Marts of the world have access to economies of scale and preferential access to capital. The current tax system piles on top of that the fact that Iowa businesses pay their fair share to support their communities, where the Wal-Marts of the world can use any number of accounting gimmicks to shift their profits out of state, where they don’t have to pay taxes.’” [Des Moines Register, 2/4/10]

Small Business Administration: States With Combined Reporting According to a report by Donald Bruce of the University of Tennessee and John Deskins of Creighton University for the Small Business Administration, “States with

combined reporting and throwback rules for corporate income taxes tend to have higher entrepreneurship rates.” [Donald Bruce & John Deskins – Small Business Administration, [November 2006](#)]

SBA: “States With A Combined Reporting Requirement Tend To Have Rates Of Entrepreneurial Activity That Are About .67 (Tax Measure Or .44 (Employment Measure) Percentage Points Higher Than States” That Don’t.

According to a report by Donald Bruce of the University of Tennessee and John Deskins of Creighton University for the Small Business Administration, “A few of the other included measures of state tax policy have statistically significant impacts on the two measures of entrepreneurial activity. First, states with a combined reporting requirement tend to have rates of entrepreneurial activity that are about 0.67 (tax measure) or 0.44 (employment measure) percentage points higher than states without a combined reporting requirement.” [Donald Bruce & John Deskins – Small Business Administration, [November 2006](#)]

SBA: “The Effects Of Combined Reporting... Represent More Than Simple Organizational Form Changes... These Rules Increase Entrepreneurial Activity Even While Holding The Number Of Non-Self-Employed Firms Constant.”

According to a report by Donald Bruce of the University of Tennessee and John Deskins of Creighton University for the Small Business Administration, “Thus, the appropriate conclusion is that the effects of combined reporting and throwback rules on entrepreneurship represent more than simple organizational form changes since the results show that these rules increase entrepreneurial activity even while holding the number of non-self-employed firms constant (i.e., not allowing it to decrease).” [Donald Bruce & John Deskins – Small Business Administration, [November 2006](#)]

SBA: “States With More Aggressive Corporate Income Taxes, Specifically Including Combined Reporting... Tend To Have Higher Entrepreneurship Rates.”

According to a report by Donald Bruce of the University of Tennessee and John Deskins of Creighton University for the Small Business Administration, “States with more aggressive corporate income taxes, specifically including combined reporting and throwback rules, tend to have higher entrepreneurship rates.” [Donald Bruce & John Deskins – Small Business Administration, [November 2006](#)]

Combined Reporting Is “The Most Effective Approach To Combating Corporate Tax Avoidance”

Institute On Taxation & Economic Policy: Combined Reporting Is “The Most Effective Approach To Combating Corporate Tax Avoidance.”

According to the August 2011 report, the non-partisan, non-profit Institute on Taxation and Economic Policy wrote, “Over the past several decades, state corporate income taxes have declined markedly. One of the factors contributing to this decline has been aggressive tax avoidance on the part of large, multi-state corporations costing states billions of dollars. The most effective approach to combating corporate tax avoidance is the use of combined reporting, a method of taxation currently employed in more than half of the states with a corporate income tax.” [Institute on Taxation and Economic Policy, 8/1/11]

CBPP In 2008: 31 Of Iowa’s 34 Largest Manufacturers “Maintain Facilities In At Least One Combined Reporting State,” So It Is Unlikely Iowa Manufacturers Would Leave The State In Response To Combined Reporting.

According to the Center for Budget and Policy Priorities, “Some legislators therefore are concerned that adopting combined reporting will lead to job losses as major employers leave Iowa or reject the state for future investments. For example, State Senator Mark Ziemann has written, ‘Combined reporting for corporations will affect companies, such as CamCar, Norplex, John Deere, Alliant, and many others; this will encourage companies to locate in other states.’ This study presents compelling evidence that such concerns are unwarranted. It summarizes the results of a careful examination of the states in which the 32 largest Iowa manufacturers (and two smaller ones cited by Senator Ziemann) have physical facilities and therefore are subject to the state’s corporate income tax. Manufacturers were chosen as the focus of the research because, in theory, they have a greater ability than do retailers and service businesses to locate in states far away from their customers to take advantage of what they view as more favorable state tax policies. As documented in Figure 1, the study finds that: 31 of the 34 Iowa manufacturers examined maintain facilities in at least one combined reporting state or are a subsidiary of a corporation that has a facility in at least one combined reporting state. The ‘compliance burdens’ and tax liabilities arising from combined reporting cannot be that great if these manufacturers -- or the parent corporation that controls their decision-making -- have willingly maintained a facility in one or more combined reporting states.” [CBPP, [4/3/08](#)]

New York Times: A Study By The State Of Maryland Found That In 2006 And 2007, “Combined Reporting Would Have Increased State Revenues By 13 To 20 Percent.”

According to the New York Times, “However, advocates point to a study by the state of Maryland, where lawmakers have flirted with combined reporting for several years. In 2007, the legislature required companies in the state to file both a standard separate-entity return and returns showing how much they

would pay under various combined reporting regimes. For 2006 and 2007, combined reporting would have increased state revenues by 13 to 20 percent, depending on the version used.” [New York Times, [7/7/11](#)]

Koch Industries Would Be Subject To Combined Reporting Requirements As A Business Based Out-Of-State Which Uses Multiple Corporate Entities.

Koch Industries Is Based In Wichita, Kansas. According to its website, Koch Industries, Inc. is headquartered in Wichita, Kansas. [Koch Industries, accessed 9/21/14]

Koch Industries Operates Numerous Facilities Throughout Iowa Under Three Different Corporate Entities.

According to its website, Koch Industries operates throughout Iowa under Flint Hills Resources, Georgia Pacific and Koch Fertilizer. [Koch Industries, accessed 9/21/14]

KOCH COMPANIES PRESENCE IN IOWA	
Location	Corporate Entity
Algona, Ames, Arthur	Flint Hills Resources
Bettendorf	Flint Hills Resources
Davenport	Flint Hills Resources
Dubuque	Flint Hills Resources Georgia Pacific
Duncombe	Koch Fertilizer
Fairbank	Flint Hills Resources
Fort Dodge, Fort Madison, Garner	Koch Fertilizer
Iowa Falls	Flint Hills Resources
Keota, Marshalltown	Koch Fertilizer
Menlo	Flint Hills Resources
Sergeant Bluff	Koch Fertilizer
Shell Rock	Flint Hills Resources
Sioux City	Koch Fertilizer
Washington	Koch Fertilizer
Whiting	Koch Fertilizer

[Koch Industries, accessed [9/21/14](#)]

KOCH FOUGHT A BILL THAT WOULD GIVE WORKERS INJURED ON THE JOB ACCESS TO BETTER CARE BY ALLOWING THEM TO SEE THEIR OWN DOCTOR

Koch Industries Lobbied Against Legislation Giving Injured Workers “The Right To Predesignate A Physician As Their Primary Care Provider In The Event Of A Work-Related Injury.” According to Iowa state lobbyist declarations, Koch Companies Public Sector lobbyists Don Avenson, Brice Oakley and Tom Cope lobbied against House File (HF) 530 and Senate File (SF) 155 in the 83rd General Assembly. These bills “[related] to the choice of doctor to treat an injured employee under workers' compensation.” According to the Iowa Employment Law Letter, “Under Senate File 155...injured employees would have the right to predesignate a physician as their primary care provider in the event of a work-related injury that isn't a life-threatening emergency. Upon hiring someone and periodically throughout employment, employers would be required to give employees written notice of their right to predesignate a physician for treatment of a work-related injury.” [Iowa Lobbyist Declarations, SF 155, 83rd General Assembly, accessed [8/22/14](#); Iowa Lobbyist Declarations, HF 530, 83rd General Assembly, accessed [8/22/14](#); SF 155, 83rd General Assembly, accessed 8/22/14; HF 530, 83rd General Assembly, accessed 8/22/14; Iowa Employment Law Letter, 4/2009]

- **The Bill Was Supported By An Iowa Worker Who Lost His Leg After The Nurse Practitioner On His Company’s Payroll Misdiagnosed A Workplace Injury.** According to the Des Moines Register, “Iowa employees would have the right to designate a doctor to treat them for workplace injuries under a controversial bill... Some workers, such as 26-year-old Bill Spencer of Ottumwa, who had a leg amputated three months after a seemingly minor

factory injury, are firm advocates for letting workers choose their own doctor. [...] Spencer injured his knee on a pallet at Ottumwa's Cargill Meat Solutions in October 2006. The nurse practitioner, who was on the company's payroll for factory visits three times a week, saw no open wound and sent him back to work. Within three days, Spencer said, he could barely walk. The nurse did an X-ray about a week later. 'She said, "It's just a little bit of fluid around your knee. Nothing to worry about,"' Spencer recalled. Later, the skin around his knee ruptured and appeared infected. That sent Spencer to Iowa City to his own doctor. 'He asked me, "Why didn't you come in sooner?"' I said, "If I don't go to the company doctor, they don't pay the bills and I could possibly lose my job,"' Spencer said. Spencer said Cargill settled his workers' compensation case. He will be paid \$175,000 in lumps of \$10,000 or \$20,000 every five years until he's 74 years old.' [Des Moines Register, 3/10/09]

- **Companies Opposed The "Choice-Of-Doctor Law" Because Personal Physicians Often Urged Injured Workers To Stay Home From Work, Resulting In Higher Insurance Fees For The Employer.** According to the Des Moines Register, "Around the nation, 35 states have a version of a choice-of-doctor law, including all states surrounding Iowa except Missouri. Des Moines-based Loffredo Fresh Produce has operations in Wisconsin and Illinois, which have choice-of-doctor laws. 'It's not uncommon that if they go to their personal physician, normally that employee is told to stay home from work,' said safety manager Brian Ellis. Companies pay higher annual rates for their workers' compensation insurance if workers lose hours because of injuries, Ellis said. So when a worker does suffer injuries, Ellis said, he tries to make arrangements for the worker to do an alternative job that's less physically demanding." [Des Moines Register, 3/10/09]

KOCH LOBBIED AGAINST A BILL THAT ALLOWED IOWANS TO FILE CONSUMER FRAUD LAWSUITS AGAINST DISHONEST BUSINESSES

2009: Koch Industries Lobbied Against A Bill Allowing Iowa To "Join Every Other State In Allowing Consumers To Sue Companies For Fraud." According to state lobbyist declarations, during the 83rd General Assembly Koch Companies Public Sector lobbyists Don Avenson, Brice Oakley and Tom Cope lobbied against House File (HF) 712. According to the Des Moines Register, "Iowa would join every other state in allowing consumers to sue companies for fraud under a bill passed...by both chambers of the Iowa Legislature. The bill would give individuals the right to sue if they think they've been defrauded. Currently, most such suits must be filed by the state attorney general's office, which favors the change." [Iowa Lobbyist Declarations, HF 712, 83rd General Assembly, accessed [8/22/14](#); Des Moines Register, 4/20/09]

- **The Governor Signed The Bill Into Law After The State House Passed The Bill 96-1 And The Senate Approved The Bill 48-0.** According to the Iowa Legislature, The Iowa State House passed the legislation by a vote of 96-1. The State Senate passed the legislation by a vote of 28-0. On May 26, 2009, the governor signed the bill into law. [Iowa Legislature, Bill History for HF 712, accessed [9/20/14](#)]

Note: After The Bill Was Amended To Provide Concessions & Exemptions For Businesses, Koch Changed Its Stance To "Undecided"

After Initially Listing Their Opposition To HF 712, Koch Lobbyists Changed Their Position To "Undecided." According to Iowa Lobbyist Declarations, Koch Companies Public Sector's Lobbyists listed their stance as "Against" HF 712 On March 16, 2009. The lobbyists subsequently listed their position as "Undecided" on April 20, 2009. That day, a number of amendments were considered. Some consumer advocates criticized the bill for being watered down through the amendment process by providing too many exemptions to businesses. [Iowa Lobbyist Declarations, HF 712, 83rd General Assembly, accessed [8/22/14](#); Iowa Legislature, Bill History for HF 712, accessed [9/20/14](#); Des Moines Register, 4/21/09]

The Legislation Was Designed To Protect Iowa Consumers From Being Cheated By Unscrupulous Businesses

The Legislation Gave Iowans "New Protection From Consumer Fraud." According to the Creston News-Advertiser, "Iowans will get new protection from consumer fraud under a bill that has been sent to the Governor. House File 712 creates a private right of action for consumer fraud. Iowa was the last state in the nation to give consumers the right to sue when they are defrauded. Up until this point, consumers who were defrauded could only receive relief if the Attorney General brought a claim on their behalf. The Attorney General typically required multiple cases of fraud by a business before a claim lawsuit would be brought." [Creston News-Advertiser, 5/6/09]

Iowa Attorney General Tom Miller Said The Bill Would Protect Senior Citizens & “All Consumers Who Might Be Cheated.” According to the Creston News-Advertiser, “[Iowa Attorney General Tom Miller:] ‘This bill gives protections to older Iowans, and to all consumers who might be cheated when they buy used cars, contract for home repairs, or get a home mortgage. Today is a great day for Iowa consumers. [...] We proposed the bill because it benefits the vast majority of Iowa businesses that play fair, play by the rules, and face unfair competition from businesses that would use fraudulent practices against consumers.’” [Creston News-Advertiser, 5/6/09]

- **AARP Praised The Legislation For Giving Iowans “An Avenue Of Relief When They Are Victims Of Fraud, Scams, And Other Dishonest Business Practices.”** According to the Sioux City Journal, “Bruce Koepl, AARP Iowa senior state director, commended Culver's action, saying the new law means Iowans will now have an avenue of relief when they are victims of fraud, scams, and other dishonest business practices. Koepl said that while AARP sought a broader law with fewer exemptions, House File 712 will provide necessary protections in key areas where consumers have been especially vulnerable to dishonest business practices such as unscrupulous and predatory home mortgage companies, home improvement contractors and auto dealers.” [Sioux City Journal, 5/27/09]

The Legislation Targeted “Problem Areas Such As New And Used Car Sales, Car Repair And Home Improvement Businesses, Telemarketers And Sweepstakes.” According to the Sioux City Journal, “For the first time, Iowans will join other U.S. consumers who have a private right to bring a civil fraud lawsuit against individuals or businesses under the state's consumer protection law. [...] The Iowa legislation includes exemptions for many regulated, trained professionals, but targets problem areas such as new and used car sales, car repair and home improvement businesses, telemarketers and sweepstakes, backer said.” [Sioux City Journal, 5/27/09]

Iowa Leaders Hailed The Legislation As An Historic Breakthrough For Consumer Rights

Iowa Attorney General Tom Miller Hailed The Day HF 712 Was Signed Into Law As “A Very Important Day For Iowa Consumers.” According to a press release hailing the governor's decision to sign HF 712, Iowa Attorney General Tom Miller said, “This is a very important day for Iowa consumers. This new law creates a private right of legal action for Iowans who are victims of consumer fraud. Iowans now finally join the citizens of every other state in having the important right to be able to go to court to protect their rights as consumers.” [Office of the Iowa Attorney General, [5/26/09](#)]

Following Passage Of HF 712, Sen. Keith Kreiman Said It Was “A Landmark Day For Consumers And Honest Businesses In Iowa.” According to The Gazette, “Iowa consumers would be able to bring legal action against dishonest businesses under House File 712, approved by the Legislature... ‘Today is a landmark day for consumers and for honest businesses in Iowa,’ Sen. Keith Kreiman, D-Bloomfield, said. [...] Kreiman called the bill, which allows individual consumers to sue businesses, ‘a day of reckoning (with) long-overdue consequences for dishonest businesses who prey upon the weak and the unsophisticated consumer.’ [...] ‘With passage of this bill, Iowa will join the 49 other states who allow a private cause of action for violations of consumer fraud,’ Kreiman said. ‘It’s a long day coming.’” [The Gazette, [4/20/09](#)]

Prior To The Bill’s Passage, Iowa Was The Only U.S. State That Did Not Allow Citizens To File Civil Fraud Lawsuits

At The Time Of The Bill’s Signing, Iowa Was The Only State That Did Not Allow Citizens To File “Civil Fraud Lawsuits Against Individuals Or Businesses.” According to the Sioux City Journal, “For the first time, Iowans will join other U.S. consumers who have a private right to bring a civil fraud lawsuit against individuals or businesses under the state's consumer protection law. [...] ‘This is a very important day for Iowa consumers,’ said Iowa Attorney General Tom Miller, whose office has worked for years to address the fact that Iowa is the only state in the country whose law does not give citizens the right to take individual action when they have been victims of fraud. ‘Iowans now finally join the citizens of every other state in having the important right to be able to go to court to protect their rights as consumers,’ Miller said. ‘This bill gives protections to older Iowans, and to all consumers who might be cheated when they buy used cars, contract for home repairs, or get a home mortgage.’” [Sioux City Journal, 5/27/09]

Before The Passage Of The Bill, Only The Attorney General’s Office Could File Consumer Fraud Lawsuits.

According to the Sioux City Journal, “Iowa would join every other state in allowing consumers to sue companies for fraud

under the state consumer protection law under a bill passed Monday by both chambers of the Legislature. Currently, such lawsuits must be filed by the state attorney general's office, which favors the change.” [Sioux City Journal, 5/27/09]

- **The Bill Helped Clear A Backlog Of Consumer Fraud Allegations In The Attorney General’s Office And Saved The State From Hiring 40 To 50 Lawyers.** According to the Des Moines Register, “Rep. Kurt Swaim...said the bill would help deal with a backlog of 4,000 to 5,000 consumer-fraud allegations made to the attorney general's office. The office would need an additional 40 to 50 lawyers to deal with all those complaints, he said, and the state can't afford them.” [Des Moines Register, 4/21/09]

Note: The Bill Was Amended From Its Original Form, Disappointing Some Consumer Groups With Exemptions For Certain Industries

Consumer Advocates Criticized The Final Version Of The Bill For Providing Too Many Exemptions, Including For Insurance Companies, Banks And Lawyers. According to the Des Moines Register, “Consumer advocates have criticized Iowa's bill as having too many exceptions. The proposal specifically says many services are exempt, including those provided by insurance companies, banks, lawyers, cable TV providers, doctors, veterinarians and architects.” [Des Moines Register, 4/21/09]

- **While Rep. Kurt Swaim, A Supporter Of The Bill, Wished That There Were Fewer Exemptions, The Bill Did Not Exempt “Areas That Generally Draw The Most Complaints.”** According to the Des Moines Register, “In an interview after the vote, Swaim said he wished the bill didn't have so many exemptions. But he said it still would allow consumers to file lawsuits in the areas that generally draw the most complaints, including car repair, home remodeling, debt collection and mortgage brokering. Other businesses still could be pursued by the attorney general's office, he said. ‘No one's getting off scot-free.’” [Des Moines Register, 4/21/09]

An Amendment To The Bill Prohibited Class-Action Complaints Without The Attorney General’s Office’s Approval. According to the Des Moines Register, “Under an amendment offered by Rep. Geri Huser [...] and later approved, consumers could not file a class-action complaint without approval from the attorney general's office.” [Des Moines Register, 4/21/09]

KOCH– A MAJOR FORMALDEHYDE PRODUCER THAT OPPOSES THE CLASSIFICATION OF FORMALDEHYDE AS A CARCINOGEN – LOBBIED ON BILL TO BAN FORMALDEHYDE IN CHILDREN’S TOYS

Koch Lobbied – But Did Not Disclose Its Position – On Bill Banning Formaldehyde In Children’s Products

During The 2013-2014 Session, Koch Industries Lobbied On, But Did Not Disclose Its Stance On, Legislation To Ban The Use Of Formaldehyde In Children’s Products. According to Iowa state lobbyist declarations, Koch Industries lobbyists Don Avenson, Brice Oakley and Tom Cope lobbied on, but did not disclose a stance on, Senate File 2161 in the 85th General Assembly. According to an explanation of the bill provided by the Iowa General Assembly, “The bill, beginning January 1, 2015, prohibits a manufacturer or wholesaler from selling or offering for sale in this state a children’s product that intentionally contains formaldehyde or ingredients that chemically degrade under normal conditions of temperature and pressure to release formaldehyde.” The bill has not received a vote. [Iowa Lobbyist Declarations, S.F. 2161, accessed [9/19/14](#); SF 2434, 85th General Assembly, accessed [9/19/14](#)]

Koch Industries Owns “One Of The Largest Formaldehyde Producing Companies In The Country”

Koch Industries “Owns One Of The Largest Formaldehyde Producing Companies In The Country.” According to the Bangor Daily News, “run by billionaire brothers and major conservative donors Charles and David Koch, owns one of the largest formaldehyde producing companies in the country, according to ProPublica.” [Bangor Daily News, 9/3/14]

New York Times: Koch-Owned Companies Have “Lobbied Against Designating Formaldehyde As A Known Human Carcinogen”

National Cancer Institute: “Formaldehyde Has Been Classified As A Known Human Carcinogen.” According to the National Cancer Institute, “Formaldehyde has been classified as a known human carcinogen (cancer-causing substance) by the International Agency for Research on Cancer and as a probable human carcinogen by the U.S. Environmental Protection Agency.” [National Cancer Institute, accessed [9/20/14](#)]

- **New York Times: “A Koch-Owned Company Lobbied Against Designating Formaldehyde As A Known Human Carcinogen.”** According to the New York Times, “Energy magnate David Koch left his spot on a National Cancer Institute (NCI) advisory board...but green advocates are taking aim at the conservative mega-donor nonetheless by calling for a review of federal ethics policies that allowed him to sit on the panel despite a potential conflict of interest. Koch Industries Inc...burst onto the political scene...thanks to multimillion-dollar contributions the duo steered to right-leaning groups that help fuel the tea party movement. But David Koch's membership on the National Cancer Advisory Board, which advises NCI, became a flashpoint of its own after The New Yorker magazine last month reported that a Koch-owned company lobbied against designating formaldehyde as a known human carcinogen while he sat on the panel.” [New York Times, 10/27/10]

Koch Subsidiary Georgia Pacific Has Publicly Disputed The Link Between Formaldehyde & Cancer

Koch Industries Subsidiary Georgia Pacific “Submitted Public Comments That ‘Strongly Disagree[d]’ With The Notion Of A Causal Link Between Formaldehyde Exposure And Cancer.” According to The New York Times, “An NCI study published...helped inform a recommendation by an expert panel of the National Toxicology Program (NTP)...that formaldehyde be listed as a ‘known human carcinogen.’ Georgia-Pacific, a wood products maker that Koch Industries purchased in 2005, later submitted public comments that ‘strongly disagree[d]’ with the notion of a causal link between formaldehyde exposure and cancer.” [New York Times, 10/27/10]

KOCH SUBSIDIARY LOBBIED TO ALLOW FOR HIGHER FEES FOR IOWA CITIZENS TO ACCESS PUBLIC RECORDS

Flint Hills Resources Lobbied To Allow Government Agencies To Charge New Fees For Access To Public Records. According to Iowa state lobbyist declarations, Flint Hills Resources lobbyists Julie Smith, Scott Newhard, Larry Pope and Ned Chiodo lobbied in favor of Senate Study Bill 3128 in the 81st General Assembly. According to an explanation of the bill provided by the Iowa General Assembly, “This bill allows a government body...to charge a fee to a person receiving a public record for the cost of separating the public record from the data processing software, including a proportional share of the fixed cost incurred for computer equipment, maintenance, and insurance. This fee is in addition to the charge for examining and copying a public record. Currently, the government body can charge a fee for access to data processing software to recover direct publication costs. The bill allows a government body to charge an additional fee amount for access to data processing software. The fee is that amount required to recover internet website development costs. If the fee for direct publication costs is not applicable, a fee to recover internet website development costs may still be charged. The fee is in addition to an amount for examination and copying a public record.” The bill did not receive a vote. [Iowa Lobbyist Declarations, 2006, accessed 8/7/14; SSB 3128, 81st General Assembly, accessed [9/18/14](#)]

KOCH HAS LOBBIED AGAINST THE RENEWABLE FUEL STANDARD AND BIODIESEL FUEL STANDARDS TO PROTECT THEIR OIL INTERESTS IN IOWA

Koch Lobbyists Opposed Iowa Bill To Increase Amount Of Biodiesel That Could Be Blended In Diesel Fuel Sold At The Pump. According to the Des Moines Register, “So what does Koch Industries want from Iowa lawmakers in return for its donations? Apparently not much, if lobbyist disclosure reports on file with the Iowa General Assembly are any indication. Legislators feel the influence of the company and its foundations in other ways, however. For the 2011 legislative session, which ended June 30, the company’s three Iowa lobbyists declared an interest in just three of the 1,241 bills introduced in the House or Senate. [...] They opposed a proposal to raise to 5 percent the amount of biodiesel that could be blended in diesel fuel sold at retail outlets. [...] None of the three bills made it out of committee.” [Des Moines Register, 7/31/11]

Since 2006, Koch Companies Public Sector & Flint Hills Resources Lobbied On At Least 37 Bills Related To Ethanol, Biodiesel And Other Renewable Fuels. According to Iowa state lobbyist declarations, Koch Companies Public Sector and Flint Hills Resources lobbied on at least 37 bills related to the Renewable Fuel Standard and biodiesel fuels. According to lobbyist declarations, they lobbied against 12 bills and listed their stance as “undecided” on 25 bills. [Iowa Lobbyist Declarations, 2006-2014, accessed 8/7/14]

- **Koch Industries And Flint Hills Lobbied Against Bills That Would Modify Renewable Fuel Standards And Provide Tax Credits To Retailers Who Sold The Renewable Fuels.** According to Iowa state lobbyist declarations, Koch Industries’ and Flint Hills’ lobbyists lobbied against bills that would have modified the Renewable Fuel Standard and would have provided tax credits to retailers who sold the renewable fuels. Among these bills was Senate File (SF) 2359 in the 83rd General Assembly, which would have “[created] a new requirement that a retail dealer cannot advertise, sell, or dispense gasoline other than ethanol blended gasoline which is either standard ethanol blended gasoline or so-called E=85 gasoline. Gasoline which does not contain the requisite 35 percentage of ethanol is referred to as ‘nonblended gasoline’. The bill also creates a new designation for high ethanol blended gasoline which is E=11 or higher.” [Senate File 2359, 83rd General Assembly, accessed [9/19/14](#)]
- **Koch Industries & Flint Hills Lobbied Against Bills That Would Have Required Diesel Fuels To Contain At Least 5 Percent Biodiesel.** According to the Iowa Legislature, among the bills that Koch Industries lobbied against was Senate File (SF) 464 in the 83rd General Assembly, which required that “a retail dealer shall not advertise for sale or sell diesel fuel in this state, unless it is biodiesel fuel designated as B=5 or higher.” B=5 fuel is diesel fuel that contains, by definition, at least 5 percent biodiesel. [Senate File 464, 83rd General Assembly, accessed [9/19/14](#)]
- **Flint Hills Resources Lobbied Against Bills That Contained Provisions Providing Gasoline Tax Credits To Retail Dealers Who Sold Gasoline With 85 Percent Ethanol And Drivers Who Used E=85 Gasoline.** According to the Iowa Legislature, among the bills that Flint Hills lobbied against was Senate File 2385 in the 81st General Assembly, which instructed that “the department of natural resources... is authorized to award demonstration grants to persons who purchase vehicles which operate on alternative fuels, including but not limited to, E=85 gasoline, compressed natural gas, electricity, solar energy, or hydrogen. A grant shall be for the purpose of conducting research connected with the fuel or the vehicle, and not for the purchase of the vehicle itself.” The bill also provided tax credits to retail dealers “who [own] or [operates] at least one service station at which E=85 gasoline is sold and dispensed through a metered pump.” [Senate File 2385, 81st General Assembly, accessed [9/19/14](#)]

Koch Companies Public Sector Lobbied Against Bill That Would Have Required Gas Retailers To Sell Unblended Gasoline Or Diesel Fuel

Two Bills That Koch Lobbied Against Were Withdrawn.

Koch Companies Public Sector Lobbied For A Bill That Would Have Provided For The Distribution And Sale Of Blended And Unblended Gas, But Then Lobbied Against It Two Days Later. According to the Lobbyist Declarations on the Iowa State Legislature’s website, Tom Cope lobbied the 85th General Assembly on behalf of Koch Companies Public Sector, LLC and Affiliates for HF 597 on March 16, 2013 and then lobbied against the bill on March 18, 2013. According to the bill’s text, “The bill provides that its provisions do not prohibit a distributor or dealer from purchasing, selling, or transporting gasoline or diesel fuel that has not been blended with a biofuel; affect the blender’s license requirements, prohibit a dealer or distributor from leaving a terminal with unblended gasoline or unblended diesel fuel; or require a nonrefiner biofuel manufacturer to offer or sell unblended gasoline or unblended diesel fuel. The requirements also do not apply to a written agreement executed prior to the effective date of the bill. A terminal operator, terminal owner, or supplier who violates the bill’s restrictions is subject to a civil penalty of not more than \$10,000 per violation, and each day that a violation continues is deemed a separate offense.” [Iowa Lobbyist Declaration HF 597, 85th General Assembly, [May 2013](#); Iowa Legislature, HF 597, 85th General Assembly, accessed [3/23/15](#)]

- **The Bill Was Later Withdrawn.** According to the Iowa Legislature’s bill history for HF 597, the last action on the bill was on May 2, 2013 when the bill was withdrawn. [Iowa Legislature, Bill History for HF 597, 85th General Assembly, accessed [3/23/15](#)]

- **HF 597 Was Rolled Into HF 640.** According to Iowa's House Republican Staff Analysis, "Summary of Action The House Agriculture Committee PASSED HF 376 which became HF 597 on March 5, 2013 by a 23-aye vote. The House Ways & Means Committee amended, and PASSED HF 597, that became HF 640 on April 17, 2013, by a 16-aye to 9-nay vote." [Iowa House Republican Caucus, [5/1/13](#)]

Koch Companies Public Sector Lobbied Against A Bill That Would Have Provided For The Storage, Marketing And Distribution Of Motor Fuel

Koch Companies Public Sector Lobbied Against A Bill That Would Have Provided For The Storage, Marketing And Distribution Of Flammable Or Combustible Liquids, Including Motor Fuel. According to the Lobbyist Declarations on the Iowa State Legislature's website, Tom Cope lobbied the 85th General Assembly on behalf of Koch Companies Public Sector, LLC and Affiliates against HF 640, a "bill for an act relating to liquids which are flammable or combustible, by providing for the storage, marketing, and distribution of such liquids, providing for the marketing and distribution of liquids classified as motor fuel, including a conventional blendstock for oxygenate blending, and blended and unblended gasoline and diesel fuel [...]." [Iowa Lobbyist Declaration, HF 640, 85th General Assembly, [4/23/13](#)]

The Bill Would Have Extended "The Period For Determining The Rates Of The Motor Fuel Tax Based On Calculating The Distribution Of Ethanol Blended Gasoline." According to the Lobbyist Declarations on the Iowa State Legislature's website, Tom Cope lobbied the 85th General Assembly on behalf of Koch Companies Public Sector, LLC and Affiliates against HF 640, a "bill for an act relating to liquids which are flammable or combustible, by providing for the storage, marketing, and distribution of such liquids, providing for the marketing and distribution of liquids classified as motor fuel, including a conventional blendstock for oxygenate blending, and blended and unblended gasoline and diesel fuel, extending the period for determining the rates of the motor fuel tax based on calculating the distribution of ethanol blended gasoline and other motor fuel, including fees and penalties, and including effective date provisions. Effective 7-1-13, with exception of Division IV, effective 6-17-13." [Iowa Lobbyist Declaration, HF640, 85th General Assembly, [4/23/13](#)]

The Governor Signed The Bill Into Law After The State Senate Approved The Bill 47-0 And The House Passed The Bill 89-7. According to the Iowa Legislature's bill history for HF 640, the bill was signed into law by the Governor on June 17, 2013. [Iowa Legislature, Bill History for HF 640, accessed [3/19/15](#)]

Koch Companies Public Sector Lobbied Against A Bill That Would Have Provided For A Biodiesel Quality Standard

Three Koch Companies Public Sector Lobbyists Lobbied Against A Bill That Would Have Provided For A Biodiesel Quality Standard. According to the Lobbyist Declarations on the Iowa State Legislature's website, Tom Cope, Brice Oakley and Don Avenson lobbied the 84th General Assembly on behalf of Koch Companies Public Sector, LLC and Affiliates against SF 164, a "bill for an act relating to motor fuel by providing for a biodiesel quality standard and including effective date provision." [Iowa Lobbyist Declarations, SF 164, 84th General Assembly, [2/8/11](#)]

The Bill Did Not Get A Floor Vote. According to the Iowa Legislature's bill history for SF 164, the last action on the bill was on February 10, 2011 when it was referred to the Agriculture subcommittee. [Iowa Legislature, Bill History for SF 164, 84th General Assembly, accessed [3/20/15](#)]

Koch Companies Public Sector Lobbied Against A Biodiesel Bill That Nearly Two-Thirds Of Iowa Voters Supported

Koch Companies Public Sector Lobbied Against Senate File 464 In The 83rd General Assembly, Which Would Have Mandated That Diesel Fuel Sold In Iowa Have "At Least A 5 Percent Blend Of Bio-Diesel." According to Iowa state lobbyist declarations, Koch Companies Public Sector lobbyists Don Avenson, Brice Oakley and Tom Cope lobbied against Senate File 464 in the 83rd General Assembly. In a column in the Creston News Advertiser, Republican State Senator Kim Reynolds wrote, "The senate passed Senate File 464, a bill mandating the sale of bio-diesel in Iowa. The legislation stated that beginning in September of this year all diesel fuel sold in Iowa must have at least a 5 percent blend of bio-diesel, either made from soybeans or animal fat." [Iowa Lobbyist Declarations, SF 464, 83rd General Assembly, accessed [8/22/14](#); SF 464, 83rd General Assembly, accessed [8/22/14](#); Creston News Advertiser, 4/22/09]

- **The Senate Passed The Legislation 31-19, But It Did Not Receive A Vote In The House.** According to the bill's history on the Iowa Legislature website, the bill passed the Senate 31-19 on April 15, 2009. The bill did not receive a vote in the House. [Bill History, SF 464, 83rd General Assembly, accessed [8/22/14](#)]

A 2009 Poll Found That 66 Percent Of Iowa Voters Supported The Legislation, While Only 16 Percent Opposed It. According to a study done by Moore Information in December 2009, 66 percent of Iowa voters supported legislation to mandate 5% biodiesel legislation, while 16 percent of voters opposed the legislation. [Moore Information, commissioned by the Iowa Biodiesel Board, [12/14/09](#)]

In Addition To Popular Support, The Bill Received Endorsements From Organizations Such As The American Lung Association Of Iowa And The Iowa Farm Bureau. According to an op-ed written by Randy Olson of the North Iowa Media Group in the Mason City Globe Gazette, "In addition to [Iowa Biodiesel Board], Iowa Farm Bureau, the American Lung Association of Iowa, the Iowa Soybean Association and the Iowa Renewable Fuels Association support the drive for B5. And IBB has research showing that the B5 standard is not just something biodiesel producers and farmers want – Iowa voters also want it." [Randy Olson - Mason City Globe Gazette, 3/3/10]

A 2008 Study Found That Increased Biodiesel Demand Resulted In Over 5,400 Permanent Jobs In Iowa. According to a study done by LECG LLC, "New jobs are created as a consequence of increased economic activity caused by biodiesel production. The increase in economic activity generated by biodiesel production supports the creation of more than 5,400 permanent jobs in all sectors of the Iowa economy. Construction activities support an additional 715 jobs." [LECG LLC, commissioned by the Iowa Renewable Fuels Association, 1/24/09]

KOCH COMPANIES PUBLIC SECTOR LOBBIED ON AN ALTERNATIVE ENERGY CARS TAX CREDIT BILL WITH A LISTED STANCE OF "UNDECIDED."

Koch Lobbied – But Did Not Disclose Its Position – On Alternative Energy Cars Tax Credit Bill

Three Koch Companies Public Sector Lobbyists Lobbied On An Alternative Energy Cars Tax Credit Bill With A Listed Stance Of "Undecided." According to the Lobbyist Declarations on the Iowa State Legislature's website, Tom Cope, Brice Oakley and Don Avenson lobbied the 85th General Assembly on behalf of Koch Companies Public Sector, LLC and Affiliates and listed their position as "undecided" on SF 434, a "bill for an act relating to an electric or natural gas vehicle facility tax credit and including effective date and retroactive applicability provisions." [Iowa Lobbyist Declarations, SF 434, 85th General Assembly, [4/16/13](#)]

The Bill Would Have Created "An Electric Or Natural Gas Vehicle Facility Tax Credit For Persons Who Construct, Install, And Place In Service An Electric Vehicle Facility Or A Natural Gas Vehicle Facility." According to SF 434's text, "This bill creates an electric or natural gas vehicle facility tax credit for persons who construct, install, and place in service an electric vehicle facility or a natural gas vehicle facility." [Iowa Legislature, SF 434, 85th General Assembly, accessed [3/23/15](#)]

The Alternative Energy Cars Tax Credit Would Have Been "30 Percent Of The Total Cost Of Purchasing And Of Installing The Facility." According to SF 434's text, "The amount of the tax credit is 30 percent of the total cost of purchasing and of installing the facility." [Iowa Legislature, SF 434, 85th General Assembly, accessed [3/23/15](#)]

The Bill Did Not Get A Floor Vote. According to the Iowa Legislature's bill history for SF 434, the last action on the bill was on April 23, 2013 when it was referred to a Ways & Means subcommittee. [Iowa Legislature, Bill History for SF 434, 85th General Assembly, accessed [3/23/15](#)]

KOCH LOBBIED ON BILLS THAT WOULD HAVE PROVIDED \$2 MILLION TO HELP LOW-INCOME IOWANS PAY THEIR HEATING BILLS

During The 2013-2014 Session, Koch Industries Lobbied On, But Did Not Disclose A Stance On, Two Bills, Which Would Have Provided \$2 Million To The State's Low-Income Home Energy Assistance Program. According to Iowa state lobbyist declarations, Koch Industries lobbyists Don Avenson, Brice Oakley and Tom Cope lobbied on, but did not disclose a stance on, Senate File 2110 and Senate Study Bill 3137 in the 85th General Assembly, which would turn into SF 2110. SF 2110 would have provided \$2 million for the state's low income home energy assistance program (LIHEAP). The bill passed the Senate 41-8 but was not voted on in the House. [Iowa Lobbyist Declarations, SF 2110, 85th General Assembly, accessed [9/19/14](#); SF 2110, 85th General Assembly, accessed [9/19/14](#); Iowa Lobbyist Declarations, SSB 3137, 85th General Assembly, accessed [9/19/14](#); SSB 3137, 85th General Assembly, accessed 9/19/14]

- **Democratic Senator Liz Mathis Said The Bill Was Necessary Because Of “Roller-Coaster” Propane Prices, While House Republican Chuck Soderberg Said The Program Already Had “Adequate Funds.”** According to the Muscatine Journal, “Sen. Liz Mathis, D-Cedar Rapids, floor manager for Senate File 2110, said many Iowa families are seeing propane prices ‘take a roller-coaster ride’ due to heavy fall crop-drying demands, pipeline maintenance interruptions and sub-zero temperatures in the upper Midwest that have ‘scooped’ propane supplies. ‘This is a perfect storm,’ Mathis told senators during...floor debate. ‘Along with propane problems, there are broken furnaces, higher energy bills and something we can't control – a really cold and long winter which is throwing people into a financial dilemma and dangerous safety issues.’ Mathis said the \$2 million supplemental state appropriation will help about 85,000 families with incomes at the 150 percent poverty level. [...] Rep. Chuck Soderberg, R-LeMars, chairman of the House Appropriations Committee, said he met...with officials from the governor's office and the state Department of Human Rights and currently there are adequate funds to meet the assistance needs. He said he planned to monitor the demand and the weather conditions over the next seven weeks to see if things change through the program's April 1 cutoff.” [Muscatine Journal, 2/11/14]

According To Lobbyist Declarations For SF 2110, The Iowa United Methodist Church, AFSCME Iowa, AARP Iowa, Black Hills Energy, Alliant Energy And Many Other Organizations Lobbied For The Bill. [Iowa Lobbyist Declarations, SF 2110, 85th General Assembly, accessed [9/19/14](#)]

Americans for Prosperity: Lobbying

Americans For Prosperity Is “A Conservative Group Founded By The Billionaire Koch Brothers.” According to NPR, “The loudest voice taking on vulnerable Senate Democrats right now is not the Republican party, but Americans for Prosperity, a conservative group founded by the billionaire Koch brothers.” [NPR, [3/6/14](#)]

Americans For Prosperity And Americans For Prosperity Foundation Formed After Splitting Off From Citizens For A Sound Economy, Which David Koch Founded In 1984; Split Also Led To Founding Of FreedomWorks. According to the Washington Post, “So who, exactly, is Americans for Prosperity? Americans for Prosperity, a 501(c)4, is actually one of two groups co-founded by Koch. The other, the Americans for Prosperity Foundation, is a 501(c)3. [...] Both arms of the group were formed in 2004 after they split off from a separate group, Citizens for a Sound Economy, which was founded by [David] Koch in 1984. (The 2004 split also led to the founding of FreedomWorks, now chaired by former House Majority Leader Dick Armey.)” [Washington Post, [8/26/10](#)]

David Koch Has Served As Chairman Of Americans For Prosperity Foundation, “And Both Brothers Have Family Philanthropies That Have Contributed To Its Operations.” According to Forbes, “The Kochs were co-founders of the group that ultimately became the Americans for Prosperity Foundation. David Koch has served as chairman of the foundation and both brothers have family philanthropies that have contributed to its operations. Together, the foundation and AFP raised \$39.6 million in 2010, according to tax returns.” [Forbes, [3/31/12](#)]

Koch-Backed “Freedom Partners” Contributed 32.3 Million To Americans For Prosperity In 2012. According to Politico, “The group, Freedom Partners, and its president, Marc Short, serve as an outlet for the ideas and funds of the mysterious Koch brothers,” and contributed 32.3 million to Americans for Prosperity in 2012. [Politico, [9/11/13](#)]

Americans For Prosperity Received Nearly \$1.5 Million From Freedom Partners In 2013. According to the Huffington Post, “Big political advertisers in the Koch network that are spending large sums of undisclosed dark money in 2014 also received grants from Freedom Partners. Americans for Prosperity, the chief political and lobbying arm in the Koch empire,

received \$1,465,000 in 2013, before it began running more than \$30 million worth of advertising attacking Democratic Senate candidates for their support of Obamacare.” [Huffington Post, [9/18/14](#)]

Koch-Backed “Center To Protect Patient Rights” Contributed \$15.8 Million To Americans For Prosperity From 2009-2012. According to Form 990s filed with the IRS, the Center to Protect Patient Rights has given \$15,791,079 to Americans for Prosperity since 2009. [Center to Protect Patient Rights IRS Form 990s, [2009-12](#)]

DonorsTrust Has Contributed Nearly \$12 Million To Americans For Prosperity Foundation. According to IRS tax forms, DonorsTrust has given \$11,724,911 to Americans for Prosperity Foundation since 2005. [IRS Form 990, 2005-2012]

Donors Capital Fund Has Contributed Over \$1.4 Million To Americans For Prosperity Foundation. According to IRS tax forms, Donors Capital Fund gave \$1,413,000 to Americans for Prosperity Foundation between 2005 and 2011. [IRS Form 990, 2005-2012]

AFP LOBBIED TO PROTECT LAWMAKERS WHO TRIED TO WEAKEN OR REPEAL IOWA’S RIGHT TO WORK LAW

AFP-Iowa State Director Drew Klein Lobbied For A Bill That Would Have Proposed A Right To Work Amendment To The Iowa State Constitution. According to the Lobbyist Declarations on the Iowa State Legislature’s website, Drew Klein, AFP-Iowa’s state director, lobbied the 85th General Assembly on behalf of Americans For Prosperity for HJR 1, a “joint resolution proposing an amendment to the Constitution of the State of Iowa relating to the right to work.” [Iowa Lobbyist Declarations, HJR 1, 85th General Assembly, [1/22/13](#)]

The Bill Would Have Provided “Stronger Constitutional Protection” Against Lawmakers Who Attempt To Weaken Or Repeal The State’s 1947 Right To Work Law. According to the Cedar Rapids Gazette, “Republicans seeking to amend Iowa’s Constitution with right-to-work protection weathered a storm subcommittee meeting Wednesday by steering through strong union opposition hoping to run the issue aground. House Joint Resolution 1, which advanced on a 2-1 subcommittee vote, would ask Iowa voters to inscribe current right-to-work language in the Iowa Code into the state constitution. The 1947 provision spells out that Iowans cannot be denied a job because they choose not to join a union and forbids union membership as a condition of employment, as well as barring fees or other charges to non-union members. [...] Rep. Greg Forristall, R-Macedonia, chairman of the House Labor Committee, said the stronger constitutional protection is needed because there have been efforts in past sessions when Democrats controlled the Legislature that attempted to weaken the state law or even repeal it. Even though control of the current General Assembly is split between the political parties that may not always be the case in the future.” [Cedar Rapids Gazette, [1/23/14](#)]

Cedar Rapids Gazette: “Union Members And Opponents Lambasted The Resolution Sponsored By All 53 House Republicans, Calling It Politically Motivated And A Waste Of Session Time.” According to the Cedar Rapids Gazette, “Union members and opponents lambasted the resolution sponsored by all 53 House Republicans, calling it politically motivated and a waste of session time when there are pressing needs to create jobs, boost wages and improve workplace safety.” [Cedar Rapids Gazette, [1/23/14](#)]

The Bill Did Not Get A Floor Vote. According to the Iowa Legislature’s bill history for HJR 1, the last action on the bill was on January 16, 2013 when it was referred to a Labor Subcommittee. [Iowa Legislature, Bill History for HJR 1, accessed [3/18/15](#)]

AFP LOBBIED TO CREATE A REGRESSIVE FLAT INDIVIDUAL INCOME TAX & SLASH THE CORPORATE INCOME TAX

AFP Lobbied In Favor Of A 6% Flat Corporate Income Tax

AFP Lobbied To Impose A Flat 6% Corporate Income Tax, Which Would Cut The Corporate Rate In Half For Income Over \$250,000. According to Iowa state lobbyist declarations, Drew Klein, on behalf of Americans for Prosperity, lobbied in favor of Senate File 112 in the 85th General Assembly. According to an explanation of the bill provided by the Iowa General Assembly, “Currently, the corporate income tax is imposed in a progressive manner using four income brackets

with increasing rates: on the first \$25,000 of income, the rate is 6 percent; on income between \$25,000 and \$100,000, the rate is 8 percent; on income between \$100,000 and \$250,000, the rate is 10 percent; on income of \$250,000 or more, the rate is 12 percent. The bill eliminate this tiered bracket and rate structure and imposes the tax at the rate of 6 percent on the corporation's taxable income." [Iowa Lobbyist Declarations, SF 112, 85th General Assembly, accessed [9/19/14](#); SF 112, 85th General Assembly, accessed [9/19/14](#)]

AFP Lobbied In Favor Of A 4.5% Flat Personal Income Tax

AFP Lobbied In Favor Of House File 3, Which Would Have Instituted A Flat State Income Tax. According to Iowa state lobbyist declarations, Drew Klein, on behalf of Americans for Prosperity, lobbied in favor of House File 3 in the 85th General Assembly. According to the Cedar Rapids Gazette, the legislation would give Iowans "the option of paying a flat 4.5 percent state rate on their 2013 taxable income or using the current system of deducting expenses and federal taxes they pay... Under the alternative envisioned in House File 3, the 4.5 percent state tax calculation would be made on a taxpayer's adjusted gross income after subtracting a standard deduction of \$12,470 for a married couple filing jointly or \$6,235 for single filers, a married person who files separately on a joint return, a surviving spouse or a head of household." [Iowa Lobbyist Declarations, HF 3, 85th General Assembly, accessed [9/19/14](#); HF 3, 85th General Assembly, accessed [9/19/14](#); Cedar Rapids Gazette, 1/30/13]

- **Opponents Of The Bill Argued That The Bill Was "A Regressive, Race-To-The-Bottom Proposal" That Was Skewed "In Favor Of Wealthier Iowans."** According to the Cedar Rapids Gazette, "Rep. Dan Kelley, D-Newton, said the approach appeared to skew in favor of wealthier Iowans when the state needs to lesser the tax burden on middle- and lower-income taxpayers. [...] David Goodner of Iowa Citizens for Community Improvement Action Fund, said his group opposed the bill 'because we believe a flat tax is a regressive, race-to-the-bottom proposal that overwhelmingly benefits the very rich at the expense of everyday people and hardworking families. Iowa's very wealthy have a responsibility to pay their fair share of taxes, and this proposal does not make them do that. We support not flat taxes, and ask that this bill not move forward.'" [Cedar Rapids Gazette, 1/30/13]

AFP LOBBIED IN FAVOR OF PLACING STRICT SPENDING LIMITS ON THE STATE BUDGET

AFP-Iowa State Director Drew Klein Lobbied For A Bill That Would Have Proposed State Constitutional Amendments To Limit State General Fund Expenditures And To Provide For A Taxpayers Trust Fund. According to the Lobbyist Declarations on the Iowa State Legislature's website, Drew Klein, AFP-Iowa's state director, lobbied the 85th General Assembly on behalf of Americans For Prosperity for HJR 2, a "joint resolution proposing amendments to the Constitution of the State of Iowa relating to state budgeting by creating a state general fund expenditure limitation, providing for a taxpayers trust fund, requiring authorization for certain bonds, and restricting certain state revenue changes." [Iowa Lobbyist Declarations, HJR 2, 85th General Assembly, [1/22/13](#)]

The Bill Would Have Asked Voters To Approve A Constitutional Amendment Limiting The Size Of The State Budget To 99 Percent Of The Ongoing Revenue Estimate And To Place Savings In A Taxpayers Trust Fund.

According to the Sioux City Journal, "House Joint Resolution 2 would ask voters to approve a constitutional amendment limiting the size of the annual state budget to 99 percent of the Revenue Estimating Conference's December estimate of ongoing revenue. Any ending balance would be put into the Taxpayers Trust Fund to be returned to taxpayers." [Sioux City Journal, 3/12/13]

One Of The Bill's Proposed Constitutional Amendments Would Have "Required The Legislature To Approve Any Tax Increase By A 60 Percent Vote Of Each Chamber."

According to the Sioux City Journal, "The second amendment would require the Legislature to approve any tax increase by a 60 percent vote of each chamber. Voter approval of the amendments would make it harder for the Legislature to raise taxes or issue bonds, and prevent lawmakers from approving 'notwithstanding' language that allows them to exceed spending limitations, floor manager Rep. Mark Lofgren, R-Muscatine, said during an Appropriations Committee discussion March 12." [Sioux City Journal, 3/12/13]

The Bill Was "Opposed By Labor Unions And A Variety Of Social Policy Lobbying Groups." According to the Sioux City Journal, "Although supported by Iowans for Tax Relief and Americans for Prosperity, HJR 2 is opposed by labor unions and a variety of social policy lobbying groups." [Sioux City Journal, 3/12/13]

The Bill Did Not Get A Floor Vote. According to the Iowa Legislature's bill history for HJR 2, the last action on the bill was on January 22, 2014 when it was referred to an Appropriations subcommittee. [Iowa Legislature, Bill History for HJR 2, accessed [3/17/15](#)]

AFP LOBBIED FOR A BILL THAT WOULD HAVE REDUCED PLANNING, ZONING AND DEVELOPMENT GUIDELINES FOR CITIES AND COUNTIES

AFP-Iowa State Director Drew Klein Lobbied For A Bill That Would Have Eliminated The "Iowa Smart Planning Principles And Other Local Comprehensive Planning And Development Guidelines." According to the Lobbyist Declarations on the Iowa State Legislature's website, Drew Klein, AFP-Iowa's state director, lobbied the 85th General Assembly on behalf of Americans For Prosperity for HF 11, a "bill for an act eliminating the Iowa smart planning principles and other local comprehensive planning and development guidelines." [Iowa Lobbyist Declarations, HF 11, 85th General Assembly, [1/22/13](#)]

The Bill Would Have Abolished The Planning, Zoning, Development, And Resource Management Requirements As Stated Under The Iowa Smart Planning Principles For Cities And Counties. According to the text of HF 11 on the Iowa State Legislature website, "The Iowa smart planning principles are 10 principles that state agencies, local governments, and other public entities are required to consider and may apply during deliberation of all appropriate planning, zoning, development, and resource management decisions. Code section 18B.2 requires a city or county, when developing or amending a comprehensive plan under Code chapter 335 or 414 or when developing or amending other local land development regulations, to consider the smart planning principles under Code section 18B.1 and authorizes such city or county to include specified additional types of objective or program information concerning the action being taken by the city or county. This bill repeals Code 21 sections 18B.1 and 18B.2 and makes corresponding changes to other provisions of the Code." [Iowa Legislature, HF 11, 85th General Assembly, accessed [3/19/15](#)]

The Bill Did Not Get A Floor Vote. According to the Iowa Legislature's bill history for HF 11, the last action on the bill was on January 23, 2013 when it was referred to a Local Government subcommittee. [Iowa Legislature, Bill History for HF 11, accessed [3/19/15](#)]

AFP LOBBIED FOR A BILL THAT WOULD HAVE SPENT THE STATE'S BUDGET SURPLUS ON AN INCOME TAX CREDIT INSTEAD OF FIXING ROADS OR MENTAL HEALTH SERVICES

AFP-Iowa State Director Drew Klein Lobbied On Both House And Senate Versions Of A Bill That Would Have Used Moneys From The Iowa Economic Emergency Fund To Create An Iowa Taxpayers Trust Fund Tax Credit. According to the Lobbyist Declarations on the Iowa State Legislature's website, Drew Klein, AFP-Iowa's state director, lobbied the 85th General Assembly on behalf of Americans For Prosperity for HF 1, a "bill for an act relating to the taxpayers trust fund by modifying the transfer of moneys from the Iowa economic emergency fund to the taxpayers trust fund, allowing transfers from the taxpayers trust fund, creating an Iowa taxpayers trust fund tax credit and fund and providing for the transfer of moneys from the taxpayers trust fund for purposes of the credit, and including effective date and retroactive applicability provisions." According to the Lobbyist Declarations on the Iowa State Legislature's website, Drew Klein, AFP-Iowa's state director, lobbied the 85th General Assembly on behalf of Americans For Prosperity for SF 86, a "bill for an act relating to the taxpayers trust fund by modifying the transfer of moneys from the Iowa economic emergency fund to the taxpayers trust fund, allowing transfers from the taxpayers trust fund, creating an Iowa taxpayers trust fund tax credit and fund and providing for the transfer of moneys from the taxpayers trust fund for purposes of the credit, and including effective date and retroactive applicability provisions." [Iowa Lobbyist Declarations, HF 1, 85th General Assembly, [1/22/13](#); Iowa Lobbyist Declarations, SF 86, 85th General Assembly, [2/5/13](#)]

Instead Of Using Iowa's \$1 Billion Budget Surplus To Fix Iowa Roads Or Redesign Mental Health Services, The Bill Would Have Spent The Funds On An Income Tax Credit. According to the Quad-City Times, "Senate Republicans are proposing a \$750 income tax credit to 'every average Iowa family' as a way to return the state's \$1 billion budget surplus to taxpayers. 'That's real money. That's money that they can put to use right away in improving the lives of their families,' Senate Minority Leader Bill Dix, R-Shell Rock, said. Under his proposal, the credit would not be pro-rated based on the amount of

income tax a family paid. [...] However, that's just one way to use those funds, said Senate Ways and Means Committee Chairman Joe Bolkcom, D-Iowa City. 'Another would be to do some strategic investments,' Bolkcom said. 'We're not going to have a very prosperous state if we let all our infrastructure go to pot.' Gov. Terry Branstad has suggested some of the surplus could be used to fund education reform and property tax relief proposals. Others have suggested investments in redesigning mental-health services or fixing Iowa roads. Democrats are interested in 'providing a tax cut to people who need it, especially people who are making less than \$50,000 a year,' Bolkcom said." [Quad-City Times, 1/27/13]

The Bill Did Not Get A Floor Vote. According to the Iowa Legislature's bill history for HF 1, the last action on the bill was on January 23, 2013 when it was referred to a Local Government subcommittee. [Iowa Legislature, Bill History for HF 1, accessed [3/19/15](#)]

THE KOCHS HAVE DEEP TIES TO JONI ERNST

Ernst Had Deep Ties To Koch Brothers

Jodi Ernst Said Koch Network "Really Started My Trajectory," Helped Her Highlight Record Cutting Taxes and "Removing, Uh, Burdensome Rules And Regulations." According to the transcript of a Koch Conference panel, "JONI ERNST: 'Well, first, I want to take a quick time out. And you're absolutely correct, that um, as Tom mentioned earlier, the, the first time I was introduced to this group was a year ago, August, in New Mexico, and I was not known at that time. A little known state senator from a very rural part of Iowa, uh, known through my National Guard service and some circles in Iowa. But the exposure to this group and to this network and the opportunity to meet so many of you, that really started my trajectory. And it started a very strong victory that we've progressive, progressively built upon throughout the campaign cycle. So really, the folks in this room that got my start, so having folks that, that backed me in this election cycle and primary. It was a five-way primary, a very tough cycle. I was (inaudible) initially and was outspent uh, by millions of dollars in the primary. But we were able to capitalize on my strong record in the state senate, um, rolling back taxes in the State of Iowa, removing, uh, burdensome rules and regulations, and doing the right thing for the Iowa people.'" [Koch Conference Panel Transcript, Posted [8/26/14](#)]

Ernst Noted This Was Her Second Koch Conference. According to The Huffington Post, "During their speeches, both Cotton and Ernst noted that this was actually the second Koch brothers' retreat they had attended. Last year, the two had gone to the New Mexico event as politicians of less stature. The Koch network has since helped usher them to the doorsteps of the United States Senate." [Huffington Post, [8/27/14](#)]

The Nation's John Nichols: When Joni Ernst Responds To President Obama's State Of The Union, She "Probably Won't Mention The Koch Brothers Or The Other Billionaire Donors She Praises In Private" But She Will "Still Be Working On Their Behalf." According to an opinion by John Nichols in the Nation, "Keep that in mind when Joni Ernst responds to President Obama's State of the Union address tonight. She probably won't mention the Koch brothers or the other billionaire donors she praises in private for putting her in position to answer the president's address. But she will be still be working on their behalf. As she challenges Obama's message, she will be sounding the themes favored by her elite donors and setting the stage for their grab at the presidency in 2016." [John Nichols – The Nation, [1/20/15](#)]

Nichols: The Choice Of Joni Ernst To Deliver The GOP's Response To The State Of The Union Represented The Republican "Party Bosses Respecting The Influence Of" The Koch Brothers. According to an opinion by John Nichols in the Nation, "Considering the sorry circumstance of Republicans who have been tapped to deliver responses to President Obama's State of the Union addresses, the party leaders who chose Joni Ernst to answer this year's speech may not have been doing the newly elected senator from Iowa any favors. But the party bosses were respecting the influence of billionaire campaign donors Charles and David Koch, who were early and enthusiastic proponents of Ernst's leap from the Iowa legislature—where she had served a mere three years—to the United States Senate." [John Nichols – The Nation, [1/20/15](#)]

Ernst Attended Previous Koch Seminar

August, 2013: Ernst Attended A Koch Brothers Seminar In Albuquerque, N.M. According to Politico, "Many of the right's most generous benefactors – folks like Minnesota media mogul Stan Hubbard, Wall Street investor Ken Langone and Wyoming mutual fund guru Foster Friess – are regulars. The gatherings, which attendees call 'seminars' and are typically held

at tony resorts, routinely attract some of the top operatives and biggest names in Republican politics, as well as rising stars tapped by the Kochs' operatives. The last seminar, held in August outside Albuquerque, N.M., drew Rep. Paul Ryan, House Majority Leader Eric Cantor, New Mexico Gov. Susana Martinez and Iowa state legislator Joni Ernst, who is running in a crowded GOP Senate primary." [Politico, [1/24/14](#)]

ERNST THANKED KOCH-BACKED AMERICANS FOR PROSPERITY

Ernst Thanked Americans For Prosperity For Running Anti-Braley Ads. According to a Facebook post by state Sen. Joni Ernst, Ernst said, "Thankful AFP - Iowa is highlighting Bruce #BraleysObamacare with a new television ad! Time for Braley to own up to the broken promises he made to Iowans. #IASEN" [Joni Ernst – Facebook, [1/15/14](#)]

ERNST RECEIVED OVER \$15,000 DIRECTLY FROM MEMBERS OF THE KOCH FAMILY AND KOCH INDUSTRIES IN 2014

2014: Ernst Received \$15,400 From The Koch Brothers And Their Associates. According to reports from the Federal Election Committee, in 2014, state Sen. Joni Ernst received \$15,400 from the Koch Brothers and their associates, including \$2,600 from Charles Koch and \$5,000 from Koch Industries Inc. Political Action Committee, or KochPAC. Below is a detailed table of the contributions:

Name	Date	Amount
Koch Industries Inc. Political Action Committee (KochPAC)	6/30/14	\$5,000
Charles Koch	6/27/14	\$2,600
Anna Koch	6/27/14	\$2,600
Elizabeth Koch	6/27/14	\$2,600
Chase Koch	6/30/14	\$2,600
Total		\$15,400

[Federal Elections Committee, 7/17/14]

2012: Ernst Received \$500 From Koch Industries, Inc. PAC. According to campaign finance records accessed via Iowa Ethics & Campaign Disclosure Board, Ernst received \$500 in contributions from Koch Industries, Inc. PAC on October 12, 2012. [Iowa Ethics & Campaign Disclosure Board, Accessed [7/31/14](#)]

ERNST RECEIVED OVER \$40,000 FROM DONORS AFFILIATED WITH THE KOCH BROTHERS

2013-2014: Ernst Received \$41,800 From Donors Allegedly Associated With The Koch Brothers. According to reports from the Federal Elections Commission and reporting from Mother Jones magazine between 2013 and 2014, state Sen. Joni Ernst received \$41,800 from donors allegedly associated with the Koch brothers. Below is a detailed table of the contributions:

Name	Date	Amount
Nina Cameron	6/30/14	\$2,600
Ronald Cameron	5/27/14	\$2,600
Leslie Gilliam	6/30/14	\$2,600
Ethelyn L. Haworth	10/15/13	\$1,000
Richard G. Haworth	10/15/13	\$1,000
Richard Kayne	6/18/14	\$2,600
Suzanne Kayne	6/18/14	\$2,600
Dan Kirby	9/10/13	\$1,000
Dan Kirby	6/27/14	\$1,000
Maria Luddy	5/27/14	\$2,600

Robert Luddy	9/25/13	\$2,600
Thomas Rastin	9/18/13	\$2,600
Thomas Rastin	9/18/13	\$2,600
John Schnatter	4/15/14	\$1,000
John Schnatter	10/15/13	\$1,000
Dian Stai	9/18/13	\$2,600
Dian Stai	9/18/13	\$2,600
Dian Stai	5/7/14	\$500
James R. Von Her	11/12/13	\$500
Lew O. Ward	9/18/13	\$1,000
Karen A. Wright	9/18/13	\$2,600
Karen A. Wright	9/18/13	\$2,600
Total		\$41,800

[Federal Elections Commission, [7/17/14](#); Mother Jones, [2/5/14](#)]

- Mother Jones Identified Koch Brothers' Donor Network From A Sensitive Document Left Behind After A Koch Donor Summit, Which Listed Donors Who Were Scheduled For One-On-One Meetings With Top Koch Operatives.** According to Mother Jones, "But last week, following the Kochs' first donor gathering of 2014, one attendee left behind a sensitive document at the Renaissance Esmeralda resort outside of Palm Springs, California, where the Kochs and their comrades had spent three days focused on winning the 2014 midterm elections and more. The document lists VIP donors—including John Schnatter, the founder of the Papa John's pizza chain—who were scheduled for one-on-one meetings with representatives of the political, corporate, and philanthropic wings of Kochworld. The one-page document, provided to Mother Jones by a hotel guest who discovered it, offers a fascinating glimpse into the Kochs' political machine and shows how closely intertwined it is with Koch Industries, their \$115 billion conglomerate." [Mother Jones, [2/5/14](#)]
- Mother Jones Provided A Brief Profile Of Each Koch Donor, Including The Koch Donors Who Donated To Ernst.** According to Mother Jones, the following is an excerpted list of identified Koch network donors who also donated to Ernst: "Ronnie Cameron: He runs agribusiness giant Mountaire Corporation. During a meeting of the Kochs' donor network in 2011, Charles Koch recognized Cameron (and other donors) for donating at least \$1 million to their cause. [...] Richard and Leslie Gilliam: Richard founded Virginia-based coal mining company Cumberland Resources Corporation, which he sold to Massey Energy for nearly a billion dollars in 2010. [...] Dick Haworth: He's the chairman emeritus of Holland, Michigan-based office furniture company Haworth. Richard 'Ric' Kayne: He's the founder and chairman of Los Angeles-based investment firm Kayne Anderson Capital Advisors. Dan Kirby: He's president of Sioux Falls, South Dakota-based Kirby Financial. [...] Robert 'Bob' Luddy: He's president of CaptiveAire Systems Inc. in Raleigh, North Carolina. [...] Tom Rastin: He's a director and vice chairman of the Mount Vernon, Ohio-based Ariel Foundation, started by his wife, Karen Buchwald Wright, the CEO of Ariel Corporation. Rastin is the company's vice president of engineering, sales, and marketing. [...] John Schnatter: He's the founder and CEO of Papa John's International. [...] Dian Stai: Based in Texas, Stai cofounded Owen Healthcare Inc. with her late husband. She's a top conservative donor who gave \$125,000 to the pro-Mitt Romney super-PAC Restore Our Future during the 2012 election cycle. [...] Jim Von Ehr: He's the CEO and founder of Richardson, Texas-based Zyvex Labs. [...] Lew Ward: He's the founder of Oklahoma-based Ward Petroleum Corporation. [...] Karen Wright: She's the founder and CEO of the Ariel Foundation, a private philanthropy group based in Mount Vernon, Ohio. She's also CEO of the Ariel Corporation, a natural gas compression company." [Mother Jones, [2/5/14](#)]

February, 2014: Ernst Was The Only Republican Senate Candidate Who Received Donations From The Koch Brothers' Network. According to the Waterloo Cedar Falls Courier, "While Ernst is the only candidate attracting donors affiliated with the Koch brothers, she is not alone in getting large donations from out-of-state donors." [Waterloo Cedar Falls Courier, [2/23/14](#)]

February, 2014: Ernst Received More Than \$20,000 From Koch Brothers' Network Of Donors. According to the Waterloo Cedar Falls Courier, "But within the out-of-state donors, Ernst has attracted attention from some high-profile activists. Following Ernst's attendance at a seminar put on by Charles and David Koch last year, she has attracted donors affiliated with the Koch brothers' network of political connections. Ernst received a scant \$4,500 -- out of \$202,744 raised -- from donors with affiliations with the right-leaning libertarian Koch brothers during the most recent filing. But she has

previously gotten more than \$20,000 from influential figures with ties to a meeting put on by the brothers.” [Waterloo Cedar Falls Courier, [2/23/14](#)]

ERNST HIRED KOCH CONSULTANT AS SPOKESWOMAN

Ernst Hired Beltway Conservative Consultant Gretchen Hamel. According to Politico, “Public Notice’s Gretchen Hamel is striking out of her own, launching the consulting firm Highline Strategies. Hamel has been with Public Notice for the past four years, most recently as executive director. She’s already signed on as adviser to three campaigns: Joni Ernst for Senate, Francisco Canseco for Congress and Doug Ducey for Governor. Later this spring she will be launching a right-of-center site for women.” [Politico, [1/6/14](#)]

Hamel Led Koch-Backed TC4 Trust And Public Notice

TC4 Trust

Hamel Was Listed As Program Leader For Koch Brothers Group TC4 Trust. According to the Washington Post, “The Washington Post and the Center for Responsive Politics identified a coalition of allied conservative groups active in the 2012 elections that together raised at least \$407 million, backed by a donor network organized by the industrialists Charles and David Koch. Most of the funds originated with two groups, the Freedom Partners Chamber of Commerce and TC4 Trust, both of which routed some of the money through a Phoenix-based nonprofit group called the Center to Protect Patient Rights (CPPR). The makeup of the coalition may change going forward, but in 2012 the network consisted of: [...] Public Notice, a policy nonprofit that highlights the impacts of government spending. Its executive director, Gretchen Hamel, was listed as a program leader for TC4 on the group’s first tax filing.” [Washington Post, [1/5/14](#)]

- **Charles And David Koch’s Political Network Received More Funding Than Other Independent Groups On The Right As Well As Labor, Channeled Through A Number Of Politically Active Nonprofit Groups And A “Maze” Of Groups That Hid Its Donors.** According to the Washington Post, “The political network spearheaded by conservative billionaires Charles and David Koch has expanded into a far-reaching operation of unrivaled complexity, built around a maze of groups that cloaks its donors, according to an analysis of new tax returns and other documents. The filings show that the network of politically active nonprofit groups backed by the Kochs and fellow donors in the 2012 elections financially outpaced other independent groups on the right and, on its own, matched the long-established national coalition of labor unions that serves as one of the biggest sources of support for Democrats.” [Washington Post, [1/5/14](#)]
- **Koch Brothers’ Seventeen Group-Network Received At Least \$407 Million During The 2012 Campaign.** According to the Washington Post, “But they have substantial firepower. Together, the 17 conservative groups that made up the network raised at least \$407 million during the 2012 campaign, according to the analysis of tax returns by The Washington Post and the Center for Responsive Politics, a nonpartisan group that tracks money in politics.” [Washington Post, [1/5/14](#)]

Public Notice

Gretchen Hamel Was Executive Director Of Public Notice. According to Public Notice, “Gretchen Hamel is the Executive Director of Public Notice. At Public Notice, Hamel leads a team of communications and policy experts in their effort to explain complex economic, regulatory, and budget issues to Americans.” [Public Notice, Accessed [1/9/14](#)]

- **Gretchen Hamel’s LinkedIn Profile Stated That Hamel Was With Public Notice For Four Years, From January 2010 To December 2013.** According to Gretchen Hamel’s LinkedIn profile page, “Public Notice January 2010 – December 2013 (4 years) Our goal is to provide Americans with clear, unbiased, and useful information about key economic and fiscal issues. Because America’s future should rest in the capable hands of a knowledgeable people. Public Notice is an independent non-profit dedicated to providing facts and insight on the economy and how government policy affects Americans’ financial well-being.” [Gretchen Hamel – LinkedIn Profile, Accessed [1/9/14](#)]

Public Notice Received Contributions From Three Koch Brothers Groups, Freedom Partners, TC4 Trust And The Center To Protect Patient Rights. According to a graphic published by the Washington Post, Public Notice received contributions from three Koch brothers-affiliated groups, Freedom Partners, TC4 Trust and the Center to Protect Patient Rights. [Washington Post, [1/5/14](#)]

Public Notice's Fundraising Affiliate, Listed As POFN LLC, Received Funding From Koch Brother Group, TC4 Trust, Which Raised Over \$66 Million. According to the Washington Post, "According to people familiar with the network, Freedom Partners took the place of a now-defunct group based in Alexandria called TC4 Trust, which raised more than \$66 million in three years before it was shuttered in June 2012, according to tax filings. [...] In its final tax return, TC4 reported doling out nearly \$28 million to 10 organizations with names such as POFN LLC, PRDIST LLC and TRGN LLC. Those are the affiliates of the groups Public Notice, Americans for Prosperity and Generation Opportunity, in that order." [Washington Post, [1/5/14](#)]

ERNST HIRED FORMER KOCH STAFFER AS CONSULTANT

Ernst Hired Tim Albrecht's Consulting Firm, Who Previously Worked For American Future Fund

Albrecht Consulted For Ernst

Tim Albrecht Worked With Redwave Digital, A Firm Which Worked On Ernst's Campaign. According to Redwave Digital's Facebook, "Bruce Braley is doing something Republicans have known and have been screaming about at the top of our lungs for years. He is a deeply flawed candidate and a bad campaigner," said Tim Albrecht, a former aide to Gov. Terry Branstad (R) whose firm has done work for state Sen. Joni Ernst (R), one of Braley's opponents." [Redwave Digital Facebook, [4/4/14](#)]

2014: Albrecht Was Redwave's Director. According to Redwave Digital's Facebook, "Redwave Digital Director Tim Albrecht pulls up a crate for the video shoot today!" [Redwave Digital Facebook, [2/26/14](#)]

Albrecht Recently Began Working For The Republican Party Of Iowa

July, 2014: Albrecht Was Hired As RPI's Digital Director And Assisted With Running The Party Website And Social Media Strategy. According to KCRG, "Tim Albrecht will serve as digital director helping the party run its website and social media strategy. He runs his own public relations firm and has worked for former presidential nominee Mitt Romney and candidate Steve Forbes. He also worked as communications director for Gov. Terry Branstad after helping run his campaign's communications." [KCRG, [7/21/14](#)]

2008-2009: Albrecht Was National Communications Director For American Future Fund

May 2008 – October 2009: Albrecht Was The Former National Director Of Communications At The American Future Fund. According to Tim Albrecht's LinkedIn account, "National Director of Communications American Future Fund May 2008 – October 2009 (1 year 6 months) The American Future Fund operates as a 501(c) (4) and was formed to provide Americans with a conservative and free market viewpoint to have a mechanism to communicate and advocate on the issues that most interest and concern them. Conservative and free market principles will be under direct attack in America. In light of that, it is imperative there be a voice for conservative principles that sustains free market ideals focused on bolstering America's global competitiveness across the country. The American Future Fund is established as a multi- state issues advocacy group designed to effectively communicate conservative and free market ideals. The American Future Fund will continue to educate citizens across the country on common conservative principles." [Tim Albrecht LinkedIn Account, Accessed [7/23/14](#)]

American Future Fund Was Funded By Koch-Backed Group

AFF's Largest Known Funder Is The "Center To Protect Patient Rights," Which Is Reportedly Linked To The Koch Brothers And Run By Sean Noble, A Former "Koch Operative"

Center To Protect Patient Rights (CPPR) Donated Over \$44 Million To Conservative Groups In 2010, Including \$11.7 Million To The American Future Fund. According to the Center for Responsive Politics, "A secretive, well-funded group whose name gives the misleading impression that it is solely concerned about health care gave more than \$44 million in 2010 to other tax-exempt groups, many of which spent millions on TV ads attacking Democrats running for the House and Senate and have begun spending for the same purpose this year. None of the groups -- including eight of the most politically active nonprofits in 2010 -- disclose their donors, and the role of the Center to Protect Patients' Rights (CPPR) in funding them has not previously been reported. Based in Arizona, CPPR provided large grants to a cluster of well-known conservative organizations that operate under section 501(c)(4) of the tax code, which classifies them as 'social welfare' groups and allows them to keep their funding sources from public view. Politics is not supposed to be their primary purpose, although critics say many of the organizations have stretched the rules too far. American Future Fund received the largest grant from CPPR, a total of \$11.7 million for 'general support.'" [OpenSecrets.org, [5/18/12](#)]

- **Grant From CPPR Accounted For Half Of American Future Fund's Fundraising Revenue In 2010.** American Future Fund received \$23,266,075 in grants and contributions in 2010. It received \$11,685,000 from the Center to Protect Patient Rights, which represents 50.2 percent of AFF's total fundraising revenue for the year. [Center to Protect Patient Rights IRS Form 990, 2010]
- **AFF Also Received Off-Year Contributions From CPPR Of \$1.28 Million In 2009 And \$1.1 Million In 2011.** [Center to Protect Patient Rights IRS Form 990, 2009; OpenSecrets.org, [12/17/12](#)]

Los Angeles Times: "The Kochs Have Several Ties To" CPPR. According to the Los Angeles Times, "Exactly how the Kochs and their allies are directing their sizable resources is unknown. But an examination of the Center to Protect Patient Rights provides some important clues. The Kochs have several ties to the center. It is run by Sean Noble, a Phoenix-based GOP consultant who is a key operative in the Kochs' political activities, as first noted by the investigative blog Republic Report. One of the center's original directors, Heather Higgins, is chairwoman of the Independent Women's Forum, which has received funding from a Koch-controlled foundation. And Cheryl Hillen, a Connecticut-based consultant who raised \$2.6 million for the center, was director of fundraising for the Koch-backed Citizens for a Sound Economy. Koch spokeswoman Melissa Cohlman directed questions to the center, declining to say whether the Kochs were involved. 'Koch respects the lawful right of this organization, and others like it, to protect their privacy,' she said in an emailed statement." [Los Angeles Times, [5/28/12](#)]

Sean Noble Was President Of CPPR. According to OpenSecrets.org: "And if its donors are unknown, so is much else about CPPR. According to its own 2010 tax return, which was filed last November, it is run by Sean Noble, who is listed as its director, president and executive director. Noble describes himself on his Twitter account as a 'PR/Political consultant, conservative strategist/operative, former GOP Hill chief of staff, blogger, proud father, fighting for liberty.' Noble was chief-of-staff to former Republican Rep. John Shadegg of Arizona, for whom he worked for 13 years, and since then has worked as a political consultant and in public relations. Noble took no salary from CPPR, but his firm, Noble Associates, was paid \$340,000 by the group for 'management services.' Noble was also paid \$10,000 to lobby for the group. He is currently managing partner of DC London Inc., a political consulting firm that offers robo-calling and other services. CPPR's other director and secretary is Courtney Koshar, an anesthesiologist in the Phoenix area." [OpenSecrets.org, [5/18/12](#)]

2014 SENATE RACE

AFF

AFF Spent \$500,000 Against Iowa Democratic Senate Candidate Bruce Braley In January 2014. According to the Washington Post, "Rep. Bruce Braley (Iowa), who is running to replace retiring Sen. Tom Harkin, is no stranger to attacks by third-party groups, but he was still taken aback when AFP spent nearly \$500,000 against him last month." [Washington Post, [2/4/14](#)]

AFF-Iowa Collaborated With Rep. Steve King On An Anti-Bruce Braley Tour. According to a press release from Americans for Prosperity – Iowa, "The Big Government Braley Tour launched this week with Congressman King in Fort

Dodge and Carroll, Iowa. These daytime events drew large crowds eager to hear more about the spending record of Congressman Bruce Braley. AFP-Iowa state director Mark Lucas introduced Congressman King to a crowd of over 30 people in Fort Dodge early Tuesday afternoon. [...] The event in Carroll on Wednesday hosted nearly 70 people and several media outlets. Lucas explained that Congressman Braley has a lower lifetime score on the AFP Scorecard than both Senator Tom Harkin and Congresswoman Nancy Pelosi.” [Americans for Prosperity – Iowa Press Release, [8/8/13](#)]

Americans For Prosperity Has Run “Nearly The Same Volume Of Television Ads Nationwide” As Senate Majority PAC. According to The Washington Post, “Led by a quartet of longtime political strategists with close ties to Reid (D-Nev.), the Senate Majority PAC has elbowed out other pro-Democratic groups and been on the leading edge of attacks against conservative donors Charles and David Koch. The group has become a fixed center of gravity in the left’s expanding constellation of super PACs and interest groups. Perhaps most notably, the super PAC has held its own on the air against Americans for Prosperity, a conservative advocacy group that is the primary political organ of a network backed by the Koch brothers and other wealthy donors on the right. By the end of the summer, the two groups had run nearly the same volume of television ads nationwide, according to Kantar Media/CMAG data analyzed by the Wesleyan Media Project.” [Washington Post, [9/16/14](#)]

Americans For Prosperity Announced The Launch Of A “Six-Figure” Ad Campaign In Alaska, Arkansas, Colorado, Iowa, Louisiana, And North Carolina, Focusing On “Millennial Unemployment And Debt.” According to a press release from Americans for Prosperity, “Today Americans for Prosperity announced the launch of a new, six-figure initiative to hold elected officials accountable for perpetuating millennial unemployment and debt. The campaign, titled Defend Their Dream, begins running today on digital platforms in Alaska, Arkansas, Colorado, Iowa, Louisiana, and North Carolina, and will continue for several weeks. The thirty-second ad opens with a young woman, visibly upset, who explains to a support group how she has had to move back in with her parents, despite ‘doing everything right.’ The campaign encourages young Americans to contact their lawmakers about ending their support for big-government policies that stifle job growth.” [Americans for prosperity Press Release, [10/7/14](#)]

AFP Announced The Launch Of A New, Six-Figure Ad Campaign That Will Run On Digital Platforms For The Next Few Weeks In States Including Alaska, Arkansas, Colorado, And Iowa. According to an AFP press release, “Americans for Prosperity, the nation’s foremost grassroots advocate for economic freedom, announced the launch of a new, six-figure ad campaign that will run on digital platforms in several states for the next few weeks, including Alaska, Arkansas, Colorado, and Iowa.” [AFP Press Release, [10/15/14](#)]

- **The AFP Ads “Poke Fun At The Abundance Of Political Advertising Currently On The Airwaves, And Call Out Democrat Incumbents For Supporting President Obama On Wasteful Spending, More Debt, And Obamacare.”** According to an AFP press release, “The [AFP] ads, many of which will run on video sharing sites such as YouTube, poke fun at the abundance of political advertising currently on the airwaves, and call out Democrat incumbents for supporting President Obama on wasteful spending, more debt, and ObamaCare.” [AFP Press Release, [10/15/14](#)]

AFP Canvassers Can Input Data Into The Data Trust iPad App Regarding How Voters Think About Issues Such As The Affordable Care Act And A Proposed State Gas-Tax Increase. According to The Washington Post, “After AFP activists in Iowa participated in campaigns against the Affordable Care Act and a proposed state gas-tax increase, ‘I was able to say, ‘Okay, these people are with us on gas tax, these people are with us on Obamacare,’ ‘ Lucas said. ‘We are constantly feeding into that system, so the data is really good.’” [Washington Post, 10/6/14]

“550 Paid AFP Workers And Hundreds Of Volunteers” Reached Out To Voters In Iowa, Wisconsin, Colorado, North Carolina And Florida. According to Bloomberg Politics, “To improve Republican voter outreach, Phillips has been building AFP as a mirror image of the left’s labor unions and issues groups. A mix of 550 paid AFP workers and hundreds of volunteers went toe to toe with union activists in Iowa and Wisconsin, Planned Parenthood supporters in Colorado and North Carolina and environmentalists in Florida, Phillips said.” [Bloomberg Politics, [11/17/14](#)]

Freedom Partners

Freedom Partners Bought Anti-Braley Ads In Iowa. According to Businessweek, “The central fundraising network of billionaire energy executives Charles and David Koch purchased its first batch of television ads in this year’s U.S. Senate races, public documents filed by broadcast stations show. The ads booked yesterday by Freedom Partners, a business league based in

Arlington, Virginia, knock Democratic Senator Mark Udall of Colorado and Representative Bruce Braley of Iowa for their support of President Barack Obama's health-care law. [...] 'Congressman Bruce Braley voted for Obamacare. The government spent millions of taxpayer dollars to promote it,' a female narrator says at the start of the 30-second Iowa spot. It concludes: 'For Iowans, it's canceled policies and higher costs. That's not right.' [...] The Daily Caller, a web-based publication founded by Republican Tucker Carlson, first reported the Freedom Partners ad buy, saying the group spent \$1.1 million on it between the two states." [Businessweek, [4/7/14](#)]

Ernst Opposed The Clean Water Act

May, 2014: At Debate, Ernst Said The Clean Water Act Was Damaging And Suggested It Be Replaced With "Voluntary Measures." During a debate on KCCI, Ernst was asked to name the three laws or regulations most damaging to business, to which she replied "I think Dodd-Frank is obviously one, that was an expansion of regulations within the financial industry. 250 new rules and regulations out there. The EPA has many many regulations out there that inhibit our businesses from expanding[...]One in particular? The Clean Water Act I think is one that especially impacts us here in Iowa and we are trying to put in place voluntary measures to counteract that. So that's another one." [KCCI, [5/28/14](#)]

Ernst Said The Clean Water Act Was One Of The Most Damaging Laws For Business. According to Politico, "Joni Ernst is the strong front-runner in next week's Iowa Republican Senate primary, but neither that nor a looming general election stopped her from staking out positions to the right of her main rival on a host of hot-button issues in their final debate Thursday night. The state senator said she would have voted against the farm bill, named the Clean Water Act as one of the most damaging laws for business and embraced private accounts for young workers paying into Social Security." [Politico, [5/29/14](#)]

KOCH INDUSTRIES AND SUBSIDIARIES COMMITTED 18 VIOLATIONS OR INSTANCES OF NON-COMPLIANCE OF FEDERAL CLEAN WATER REGULATIONS

Between 2009 And 2014, Koch Industries' Subsidiaries Committed 18 Distinct Violations Or Instances of Non-Compliance Of Federal Clean Water Regulations In Iowa. Between 2009 and 2014, facilities owned and operated by subsidiaries of Koch Industries in the state of Iowa committed 18 distinct violations of federal clean water regulations, including the Clean Water Act and the Safe Drinking Water Act. The information is detailed in the table below. [Environmental Protection Agency, Enforcement And Compliance History Online (ECHO), Viewed [8/26/14](#)]

Name of Facility	Address	Date of Initial Violation	Duration (Full Date)	Applicable Statute	Type of Violation	Current Status
Flint Hills Resources Fairbank LLC	1277 102ND ST, Fairbank, IA 50629	4/30/2010	4/30/2010-3/31/2014	Clean Water Act	Schedule Event unachieved and not reported: Achieve Final Compliance With Emission or Discharge Limits	In Violation
Flint Hills Resources Fairbank LLC	1278 102ND ST, Fairbank, IA 50629	3/29/2012	3/29/2012-3/31/2014	Clean Water Act	Schedule Event unachieved and not reported: Achieve Final Compliance With Emission or Discharge Limits	In Violation
Flint Hills Resources Fairbank LLC	1279 102ND ST, Fairbank, IA 50629	4/29/2010	4/29/2010-3/31/2014	Clean Water Act	Schedule Event unachieved and not reported: Plan, Report, or Scope of Work	In Violation
Flint Hills Resources Fairbank LLC	1280 102ND ST, Fairbank, IA 50629	7/29/2011	7/29/2011-3/31/2014	Clean Water Act	Schedule Event unachieved and not reported: Status/Progress Report	In Violation
Flint Hills Resources Fairbank LLC	1280 102ND ST, Fairbank, IA 50629	10/1/2012	10/1-3/31 2012, 4/1-9/30 2013	Clean Water Act	Chlorine, total residual	In Violation
Flint Hills Resources Fairbank LLC	1281 102ND ST, Fairbank, IA 50629	1/1/2014	1/1/2014-Current	Clean Water Act	Iron, total [as Fe]	In Violation

Flint Hills Resources Fairbank LLC	1282 102ND ST, Fairbank, IA 50629	1/2/2014	1/1/2014-Current	Clean Water Act	Iron, total [as Fe]	In Violation
Flint Hills Resources Shell Rock	Hwy 3, Shell Rock, IA		4/1-6/30/11	Clean Water Act	Chlorine	Noncompliance
Flint Hills Resources Shell Rock	Hwy 3, Shell Rock, IA		1/1-3/31/13	Clean Water Act	Chlorine	Noncompliance
Flint Hills Resources Shell Rock	Hwy 3, Shell Rock, IA		1/1-6/30/14	Clean Water Act	Oxygen, Dissolved	Noncompliance
Flint Hill Resources Menlo	2869 335TH STREET, MENLO, IA		7/1-12/31/11	Clean Water Act	Chlorine	Noncompliance
Flint Hill Resources Menlo	2869 335TH STREET, MENLO, IA		7/-9/30-11	Clean Water Act	Chlorine	Noncompliance
Flint Hill Resources Menlo	2869 335TH STREET, MENLO, IA		7/1-12/31/13	Clean Water Act	Chlorine	Noncompliance
Flint Hill Resources Menlo	2869 335TH STREET, MENLO, IA		4/1-6/30/14	Clean Water Act	Oxygen, Dissolved	Noncompliance
Koch Nitrogen Co LLC	3162 200TH ST, Duncombe, IA 50532	4/1/2013	01/01-03/31 2013	Clean Water Act	The facility has effluent, compliance schedule, permit schedule, or single-event violations	In Violation
Flint Hills Resources Iowa Falls, LLC	21050 140 th St	9/22/09	9/22/09	Clean Water Act	No Description of Violation (\$10,000 Fine)	No Violation
Flint Hills	Flint Hills Resources Fairbank		7/1/13 - 9/30/13	Safe Drinking Water Act	211813	No Violation
Flint Hills	Flint Hills Resources Fairbank		1/1/13-3/31/13	Safe Drinking Water Act	123113	No Violation

[Environmental Protection Agency, Enforcement And Compliance History Online (ECHO), Viewed [8/26/14](#)]

Flint Hills Resources Fairbank LLC: “Significant Violation”

Flint Hills Resources Fairbank LLC Was In Non-Compliance For 12 Consecutive Quarters And Was Designated To Be In “Significant Violation” Of The Clean Water Act. According to the Environmental Protection Agency enforcement and compliance history database, Flint Hills Resources Fairbanks LLC, as of August 26th, 2014 had a compliance status of being in “significant violation” of the Clean Water Act for twelve quarters out of the twelve listed. This information is further detailed in the following table:

Statute	Current Compliance Status	Quarters in Non Compliance (of 12)	Quarters in Significant Violation	Informal Enforcement Actions (5 years)
Clean Air Act	No Violation	0	0	1
Clean	Significant Violation	12	12	N/A

Water Act				
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[Environmental Protection Agency, Enforcement And Compliance History Online (ECHO), “Flint Hills Resources Fairbank LLC,” Viewed [8/26/14](#)]

In 2012, Flint Hills Resources Fairbank LLC Exceeded Emissions Levels For Chlorine By 336% At The Highest Levels. According to the Environmental Protection Agency enforcement and compliance history database, during the period of October 1st to December 31st of 2012, Flint Hills Resources Fairbank LLC was found to be exceeding emissions levels of chlorine by 336% at highest levels. Flint Hills Resources Fairbank LLC was cited for a “significant violation” of the Clean Water Act during this period. [Environmental Protection Agency, Enforcement And Compliance History Online (ECHO), “Flint Hills Resources Fairbank LLC,” Viewed [8/26/14](#)]

In 2013, Flint Hills Resources Fairbank LLC Exceeded Emissions Levels For Chlorine By 209% At The Highest Levels. According to the Environmental Protection Agency enforcement and compliance history database, during the period of April 1st to June 30th of 2013, Flint Hills Resources Fairbank LLC was found to be exceeding emissions levels of chlorine by 209% at highest levels. Flint Hills Resources Fairbank LLC was cited for a “significant violation” of the Clean Water Act during this period. [Environmental Protection Agency, Enforcement And Compliance History Online (ECHO), “Flint Hills Resources Fairbank LLC,” Viewed [8/26/14](#)]

In 2014, Flint Hills Resources Fairbank LLC Exceeded Emissions Levels For Iron By 42% At The Highest Levels. According to the Environmental Protection Agency enforcement and compliance history database, during the period of January 1st to March 31st of 2014, Flint Hills Resources Fairbank LLC was found to be exceeding emissions levels of Iron by 42% at highest levels. Flint Hills Resources Fairbank LLC was cited for a “significant violation” of the Clean Water Act during this period. [Environmental Protection Agency, Enforcement And Compliance History Online (ECHO), “Flint Hills Resources Fairbank LLC,” Viewed [8/26/14](#)]

KOCH INDUSTRIES FEDERAL LOBBYING ON CLEAN WATER

Between 2009 and 2014, Koch Companies Public Sector Lobbied On Multiple Clean Water Bills and Issue Areas

2009-2010

2009-2010 Bills Include: S. 787, Clean Water Restoration Act, H.R. 2454 The Clean Water Act Reauthorization, H.R. 5088, Clean Water Reauthorization, Entire Bill, H.R. 5088, America's Commitment To Clean Water Act, Entire Bill. [Senate Lobbying Database, Koch Companies Public Sector, [Accessed 8/27/14](#)]

2009-2010 Issues Include: “Clean Water” “Highway Reauthorization and Clean Water Act,” “Clean Water Legislation” [Senate Lobbying Database, Koch Companies Public Sector, [Accessed 8/27/14](#)]

2011-2012

2011-2012 Bills Include: HR. 2018, Clean Water Cooperative Federalism Act Of 2011, To Amend The Federal Water Pollution Control Act To Preserve The Authority Of Each State To Make Determinations Relating To The State's Water Quality Standards, And For Other Purposes, Entire Bill; S. 711, Secure Water Facilities Act, To Amend The Safe Drinking Water Act And The Federal Water Pollution Control Act To Authorize The Administrator Of The Environmental Protection Agency To Reduce Or Eliminate The Risk Of Release Of Hazardous Chemicals From Public Water Systems And Wastewater Treatment Works, And For Other Purposes, Entire Bill; H.R. 2354, Energy and Water Development and Related Agencies Appropriations Act, 2012. [Senate Lobbying Database, Koch Companies Public Sector, [Accessed 8/27/14](#)]

2011-2012 Issues Include: “Clean Water Act Reauthorization,” “Forestry Bill and Clean Water Act.” [Senate Lobbying Database, Koch Companies Public Sector, [Accessed 8/27/14](#)]

2013-14

2013-2014 Bills Include::: S. 601 Water Resources Development Act of 2013; Entire Bill, H.R. 3080 Water Resources Reform and Development Act of 2013; Entire Bill, S. 1961 Chemical Safety and Drinking Water Protection Act of 2014, H.R. 2609 Energy and Water Development and Related Agencies Appropriations Act, 2014; Entire Bill. [Senate Lobbying Database, Koch Companies Public Sector, [Accessed 8/27/14](#)]

THE KOCH AGENDA IN IOWA: AMERICANS FOR PROSPERITY

AFP Regional Director Mark Lucas: “We Have A Lot Of Work Ahead Of Us To Pass Tax Reform In The State Legislature, Reduce Wasteful Spending, And Provide School Choice Options That Enable All Students To Obtain A Quality Education.” According to a press release from AFP-Iowa, “‘One of the many great features of working for Americans for Prosperity is our habit of promoting strong talent from within the organization,’ explained Mark Lucas, Regional Director for Americans for Prosperity. [...] ‘We have a lot of work ahead of us to pass tax reform in the state legislature, reduce wasteful spending, and provide school choice options that enable all students to obtain a quality education. Iowa is a great state, but our state government has a habit of forgetting the value of the tax dollar and the voice of the voters who gave them their job. In 2015 and beyond AFP will continue to hold all Iowa politicians accountable and push them to promote policies that expand economic freedom, broad-based prosperity, and low taxes.’” [AFP-Iowa, [11/12/14](#)]

AFP-Iowa’s Leadership, Structure, and Capacity

AFP-Iowa State Director Mark Lucas Was Promoted To Regional Director And Deputy State Director Drew Klein Was Promoted To State Director. According to a press release from AFP-Iowa, “Thursday, the organization announced the promotion of current State Director Mark Lucas to become a Regional Director, responsible for overseeing multiple states. Filling Mark’s shoes as the new State Director will be long-time Deputy State Director and former Field Director, Drew Klein. The chapter is promoting Field Director Amanda Sebastian to Grassroots Director.” [AFP-Iowa, [11/12/14](#)]

AFP-Iowa State Director: “AFP’s Grassroots Network Is Stronger Than Ever, And We’ll Use This Strength Throughout The Lame Duck Session, And Come January, Our Grassroots Will Be Out In Full Force To Hold Iowa’s New Senator Accountable.” According to a press release from AFP-Iowa, “Americans for Prosperity (AFP), the leading grassroots organization for economic freedom, released the following statement on the results of the recent election. ‘Iowans have answered loud and clear: They are done with Congressman Bruce Braley and President Obama’s failing agenda for Iowa,’ stated Mark Lucas, Iowa State Director of Americans for Prosperity. [...] Our message resonated with voters today and will continue to resonate with tomorrow’s active and engaged citizenry. AFP’s grassroots network is stronger than ever, and we’ll use this strength throughout the lame duck session, and come January, our grassroots will be out in full force to hold Iowa’s new Senator accountable and to encourage all of our elected officials to stand up for the taxpayer and vote for economic freedom.” [AFP-Iowa Press Release, [11/5/14](#)]

AFP Regional Director Marc Lucas On AFP: “After 2014, We’re Not Shutting Down Our Offices. You’re Going To See All These Guys Pack Up The Day After The Election, But We’re Going To Stay Open.” According to The Washington Post, “‘All we’re going to do is get bigger,’ said Mark Lucas, an AFP regional director who oversees operations in Iowa and 10 other states. ‘After 2014, we’re not shutting down our offices. You’re going to see all these guys pack up the day after the election, but we’re going to stay open.’” [Washington Post, [10/6/14](#)]

AFP Will “Begin More Direct And Aggressive Attacks On Democratic Candidates” Through Digital Advertising, Direct Mail Pitches And Door-To-Door-Campaigning In States Like Arkansas, Colorado, Iowa And North Carolina. According to The New York Times’ First Draft, “Polls and statistical models may show Republicans with a decisive edge in

the fight for control of the Senate. But privately, many Republicans worry that the race is still far too close — and they are moving to change that. A group backed by the billionaire Koch brothers is shifting tactics in several of the most competitive Senate races and will begin more direct and aggressive attacks on Democratic candidates. The group, Americans for Prosperity, plans to put millions of dollars into the offensive — through digital advertising, direct mail pitches and door-to-door-campaigning — in states like Arkansas, Colorado, Iowa and North Carolina.” [First Draft via NYTimes.com, [10/2/14](#)]

- **Afp’s Direct Attacks On Democratic Candidates “Will Require Greater Financial Disclosure From One Of The Biggest And Most Secretive Players In Republican Politics.”** According to The New York Times’ First Draft, “The group, Americans for Prosperity, plans to put millions of dollars into the offensive — through digital advertising, direct mail pitches and door-to-door-campaigning — in states like Arkansas, Colorado, Iowa and North Carolina. It is a significant development that will require greater financial disclosure from one of the biggest and most secretive players in Republican politics. Americans for Prosperity has been deft at using its nonprofit status and avoiding making public how it spends its money. The change means the Kochs can shift from making generic attacks on Democratic candidates that, for example, urged voters to call a politician’s office on a specific issue like education, to more direct negative attack ads.” [First Draft via NYTimes.com, [10/2/14](#)]

AFP-IOWA’S FIELD OPERATION

2014: AFP-Iowa State Director: “Our Team Of 35 Did A Great Job This Season, Knocking On Nearly 200,000 Doors And Contacting Nearly 800,000 Iowans About Braley’s Support For The President’s Failing Policies.” According to a press release from AFP-Iowa, “Americans for Prosperity (AFP), the leading grassroots organization for economic freedom, released the following statement on the results of the recent election. ‘Iowans have answered loud and clear: They are done with Congressman Bruce Braley and President Obama’s failing agenda for Iowa,’ stated Mark Lucas, Iowa State Director of Americans for Prosperity. ‘Our team of 35 did a great job this season, knocking on nearly 200,000 doors and contacting nearly 800,000 Iowans about Braley’s support for the President’s failing policies and about the importance of economic freedom.’” [AFP-Iowa Press Release, [11/5/14](#)]

AFP Iowa Has Six Field Offices And Has Been Building Its Grassroots Network “For More Than A Year.”

According to NPR’s It’s All Politics blog, “[AFP Iowa State Deputy Director Drew] Klein, an Iowa native, said the goal is to get Iowans engaged. [...] AFP Iowa has been building its grassroots network for more than a year. It now has six field offices.” [It’s All Politics Blog via NPR.org, [8/22/14](#)]

2014: AFP Opened A New Office In A Sioux City Strip Mall That Had “A Huge Pig” Representing “Pork” In Federal Government Budgets Outside Of It. According to Sioux City Journal, “There is a new office for a group that’s pushing to elect candidates with a limited government view in the 2014 election. The Americans For Prosperity group has an office in a Hamilton Boulevard strip mall, and outside is a huge pig that draws the attention of passersby. The hog represents how pork might make a good meal, but AFP hates it in federal government budgets. The Americans For Prosperity website says it has about 24,000 activists in Iowa. The group has been buying lots of campaign television ads as well. A Sunday Journal article will share spending that’s been done on Iowa stations for the U.S. Senate race between Democrat Bruce Braley and Republican Joni Ernst. AFP has been advertising on Sioux City stations since July.” [SiouxCityJournal.com, [9/19/14](#)]

AFP Iowa Offered Sweepstakes Prizes At The Des Moines State Fair As A Way Of “Drumming Up Support” And Added Entrants’ Names To Its Database. According to NPR’s It’s All Politics blog, “At this month’s state fair in Des Moines, AFP Iowa was drumming up support by offering sweepstakes prizes — a television and four iPads, said state deputy director Drew Klein. AFP added the entrants’ names to its database.” [It’s All Politics Blog via NPR.org, [8/22/14](#)]

AFP Iowa’s “Nearly Three Dozen Paid Staff Members And Five Field Offices” Reached Out To “80,000 Likely Voters Through Door-Knocking This Year, The Best Performance Of Any Of The State Chapters.” According to the Washington Post, “The group’s operation in Iowa illustrates how rapidly AFP is moving to try to catch up with the left. The chapter is led by Lucas, a fresh-faced Army ranger and 32-year-old Iowa native who started the group alone in January 2012. It now has nearly three dozen paid staff members and five field offices. AFP’s Iowa team says it has reached 80,000 likely voters through door-knocking this year, the best performance of any of the state chapters.” [Washington Post, [10/6/14](#)]

AFP Iowa Volunteer Commented She “Encounters Hostility From Voters When She Explains That She’s With AFP” Because Of The Kochs. According to the Washington Post, “The approach has drawn in longtime conservative

activists such as [Denise] Bubeck, a former special-education teacher who volunteered with AFP for two years before being hired as a part-time field associate this year. [...] Occasionally, Bubeck said, she encounters hostility from voters when she explains that she's with AFP. One man recently snapped at her: 'I know who you are — you're the Koch brothers!' she recalled. Bubeck said she is not ruffled by such reactions. 'They've done positive things,' she said of the Kochs." [Washington Post, [10/6/14](#)]

AFP-Iowa Ads

AFP-Iowa: "Americans For Prosperity's New 'Chickens' Ad Is The Latest To Go Viral And Attract Heavy National Media Coverage." According to a press release from AFP-Iowa, "Americans for Prosperity's new 'Chickens' ad is the latest to go viral and attract heavy national media coverage. The ad features two talking chickens who point out that Bruce Braley isn't very neighborly or Iowa for suing his neighbors over two loose chickens." [AFP-Iowa Press Release, [10/29/14](#)]

AFP Has Contributed \$688,805 To [Joni] Ernst's TV Efforts Since Early June. According to the Gazette, "AFP, founded with the support of Wichita, Kan.-based brothers David Koch and Charles Koch, contributed \$688,805 to Ernst's TV efforts since early June. Seventy-four percent of survey respondents didn't recognize Crossroads GPS, a group co-founded by Republican consultant Karl Rove that has purchased \$634,470 in TV ads on behalf of Ernst." [Gazette, [9/21/14](#)]

AFP-IOWA SPENT HEAVILY ON MAYORAL AND CITY COUNCIL RACES FOR CORALVILLE CITY, IOWA

AFP "Jumped Into The Race To Elect Coralville's Next Mayor And City Council With An Aggressive Campaign." According to the New York Times, "Election seasons in this small eastern Iowa town are usually cordial affairs. But this year, a group backed by the billionaire Koch brothers has changed that. The group, Americans for Prosperity, has jumped into the race to elect Coralville's next mayor and City Council with an aggressive campaign, mailing fliers, advertising in newspapers, calling voters and knocking on their doors. Its latest leaflet hit mailboxes last week, denouncing the town's growing debt and comparing it to the financial woes of Detroit. 'Coralville is fast becoming Iowa's version of Detroit,' it read." [New York Times, [11/3/13](#)]

AFP Launched A Social Media Campaign To Highlight Coralville, Iowa's Debt Crisis. According to a press release from Americans for Prosperity – Iowa, "Americans for Prosperity-Iowa is launching a social media campaign today in Coralville to highlight the city's debt crisis. AFP-Iowa is investing considerable resources into Facebook and Twitter campaigns that will educate citizens on the actions of the Coralville city council and put pressure on council members to change course. These ads will specifically target social media users in Coralville. [...] This City of Coralville is facing a \$280 million deficit due to the city's reckless spending on the Iowa River Landing (IRL) project. This project includes a \$6 million brewery and \$60 million investment for a city owned Marriott hotel that loses at least \$1 million a year." [Americans for Prosperity – Iowa Press Release, [10/8/13](#)]

Local City Council Candidate Who Benefited From Koch Support: "It Was Kind Of Like Being Endorsed By Charles Manson." According to the Huffington Post, "It was kind of like being endorsed by Charles Manson.' That's how City Councilman Chris Turner of Coralville, Iowa described the support of the Koch brothers in his small town election on Wednesday's 'Daily Show.' [...] Mayor John Lundell told Jones that most citizens of the town felt that the presence of AFP had brought 'an air of ugliness' to the typically well-mannered city. Councilman Turner, who told Jones that he tied for last, agreed that their election methods were 'reprehensible.'" [Huffington Post, [2/6/14](#)]

AFP Opposed Wind Energy Tax Credits That Were Critical for Iowa's Economy

New Republic: Heritage, AEA, And AFP Helped To Defeat An Amendment From Heidi Heitkamp "That Would Have Reinstated The Wind Production Tax Credit For Five Years." According to the New Republic, "The groups helped defeat an amendment from Heidi Heitkamp, a North Dakota Democrat, that would have reinstated the wind production tax credit for five years. Heitkamp couldn't even scrape together a majority of senators for what historically has

been a popular, bipartisan policy. Wind energy happens to be big in red states, so it has the support from Republicans like Iowa's Chuck Grassley, but it has long been a target for conservative, fossil-fuel-aligned groups. AEA, AFP, and Heritage all recommended a "no" vote on the amendment, in line with the Koch network's years-long campaign to eliminate renewable tax credits (while oil's tax breaks remain politically untouchable)." [New Republic, [2/1/15](#)]

AFP-Iowa Opposed Tax Breaks For Wind Energy. According to a letter from Americans for Prosperity – Iowa state director Mark Lucas to members of Iowa's U.S. House and Senate delegations, "On behalf of more than 20,000 Americans for Prosperity (AFP) activists in Iowa, I am writing in strong opposition to extending tax breaks for wind energy. In early August, the Senate Finance Committee passed a measure (S.3521) that would renew and expand the primary federal support for wind energy, the wind production tax credit (PTC), which is scheduled to expire at the end of this year. Hardworking Iowans deserve an energy policy that is based on market principles, not one that is based on extending handouts to politically connected industries, such as the wind PTC." [Americans For Prosperity – Iowa Letter, [9/26/12](#)]

Americans For Prosperity Opposed Extending The Wind Production Tax Credit. According to a letter to the House Ways and Means Committee Chairman, Americans for Prosperity National Issue Campaign Manager Christine Harbin Hanson said, "On behalf of more than two million Americans for Prosperity activists in all 50 states, I write to express our strong opposition to extending the wind production tax credit (PTC). We are encouraged by your decision to exclude this handout for the wind energy industry from the tax reform discussion draft you introduced earlier this year. We encourage your continued opposition to extending the PTC as your committee considers tax extenders legislation. [...] Sincerely, Christine Harbin Hanson, National Issue Campaign Manager, Americans for Prosperity." [Americans for Prosperity, [4/10/14](#)]

Charles Koch: "Most [Wind Farms] Cannot Turn A Profit Without The Costly Subsidies The Government Provides." According to an article written by Charles G. Koch on the Koch Industries website, "Cronyism enables favored companies to reap huge financial rewards, leaving the rest of us – customers and competitors alike – worse off. One obvious example of this involves wind farms. Most cannot turn a profit without the costly subsidies the government provides. Meanwhile, consumers and taxpayers are forced to pay an average of five times more for wind-generated electricity." [Charles Koch - KochInd.com, [7/1/12](#)]

AFP-IOWA DIRECTOR WROTE OPINION PIECE IN DES MOINES REGISTER ATTACKING WIND PRODUCTION TAX CREDIT, IOWA'S RENEWABLE ENERGY MANDATE

AFP-Iowa State Director Drew Klein On Wind Production Tax Credit: "After More Than 20 Years Of This Subsidy, I Think Taxpayers Are Ready To Let The Industry Stand On Its Own." According to ABC-affiliate KCRG, "Americans for Prosperity's state director said Iowans can hope for the best for wind energy production in the state while opposing tax breaks for the industry at the same time. 'I think there are a growing number of Iowans that would love to see the wind energy industry succeed but also oppose the (tax break),' Drew Klein said in an email to the Lee Enterprises Des Moines Bureau. 'After more than 20 years of this subsidy, I think taxpayers are ready to let the industry stand on its own.'" [KCRG.com, [12/2/14](#)]

AFP-Iowa Director Mark Lucas Wrote Op-Ed In Des Moines Register Opposed to Wind Production Tax Credit. According to an opinion by Mark Lucas in the Des Moines Register, "Hardworking Iowans didn't elect our members of Congress to enact policies that distort the energy market — but that's exactly what Congress is about to do. The main federal support for wind energy is scheduled to expire at the end of 2012, but there is a proposal in Congress to extend it. Iowa's own Sen. Chuck Grassley added language to a bill coming out of the Senate Finance Committee that would extend and dramatically expand the wind production tax credit. Republicans try to paint the picture that they are the party of limited government and fiscal restraint, but many of their policies do exactly the opposite. Grassley's long-time support for wind energy incentives is a prime example. Extending the production tax credit would cost taxpayers \$12 billion in 2013 alone." [Mark Lucas - Des Moines Register, 9/29/12]

Lucas Criticized Iowa's Renewable Energy Mandate That Required Purchase of Wind Power. According to an opinion by Mark Lucas in the Des Moines Register, "Wind gets an enormous amount of subsidy for very little production, compared to other forms of electricity generation. Of the total federal financial support for electric power in 2010, 42 percent went to wind power, even though it generates only 2.3 percent of our electricity. State governments support wind energy, too. Like many other states, Iowa has a purchase mandate, meaning that power grids are required by law to buy certain amounts of

electricity from wind power and other renewable energy sources. Iowa's forced usage of renewables began in 1983. Now utilities in Iowa have to maintain 105 megawatts of renewable generating capacity. In 2001, then-Gov. Tom Vilsack set a voluntary goal of 1,000 megawatts on top of this standard." [Mark Lucas - Des Moines Register, 9/29/12]

Lucas: "If Our Elected Officials Were Serious About Protecting Jobs And Keeping Energy Bills Low In Iowa, Then They Should Let The Wind Production Tax Credit Expire." According to an opinion by Mark Lucas in the Des Moines Register, "Iowans deserve energy solutions that can make it on their own in the marketplace — not ones that have to be propped up by government indefinitely. Technologies should show their value through competition in the marketplace — not by getting special favors from their friends in Washington. If our elected officials were serious about protecting jobs and keeping energy bills low in Iowa, then they should let the wind production tax credit expire. Iowa is home to over 20,000 Americans for Prosperity activists. Our members of Congress should know that we will watch to see how they vote on this issue. Extending wasteful subsidies is not why we sent them to Washington." [Mark Lucas - Des Moines Register, 9/29/12]

AFP's Opposition to Support for Ethanol and the Renewable Fuel Standard

Americans For Prosperity Official Said That "AFP Supports Efforts To Repeal The RFS Entirely. We Have Endorsed Legislation In Congress That Does So." According to testimony from Christine Harbin Hanson, Federal Affairs Manager for Americans for Prosperity, during a public hearing by the Environmental Protection Agency, "On behalf of over 2 million AFP activists in all 50 states, I am pleased to have the opportunity to comment on the proposed rule for the 2014 Standards for the Renewable Fuel Standard (RFS) program. Let me state from the start that AFP supports efforts to repeal the RFS entirely." [Christine Harbin Hanson – Environmental Protection Agency, Public Hearing Testimony, [12/5/13](#)]

Americans For Prosperity Official Said That "AFP Strongly Supports Efforts To Permanently Eliminate The RFS." According to testimony from Christine Harbin Hanson, Federal Affairs Manager for Americans for Prosperity, during a public hearing by the Environmental Protection Agency, "Given it's numerous downsides, AFP strongly supports efforts to permanently eliminate the RFS." [Christine Harbin Hanson – Environmental Protection Agency, Public Hearing Testimony, [12/5/13](#)]

Koch Industries Lobbying Arm: "We Have Consistently Supported the Full Repeal of the RFS Mandate." According to Koch Industries: "On behalf of Koch, I am writing to urge you to oppose the expansion of the Renewable Fuel Standard (RFS) mandate. The RFS mandate previously created by Congress distorts the markets and has resulted in higher costs to consumers. For these reasons, we have consistently supported the full repeal of this RFS mandate and other similar mandates, even when we may benefit from them." [Letter from Koch Companies Public Sector to Members of Congress, [6/6/2013](#)]

AFP-Iowa Attacked The "Ethanol Lobby" And Criticized Renewable Fuel Standards As "Bad For All Other Businesses And American Consumers." According to a press release from Americans for Prosperity – Iowa, "The ethanol lobby has been raising a ruckus lately, blaming 'Big Oil' for supposedly launching a smear campaign against the federal government's Renewable Fuel Standard (RFS) that brings them so much business. Nothing could be further from the truth. The reality is that Americans are starting to wake up to the high costs that the RFS imposes on businesses and consumers alike, harming the American economy at the worst possible time. The RFS is a federal program that mandates energy producers to blend renewable fuels such as ethanol into every gallon of gasoline. The current standard calls for fuel makers to blend 10 percent ethanol into every gallon of fuel produced. However, the Environmental Protection Agency (EPA) is now increasing the mandate, encouraging producers to increase its blending of ethanol to 15 percent per gallon through its E15 program. While this federal encouragement may boost the ethanol lobby's profits, it's bad for all other businesses and American consumers." [Americans For Prosperity – Iowa Press Release, [7/8/13](#)]

AFP-Iowa: "The Playing Field Is Massively Tilted" In Favor Of "Big Ethanol." According to a press release from Americans for Prosperity – Iowa, "Don't believe Big Ethanol's misinformation. Nobody's out to get them. In fact, the playing field is massively tilted in their favor. The decision of when and how much ethanol should be blended with gas should be left up to companies and consumers in the market, not government bureaucrats." [Americans For Prosperity – Iowa Press Release, [7/8/13](#)]

KOCH INDUSTRIES AND CHARLES KOCH'S PERSONAL OPPOSITION TO ETHANOL SUBSIDIES

Koch Industries CEO Charles Koch Opposed Ethanol Subsidies. According to the Des Moines Register, "Charles Koch - the new owner of ethanol plants at Fairbank, Iowa Falls, Menlo, and Shell Rock - has come out against tax credits or other subsidies for biofuels. Koch's position isn't necessarily a surprise; the Koch family has long espoused conservative political positions. In an article in the Wall Street Journal last week, Koch, who is CEO of Koch Industries, wrote 'because of government mandates, our refining business is essentially obligated to be in the ethanol business. We believe that ethanol - and every other product in the marketplace - should be required to compete on its own merits, without mandates, subsidies or protective tariffs. Such policies only increase the prices of those products, taxes and the cost of many other goods and services.' Koch's voice is new among Iowa ethanol producers. Koch's Flint Hills Resources bought ethanol plants at Menlo and Shell Rock last September, and two more at Iowa Falls and Fairbank, from Hawkeye Energy of Ames." [Des Moines Register, 3/6/11]

Charles Koch: Working Men And Women Are Hurt By Ethanol Policies. According to an op-ed by Charles Koch in the Wichita Eagle, "If we allow our government to waste scarce resources and become the ultimate decision maker, almost everyone will suffer a lower standard of living. For evidence, look at what ethanol policies have done to fuel and food prices. And who is hurt most by higher prices? Working men and women, and the less fortunate." [Charles Koch -Wichita Eagle, [5/19/11](#)]

Charles Koch: "Because Ethanol Use Is Mandated, We Were Compelled To Be In That Business." According to an op-ed by Charles Koch in the Wichita Eagle, "For example, because ethanol use is mandated, we were compelled to be in that business, so we chose to be in it in the most competitive way we could. We still oppose ethanol subsidies and mandates, even though some of our businesses would benefit from them." [Charles Koch -Wichita Eagle, [5/19/11](#)]

The Kochs "Lobbied Congress On Ethanol And Other Biofuel Subsidies." According to the Center for Public Integrity, "In Washington (where ethanol tax subsidies cost the Treasury some \$6 billion annually) Koch representatives lobbied Congress on ethanol and other biofuel subsidies. 'New or emerging markets, such as renewable fuels, are an opportunity for us to create value within the rules the government sets,' Flint Hills Resources President Brad Razook told his employees in the January company newsletter." [Center for Public Integrity, [8/6/11](#)]

Discovery Newsletter: Flint Hills Resources Purchased Four Ethanol Plants In Iowa. According to Discovery Newsletter via Kochind.com, "Last August, Flint Hills Resources announced its plans to purchase two ethanol plants in Iowa. That transaction was completed less than a month later. Then, early this month, FHR announced plans to buy two more ethanol plants, also in Iowa. That transaction is expected to close this quarter." [KochInd.com, [January 2011](#)]

2010: Flint Hills Resources Announces Plans To Acquire Two Iowa Ethanol Plants In Menlo And Shell Rock. According to a 2010 timeline in the January 2011 Discovery Newsletter via Kochind.com, "FHR announces plans to acquire two Iowa ethanol plants in Menlo and Shell Rock." [KochInd.com, [January 2011](#)]

2010: Flint Hills Resources' Mustang Ridge Terminal Opens. According to a 2010 timeline in the January 2011 Discovery Newsletter via Kochind.com, "FHR's Mustang Ridge terminal opens." [KochInd.com, [January 2011](#)]

Flint Hills President: "We Are Always Going To Oppose Government Policies We Believe Are Inconsistent With Liberty And Economic Freedom. But We Are Also Going To Abide By The Law, And Ethanol Is Required By Law." According to Discovery Newsletter via Kochind.com, "Brad Razook, president of Flint Hills Resources, has answered plenty of questions from employees ever since the September purchase of the Iowa ethanol plants. His answers to those questions are usually simple and straightforward. 'Because of government mandates, we believe ethanol will be part of the transportation fuels market for years to come. We also want to remain competitive,' said Razook. 'It's really as simple as that.' 'We are always going to oppose government policies we believe are inconsistent with liberty and economic freedom. But we are also going to abide by the law, and ethanol is required by law.'" [KochInd.com, [January 2011](#)]

Hypocrisy

Kochs On Ethanol Hypocrisy: “We Are Not Going To Place Our Company And Our Employees At A Competitive Disadvantage.” According to the Center for Public Integrity, “The Kochs seem to have recognized that their actions might seem hypocritical and in a January 2011 newsletter the company tried to explain things to employees who have been ‘scratching their heads and wondering: what is going on?’ ‘After all, ethanol production is heavily subsidized, mandated and protected,’ Koch Industries acknowledged, ‘while Koch companies openly oppose such government programs.’ Realism had won out. The company has the ‘capabilities necessary to be successful in the ethanol industry,’ the newsletter explained. The new ethanol plants ‘fit well geographically with several other FHR assets, including fuel ... terminals, a widespread distribution network that includes Iowa, and the Pine Bend [Minnesota] refinery.’ ‘We are not going to place our company and our employees at a competitive disadvantage by not participating in programs that are available to our competitors,’ Razook assured Koch employees.” [Center for Public Integrity, [8/6/11](#)]

The Kochs’ Diversified Interests Include Ethanol Production In Iowa. According to the Center for Public Integrity, “But Koch’s diversified interests, and thus its lobbying activities, extend far beyond petroleum. Koch companies trade carbon emission credits in Europe and derivatives in the U.S. They make jet fuel in Alaska from North Slope oil, and gasoline in Minnesota from the oil sands of Canada. They raise cattle in Montana and manufacture spandex in China, ethanol in Iowa, fertilizer in Trinidad, nylon in Holland, napkins in France and toilet paper in Wisconsin.” [Center for Public Integrity, [8/6/11](#)]

Koch Subsidiaries “Buy And Market About One-Tenth Of All The Ethanol Produced In The United States.” According to the Center for Public Integrity, “Koch Industries’ status as an ethanol player goes beyond its new Iowa plants. Koch blends ethanol and gasoline nearby, in its Minnesota refinery. By its own account, the company’s subsidiaries, Flint Hills and Koch Supply & Trading, currently buy and market about one-tenth of all the ethanol produced in the United States.” [Center for Public Integrity, [8/6/11](#)]

Koch Publicists “Decried Ethanol” As The Kochs Bought Four Iowa Ethanol Plants. According to the Center for Public Integrity, “The Koch brothers are renowned as free market libertarians. But as a major trader in energy and financial markets, Koch Industries also knows how to hedge. As its corporate officials and publicists decried ethanol as a costly government boondoggle, the Kochs bought four ethanol plants in Iowa in recent months, with a combined annual capacity of 435 million gallons.” [Center for Public Integrity, [8/6/11](#)]

AFP-Iowa On Budget, Spending, and Taxation

AFP DEMANDED SPENDING CUTS IN EXCHANGE FOR DEBT CEILING INCREASE

AFP-Iowa Urged Iowa's Members Of Congress To Demand Spending Cuts For A Debt Ceiling Increase. According to a press release from Americans for Prosperity – Iowa, “Americans for Prosperity – Iowa, the state’s leading grassroots advocate for fiscal responsibility, today urged Iowa’s congressional delegation to make dollar for dollar cuts in federal spending for any increase in the nation’s debt ceiling. AFP has long supported attaching spending reforms to a debt ceiling increase as a way to get the nation’s long-term fiscal imbalance under control. AFP has recommended \$1,005 billion in spending reductions which you can read here.” [Americans for Prosperity – Iowa Press Release, [8/8/13](#)]

AFP-IOWA ADVOCATED REPEALING THE ESTATE TAX.

AFP-Iowa Advocated Repealing The Estate Tax. According to a press release from Americans for Prosperity Iowa, “The death tax, also known as the estate tax, is a tax on a person’s assets at death. [...] Family-owned farms and businesses play an important role in the US economy, and are a manifestation of the American dream. It is simply wrong to punish Americans who work hard throughout their lives by confiscating the fruits of their labor when they die. Please join AFP in urging your lawmakers to co-sponsor legislation repealing the death tax.” [Americans For Prosperity – Iowa Press Release, [2/20/14](#)]

AFP ATTACKED “SEQUESTER SCARE TACTICS,” SAID DEFENSE DEPARTMENT COULD AFFORD CUTS.

AFP-Iowa State Director: Despite “Sequester Scare Tactics,” Defense Department Can Afford Cuts. According to an op-ed by Americans for Prosperity – Iowa State Director Mark Lucas, “The sequester scare tactics displayed in Washington is the reason why people have lost faith in our government. Our elected officials will say or do anything in hopes of avoiding making cuts and becoming buddies with lobbyists. Unfortunately, even some conservatives are falling for the absurd claim that the defense department cannot afford the sequester cuts. I disagree. [...] During my time in the military I have seen plenty of government waste. We have an outstanding military, but at the end of the day it’s another wasteful government department.” [Mark Lucas - AmericansForProsperity.org, [3/1/13](#)]

AMERICANS FOR PROSPERITY ATTACKED STIMULUS

Americans For Prosperity Ran An Ad In Iowa Criticizing President Obama On The Stimulus. According to an Americans for Prosperity press release, “Today, AFP launched a ‘Wasteful Spending’ ad holding President Obama accountable for his use of taxpayer dollars. The ad highlights the billions of stimulus dollars which have been given to foreign companies, subsidizing their own green energy projects – while 13 million Americans are unable to find jobs. Over the next two weeks, the ad will air in Colorado, Florida, Iowa, Michigan, Nevada, New Mexico, Ohio, and Virginia.” [Americans For Prosperity Press Release, [4/26/12](#)]

AFP BACKED LOWER TAXES ON COMMERCIAL BUSINESS, INDUSTRY, PROPERTY

AFP-Iowa Supported Lowering Commercial, Industrial, And Residential Property Taxes. According to a press release announcing Americans for Prosperity – Iowa's 2013 policy goals, “Iowa ranks 42nd in the Tax Foundation’s State Business Tax Climate Index. AFP Iowa supports reducing commercial/industrial property tax rates. This will make Iowa more competitive in attracting new businesses to the state. AFP Iowa also supports lowering residential property taxes that are hurting Iowa families.” [Americans for Prosperity-Iowa Press Release, [1/14/13](#)]

AFP-Iowa Supported Property Tax Reform To “Provide Relief To Commercial Business.” According to a letter from Americans for Prosperity – Iowa to Iowa legislators, “We want real, meaningful property tax reform. We have been disappointed that over the last two legislative sessions no property tax reform has been passed. There has been a bi-partisan agreement that we need to provide relief to commercial business. AFP-Iowa supports property tax relief for ALL Iowans. Tax credits are not enough. We need a tax reduction that families and businesses can count on.” [Americans for Prosperity – Iowa Letter, [5/16/13](#)]

- **AFP-Iowa Supported Gov. Branstad's Proposed Property Tax Cuts.** According to a press release from Americans for Prosperity – Iowa, “Americans for Prosperity – Iowa, the state’s leading taxpayer advocate, today announced its grassroots support for Governor Brandstad’s [*sic*] proposed property tax reform. ‘All Iowans deserve a property tax cut,’ explained Mark Lucas, State Director of Americans for Prosperity – Iowa. ‘AFP strongly supports the governor’s property tax reform that will avoid a two billion dollar tax increase over the next 8 years.’ [...] Americans for Prosperity is urging its activists to contact their state legislators in support of the Governor’s bill. ‘We have started a grassroots and social media campaign that will put pressure on legislators to pass property tax reform: [CutIowaTaxes.com](#),’ Lucas continued. ‘We urge all Iowans to visit [cutiowataxes.com](#) and take action in support of the Governor’s proposal.’ The primary opposition to the bill lies in the Senate, which has proposed an alternate tax cut that only applies to businesses.” [Americans For Prosperity – Iowa Press Release, [3/21/13](#)]

AFP-Iowa Attacked Farm Bill

AFP: Farm Bill “Continues The Status Quo Of Broken Farm Programs And Unchecked Food Stamp Spending.” According to a legislative alert from Americans for Prosperity, “Tonight after most people in Washington had left their offices to go home for the day, the Farm Bill conference committee delivered its long-awaited report. Crafted by House Agriculture Committee Chairman Frank Lucas and Senate Agriculture Committee Chairman Debbie Stabenow, this 950-page deal reconciles the differences in the versions of the Farm Bill that passed the House and the Senate this past summer. Here at Americans for Prosperity, we’re disappointed that full, 5-year deal on the Farm Bill excludes most of the reforms that we’ve been calling for over the past two years.[...] Diving into the policy details, this conference report seriously disappoints. It

continues the status quo of broken farm programs and unchecked food stamp spending. [...]This conference report is a huge disappointment for advocates of limited government and spending control. Congress missed an opportunity to go back to the drawing board on food and farm policy.” [Americans For Prosperity Legislative Alert, [1/28/14](#)]

Health Care

AFP-IA State Director Drew Klein On ObamaCare: “Here In Iowa, We Were Promised More [Choices] And Lower Premiums, Yet Now We Learn That One Of Two [Companies] Responsible For Providing Affordable Insurance Can't Provide What The Law Promises.” According to Fox News, “A taxpayer-backed Iowa health insurer created under ObamaCare has been taken over by the state amid deep financial problems, sending policyholders in the Midwest scrambling for new coverage and raising questions about the status of similar outfits across the country. The Iowa Insurance Division announced Wednesday that Insurance Commissioner Nick Gerhart was taking over CoOpportunity Health, a struggling cooperative that sprouted out of the Affordable Care Act. [...] For critics of the law, Wednesday's announcement was more evidence of the ACA's problems. ‘Here in Iowa, we were promised more [choices] and lower premiums, yet now we learn that one of two [companies] responsible for providing affordable insurance can't provide what the law promises,’ Drew Klein, director of the Iowa chapter of the conservative Americans for Prosperity, said.” [FoxNews.com, [12/26/14](#)]

HEALTH EXCHANGES

AFP-Iowa Opposed Implementing Health Care Exchanges In Iowa. According to a press release announcing Americans for Prosperity – Iowa's 2013 policy goals, “Every Iowan should have the right to purchase a private health insurance plan with no additional fee, tax, or penalty from the government. AFP Iowa will not support implementation of health care exchanges in Iowa.” [Americans for Prosperity-Iowa Press Release, [1/14/13](#)]

MEDICAID EXPANSION

AFP-Iowa: “We Oppose A Costly Medicaid Expansion.” According to a letter from Americans for Prosperity – Iowa to Iowa legislators, “We oppose a costly Medicaid expansion. Our federal budget deficit is running out-of-control, largely due to costly spending increases we cannot afford. Federal politicians have a history of making promises they cannot keep. You will only contribute to the problems our country is facing today. Be a leader and vote NO on this unaffordable proposal.” [Americans for Prosperity – Iowa Letter, [5/16/13](#)]

Municipal Broadband

“Americans For Prosperity Is Reiterating Its Opposition To Federal Incursion Into Municipal Broadband Services, Ahead Of President Obama’s Trip To Cedar Falls.” According to a press release from Americans for Prosperity Iowa, “Americans for Prosperity is reiterating its opposition to federal incursion into municipal broadband services, ahead of President Obama’s trip to Cedar Falls to pitch the idea. The organization has been actively opposing efforts by federal agencies to get involved in providing municipal broadband services.” [AFP Iowa Press Release, [1/14/15](#)]

AFP Iowa State Director Drew Klein: “Broadband Internet Is A Competitive Business, And History Has Proven That Adding Government Into The Mix Is A Recipe For Disaster.” According to a press release from Americans for Prosperity Iowa, “AFP Iowa Director Drew Klein released the following statement: ‘Broadband internet is a competitive business, and history has proven that adding government into the mix is a recipe for disaster. President Obama needs to know that not every hole can be filled with big government. Projects like these often squeeze taxpayers at both ends: higher bills for inefficient service, and more more tax money spent on wasteful projects. Government at every level should act with caution and look at its broader track record before deciding to dive even deeper into another private industry.’” [AFP Iowa Press Release, [1/14/15](#)]

Des Moines Register: Cedar Falls’ “Municipal Utility Provides Some Of The Fastest Internet Speeds Available In The Country, And Served As An Example For The Level Of Service... The Obama Administration Wants To Encourage Nationwide.” According to the Des Moines Register, “The municipal utility provides some of the fastest Internet speeds available in the country, and served as an example for the level of service and type of market competition the Obama administration wants to encourage nationwide.” [Des Moines Register, [1/14/15](#)]

Des Moines Register: Obama “Rolled Out New Federal Grant And Loan Opportunities For Internet Service Providers.” According to the Des Moines Register, “On Wednesday, he [Barack Obama] rolled out new federal grant and loan opportunities for Internet service providers and said he's asked the Federal Communications Commission to use its regulatory power to ensure municipal utilities are able to provide Internet services in a manner similar to Cedar Falls. Nineteen states prohibit public entities from offering consumer broadband, but Iowa is not one of them.” [Des Moines Register, [1/14/15](#)]

Des Moines Register: Obama “Asked The Federal Communications Commission... To Ensure Municipal Utilities Are Able To Provide Internet Services In A Manner Similar To Cedar Falls.” According to the Des Moines Register, “On Wednesday, he [Barack Obama] rolled out new federal grant and loan opportunities for Internet service providers and said he's asked the Federal Communications Commission to use its regulatory power to ensure municipal utilities are able to provide Internet services in a manner similar to Cedar Falls. Nineteen states prohibit public entities from offering consumer broadband, but Iowa is not one of them.” [Des Moines Register, [1/14/15](#)]

THE KOCH AGENDA IN IOWA: CITIZENS FOR A SOUND ECONOMY

CSE – Iowa

CSE Opened Its Iowa Office In Fall 1999. According to the Des Moines Register, “Iowa Citizens for a Sound Economy, affiliated with a 15-year-old national group formed to promote free enterprise, opened its office last fall but plans to work in local and state affairs after the caucuses.” [Des Moines Register, 1/17/00]

CSE OPPOSED ETHANOL FUEL MANDATE

CSE Opposed The Ethanol Fuel Mandate. According to a letter to Congress written by CSE President Paul Beckner, “S. 517, the ‘Energy Policy Act of 2002,’ will be coming to the Senate floor this week. On behalf of the nearly 300,000 members of Citizens for a Sound Economy’s (CSE) grassroots army, I urge you to oppose this legislation in its present form. [...] S. 517 also contains new requirements for the use of ethanol. Instead, Congress should act to allow flexibility with boutique fuels. [...]CSE will oppose any attempts to remove the provision allowing states to opt out of federal reformulated fuel mandates during times of shortage and price increases.” [CSE.org via Archive.org, [2/27/02](#)]

CSE IOWA HELD RALLIES TO BACK BUSH TAX CUTS

CSE Iowa Held Rallies At Post Offices In Des Moines, Cedar Rapids And Davenport To Advocate For President George W. Bush’s \$1.6 Trillion Tax Cut Package. According to the Associated Press, “Iowa Republican leaders sought to use the attention surrounding Monday's tax filing deadline to push for President Bush's \$1.6 trillion tax cut package. [...] Iowa Citizens for a Sound Economy, a conservative anti-tax group, was holding rallies at post offices in Des Moines, Cedar Rapids and Davenport to make the case for a tax cut. ‘This time of year when people are writing checks to the federal government, they understand just how much money goes into government coffers,’ said Jason Gross, the group's Iowa director.” [Associated Press, 4/16/01]

CSE-IOWA FAVORED EXTREME BUDGET THAT WOULD HAVE MEANT LAYOFFS FOR NARCOTICS OFFICERS, CRIME INVESTIGATORS, LAW ENFORCEMENT, CUTS THAT TO FOOD STAMPS, REDUCED CHILD-SUPPORT CHECKS AND CHILD ABUSE REGISTRY REVIEWS, ELIMINATED PRENATAL

MEDICAL SERVICES FOR HUNDREDS OF IOWA WOMEN, ELIMINATED NURSING VISITS FOR IOWA SENIORS

CSE-Iowa Favored Extreme Budget Cuts That Would Have Left Poor Iowans Without Food Stamps, Reduced Child Abuse Registry Reviews, Reduced Mailing of Child Support Checks

Des Moines Register: Jason Gross, Director Of CSE-IA, Was “Among The Few Speakers Monday In Favor Of” Proposed State Budget Cuts. According to the Des Moines Register, “Jeff Boeyink, executive vice president of Iowans for Tax Relief, and Jason Gross, director of Iowa Citizens for a Sound Economy, were among the few speakers Monday in favor of the cuts.” [Des Moines Register, 2/27/01]

- **Gross “Encouraged Lawmakers To Cut Both Spending And Taxes In The Future” To “Help The People Of Iowa.”** According to the Des Moines Register, “‘It is responsible slowing down as we are heading into a patch of icy road,’ Gross added. He encouraged lawmakers to cut both spending and taxes in the future. ‘That’s the best thing you can do to help the people of Iowa.’” [Des Moines Register, 2/27/01]
- **The Budget Cuts Could Have Meant “54,000 Low-Income Iowans Would Not Get Their Food Stamps, 2,000 Child Abuse Registry Reviews Would Not Be Conducted, And 595,000 Welfare And Child-Support Checks Would Not Be Sent Out For Each Month Of A Shutdown Due To The Layoffs” From The Cuts.** According to the Des Moines Register, “That, in turn, could mean 54,000 low-income Iowans would not get their food stamps, 2,000 Child Abuse Registry reviews would not be conducted, and 595,000 welfare and child-support checks would not be sent out for each month of a shutdown due to the layoffs, said Chris Louscher, chairwoman of the Council on Human Services.” [Des Moines Register, 2/27/01]

CSE-Iowa Favored Budget That Would Have Eliminated Prenatal Medical Services For Hundreds of Women; Meant Hundreds Fewer Nursing Visits To Homebound Aged

The Iowa Department Of Public Health Reported That The Cuts Could Have Resulted In The “Elimination Of Prenatal Medical Services For 368 Women; 537 Fewer Nursing Visits To Homebound Aged.” According to the Des Moines Register, “PUBLIC HEALTH: Elimination of prenatal medical services for 368 women; 537 fewer nursing visits to homebound aged.” [Des Moines Register, 2/27/01]

CSE-Iowa Favored Budget Layoffs Of Five Narcotics Officers, 16 Crime Investigators And Support Staff, 102 Troopers

The Iowa Department Of Public Safety Reported That The Cuts Could Have Resulted In The “Layoff Of Five Narcotics Officers, 16 Crime Investigators And Support Staff, 102 Troopers.” According to Des Moines Register, “PUBLIC SAFETY: Layoff of five narcotics officers, 16 crime investigators and support staff, 102 troopers.” [Des Moines Register, 2/27/01]

CSE-IOWA TRIED TO INFLUENCE 2000 GOP PRESIDENTIAL PRIMARY

Support for Flat Tax

CSE’s “Scrap The Code Tour” Brought Rep. Dick Armey To Des Moines To Advocate For A Flat Income Tax. According to U.S. Newswire, “Two congressmen traveled to Des Moines today to drum up support for their plans for a new tax system. House Majority Leader Dick Armey of Texas spoke in favor of a 17 percent flat tax at the Des Moines Marriott. Louisiana Congressman Billy Tauzin argued in favor of replacing the income tax with a national retail sales tax. The ‘Scrap the Code Tour’ debate was sponsored by Citizens for a Sound Economy Foundation, a 250,000-member organization that promotes a lower tax burden for all Americans. ‘It’s a privilege to come to Des Moines and other cities throughout America to host the Scrap the Code tour,’ said Jim Miller, counselor for CSE Foundation. ‘The Scrap the Code Tour places information on the top two alternatives into the hands of all citizens and gives them the opportunity to ask the tough questions. While CSE Foundation supports a flat tax, we are taking the Scrap the Code Tour across nation to give Americans the chance to decide which method of tax reform makes the most sense to them.’” [U.S. Newswire, 7/08/98]

A CSE Member “Dressed Up As Uncle Sam And Passed Out Lollypops From A Bucket Plastered With ‘Flat Tax’ Bumper Stickers.” According to the Associated Press State & Local Wire, “Another Citizens for a Sound Economy member was dressed up as Uncle Sam and passed out lollypops from a bucket plastered with ‘flat tax’ bumper stickers.” [Associated Press State & Local Wire, 12/14/99]

Support for George W. Bush

George W. Bush Held A Conference Call With Citizens For A Sound Economy On The Day Of The Iowa Caucuses In 2000. According to the Des Moines Register, “Wilma M. Collins sat in the back of George W. Bush's caucus celebration Monday night at the Marriott Hotel and breathed a sigh of relief. [...] The Register: George W. Bush keeps a grip on his coffee as he talks to Citizens for a Sound Economy via telephone conference call on Monday.” [Des Moines Register, 1/25/00]

Tort Reform

CSE Organized A Rally At The Iowa Statehouse Promoting Tort Reform. According to the Associated Press State & Local Wire, “With a sign depicting two sharks and a request not to ‘feed the trial lawyers’ as a backdrop, about 20 lawmakers rallied for legislation aimed at reducing frivolous lawsuits and big jury verdicts. ‘There is no one that doubts that people who are injured should not be compensated. That’s why we carry insurance,’ said Sen. Larry McKibben, R-Marshalltown. ‘It is when we have people who are hunting for ways to maximize their return on the system and really abuse the system with frivolous kinds of lawsuits, that’s the kind of balance that we need to correct.’ The rally in the Statehouse rotunda was organized by Citizens for a Sound Economy.” [Associated Press State & Local Wire, 1/20/00]

CSE Used “A College Student Dressed As A Shark To Symbolize Its Push For Tort Reform.” According to the Des Moines Register, “Iowa Citizens for a Sound Economy uses a college student dressed as a shark to symbolize its push for tort reform.” [Des Moines Register, 1/17/00]

Internet Tax Ban

Sen. John McCain Signed A CSE Pledge To Support A Permanent Ban On Taxing The Internet. According to the Telegraph Herald, “With Internet commerce generating an estimated \$ 170 billion in revenue last year, [Sen. John] McCain promised to support a permanent ban on taxing access, sales or use. ‘We all know the growth of the Internet is probably the greatest phenomenon we’ve seen in our lifetime,’ said the Arizona senator at a Chamber of Commerce breakfast after signing the pledge drafted by Citizens for a Sound Economy.” [Telegraph Herald, 1/19/00]

CSE Referred To Federal Funds Sent To Redevelop The Sioux City Stockyards As “Pork Barrel” Spending

A CSE Senior Fellow Derisively Referred To \$500,000 “To Redevelop The Sioux City Stockyards In Sioux City, Iowa” As “Pork Barrel” Spending. According to an opinion by CSE Senior Fellow Scott Hodge in the Washington Times, “What is so remarkable is that some lawmakers appear to believe they can survive the political fallout of raising taxes and busting the discretionary spending caps, but they cannot survive the fallout of cutting their own pork barrel projects. These must be awfully special projects to make that kind of calculus. Let’s look at a few. At least 130 of these too-important-to-cut projects were buried deep within the House bill funding Veterans and Housing programs. A random sample includes: \$900,000 for the City of Hot Springs, Ark., for the construction of a parking facility; \$900,000 for Providence, R.I., for the renovation of the Providence Performing Arts Center; \$500,000 for the Friends of the Capitol Theater for the renovation of the Capitol Theater in Dover, Del.; \$200,000 for Vergennes, Vt., for the renovation and expansion of the Vergennes Opera House; \$1 million for the renovation and expansion of the Flynn Theatre in Burlington, Vt.; \$1.65 million for Farmington, N.M., for the renovation of Ricketts Field; \$500,000 to redevelop the Sioux City Stockyards in Sioux City, Iowa; and \$200,000 for Trenton, N.J., for the renovation of the YMCA’s indoor swimming pool.” [Scott Hodge - Washington Times, 10/29/99]

THE KOCH AGENDA IN IOWA: CONCERNED VETERANS FOR AMERICA

CVA Legislative Director Dan Caldwell Said CVA “Is Planning To Expand This Year Into Iowa, South Carolina, Colorado, and Pennsylvania.” According to Politico, “Dan Caldwell, legislative and political director for Concerned Veterans for America, explained Tuesday that his group — which is planning to expand this year into Iowa, South Carolina, Colorado and Pennsylvania — wouldn’t rule out primary engagement.” [Politico, [1/28/15](#)]

Concerned Veterans For America Issues And Campaign Manager Dan Caldwell: The VA Scandal “Changed The Whole Dynamic Of Our Organization.” According to Roll Call, “Concerned Veterans of America is run by and champions veterans, countered Dan Caldwell, the group’s issues and campaign manager, a veteran himself. The group fills a void in the veterans’ community, he said, by advocating VA changes, deficit reduction and national security. Caldwell acknowledged the VA scandal “changed the whole dynamic of our organization,” but denied that the group’s high-dollar attacks on such Democrats as North Carolina incumbent Kay Hagan and Bruce Braley in Iowa for failing to help veterans are political.” [Roll Call, [9/30/14](#)]

Criticism From Other Veterans Groups

Disabled American Veterans Legislative Director Joe Violante “Voiced Particular Concern Over Attacks By Concerned Veterans For America.” According to Pittsburgh Post-Gazette, “‘Most mainstream veterans groups are required to be nonpartisan, and it concerns me that we do have groups on both extremes that are very partisan in their approach and very calculating in what they want to accomplish,’ said Joe Violante, national legislative director of Disabled American Veterans, established in 1920 and congressionally chartered in 1932. Mr. Violante voiced particular concern over attacks by Concerned Veterans for America against the VA. The conservative group has challenged VA funding increases and supports partially privatizing health care for veterans. Such steps could make fewer veterans eligible for more limited services, Mr. Violante said.” [Pittsburgh Post-Gazette, 10/12/14]

Support For Joni Ernst By Concerned Veterans For America

CVA CEO Pete Hegseth Said In July That He Was “Encouraged” By The Prospect Of A Senator Joni Ernst. According to Politico, “Pete Hegseth, who heads the conservative Concerned Veterans for America and ran in the 2012 Minnesota Republican Senate primary, said multiple Iraq and Afghanistan veterans in the Senate could signal the start of a new era for veteran lawmakers as the last of the World War II generation exits Capitol Hill. ‘While the numbers may be down, I’m encouraged we could have a U.S. Senate with Sens. Cotton, Ernst and Sullivan,’ Hegseth said. ‘I think you’re going to see more and more of a wave of younger veterans in Iraq and Afghanistan running for higher offices.’” [Politico, 7/8/14]

CVA’S SUPPORT FOR ERNST IN PAID CAMPAIGN ADS

CVA Was A “Top Outsider Buying Ads On” Joni Ernst’s Behalf. According to The Gazette, “Top outsiders buying ads on Ernst’s behalf are Concerned Veterans for America, spending more than \$1.4 million, or about 24 percent, and Freedom Partners Action Fund spending \$775,000, or about 13 percent.” [The Gazette, 9/21/14]

CVA Spent \$1.4 Million And Ran Over 4,000 Ads In Support Of GOP Senate Candidate Joni Ernst From Late June To Mid-September. According to The Des Moines Register, “With the money spent from late June to mid-September, campaigners in the race for Iowa’s U.S. Senate seat could have bought every registered voter in the state a couple of gallons of gas or a gourmet burrito. [...] [Joni] Ernst’s PAC support has been more diffuse: \$1.4 million and 4,057 ads came from a group called Concerned Veterans for America.” [Des Moines Register, [9/23/14](#)]

The Koch Network Funded 44,000 Ads Through August 2014; Iowa Was One Of The Top 5 States Receiving Those Ads. According to Washington Post's The Fix, "A half-dozen groups with ties to libertarian billionaire brothers Charles and David Koch have funded almost 44,000 ads in battleground states ahead of this November's midterm elections, according to a new report from the Center for Public Integrity and the Kantar Media Group/CMAG. The six non-profit groups -- Americans for Prosperity, the American Energy Alliance, Concerned Veterans for America, the Freedom Partners Chamber of Commerce, Generation Opportunity and the 60 Plus Association -- have run 43,900 television ads from Jan. 1, 2013 through August 31, 2014. Americans for Prosperity alone has run more than 27,000 ads, which is significantly more than groups like American Crossroads/Crossroads GPS -- groups with close ties to former Bush White House political svengali Karl Rove. North Carolina's Senate race, which is widely regarded as the linchpin in the fight for control of the world's greatest deliberative body, has seen 8,600 ads funded by Kochworld alone. That's 1,700 more than the second most targeted state of Louisiana. (The top 5: North Carolina, Louisiana, Iowa, Michigan and Arkansas.)" [Washington Post's The Fix, 9/4/14]

CVA And AFP "Bought No New Ads For Ernst Between Sept. 11 And Oct. 15," Which Political Scientists Suggested Was Because She Was Being "Hammered" For Her Koch Ties. According to The Gazette, "Americans for Prosperity and Concerned Veterans for America -- both supported by the Wichita, Kan.-based brothers David Koch and Charles Koch -- bought no new ads for Ernst between Sept. 11 and Oct. 15. Political-science professors said this may be because Braley's campaign hammered Ernst for her link to the Kochs. 'It may very well have been those groups saying, 'We're hurting Joni Ernst's campaign. We'll advertise elsewhere,' " [Political Scientist Tim] Hagle said." [The Gazette, 10/27/14]

Ernst Was Backed By Three Koch Groups. According to Waterloo Courier, "Ernst is also backed by Freedom Partners Action Fund and Concerned Veterans for America. Both groups are affiliated with billionaire industrialists and brothers, Charles and David Koch. The Koch-affiliated Americans for Prosperity has also spent heavily in support of Ernst's campaign." [Waterloo Courier, 10/26/14]

Freedom Partners "Purchased Extensive Airtime In Iowa And North Carolina Earlier This Summer...Valuable Spots That Were Eventually Used By Concerned Veterans For America." According to CQ Roll Call, "Freedom Partners also purchased extensive airtime in Iowa and North Carolina earlier this summer, according to the Sunlight Foundation - valuable spots that were eventually used by Concerned Veterans for America. Caldwell said his group paid for the spots, and Freedom Partners had canceled its reservations, which freed up ad time." [CQ Roll Call, [10/5/14](#)]

Concerned Veterans For America "Ran A 30-Second Ad" Criticizing Bruce Braley "For Not Doing More To Fix The Department Of Veterans Affairs." According to the Associated Press, "On a recent night in Des Moines, an ad against Democratic contender Bruce Braley and for Republican rival Joni Ernst aired back to back. They were among the eight ads jammed into a 30-minute local newscast. [...] Concerned Veterans for America, an outside group, ran a 30-second ad criticizing Braley for not doing more to fix the Department of Veterans Affairs. 'Congress was warned, but Bruce Braley ignored it.'" [Associated Press [9/1/14](#)]

CVA Was The "Top Non-Candidate Spender" In The Iowa Senate Race And Aired "About 3,300 Ads" In The State. According to the Huffington Post, "Democratic Rep. Bruce Braley is running against Republican state Sen. Joni Ernst in this open seat race, where incumbent Democratic Sen. Tom Harkin is retiring. [...] About 31,500 ads from candidates, parties and other politically active groups have run so far in this Senate race, according to Kantar Media/CMAG, with conservatives accounting for 56 percent of them. The top non-candidate spender in the race? The Concerned Veterans of America, a veterans-oriented group that is part of the Koch brothers' political network, which has aired about 3,300 ads." [Huffington Post, [9/2/14](#)]

Concerned Veterans For America Ran An Ad Claiming That Bruce Braley Skipped Veterans Affairs Committee Hearings And Other Hearings About The Health Of Veterans. According to the Quad-City Times, "'AWOL' is a 30-second television commercial by Concerned Veterans for America, a conservative advocacy group. It targets Democratic Senate hopeful Bruce Braley, and it's one of several ads on the same issue. Not all, however, make exactly the same claims. The ad seizes on the controversy over the troubles at Veterans Administration health care facilities. It makes three basic claims: that Braley skipped 79 percent of Veterans Affairs Committee hearings (Braley was a member of the committee in 2011-12); that he missed a hearing where Congress was warned about 'long waits and preventable deaths;' and that he missed one hearing to attend three fundraisers." [Quad-City Times, [9/6/14](#)]

CVA ADS SUPPORTING ERNST WERE “FALSE AND POTENTIALLY MISLEADING”

CVA’s Claims Were “False And Potentially Misleading,” According To A Fact Check. According to The Frontrunner, “In a report on the open Iowa Senate race - pitting IA1 Rep. Bruce Braley (D) against state Sen. Joni Ernst (R), Fact Check (8/4, Gore, Kiely, Shapiro, 3K) said that a TV ad from Concerned Veterans for America makes ‘false and potentially misleading claims’ about the Democratic candidate’s ‘commitment to military veterans.’ Among other things, Fact Check said that the spot ‘falsely claims that Braley ‘skipped an important VA reform hearing to attend three fundraisers.’ The spot also says that the Congressman ‘skipped an astonishing 79% of Veterans’ Affairs Committee hearings,’ but doesn’t note ‘that those were the full committee hearings. Braley also served on the VA Subcommittee on Economic Opportunity in 2011 and 2012,’ attending ‘88% of the subcommittee hearings.’” [The Frontrunner, 8/4/14]

Politifact Found CVA’s Claims That Braley Missed Committee Meetings For Fundraisers To Be “Mostly False.”

According to Politifact, “The Concerned Veterans for America ad says he missed the meeting on Sept. 20, 2012, for three fundraisers, but we found that to be Mostly False. He was actually at an oversight committee hearing about Fast and Furious, in which federal agents traced weapons sold and brought into Mexico.” [Politifact, 7/30/14]

A Fact Check By Quad-City Times Refuted Many Of The Claims In The Concerned Veterans For America Ad.

According to the Quad-City Times, “The Congressional records do show that Braley missed three quarters of full committee hearings in 2011-12. But the records also say that he attended 15 of 17 of the committee's subcommittee on economic opportunity, on which he was the ranking Democrat. [...] Now, the fundraisers. The VA Committee hearing in question was on Sept. 20, 2012. And the Braley campaign has confirmed he attended three fundraisers that day, including one that began at noon, according to the politicalpartytime.org website run by the watchdog group, the Sunlight Foundation. But none of the fundraisers occurred at the time of the VA Committee hearing, which began at 10:19 a.m. and adjourned at 11:54 a.m., according to records. In fact, the records say that Braley was present at an Oversight and Government Reform hearing, which began at 9:36 a.m. and ended at 12:45 p.m.” [Quad-City Times, [9/6/14](#)]

USA Today Fact-Check: CVA Claim That Bruce Braley “Skipped An Important VA Reform Hearing To Attend Three Fundraisers” Is “False” Because None Of The Fundraisers Were Held At The Same Time As The Hearing.

According to USA Today, “Claim: [Bruce] Braley ‘skipped an important VA reform hearing to attend three fundraisers.’ Facts: That's false. None of the fundraisers was scheduled at the same time as the congressional hearing that Braley missed. Here's what's true: Braley missed a House Veterans' Affairs Committee hearing, titled "Veterans Affairs in the 112th Congress: Reviewing VA's Performance and Accountability," on Sept. 20, 2012. He also attended three fundraisers for his reelection campaign that day in Washington, D.C., including a breakfast scheduled from 8:30 to 9:30 a.m., a lunch event at noon and a fundraising reception from 6 to 7:30 p.m. The problem with the claim made in an ad from Concerned Veterans for America? The three fundraisers Braley attended didn't conflict with the hearing he missed, which lasted from 10:19 a.m. to 11:54 a.m. The Braley campaign has said that the congressman missed the VA committee hearing because he was attending a House Oversight and Government Reform Committee hearing that was taking place at roughly the same time. The official hearing transcript shows he was present at the oversight hearing, but it is not known for how long. And his campaign declined to tell us.” [USA Today, [10/24/14](#)]

THE KOCH AGENDA: FREEDOM PARTNERS, GENERATION OPPORTUNITY, I360, 60 PLUS ASSOCIATION

Generation Opportunity

GenOpp President On Midterm Election Results: “Of Particular Note: The Engagement Of Young Iowans, Who Helped Secure A Victory For Limited Government By Voting Today.” According to a press release from GenOpp, “The Associated Press and other news outlets have called Iowa’s U.S. Senate race for Republican Joni Ernst in her bid to unseat Democrat Bruce Braley. In one of the country’s most important battlegrounds, the Democratic nominee struggled with young voters. 18-29 year olds swung toward the GOP by 23 points from 2008, per The New York Times’s analysis of exit polling data. Generation Opportunity President Evan Feinberg issued the following statement: ‘Big government was on the ballot this election, and in Iowa, it was rejected. Of particular note: the engagement of young Iowans, who helped secure a victory for limited government by voting today.’” [GenOpp Press Release, [11/5/14](#)]

i360

Politico: Sen. Joni Ernst Was An i360 Client. According to Politico, “Midterm clients included several of the GOP’s marquee Senate and gubernatorial victors, including Sens.-elect Tom Cotton of Arkansas and Joni Ernst of Iowa, and Gov.-elect Larry Hogan in Maryland.” [Politico, [12/8/14](#)]

60 Plus Association

60 Plus Conducted Surveys On How Concerned Senior Voters Were About The Impact Of New EPA Regulations On Power Plants On The Cost Of Energy And Electricity Bills In States Like Iowa. According to a 60 Plus press release, “A series of new surveys commissioned by the non-partisan 60 Plus Association reveals a strong majority of senior voters are concerned about the effect that sweeping new EPA regulations on power plants will have on the cost of energy and higher electricity bills. Surveys were conducted in the states of North Carolina, Virginia, South Carolina, Arizona, Colorado, Iowa, Indiana and Ohio and reached over 5,000 likely voters aged 55 and above.” [60 Plus Press Release, [9/18/14](#)]

- **60 Plus Survey Found That “More Than 70% Of Seniors On Average” Are At Least “Somewhat” Concerned About The Potential For EPA To Raise Their Electricity Bills, And 52% Were “Extremely” Or “Very” Concerned.** According to a 60 Plus press release, “Findings of the survey show that more than 70% of seniors on average are at least ‘somewhat’ concerned about the potential for EPA to raise their electricity bills, with 52% saying they are ‘extremely’ or ‘very’ concerned.” [60 Plus Press Release, [9/18/14](#)]

60 Plus Press Release: “An Average Of 61 Percent” Of Senior Voters “Want Congress To Focus On Reducing Energy Prices Rather Than New Regulations.” According to a 60 Plus press release, “A series of new polls commissioned by the non-partisan 60 Plus Association in the states of Arizona, Colorado, Iowa, Indiana, North Carolina, Ohio, South Carolina and Virginia, found that an average of 98 percent of seniors are likely voting this November. Among those voters, an average of 72 percent are living on fixed incomes and 73 percent are concerned about the costs associated with new power plant regulations. Further, an average of 61 percent want Congress to focus on reducing energy prices rather than new regulations. The 60 Plus Association touts the support of 7.2 million senior supporters nationally, and the surveys reached over 5,000 likely voters aged 55 and above.” [60 Plus Press Release, [9/22/14](#)]

Freedom Partners

Charles Koch “Sent \$3 Million Through A Trust To Freedom Partners Action Fund.” According to Bloomberg, “Charles Koch, the billionaire chairman and chief executive officer of Koch Industries, sent \$3 million through a trust to Freedom Partners Action Fund, a Republican super-PAC that he and his brother David have helped underwrite. That was the

largest donation the super-PAC received from Oct. 16 to Nov. 24. The group played in about a dozen races, including Senate contests in Arkansas and Iowa that Republicans won.” [Bloomberg, [12/5/14](#)]

Freedom Partners Action Fund Spent Seven Figures In Ad Buys For Joni Ernst From Sept. 11 To Oct. 15. According to the Des Moines Register, “Party committees that support Senate candidates were the top ad buyers for both candidates during the five-week period from Sept. 11 to Oct. 15. The Democratic Senatorial Campaign Committee poured \$2.6 million into 4,266 pro-Bruce Braley ads during the period, while the National Republican Senatorial Committee spent \$1.8 million on 2,253 ads supporting Joni Ernst. Ernst has also received seven-figure support from American Crossroads, the Super PAC associated with GOP strategist Karl Rove, and from Freedom Partners Action Fund, the group organized by the conservative industrialists Charles and David Koch.” [Des Moines Register, [10/26/14](#)]

Freedom Partners Action Fund “Pumped In About \$5 Million” Into Iowa To Attack Bruce Braley. According to the American Prospect, “3rd Most Outside Spending: Iowa - \$61 Million New wave Tea Partier Joni Ernst managed to best Democrat Bill Braley for Iowa’s open Senate seat. The fight for the seat long held by retiring Senator Charles Grassley totaled more than \$85 million, with \$61 million coming from outside groups. [...] Conservative groups American Crossroads (a superPAC founded by Rove) and the Koch brothers’ Freedom Partners Action Fund also pumped in about \$5 million each, mostly spent to attack [Bruce] Braley as too partisan. And again, the U.S. Chamber of Commerce and NRA coughed up a few million each.” [American Prospect, [11/5/14](#)]

During 2014 Midterms, Freedom Partners Action Fund Was Scheduled To Launch Ads In States Such As Iowa As Part Of Its “\$6.5 Million” Campaign “To Boost Republican Senate Candidates.” According to the Washington Examiner, “Freedom Partners Action Fund on Wednesday is scheduled to hit the airwaves in six states as part of a \$6.5 million television advertising campaign to boost Republican Senate candidates. Voters in Alaska, Arkansas, Colorado, Iowa, New Hampshire and North Carolina will see 30-second spots urging them to send a message of opposition to President Barack Obama by supporting the Republican Senate nominee on the ballot in their respective states. The ads feature real voters, whose names and hometowns are listed on screen, talking straight to camera about why they oppose the Democratic nominee and back the Republican.” [Washington Examiner, [10/22/14](#)]

- **All Six Ads Run By Freedom Partners “Follow[ed] The Same Style, With Republican Voters Airing Their Grievances With Each Incumbent For Issues Like Voting For Obamacare And Adding To The Nation’s Debt.”** According to The Hill, “Freedom Partners Action Fund, a super-PAC aligned with the billionaire conservative Koch Brothers, is launching a \$6.5 million ad campaign that ties Democrat Senate incumbents in six toss-up states to President Obama. [...] All six ads follow the same style, with Republican voters airing their grievances with each incumbent for issues like voting for ObamaCare and adding to the nation’s debt. But each ad takes a slightly different approach on the issues, tailoring its message differently to each state.” [The Hill, [10/22/14](#)]

Koch Switched From Using AFP To Freedom Partners To Run Political Commercials “Precisely 60 Days From The General Election,” Right Before A Date That Would Trigger Additional Disclosure Rules For Nonprofits. According to Bloomberg Politics, “Billionaire oil executives David and Charles Koch are now relying on Freedom Partners Action Fund, a new super-PAC, to run political commercials, while their nonprofit, Americans for Prosperity, has gone dark. The shift in television ad buying occurred on Sept. 5, which was precisely 60 days from the general election and a date that triggers additional disclosure rules for nonprofits such as AFP.” [Bloomberg Politics, [10/9/14](#)]

- **AFP Source: “The IRS Flap Was A ‘Minor Factor’ In The Decision To Shift Roles.”** According to Bloomberg Politics, “The group [AFP] did air political advertisements within that 60-day window in 2012, funding 950 network and national cable spots in House and Senate races and 2,208 spots in the presidential, according to Kantar Media’s CMAG data. Of course, that was before the Internal Revenue Service letters scrutinizing the political activity of so-called charitable groups and ensuing scandal became public. By shifting ad spending to a super-PAC, the Kochs won’t need to worry about whether the IRS decides to amend disclosure rules, impose new limits on campaign-related activities or if any of the ongoing legal battles trigger changes. The IRS flap was a ‘minor factor’ in the decision to shift roles, according to a source familiar with AFP. Another driver, according to the source, was a reassessment of strategy after taking electoral losses in 2012 that included spending money earlier in the election cycle.” [Bloomberg Politics, [10/9/14](#)]

- **Freedom Partners “Began Appearing On Disclaimers For Television Spots In Arkansas, Iowa And Oregon On Sept. 5,” Which Was The Same Day AFP “Pulled Down All Of Their Commercials.”** According to Bloomberg Politics, “Freedom Partners Action Fund began appearing on disclaimers for television spots in Arkansas, Iowa and Oregon on Sept. 5, according the CMAG data. That day AFP, which ran ads for most of this year, pulled down all of their commercials, the data shows.” [Bloomberg Politics, [10/9/14](#)]

Freedom Partners Action Fund Said It Spent “Seven Figures” On An Ad That Criticized Bruce Braley “For Missing 79 Percent Of Veterans Affairs Committee Meetings In 2011-12.” According to the Quad-City Times, “A crop of new television ads in Iowa’s U.S. Senate race popped on to Iowa’s airwaves Thursday, the latest salvos in the scrap between Democrat Bruce Braley and Republican Joni Ernst. [...] On Thursday, Freedom Partners Action Fund, a Super PAC with ties to the billionaire Koch brothers, said it is spending “seven figures” on a new ad that criticizes Braley for missing 79 percent of Veterans Affairs Committee meetings in 2011-12.” [Quad-City Times, [9/4/14](#)]

Sen. Joni Ernst Was “On Hand To Thank Donors” At A 2015 Freedom Partners Event. According to the Washington Post, “Saturday’s opening dinner, held on the resort’s wide lawn under strings of twinkling lights, celebrated a crop of new U.S. senators whose victories helped put the Senate back in GOP control. Their bids were lifted by the Freedom Partners network, which had pledged to spend close to \$300 million in the run-up to the November elections. Sens. Steve Daines (Mont.), Joni Ernst (Iowa), Tom Cotton (Ark.), Thom Tillis (N.C.), David Perdue (Ga.) and Cory Gardner (Colo.) were on hand to thank donors, according to people familiar with the event.” [Washington Post, [1/26/15](#)]

CitizenLink Spending In Iowa to Support Joni Ernst

Huffington Post: The Kochs “Are Sending Funds Through Their Dark Money Political Network To Support A ‘Get Out The Vote’ Drive By Evangelical Christians” Who Oppose Abortion Rights And Gay Marriage. According to the Huffington Post, “Despite their stated support for both personal and economic libertarianism, billionaires Charles and David Koch are sending funds through their dark money political network to support a ‘get out the vote’ drive by evangelical Christians who oppose abortion rights and are furious at recent court rulings that allow gay marriage.” [Huffington Post, [10/23/14](#)]

- **“Over The Past Month,” Freedom Partners Chamber Of Commerce Gave \$885,000 To CitizenLink, Which “Was Launched By Focus On The Family... And Was Previously Known As Focus On The Family Action.”** According to the Huffington Post, “Over the past month, Freedom Partners Chamber of Commerce, the central hub of the Kochs’ dark money enterprise, contributed \$885,000 to CitizenLink, a social welfare nonprofit focused on election engagement. The group was launched by Focus on the Family -- an evangelical Christian group that opposes abortion and gay marriage -- and was previously known as Focus on the Family Action.” [Huffington Post, [10/23/14](#)]
- **Huffington Post: Contributions To Citizenlink Are Being Used In Efforts “To Help Elect Republicans Who Share Their Opposition To Same-Sex Marriage And Abortion Rights,” Including Joni Ernst In Iowa** According to the Huffington Post, “The contributions to CitizenLink are being used in a ‘get out the vote’ effort to help elect Republicans who share their opposition to same-sex marriage and abortion rights. On Wednesday, CitizenLink reported spending almost \$250,000 on direct mail to support Republican Senate candidates Bill Cassidy in Louisiana, Tom Cotton in Arkansas, Joni Ernst in Iowa, Cory Gardner in Colorado, Pat Roberts in Kansas, Dan Sullivan in Alaska and Thom Tillis in North Carolina. All of these candidates support banning or severely restricting abortion and oppose recent court decisions that struck down bans on same-sex marriage.” [Huffington Post, [10/23/14](#)]

American Future Fund

American Future Fund Political Action Described Itself As “A Federal Political Committee Which Primarily Helps Members Elect Candidates Who Reflect Our Values Through A Variety Of Activities Aimed At Influencing The Outcome Of The Next Election.” According to The Nation, “This fall, the American Future Fund and another group, American Future Fund Political Action (a ‘separate’ organization that describes itself as ‘a federal political committee which

primarily helps members elect candidates who reflect our values through a variety of activities aimed at influencing the outcome of the next election”) are busy, busy, busy -- spending millions, millions, millions.” [Nation, [11/2/14](#)]

The American Future Fund Was Headquartered In West Des Moines, Iowa. According to the American Future Fund’s website, the American Future Fund was located in West Des Moines, Iowa. [americanfuturefund.com, accessed [5/13/15](#)]

Huffington Post: “American Future Fund Was Almost Entirely Funded By The Koch Political Network.” According to the Huffington Post, “American Future Fund was almost entirely funded by the Koch political network. The group raised \$68 million in 2012, with more than \$60 million from Freedom Partners Chamber of Commerce and the Center to Protect Patient Rights. This total included \$7 million passed from Americans for Job Security through the Center to Protect Patient Rights. Of that amount, \$4 million landed in a California ballot campaign committee.” [Huffington Post, [9/12/14](#)]

American Future Fund Received \$13.6 Million From Freedom Partners Chamber Of Commerce. According to Crain’s New York, “Tax returns show that from late 2011 to late 2012, the American Future Fund received \$13.6 million from the Virginia-based Freedom Partners Chamber of Commerce, which is one of the organizations most closely tied to the Kochs. Freedom Partners’ director during that time was Wayne Gable, who has served as managing director of international government affairs at Koch Industries.” [Crain’s New York, [11/18/14](#)]

The Host of The “Iowa Agriculture Summit,” Bruce Rastetter, “Provided The Seed Money For American Future Fund.” According to the National Journal, “Nearly all of the GOP’s top presidential prospects will flock to the Iowa State Fairgrounds in March at the request of one man: Bruce Rastetter. [...] And so, the guest list for Rastetter’s ‘Iowa Agriculture Summit’ is a who’s-who of contenders for 2016: As of Thursday, the list includes Jeb Bush, Chris Christie, Ted Cruz, Mike Huckabee, Scott Walker, Rick Perry, Rick Santorum and George Pataki. [...] And at a national level, he provided the seed money for American Future Fund, which has been one of the top-spending outside groups in recent election cycles, when the nonprofit group formed in 2008.” [National Journal, [2/12/15](#)]

- **Rastetter’s Iowa Agriculture Summit Was Expected To Be Attended By Jeb Bush, Chris Christie, Ted Cruz, Mike Huckabee, Scott Walker, Rick Perry, Rick Santorum, George Pataki And Possibly Marco Rubio.** And so, the guest list for [Bruce] Rastetter’s ‘Iowa Agriculture Summit’ is a who’s-who of contenders for 2016: As of Thursday, the list includes Jeb Bush, Chris Christie, Ted Cruz, Mike Huckabee, Scott Walker, Rick Perry, Rick Santorum and George Pataki. Marco Rubio’s camp says he hopes to attend the summit, but he has a wedding in the family scheduled the same day.” [National Journal, [2/12/15](#)]

In 2012, American Future Fund Spent “North Of \$30 Million On Federal Races After Receiving Massive Funding From The Network Operated By The Billionaire Brothers Charles And David Koch.” According to the Huffington Post, “Charles And David Koch The Iowa-based conservative nonprofit group American Future Fund released new advertisements nearly every week from the spring of 2012 through Election Day that year, hitting President Barack Obama or Democratic Senate candidates in competitive races. By mid-September, the group had spent \$9.5 million. It went on to spend north of \$30 million on federal races after receiving massive funding from the network operated by the billionaire brothers Charles and David Koch.” [Huffington Post, [9/12/14](#)]

AFF Reported Spending About \$2.5 Million To Influence Congressional Elections In 2014. According to the Center for Public Integrity, “During the 2014 election cycle, the American Future Fund reported spending about \$2.5 million to influence congressional elections, including more than \$1 million against Rep. John Barrow (D-Ga.), who lost, according to campaign finance data tracked by the Center for Responsive Politics.” [Center for Public Integrity, [12/19/14](#)]

AFF Produced Ads In Favor Of Libertarian Candidates Who Supported Marijuana Legalization, But Did Not “List Marijuana Legalization, Expansion Of Access To Medical Marijuana Or Drug-Law Reform As A Part Of Its Mission.” According to The Nation, “Though the American Future Fund does not list marijuana legalization, expansion of access to medical marijuana or drug-law reform as a part of its mission as ‘a voice for conservative principles that sustains free market ideals focused on bolstering America’s global competitiveness,’ the group has produced and paid for expensive social media campaigns drawing attention to Libertarian candidates who do support legalization of marijuana.” [Nation, [11/2/14](#)]

In Reaction To The Iowa Corn Growers Association Backing Rep. Braley, American Future Fund Commissioned Robo-Calls Instructing Association Members “To Complain Of The Endorsement And Ask For Their Money

Back.” According to the Huffington Post, “[Rep. Bruce] Braley won the backing of the Iowa Corn Growers Association, which announced last week that it favors his stance on farm policy over that of his Republican opponent, Joni Ernst. [...] Then, the political action committee of the American Future Fund upped the ante, commissioning a string of robo-calls to members of the Iowa Corn Growers Association that instructed them to call a specific official at the group to complain of the endorsement and ask for their money back.” [Huffington Post, [9/12/14](#)]

AFF PAC Robo Call: “We Think It’s Important You Know That The Iowa Corn Growers Are Using Money Raised From Their Donors ...To Support The Liberal Braley, Who Voted For Cap-And-Trade Legislation That Would Devastate Iowa Farms.” According to the Huffington Post, “‘This is Brenda with American Future Fund PAC,’ said the Sept. 5 call, according to a transcript provided to HuffPost. ‘As you may have heard, the Iowa Corn Growers PAC just announced their endorsement of Bruce Braley for U.S. Senate. That’s right — Bruce Braley, the very same man who slammed Senator Chuck Grassley for being a farmer. Farmers are the lifeblood of Iowa’s economy. And we think it’s important you know that the Iowa Corn Growers are using money raised from their donors — hardworking farmers like you — to support the liberal Braley, who voted for cap-and-trade legislation that would devastate Iowa farms. This cannot stand.’ ‘Tell them that they should be supporting farmers, not trial lawyers. And if you remember, request a refund of your checkoff dollars,’ the spot continues. It concludes, ‘This call is paid for by American Future Fund PAC and not authorized by any candidate or candidate’s committee.’” [Huffington Post, [9/12/14](#)]

AFF President Sandy Greiner Facebook Post Day After Braley Endorsement: Farm Families Who Disagree With The Selection Should Consider “Requesting A Refund Of Your Corn Checkoff Assessment.” According to the Huffington Post, “But the choice didn't sit well with Sandy Greiner, a Republican Iowa state senator. Greiner is president of the American Future Fund, a group that spent some \$30 million last election cycle -- nearly all raised from the network built by the billionaire Koch brothers -- attacking Democrats or backing Republicans. [...] But Greiner, who is a farmer herself, seems to be going after the corn growers. According to screen grab provided to HuffPost by a Braley backer, Greiner posted a message on Facebook the day after the Sept. 2 endorsement, saying that farm families who disagree with the selection should consider ‘requesting a refund of your Corn Checkoff assessment,’ money that goes to the association.” [Huffington Post, [9/12/14](#)]

AFFPA’s Attacks On Democrat Bruce Braley Were “Among The Roughest Being Aired In The Very Rough Iowa U.S. Senate Contest.” According to the Nation, “American Future Fund Political Action's involved in House and Senate races all over the country. The group's attacks on Democrat Bruce Braley are among the roughest being aired in the very rough Iowa U.S. Senate contest, and it’s just up with television ads condemning Senator Jeff Merkley, D-Oregon.” [Nation, [11/2/14](#)]

AFF “Received More Than 92 Percent Of Its 2012 Revenues From Two Organizations Connected To Charles And David Koch” During The 2012 Election Cycle. According to The Nation, “According to the Center for Responsive Politics, the group ‘received more than 92 percent of its 2012 revenues from two organizations connected to Charles and David Koch.’” [Nation, [11/2/14](#)]

The Nation: “This Year, One Of The Primary Koch-Backed Groups Says It Is Moving Money Elsewhere; But The American Future Fund Remains Flush With Cash.” According to The Nation, “This year, one of the primary Koch-backed groups says it is moving money elsewhere; but the American Future Fund remains flush with cash.” [Nation, [11/2/14](#)]

AFF Was “Formed To Provide Americans With A Conservative And Free Market Viewpoint To Have A Mechanism To Communicate And Advocate On The Issues That Most Interest And Concern Them.” According to The Nation, The American Future Fund explains that it ‘operates as a 501(c)(4) and was formed to provide Americans with a conservative and free market viewpoint to have a mechanism to communicate and advocate on the issues that most interest and concern them.’” [Nation, [11/2/14](#)]

AFF Expended “Just Under \$24.5 Million On Independent Expenditures During The 2012 Election Cycle— Nearly All Of It...In Support Of Republican Presidential Nominee Mitt Romney And Against President Obama.” According to The Nation, “Practically, what that means is that, according to the Annenberg Public Policy Center’s FactCheck.org project, ‘AFF spent just under \$24.5 million on independent expenditures during the 2012 election cycle — nearly all of it (about \$20.8 million) in support of Republican presidential nominee Mitt Romney and against President Obama.’” [Nation, [11/2/14](#)]

AFF Reported “More Than \$3 Million In Independent Expenditures, All In The Final Month Before The Elections.” According to Bloomberg Politics, “Late support for Republicans in congressional races also was reported by another 501(c)(4) group, American Future Fund, which reported more than \$3 million in independent expenditures, all in the final month before the elections.” [Bloomberg Politics, [11/4/14](#)]

Center For Responsive Politics’ Political Nonprofit Investigator Robert Maguire: “The American Future Fund Is Firmly Within The Koch Network.” According to Crain’s New York, “Robert Maguire, the political nonprofit investigator at Center for Responsive Politics, said, ‘The American Future Fund is firmly within the Koch network. In 2012, they were definitely one of the organizations at the top of the hierarchy.’” [Crain’s New York, [11/18/14](#)]

Center For Public Integrity HEADLINE: “American Future Fund: No Election, Little Cash. Koch Brothers-Backed Nonprofit’s Income Plummeted In 2013 After Massive Haul In 2012.” [Center for Public Integrity, [12/19/14](#)]

AFF’s Revenue Fell From \$67.9 Million In 2012 To Less Than \$6.4 Million In 2013. According to the Center for Public Integrity, “Revenue at Koch brothers-backed nonprofit American Future Fund took a massive dive during 2013, according to new tax filings reviewed by the Center for Public Integrity. The group’s cash flow fell from \$67.9 million in 2012, when it spent about \$20 million overtly advocating for Republican presidential candidate Mitt Romney and against President Barack Obama, to less than \$6.4 million in 2013, a non-election year.” [Center for Public Integrity, [12/19/14](#)]

AFF’s Spending Fell From \$66.9 Million in 2012 To \$7 Million in 2013. According to the Center for Public Integrity, “In terms of expenses, American Future Fund in 2013 reported \$7 million in spending, far less than the \$66.9 million it reported in 2012.” [Center for Public Integrity, [12/19/14](#)]

AFF Paid A Company Tied To Sean Noble \$487,550 For “Media Services.” According to the Center for Public Integrity, “The group disclosed paying Concordia Enterprises LLC, the consulting firm of its founder, Nick Ryan, \$515,016 in 2013 for “consulting and management services.’ It paid Angler LLC, a company tied to a political operative connected to the Koch brothers, Sean Noble, \$487,550 for ‘media services.’” [Center for Public Integrity, [12/19/14](#)]