

Working Families Exposed by CMD

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West Virginia Senate President Bill Cole's spokesman said Monday that Cole "will travel throughout West Virginia and beyond...." to talk about his legislative agenda that limits workers' rights.

And, boy, did he go beyond, according to David Gutman of the Charleston Gazette-Mail.

Cole flew to a world far away from West Virginia when he traveled this weekend to the luxurious Esmeralda resort, which describes itself as creating "an atmosphere of luxury and relaxation unmatched" in Palm Springs, California, the winter playground of the rich and powerful like billionaire Charles Koch, who has an estate there.

The entire Esmeralda resort was reserved for the weekend by the billionaire Koch brothers for an exclusive gathering with other billionaires who paid at least \$100K to be members of their little club of the super-rich and plot behind closed doors about how to spend nearly half a billion dollars more this year, to get what they want in federal, state, and local elections and the changes to our laws that come with victory.

David and Charles Koch's billionaires' club--dubbed the "Freedom Partners Chamber of Commerce"-- has already spent nearly \$400 million over the past few months to influence 2016, but where most of it has been spent and which of the 500 elite gave how much is being kept secret from the public--at least for now.

(Meanwhile, at the billionaires' event, the Koch PR operation got free press about its new "poverty" initiative, which was trying "to raise" \$15 million from attendees. That may sound like a lot, but Koch Industries makes almost that much every single hour of every single day, with more than \$115,000,000,000 in estimated annual revenue; the Koch brothers' combined wealth is estimated to be nearly \$100 billion. With millions of Americans in poverty, some might call the initiative "greedwashing.")

Anyway, Cole's office says his meeting with the Kochs and other out-of-state billionaires at the luxury spa was not a "political event" because he did no fundraising or campaigning, at that event.

Will the people of West Virginia be told who paid for his travel to sunny Palm Springs in the heart of winter or for his hotel and meals at the posh resort? Did he get a speaker's fee to talk "in his official capacity" to the Kochs and their billionaire buddies? Did club Koch pay him and cover his meals and drinks, under exceptions from gift rules the West Virginia legislature has created for itself?

One thing that is known is Cole "specifically addressed his legislation to make West Virginia the 26th right-to-work state" in his remarks to the "500 high-spending donors," as Gutman noted. Those big spenders are part of what is increasingly known as the "Kochs' secret cabal," despite the efforts of Charles Koch's PR machine to woo select press.

The Right to Work "Fix"--Is the Fix in?

Cole has claimed that "Right to Work" would "fix" West Virginia's economy.

That's one way of putting it.

But as expert economists at the Economic Policy Institute have demonstrated repeatedly:

"Misleadingly named right-to-work (RTW) laws do not, as some unfamiliar with the term may assume, entail any guarantee of employment for people ready and willing to go to work. Rather, by making it harder for workers' organizations to sustain themselves financially, state RTW laws aim to undermine unions' bargaining strength. Because RTW laws lower wages and benefits, weaken workplace protections, and decrease the likelihood that employers will be required to negotiate with their employees, they are advanced as a strategy for attracting new businesses to a state. But EPI research shows that RTW laws do not have any positive impact on job growth."

While the buying power of most American workers has stagnated, the 20 richest people in the country have accumulated more wealth than the combined wealth of 150 million of their fellow citizens, most of whom have worked hard their whole lives--but didn't inherit multi-million dollar trust funds and corporations from their dad, like David and Charles Koch did.

Who could possibly be behind the push for policies that make it harder for workers--in West Virginia and other states--to negotiate for better wages, safer working conditions, and basic benefits to protect their families from bankrupting illnesses?

Good question.

The answer: the Kochs and the operations they help finance to remake state law to fit their hostile view of workers' rights to collectively bargain or to secure measures like prevailing wage.

Welcome to the murky world of ALEC (the American Legislative Exchange Council), the State Policy Network (SPN), and David Koch's Americans for Prosperity (AFP)—all of which are financially aided by the Kochs' riches along with funding from some of their fellow billionaire travelers.

(SPN, which directs funding to its affiliates, has received funding from Koch-controlled philanthropy and also from secretive donor vehicles connected to the Kochs. SPN has recently stepped into a more prominent role in coordinating the defense of attacks on workers' rights, as with their efforts working with other Koch operatives around the Supreme Court's hearing in the Friedrichs case.)

RTW is backed by that Koch-fueled alliance, groups that front for the interests of corporations and CEOs like the Kochs, whose legislative agenda helps the rich get richer despite their recent PR coup on "addressing" poverty.

How are the groups pushing that legislative agenda?

Through Right to Work (RTW) and Prevailing Wage Repeal bills. These are just two of parts of the ALEC agenda, bills that drives down wages of Americans who work for a living. (Let's save their wage-killing free trade measures for another day.)

RTW severely limits union power and, with it, worker power and pressure for better wages; similarly, the prevailing wage repeal sends construction wages into a race to the bottom.

It's like Goliath lobbying to outlaw slingshots.

The syndicate backing RTW is financed by bully billionaires, led by two brothers raised on hatred of unions by their extremist daddy--who praised the Axis powers led by Hitler, Mussolini, and Hirohito, whom many of our grandfathers later risked their lives or died to defeat, and who belittled the American work ethic, saying in 1938 that "the only sound countries in the world are Germany, Italy, and Japan, simply because they are all working and working hard," as Jane Mayer notes in her book "Dark Money."

Here's the Koch-Fueled Playbook Deployed, in State after State

The Koch-fueled alliance of ALEC, SPN, and AFP follows a predictable script:

- * a state legislator introduces an ALEC-style Right to Work bill;
- * some think tank experts from SPN or its allies provide "reports" and/or testimony extolling the purported benefits of RTW;
- * and the Koch Brothers' phoney "grassroots" group, AFP, throws some small rallies in while making targeted media buys.

That's the formula we saw in Michigan, when an ALEC politician introduced a word-for-word copy of the ALEC RTW bill in late 2012.

The Michigan SPN affiliate, the Mackinac Center, played a key role in making the bill law; it was given the top award by billionaire allies of the Kochs at the next SPN meeting for its role in enacting right to work, despite telling the IRS it did "0" lobbying.

And, David Koch's AFP, through its Michigan operation, orchestrated rallies to back up the ALEC/SPN lobbying agenda.

The Koch cabal's operatives followed the same formula in Wisconsin last year: with the ALEC

RTW bill introduced, testimony from a Mackinac Center rep, and a "study" authored by ALEC "scholar" Richard Vedder commissioned by a Wisconsin SPN affiliate. In Wisconsin, AFP not only organized rallies in support of the measure but also spent around \$1 million on pro-RTW ads.

A few months after Wisconsin's governor, Scott Walker (an ALEC alum) signed RTW into law, a similar cast of characters took up prevailing wage repeal in the state.

There was an ALEC model bill and backing from the Mackinac Center and the Wisconsin SPN affiliate, and then AFP bought ads to peddle the repeal.

The National Federation of Independent Business (NFIB) also weighed in; despite claims that it just represents small businesses, it has received big sums from—you'll never guess—Kochs' Freedom Partners. Koch Industries, which is one of the biggest and richest corporations in the world, is about as far from being a small business as possible.

Will West Virginia Become the Latest Victim of the Koch-Fueled Hit Job on Workers?

The latest showdown, with the Koch Billionaire Cash Machine in one corner and many Working People in the other, is in West Virginia, where team Koch is looking for billionaire-friendly politicians to pack the one-two punch that helped put Wisconsin on the ropes: RTW and prevailing wage repeal.

RTW passed the West Virginia Assembly last year, and was the number one priority of the state Senate, apparently: it was the first bill introduced this session, SB-1.

Guess who the bill's sponsor is?

Bill Cole. The guy who just spent the weekend with the Kochs and their billionaire buddies, in the lap of luxury in Palm Springs.

Perhaps it should come as no surprise that Cole is a big fan of ALEC's "Rich States Poor States" report, which Koch money has underwritten before. It's part of the Koch gameplan.

Now in its 8th edition, Rich States, Poor States is a severely discredited study that ranks the "economic outlook" of states based on--wait for it--whether they've adopted all of the Koch-fueled ALEC's legislative agenda. Like what? Like Right to Work.

According to ALEC, West Virginia's economic outlook dropped from 30th to 36th among the 50 states. But passing RTW could fix things, when it comes time for the next manufactured rankings of ALEC.

What's the Matter with Kansas? Success in Koch/ALEC World, Not the Real World

Let's take a closer look at those ALEC rankings.

Astonishingly, ALEC ranks Kansas 16th and puts West Virginia at 36. ALEC spent a lot of time in its report trying to defend Kansas. After all, it's the home of Charles Koch and Koch Industries and it's the land of the economic disaster wrought by Koch politicians going almost full Koch on economic policy.

By comparison, Democratic-led Minnesota's economy is so booming that it has been able to increase support for its public university system and invest in its infrastructure, but it is ranked by ALEC as 48th worst out of 50 states.

Welcome to the up-is-down, good-is-bad worldview of ALEC. It's like some sort Bizarro Superman planet.

Under the Koch/ALEC economic analysis, West Virginia should change its laws to be more like Kansas than Minnesota.

But, as CMD recently noted, "The biggest benefits of Governor Brownback's tax program went to the top 1% while actually increasing taxes for the bottom 20%. Kansas now has the 9th most unfair tax system of any state in the country, according to the Institute on Taxation and Economic Policy. The poorest 20% of Kansans pay 11.1% of their income in state taxes, while the richest 1% pay just 3.6%. ALEC's supply-side policies are getting a cold reception among Kansas residents."

Adopting the Koch/ALEC agenda in Kansas has been such a disaster that in 2014 more than 100 Republicans--including the former state chairman--endorsed Brownback's Democratic opponent for governor. Although he somehow managed--with help from the Kochs--to keep his seat, a recent poll found that "Governor Brownback is the most disliked governor in the country, with an approval rating of only 26%."

Yet, Cole seems to think ALEC's rankings are worth more than the paper they are written on. Some Republicans in Kansas seem to have seen it differently.

But a Former Politician, a Koch Man from Michigan, Says Go for It

When not hobnobbing in Palm Springs with the Koch brothers and other billionaires, Cole has been busy urging his colleagues in the state Senate to follow the lead of Pete Lund, who used to be the Majority Whip in the Michigan House.

According to information provided to PRWatch, Cole has told West Virginia Republicans that Lund, "who led the charge when Michigan adopted a right-to-work law, urged West Virginia lawmakers to stay the course and be confident that making West Virginia a RTW state is the right thing to do."

He even quoted Lund as saying "Once the bill has passed, the false scare tactics from the opposition will stop all-together as workers begin to celebrate their now freer workplace and the economic boost inherent in RTW states."

Lund says that but what's the reality, not the ALEC version of it?

A comprehensive examination has shown that "Wages in RTW states are 3.1 percent lower than those in non-RTW states, after controlling for a full complement of individual demographic and socioeconomic factors as well as state macroeconomic indicators. This translates into RTW being associated with \$1,558 lower annual wages for a typical full-time, full-year worker."

Why ignore the math that becoming a RTW state is basically like voting to give your constituents a pay cut?

Perhaps you noticed the part about Lund being a former legislator. In 2014, two years after Michigan became a RTW state, Lund decided not to seek re-election.

Where did he go?

To David Koch's AFP. Of course.

As of at least two months ago, Lund was the state director of the Michigan arm of Americans for Prosperity. How much he has been paid to peddle the Kochs' agenda from outside the state legislature is unknown.

So a state legislator pushes through divisive legislation, sought by one of the Kochs' key advocacy/elections groups, that has the effect of making it harder for Michigan workers to make ends meet. And then he gets a sweet gig leading that Koch group in the state. Those are the kind of revolving door politics that most Americans, no matter their political party, despise.

Yet here is Peter Lund--Koch man--telling West Virginians what they should do.

Peter Lund is another voice in the chorus for the ventriloquist Kochs whose money makes it appear as though there is a groundswell of wide public demand to pass billionaire-backed legislation like RTW. It's on their wish list and it meets the ALEC purity test even if it leaves workers in RTW states with about one mortgage payment less per year than workers in states whose leaders have not drunk the Koch Kool-aid.

But ALEC Is already Celebrating that WV May Give It a Win

Meanwhile, the Koch-funded ALEC is already celebrating the prospect of West Virginia becoming the 26th right to work state, and it is cooing about the supposed benefits of the legislation, according to--shocker--its own Rich States Poor States report.

West Virginia has the distinction of having one of its top industries, coal mining, also rank as one of the country's most dangerous professions. Study after study has found that labor unions significantly improve worker safety, as well as better wages and benefits. But the low prices for methane gas, known commercially as natural gas, has led utilities to switch from coal, and the economy of West Virginia and hundreds of small towns have staggered.

In that climate of fear about future, ALEC's Rich States, Poor States offers an elixir that purports to cure what ails you--like snake oil salesmen in days of yore.

No matter what the problem, to Koch-fueled groups the solution is always trickle down policies that have failed America, like more tax cuts for the rich, and like Right to Work and repealing the prevailing wage, which mean fewer obstacles to prevent managers and CEOs of corporations from paying themselves more by paying workers less.

But "get paid less" is hardly a winning slogan, so the Koch machine peddles the RTW/anti-prevailing wage agenda under the guise of helping worker "freedom."

So again the formula is set in motion: a model bill echoing the ALEC agenda is introduced. Next come the SPN "scholars" making cookie-cutter claims to back ALEC's cookie-cutter legislation.

Enter Vincent Vernuccio of the Mackinac Center for Public Policy in Michigan who testified in support of the ALEC-SPN legislative agenda in Wisconsin last year.

Apparently, if you are looking for people to testify in favor of RTW, it's a small world.

"Aside from right-to-work states having lower unemployment, higher job growth, higher wage growth, and higher population growth," Vernuccio said in a memo sent to a West Virginia lawmaker, "Right-to-work is really about one thing: freedom."

Sure. Freedom. Freedom for corporations to pay hard-working Americans less.

Also chiming in was Jim Shaffer of the Public Policy Foundation, West Virginia's affiliate of the State Policy Network, reciting that RTW is "a personal choice."

Model bill. Check. SPN think tank supports. Check. Now cue up the marketing blitz for David Koch's Americans for Prosperity.

As the National Journal reported, "Americans for Prosperity is pushing for a right to work bill in West Virginia with mailers and an online ad campaign backed by 'a strong five figure buy,' according to AFP regional communications director Christian Hertenstein. The group also launched a website dedicated to the issue."

"The two direct mail pieces ... were sent out beginning in December, encourage people to call their state representatives and ask them to support the measure."

AFP even boasted about its campaign: "The statewide effort to support right to work will include radio ads, direct mail, door-knocking, phone-banking and direct engagement with legislators." Cue Lund.

What is the return on investment for the Koch-fueled playbook so far? The bill passed the House of Delegates on January 27, and the state Senate is about to consider it--now that Cole is back

from his fab trip to see the Kochs on the West coast.

Repealing Prevailing Wage Is also in the Queue in West Virginia

West Virginia is also about to take up a repeal of the prevailing wage law, too, even though reputable studies have consistently found that prevailing wage laws do not increase government contracting costs. Independent studies have show that repealing prevailing wage laws does not save taxpayer money, primarily because higher-wage construction workers are much more productive or effective than lower-paid, less skilled workers.

Repealing the prevailing wage does, however, drive down "labor costs" while increasing profits for CEOs and corporations, if that's how worker in West Virginia want to measure success--at the expense of their own wages.

It will come as no surprise that the Koch-funded ALEC has long lobbied for the "Prevailing Wage Repeal Act."

ALEC's fingerprints in West Virginia were also caught on film: last year, as the House Judiciary Committee held a hearing on repealing the prevailing wage law, one state lawmaker was seen perusing the ALEC.org website, according to a photo snapped by state Sen. Bob Beach.

Koch funding has planted the seeds for the repeal effort in countless other ways. For example, as far back as 2009, the state SPN affiliate published a report authored by the "Charles G. Koch Doctoral Fellow" at West Virginia University who--guess what--called for the repeal of the state's prevailing wage.

A more recent study--commissioned by the state building trades union--calculated how repealing the prevailing wage would reduce worker pay by tens of millions of dollars each year cumulatively.

Times are tough in West Virginia.

And for those working for a living they could get even tougher--if the ALEC-SPN-AFP playbook goes unchecked and the Koch machine gets its way.

CMD's Lisa Graves, Brendan Fischer, and Nick Surgey contributed research to this report.

- See more at:

<http://www.prwatch.org/news/2016/02/13030/koch-fueled-groups-launch-offensive-against-wv-working-families#sthash.CSvJdSCo.dpuf>