

"Jeremy Scahill's exposé of the Blackwater mercenary firm forcefully demonstrates the grave dangers of outsourcing the government's monopoly on the use of force."  
—JOSEPH WILSON, former U.S. Ambassador to Iraq



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THE RISE OF THE  
WORLD'S MOST  
POWERFUL  
MERCENARY ARMY

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*The Rise of the World's Most Powerful Mercenary Army*

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*For unembedded journalists, particularly Arab media workers, who risk and often lose their lives to be the eyes and ears of the world. Without their courage and sacrifice, history would indeed be written by self-declared victors, the rich and the powerful.*

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I also wish to alert the reader to the fact that Blackwater refused to grant me interviews with company executives. A spokesperson did write to "thank" me for my "interest in Blackwater" but said that the company was "unable to accommodate" my request for interviews with the men who run Blackwater. I am indebted to the solid reporting of Jay Price and Joseph Neff of the *Raleigh News & Observer* and Bill Sizemore and Joanne Kimberlin of the *Virginian-Pilot* newspapers. These reporters and their groundbreaking work have done the public a great service in chronicling the Blackwater story and the explosive growth of the private military industry. Special thanks also to T. Christian Miller of the *Los Angeles Times* and Anthony Shadid and Rajiv Chandrasekaran of the *Washington Post*, as well as authors P. W. Singer and Robert Young Pelton. I would encourage readers to read the acknowledgments at the end of this book for a more comprehensive understanding of the number of people who contributed to this process.

## 3.31.04

March 31, 2004, 9:30 a.m.

*Fallujah, Iraq*

*WHEN THE four Americans rolled into Fallujah in their two Pajero jeeps, the Iraqi mujahedeen in the city of mosques were waiting for them. The main drag that cuts through the city is lined with restaurants, cafes, and souks, and on ordinary days throngs of people mill around. But early that morning, a small group of masked men had detonated an explosive device, clearing the streets and causing shopkeepers to shutter their stores. From the moment the convoy of Americans entered the city limits, the men stood out—driving vehicles known as "bullet magnets" and sporting wraparound sunglasses and Tom Cruise haircuts. Shortly after they entered Fallujah, the jeeps began to slow. To their right were shops and markets; to the left, open space. They had hit some sort of a roadblock. As the vehicles came to a standstill, a grenade was hurled at the rear jeep, quickly followed by the rip of machine-gun fire. Bullets tore through the side of the rear Pajero like salt through ice, fatally wounding the two men inside. As the blood gushed from them, masked gunmen moved in on the jeeps, unloading cartridges of ammo and pounding their way through the windshield. Chants of "Allah u Akbar" (God is Great) filled the air. Soon, more than a dozen young men who had been hanging around in front of a local kebab house joined in the frenzy. By the time the rear jeep was shot up, the Americans in the lead vehicle realized an ambush was under way. They tried to flee, but it was too late. The crowd quickly swelled to more than three hundred people, as the original attackers faded into the side streets of Fallujah. The jeeps were soon engulfed in flames, the scorched bodies of the Americans were pulled out, and men and boys literally tore them apart, limb from limb. In front of the TV cameras, a young man held a small sign emblazoned with a skull and crossbones that declared in English, "Fallujah is the graveyard of the Americans!" The mob hung the charred, lifeless remains of the Americans from a bridge over the Euphrates, where they would remain for hours, forming an eerily iconic image that was seen on television screens throughout the world.*

*Thousands of miles away in Washington, D.C., President Bush was on the campaign trail, speaking at a fundraiser dinner. "This collection of killers is trying to shake our will," the president told his supporters. "America will never be intimidated by thugs and assassins. We are aggressively striking the terrorists in Iraq. We will defeat them there so we do not have to face them in our own country." The next morning Americans woke up to news of the gruesome killings. "Iraqi Mob Mutilates 4 American Civilians" was a typical newspaper headline. Somalia was frequently invoked, referring to the incident in October 1993 when rebels in Mogadishu*



*shot down two Black Hawk helicopters, killed eighteen American soldiers, and dragged some of them through the streets, prompting the U.S. to withdraw its forces. But unlike Somalia, the men killed in Fallujah were not members of the U.S. military. Nor were they "civilians," as many news outlets reported. They were highly trained private soldiers sent to Iraq by a secretive mercenary company based in the wilderness of North Carolina. Its name is Blackwater USA.*

## PREFACE: MAKING A KILLING

**THE WORLD** was a very different place on September 10, 2001, when Donald Rumsfeld stepped to the podium at the Pentagon to deliver one of his first major addresses as Defense Secretary under President George W. Bush. For most Americans, there was no such thing as Al Qaeda, and Saddam Hussein was still the president of Iraq. Rumsfeld had served in the post once before—under President Gerald Ford from 1975 to 1977—and he returned to the job in 2001 with ambitious visions. That September day in the first year of the Bush administration, Rumsfeld addressed the Pentagon officials in charge of overseeing the high-stakes business of defense contracting—managing the Halliburtons, DynCorps, and Bechtels. The Secretary stood before a gaggle of former corporate executives from Enron, Northrop Grumman, General Dynamics, and Aerospace Corporation whom he had tapped as his top deputies at the Department of Defense, and he issued a declaration of war.

"The topic today is an adversary that poses a threat, a serious threat, to the security of the United States of America," Rumsfeld thundered. "This adversary is one of the world's last bastions of central planning. It governs by dictating five-year plans. From a single capital, it attempts to impose its demands across time zones, continents, oceans, and beyond. With brutal consistency, it stifles free thought and crushes new ideas. It disrupts the defense of the United States and places the lives of men and women in uniform at risk." Pausing briefly for dramatic effect, Rumsfeld—himself a veteran Cold Warrior—told his new staff, "Perhaps this adversary sounds like the former Soviet Union, but that enemy is gone: our foes are more subtle and implacable today. You may think I'm describing one of the last decrepit dictators of the world. But their day, too, is almost past, and they cannot match the strength and size of this adversary. The adversary's closer to home. It's the Pentagon bureaucracy." Rumsfeld called for a wholesale shift in the running of the Pentagon, supplanting the old

DoD bureaucracy with a new model, one based on the private sector. The problem, Rumsfeld said, was that unlike businesses, "governments can't die, so we need to find other incentives for bureaucracy to adapt and improve." The stakes, he declared, were dire—"a matter of life and death, ultimately, every American's." That day, Rumsfeld announced a major initiative to streamline the use of the private sector in the waging of America's wars and predicted his initiative would meet fierce resistance. "Some might ask, How in the world could the Secretary of Defense attack the Pentagon in front of its people?" Rumsfeld told his audience. "To them I reply, I have no desire to attack the Pentagon; I want to liberate it. We need to save it from itself."

The next morning, the Pentagon would literally be attacked as American Airlines Flight 77—a Boeing 757—smashed into its western wall. Rumsfeld would famously assist rescue workers in pulling bodies from the rubble. But it didn't take long for Rumsfeld, the chess master of militarism, to seize the almost unthinkable opportunity presented by 9/11 to put his personal war—laid out just a day before—on the fast track. The world had irreversibly changed, and in an instant the future of the world's mightiest military force had become a blank canvas on which Rumsfeld and his allies could paint their masterpiece. The new Pentagon policy would draw heavily on the private sector, emphasize covert actions, sophisticated weapons systems, and greater use of Special Forces and contractors. It became known as the Rumsfeld Doctrine. "We must promote a more entrepreneurial approach: one that encourages people to be proactive, not reactive, and to behave less like bureaucrats and more like venture capitalists," Rumsfeld wrote in the summer of 2002 in an article for *Foreign Affairs* titled "Transforming the Military." Rumsfeld's "small footprint" approach opened the door for one of the most significant developments in modern warfare—the widespread use of private contractors in every aspect of war, including in combat.

Among those to receive early calls from the administration to join a "global war on terror" that would be fought according to the Rumsfeld Doctrine was a little-known firm operating out of a private military training camp near the Great Dismal Swamp of North Carolina. Its name was Blackwater USA. Almost overnight following the great tragedy of September 11, a company that had barely existed a few years earlier would become a central player in a global war waged by the mightiest empire in history. "I've been operating in the training business now for four years and was starting to get a little cynical on how seriously people took security," Blackwater's owner Erik Prince told Fox News host Bill O'Reilly shortly after 9/11. "The phone is ringing off the hook now."

But the story of Blackwater doesn't begin on 9/11 or even with its executives or its founding. In many ways, it encapsulates the history of modern warfare. Most of all, it represents the realization of the life's work of the officials who formed the core of the Bush administration's war team.

During the 1991 Gulf War, Dick Cheney—Rumsfeld's close ally—was Secretary of Defense. One in ten people deployed in the war zone at that time was a private contractor, a ratio Cheney was doggedly determined to ratchet up. Before he departed in 1993, Cheney commissioned a study from a division of the company he would eventually head, Halliburton, on how to quickly privatize the military bureaucracy. Almost overnight, Halliburton would create an industry for itself servicing U.S. military operations abroad with seemingly infinite profit potential. The more aggressively the U.S. expanded its military reach, the better for Halliburton's business. It was the prototype for the future. In the ensuing eight years of governance by Bill Clinton, Cheney worked at the influential neoconservative

think tank the American Enterprise Institute, which led the charge for an accelerated privatization of the government and military. By 1995, Cheney was at the helm of Halliburton building what would become the U.S. government's single largest defense contractor. President Clinton largely embraced the privatization agenda, and Cheney's company—along with other contractors—was given lucrative contracts during the Balkans conflict in the 1990s and the 1999 Kosovo war. One military consulting firm, the Virginia-based Military Professional Resources Incorporated, staffed by retired senior military officials, was authorized by the Clinton administration in the mid-1990s to train the Croatian military in its secessionist war against Serb-dominated Yugoslavia, a contract that ultimately tipped the balance of that conflict. That contract was a foreshadowing of the kind of private-sector involvement in war that would become standard in the war on terror. But privatization was only part of the broader agenda. Cheney and Rumsfeld were key members of the Project for a New American Century, initiated in 1997 by neoconservative activist William Kristol. The group pressed Clinton to enact regime change in Iraq, and its principles, which advocated "a policy of military strength and moral clarity," would form the basis for much of the Bush administration's international agenda.

In September 2000, just months before its members would form the core of the Bush White House, the Project for a New American Century released a report called *Rebuilding America's Defenses: Strategy, Forces and Resources for a New Century*. In laying out PNAC's vision for overhauling the U.S. war machine, the report recognized that "the process of transformation, even if it brings revolutionary change, is likely to be a long one, absent some catastrophic and catalyzing event—like a new Pearl Harbor." A year to the month later, the 9/11 attacks would provide that catalyst: an unprecedented justification to forge ahead with this radical agenda molded by a small cadre of neoconservative operatives who had just taken official power.

The often-overlooked subplot of the wars of the post-9/11 period is the outsourcing and privatization they have entailed. From the moment the Bush team took power, the Pentagon was stacked with ideologues like Paul Wolfowitz, Douglas Feith, Zalmay Khalilzad, and Stephen Cambone and with former corporate executives—many from large weapons manufacturers—like Under Secretary of Defense Pete Aldridge (Aerospace Corporation), Army Secretary Thomas White (Enron), Navy Secretary Gordon England (General Dynamics), and Air Force Secretary James Roche (Northrop Grumman). The new civilian leadership at the Pentagon came into power with two major goals: regime change in strategic nations and the enactment of the most sweeping privatization and outsourcing operation in U.S. military history—a revolution in military affairs. After 9/11 this campaign became unstoppable.

The swift defeat of the Taliban in Afghanistan emboldened Rumsfeld and the administration as they began planning for the centerpiece of the neoconservative crusade: Iraq. From the moment the U.S. troop buildup began in advance of the invasion, the Pentagon made private contractors an integral part of the operations. Even as the U.S. gave the public appearance of attempting diplomacy, behind closed doors Halliburton was being prepped for its largest operation in history. When U.S. tanks rolled into Baghdad in March 2003, they brought with them the largest army of private contractors ever deployed in a war. By the end of Rumsfeld's tenure, there were an estimated 100,000 private contractors on the ground in Iraq—an almost one-to-one ratio to active-duty U.S. soldiers. To the great satisfaction of the war industry, before Rumsfeld stepped down, he took the extraordinary step of

classifying private contractors as an official part of the U.S. war machine. In the Pentagon's 2006 Quadrennial Review, Rumsfeld outlined what he called a "roadmap for change" at the DoD, which he said had started in 2001. It defined the "Department's Total Force" as "its active and reserve military components, its civil servants, and its *contractors*—*constituting* its warfighting capability and capacity. Members of the Total Force serve in thousands of locations around the world, performing a vast array of duties to accomplish critical missions."

Coming as it did in the midst of an open-ended, loosely defined global war, this formal designation represented a radical rebuke of the ominous warnings laid out by President Eisenhower in his farewell address to the nation decades earlier during which he envisioned the "grave implications" of the rise of "the military-industrial complex." In 1961, Eisenhower declared, "The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together." What has unfolded in the ensuing years and particularly under the Bush administration is nothing less than the very scenario Eisenhower darkly prophesied.

While the war on terror and the Iraq occupation have given birth to scores of companies, few if any have experienced the meteoric rise to power, profit, and prominence that Blackwater has. In less than a decade, it has risen out of a swamp in North Carolina to become a sort of Praetorian Guard for the Bush administration's "global war on terror." Today, Blackwater has more than 2,300 private soldiers deployed in nine countries, including inside the United States. It maintains a database of 21,000 former Special Forces troops, soldiers, and retired law enforcement agents on whom it could call at a moment's notice. Blackwater has a private fleet of more than twenty aircraft, including helicopter gunships and a surveillance blimp division. Its 7,000-acre headquarters in Moyock, North Carolina, is the world's largest private military facility. It trains tens of thousands of federal and local law enforcement agents a year and troops from "friendly" foreign nations. The company operates its own intelligence division and counts among its executives senior ex-military and intelligence officials. It recently began constructing new facilities in California ("Blackwater West") and Illinois ("Blackwater North"), as well as a jungle training facility in the Philippines. Blackwater has more than \$500 million in government contracts—and that does not include its secret "black" budget operations for U.S. intelligence agencies or private corporations/individuals and foreign governments. As one U.S. Congressman observed, in strictly military terms, Blackwater could overthrow many of the world's governments.

Blackwater is a private army, and it is controlled by one person: Erik Prince, a radical right-wing Christian mega-millionaire who has served as a major bankroller not only of President Bush's campaigns but of the broader Christian-right agenda. In fact, as of this writing Prince has never given a penny to a Democratic candidate—certainly his right, but an unusual pattern for the head of such a powerful war-servicing corporation, and one that speaks volumes about the sincerity of his ideological commitment. Blackwater has been one of the most effective battalions in Rumsfeld's war on the Pentagon, and Prince speaks boldly about the role his company is playing in the radical transformation of the U.S. military. "When you ship overnight, do you use the postal service or do you use FedEx?" Prince

recently asked during a panel discussion with military officials. "Our corporate goal is to do for the national security apparatus what FedEx did to the postal service."

Perhaps the most telling sign that such a transformation had taken place came when the White House outsourced the job of protecting America's most senior officials in Iraq to Blackwater beginning in 2003. As L. Paul Bremer, Bush's envoy in the first year of the occupation, hunkered down in Baghdad to implement the Bush agenda, he was protected by Blackwater, as every successive U.S. Ambassador there has been. In contrast to active-duty soldiers who are poorly paid, Blackwater's guards were given six-figure salaries. "Standard wages for PSD (personal security detail) pros [in Iraq] were previously running about \$300 [per man] a day," *Fortune* magazine reported at the time. "Once Blackwater started recruiting for its first big job, guarding Paul Bremer, the rate shot up to \$600 a day." With almost no public debate, the Bush administration has outsourced to the private sector many of the functions historically handled by the military. In turn, these private companies are largely unaccountable to the U.S. taxpayers from whom they draw their profits. Some began comparing the mercenary market in Iraq to the Alaskan Gold Rush and the O.K. Corral. As *The Times* of London put it at the time, "In Iraq, the postwar business boom is not oil. It is security."

As this unprecedented private force expanded in Iraq, Bremer's last act before skulking out of Baghdad on June 28, 2004, was to issue a decree known as Order 17, immunizing contractors in Iraq from prosecution. It was a significant move in a sea of policies (and absence of policies) governing the occupation of Iraq, and one that emboldened private forces. While U.S. soldiers have been prosecuted for killings and torture in Iraq, the Pentagon has not held its vast private forces to the same standards. That point was driven home during one of the rare Congressional hearings on contractors in Iraq, which took place in June 2006. Blackwater represented the industry at the hearing, which also included several government officials. Representative Dennis Kucinich questioned Shay Assad, the Pentagon's director of defense procurement and acquisition, the department in the DOD responsible for contractors. Kucinich pointed out that U.S. troops are subjected to enforceable rules of engagement and have been prosecuted for violations in Iraq, while contractors were not. He said that as of the date of the hearing, "no security contractor has been prosecuted" for crimes in Iraq.' He then directly asked Assad, "Would the Department of Defense be prepared to see a prosecution proffered against any private contractor who is demonstrated to have unlawfully killed a civilian?"

"Sir, I can't answer that question," Assad replied.

"Wow," Kucinich shot back. "Think about what that means. These private contractors can get away with murder." Contractors, Kucinich said, "do not appear to be subject to any laws at all and so therefore they have more of a license to be able to take the law into their own hands."

Blackwater has openly declared its forces above the law. While resisting attempts to subject its private soldiers to the Pentagon's Uniform Code of Military Justice (UCMJ)—insisting they are civilians—Blackwater has simultaneously claimed immunity from civilian litigation in the United States, saying its forces are a part of the U.S. Total Force. Blackwater has argued in legal briefs that if U.S. courts allow the company to be sued for wrongful death of its workers, that could threaten the nation's war-fighting capacity. "In order for responsible federal contractors to accompany the U.S. Armed Forces on the battlefield, it is essential that their immunity from liability for casualties be federally protected and uniformly upheld by federal courts. Nothing could be more destructive of the all-volunteer,

Total Force concept underlying U.S. military manpower doctrine than to expose the private components to the tort liability systems of fifty states, transported overseas to foreign battlefields. . . . How the President oversees and commands these military operations, including his decisions through the chain of command concerning the training, deployment, armament, missions, composition, planning, analysis, management and supervision of private military contractors and their missions, falls outside the role of [the courts]." Instead, Blackwater claims that its forces operate under the legally impotent and unenforceable code of conduct written by its own trade association, ironically named the International Peace Operations Association. Erik Prince says his forces are "accountable to our country," as though declarations of loyalty to the flag are evidence of just motives or activities or somehow a substitute for an independent legal framework.

This logic is encouraged not only by the virtual immunity already extended to contractors but also by the Pentagon's failure to oversee this massive private force that is now officially recognized as part of the U.S. war machine. Private contractors largely operate in a legal gray zone that leaves the door for abuses wide open. In late 2006, a one-line amendment was quietly slipped into Congress's massive 2007 defense-spending bill, signed by President Bush, that could subject contractors in war zones to the Pentagon's UCMJ, also known as the court martial system." But the military has enough trouble policing its own massive force and could scarcely be expected to effectively monitor an additional 100,000 private personnel. While the five-word insert hardly establishes a system of independent oversight, experts still predict it will be fiercely resisted by the private war industry. Despite the unprecedented reliance on contractors deployed in Iraq, Afghanistan, and elsewhere, the government has failed to even count them, let alone police them. A Government Accountability Office report released in December 2006 found that the military had no effective system of oversight and that "officials were unable to determine how many contractors were deployed to bases in Iraq." The Army and Air Force were unable to provide the GAO investigators "the number of contractors they were using at deployed locations or the services those contractors were providing to U.S. forces." The GAO concluded "problems with management and oversight of contractors have negatively impacted military operations and unit morale and hindered DOD's ability to obtain reasonable assurance that contractors are effectively meeting their contract requirements in the most cost-efficient manner."

A week after Donald Rumsfeld's rule at the Pentagon ended, U.S. forces had been stretched so thin by the war on terror that former Secretary of State Gen. Colin Powell declared "the active Army is about broken." Rather than rethinking such aggressive policies and wars of conquest, the Bush administration and the Pentagon talked of the need to expand the size of the military. Prince had already offered up a proposal of his own: the creation of what he called a "contractor brigade" to supplement the conventional U.S. military. "There's consternation in the DoD about increasing the permanent size of the Army," he said. "We want to add 30,000 people, and they talked about costs of anywhere from \$3.6 billion to \$4 billion to do that. Well, by my math, that comes out to about \$135,000 per soldier. . . . We could do it certainly cheaper." It was an extraordinary declaration that could only come from a man in control of his own army. Prince likes to position Blackwater as a patriotic extension of the U.S. military, and in September 2005 he issued a company-wide memorandum requiring all company employees and contractors to swear the same oath of loyalty to the U.S. Constitution as Blackwater's "National Security-related clients (i.e.

Pentagon, State Department and intelligence agencies)" to "support and defend the Constitution of the United States against all enemies, foreign and domestic. . . . So help me God."

But despite the portrayal of Blackwater as an all-American operation seeking to defend the defenseless, some of its most ambitious and secretive projects reveal a very different and frightening reality. In May 2004, Blackwater quietly registered a new division, Greystone Limited, in the U.S. government's Central Contracting office. But instead of incorporating the company in North Carolina or Virginia or Delaware, like Blackwater's other divisions, Greystone was registered offshore in the Caribbean island-nation of Barbados. It was duly classified by the U.S. government as a "tax-exempt" "corporate entity." Greystone's promotional literature offered prospective clients "Proactive Engagement Teams" that could be hired "to meet emergent or existing security requirements for client needs overseas. Our teams are ready to conduct stabilization efforts, asset protection and recovery, and emergency personnel withdrawal." It also offered a wide range of training services, including in "defensive and offensive small group operations." Greystone boasted that it "maintains and trains a workforce drawn from a diverse base of former special operations, defense, intelligence, and law enforcement professionals ready on a moment's notice for global deployment." The countries from which Greystone claimed to draw recruits were: the Philippines, Chile, Nepal, Colombia, Ecuador, El Salvador, Honduras, Panama, and Peru, many of whose forces have human rights records that are questionable at best. It asked applicants to check off their qualifications in weapons: AK-47 rifle, Glock 19, M-16 series rifle, M-4 carbine rifle, machine gun, mortar, and shoulder-fired weapons (RPG, LAAW). Among the qualifications the application sought: sniper, marksman, door gunner, explosive ordnance, counter-assault team. In Iraq, Blackwater has deployed scores of Chilean mercenaries, some of whom trained and served under the brutal regime of Augusto Pinochet. "We scour the ends of the earth to find professionals," said Blackwater president Gary Jackson. "The Chilean commandos are very, very professional and they fit within the Blackwater system."

With domestic armed forces stretched to the limit—and a draft off the table for political reasons—the U.S. government is left to struggle to find nation-state allies willing to staff the occupations of its "global war on terror." If the national armies of other states will not join a "coalition of the willing," Blackwater and its allies offer a different sort of solution: an alternative internationalization of the force achieved by recruiting private soldiers from across the globe. If foreign governments are not on board, foreign soldiers—many of whose home countries oppose the U.S. wars—can still be enlisted, at a price. This process, critics allege, is nothing short of a subversion of the very existence of the nation-state and of principles of sovereignty and self-determination. "The increasing use of contractors, private forces or as some would say 'mercenaries' makes wars easier to begin and to fight—it just takes money and not the citizenry," says Michael Ratner, president of the Center for Constitutional Rights, whose organization has sued private contractors for alleged human rights violations in Iraq. "To the extent a population is called upon to go to war, there is resistance, a necessary resistance to prevent wars of self-aggrandizement, foolish wars and in the case of the United States, hegemonic imperialist wars. Private forces are almost a necessity for a United States bent on retaining its declining empire. Think about Rome and its increasing need for mercenaries. Likewise, here at home in the United States. Controlling an angry, abused population with a police force bound to obey the Constitution can be difficult—private forces can solve this 'problem!'"



As with Halliburton, the Pentagon's largest contractor, Blackwater is set apart from simple war profiteers by the defining characteristic of its executives' very long view. They have not just seized a profitable moment along with many of their competitors but have set out to carve a permanent niche for themselves for decades to come. Blackwater's aspirations are not limited to international wars, however. Its forces beat most federal agencies to New

Orleans after Hurricane Katrina hit in 2005, as hundreds of heavily armed Blackwater mercenaries—some fresh from deployment in Iraq—fanned out into the disaster zone. Within a week, they were officially hired by the Department of Homeland Security to operate in the U.S. Gulf, billing the federal government \$950 a day per Blackwater soldier. In less than a year, the company had raked in more than \$70 million in federal hurricane-related contracts—about \$243,000 a day. The company saw Katrina as another moment of great opportunity and soon began applying for permits to contract its forces out to local governments in all fifty states. Blackwater executives have met with California Governor Arnold Schwarzenegger about deploying there in the aftermath of an earthquake or another disaster. "Look, none of us loves the idea that devastation became a business opportunity," said the Blackwater official heading up its new domestic operations division formed after Katrina. "It's a distasteful fact, but it is what it is. Doctors, lawyers, funeral directors, even newspapers—they all make a living off of bad things happening. So do we, because somebody's got to handle it." But critics see the deployment of Blackwater's forces domestically as a dangerous precedent that could undermine U.S. democracy. "Their actions may not be subject to constitutional limitations that apply to both federal and state officials and employees—including First Amendment and Fourth Amendment rights to be free from illegal searches and seizures. Unlike police officers, they are not trained in protecting constitutional rights," says CCR's Michael Ratner. "These kind of paramilitary groups bring to mind Nazi Party brownshirts, functioning as an extrajudicial enforcement mechanism that can and does operate outside the law. The use of these paramilitary groups is an extremely dangerous threat to our rights."

What is particularly scary about Blackwater's role in a war that President Bush labeled a "crusade" is that the company's leading executives are dedicated to a Christian-supremacist agenda. Erik Prince and his family have provided generous funding to the religious right's war against secularism and for expanding the presence of Christianity in the public sphere.

Prince is a close friend and benefactor to some of the country's most militant Christian extremists, such as former Watergate conspirator Chuck Colson, who went on to become an adviser to President Bush and a pioneer of "faith-based prisons," and Christian conservative leader Gary Bauer, an original signer of the Project for a New American Century's "Statement of Principles," whom Prince has worked alongside since his youth and who was a close friend of Prince's father. Some Blackwater executives even boast of their membership in the Sovereign Military Order of Malta, a Christian militia formed in the eleventh century, before the first Crusades, with the mission of defending "territories that the Crusaders had conquered from the Moslems." The Order today boasts of being "a sovereign subject of international law, with its own constitution, passports, stamps, and public institutions" and "diplomatic relations with 94 countries." The outsourcing of U.S. military operations in Muslim countries and in secular societies to such neo-crusaders reinforces the greatest fears of many in the Arab world and other opponents of the administration's wars.

Most of the world first heard of "private military companies" after the infamous March 31, 2004, ambush of four Blackwater soldiers in Fallujah, Iraq—a gruesome mob murder that marked the moment the war turned and the Iraqi resistance exploded. Many of the media reports at the time (and today) refer to these shadowy forces as "civilian contractors" or "foreign reconstruction workers" as though they were engineers, construction workers, humanitarians, or water specialists. The term "mercenary" was almost never used to describe them. That is no accident. Indeed, it is part of a very sophisticated rebranding campaign organized by the mercenary industry itself and increasingly embraced by policy-makers, bureaucrats, and other powerful decision makers in Washington and other Western capitals. Those men who died at Fallujah were members of Washington's largest partner in the coalition of the willing in Iraq—bigger than Britain's total deployment—and yet most of the world had not a clue they were there. The ambush resulted in Blackwater being positioned in a key role to affect the regulations that would oversee (or not) the rapidly expanding industry, of which Blackwater was the new leader. Three months later, the company was handed one of the U.S. government's most valuable international security contracts: to protect diplomats and U.S. facilities. The highly publicized deaths of four of its private soldiers would prove to be the spark that set Blackwater on a path to success for years to come.

The story of Blackwater's rise is an epic one in the history of the military-industrial complex. The company is the living embodiment of the changes wrought by the revolution in military affairs and the privatization agenda radically expanded by the Bush administration under the guise of the war on terror. But more fundamentally, it is a story about the future of war, democracy, and governance. This story goes from the company's beginnings in 1996, with visionary Blackwater executives opening a private military training camp in order "to fulfill the anticipated demand for government outsourcing of firearms and related security training," to its contract boom following 9/11, to the blood-soaked streets of Fallujah, where the corpses of its mercenaries were left to dangle from a bridge. It includes a rooftop fire-fight in Muqtada al-Sadr's stronghold of Najaf; an expedition to the oil-rich Caspian Sea, where the administration sent Blackwater to set up a military base just miles from the Iranian border; a foray into New Orleans's hurricane-ravaged streets; and many hours in the chambers of power in Washington, D.C., where Blackwater executives are welcomed as new heroes in the war on terror. But the rise of the world's most powerful mercenary army began far away from the current battlefields, in the sleepy town of Holland, Michigan, where Erik Prince was born into a right-wing Christian dynasty. It was the Prince family that laid the groundwork, spending millions of dollars over many decades to bring to power the very forces that would enable Blackwater's meteoric ascent.

## CHAPTER ONE

# THE LITTLE PRINCE

THE STATELY mansion at 1057 South Shore Drive in Holland, Michigan, is about as far from Fallujah as one could imagine. The home where young Erik Prince, founder of Blackwater USA, grew up sits along the sleepy banks of Lake Macatawa, an inlet of Lake Michigan in the American Midwest. Trees shimmer along the edges of the driveway on a summer day; the sun glints peacefully off the lake. Occasionally, a car clips by or a boat motor starts, but otherwise the neighborhood is calm and quiet, the embodiment of affluent, postcard American society. Two middle-aged women power-walk past a man lazily riding his lawnmower. Other than that, the street is deserted. As they trot by, one of the women glances over to her companion, their sun visors almost colliding, and asks whether the Prince family still owns the mansion. The estate is well-known, the family more so. In Holland, Michigan, the Princes were indeed royalty, and Erik's father, Edgar Prince, was the king.

Much like Blackwater's compound in Moyock, North Carolina—a seven-thousand-acre peat bog with a constant rattle of machine-gun fire—is Erik Prince's personal fiefdom, the idyllic Dutch hamlet of Holland was his father's. A self-made industrialist, Edgar Prince employed nearly a quarter of the city. He shaped its institutions, planned and funded its downtown, and was among the biggest benefactors to its two colleges. A decade after Edgar's sudden death in 1995, his presence and legacy still permeate the town. On the corner of two of the busiest streets in Holland's soccer-mom-chic downtown, there is a monument to Ed Prince: seven bronze footsteps embedded in the ground lead to a raised platform upon which stand life-sized bronze statues of a trio of musicians—a tuxedoed cello player, a mustached violinist, and a young woman wearing a skirt who is blowing into her flute. Another statue depicts a little girl standing with her arms wrapped around a small boy, holding a book of music notes, their mouths frozen in song. On the pedestal below the group is a small plaque memorializing Edgar D. Prince: "We will always hear your footsteps," it reads. "The People of Downtown Holland honor your extraordinary vision and generosity."

If there was one lesson Edgar Prince was poised to impart to his children, it was how to build and maintain an empire based on strict Christian values, right-wing politics, and free-market economics. But while the landscape of Holland today is dotted with memorials to the Prince family legacy, Edgar was not the town's original emperor. Dating back to the

community's founding, Holland had long been run by Christian patriarchs. In 1846, with a sea-weary clan of fifty-seven fellow Dutch refugees, Albertus Van Raalte came ashore in western Michigan. Prince's predecessor had fled his home country because he had "undergone all manner of humiliation and persecution through his defiance of the religious restrictions imposed by the State church," according to the city.

Van Raalte was a member of a sect of the Dutch Reform Church opposed by the Dutch monarchy at the time. After arriving in the United States aboard his vessel, the *Southerner*, Van Raalte led the clan to the shores of Lake Michigan, where he envisioned a community free to live and worship within the tenets of his brand of Dutch Reform, and without any outside influence. After some scouting he came upon a perfect spot, next to a lake that ran into Lake Michigan. On February 9, 1847, Van Raalte's community was founded, on the site where Erik Prince would later spend his youth, perhaps some of it on the creaking dock that sneaks out into the Lake Michigan inlet. But Van Raalte's perfect vision would not be realized quite as he expected, according to a biography produced by Hope College, which he founded and which has seen millions of dollars in donations from the Prince family: "[Van Raalte's] goal of developing a Christian community governed by Christian principles was visionary but was shattered in 1850. Holland Township became the basic unit of government. Van Raalte's ideal of Christian control was lost." But Van Raalte sought alternative means of establishing his Shangri-La in Holland. "His influence was felt because he became active in politics and he continued to own large tracts of land," according to the biography. "Although many of the means to achieve a Christian community broke down, Van Raalte was still the pastor of the only church, member of the district school board, guiding light of the Academy, principal landowner, and a businessman with major property holdings." Virtually the same description could be applied to Edgar Prince and, eventually, to Erik, born nearly a century after Van Raalte's death.

The conservative Dutch Reform Church that provided the religious guidance for Van Raalte, and eventually the Prince family, based its beliefs on the teachings of a seventeenth-century minister, John Calvin. One of the main tenets of Calvinism is that of predestination—the belief that God has predestined some people for salvation and others for damnation. Calvinists believe that people have no business meddling or vainly trying to divine God's decisions. The religion also teaches strict obedience and hard work, acting on the belief that God will steer followers but that they are responsible for the work. Calvinists have long taken pride in their work ethic. The town of Holland boasts that its villagers dug the canal to Lake Michigan—that would prove valuable for trade—with their own hands, and then set down their shovels and immediately constructed the bridge over their new channel.

It was this famed work ethic that found Erik Prince's grandfather Peter Prince, owner of the Tulip City Produce Company, on a truck heading to Grand Rapids, thirty miles away, for a business meeting in the early morning hours of May 21, 1943. Shortly into the trip, Prince complained of heartburn to his fellow wholesale produce dealer, and they pulled over for a few minutes. Soon, they continued on, and near Hudsonville, halfway through the trip, Prince slumped over against his colleague, who was driving. A doctor in the town pronounced him dead on arrival at the age of thirty-six. Peter's son, Edgar, was eleven years old.

A decade later, Edgar Prince graduated from the University of Michigan with an engineering degree and met Elsa Zwiep, whose parents owned Zwiep's Seed Store in

Holland and who had just completed her studies in education and sociology at nearby Calvin College. The two married, and Edgar followed family tradition and joined the military, serving in the U.S. Air Force. The couple moved east and then west as Edgar was stationed at bases in South Carolina and Colorado. Though it's unclear whether Peter Prince was a veteran—he came of age for the draft during the window between World War I and World War II—four of Peter's five brothers were in the Army at the time of his death. Though Edgar Prince had traveled far and wide during college and the Air Force, his hometown of Holland beckoned him and Elsa back to Lake Michigan and to the strict religious and cultural traditions embraced by the Prince family. "We find Holland a very comfortable place to live," Edgar Prince said in a book written about Holland's downtown, which included three chapters on the family. "We have family here. We enjoy the recreational opportunities. We like the community's heritage, which is based on the Dutch reputation for being neat, clean, orderly, and hard working. Their standard has always been excellence.

Upon returning to the town, Edgar rolled up his sleeves and started working in die-casting rising to the position of chief engineer at Holland's Buss Machine Works. But Edgar had much bigger ambitions and soon quit. In 1965, Prince and two fellow employees founded their own company that made die-cast machines for the auto industry. In 1969, he shipped a sixteen-hundred-ton machine capable of creating aluminum transmission cases every two minutes." By 1973, Prince Corporation was a great success, with hundreds of people working for the company's various Holland divisions. That year, the company began production of what would become its signature product, an invention that would end up in virtually every car in the world and put Edgar Prince on his way to becoming a billionaire: the ubiquitous lighted sun visor.

But while wealth and success were in abundance in the Prince family, the sixteen-to-eighteen-hour days had been taking their toll on Edgar, and in the early 1970s, he nearly fell to the same fate as his father when he suffered a serious heart attack. "It was then, while he lay in a hospital bed reflecting on what all his labor had won for him, that he committed himself anew to his faith in Jesus Christ," recalled Prince's friend Gary Bauer, one of the early leaders of the religious right and founder of the conservative Christian lobby group the Family Research Council. "Ed turned his future and the future of his business over to God. From that point forward, the Prince Corporation was blessed with unprecedented growth and financial success." Edgar Prince recovered from the heart attack and steered his company toward amazing prosperity. Prince Corporation soon expanded into map lamps, visors that could open garage doors, consoles with ashtrays, and cup and change holders, among many other products. By 1980, the Prince empire boasted numerous plants and more than 550 employees. As Erik Prince later recalled, "My dad was a very successful entrepreneur. From scratch he started a company that first produced high-pressure die-cast machines and grew into a world-class automotive parts supplier in west Michigan. They developed and patented the first lighted car sun visor, developed the car digital compass/thermometer and the programmable garage door opener." But, Prince said, "Not all their ideas were winners. Things like a sock-drawer light, an automated ham de-boning machine and a propeller-driven snowmobile didn't work out so well for the company. My dad used them as examples of the need for perseverance and determination."

In that respect, it wasn't the only way in which the product itself seemed of secondary importance to Prince. "People make the difference," read the copy from an old Prince Corporation brochure. "It isn't magic that brings excellence to a company; excellence is the

result of commitment and hard work by dedicated people. Whether we're talking about products or processes, no wizardry or easy formulas will solve the challenges of tomorrow. People will." Edgar Prince was fond of initiatives like one where executives stuck to a strict exercise regimen. Three days a week from 4:15 to 5:15 p.m. the executives met at the Holland Tennis Club, which Prince also owned. In 1987, Prince opened a sprawling 550,000-squarefoot facility spread over thirty-five acres, its fourth manufacturing center and home to many of its now fifteen hundred employees. The Prince "campus" centerpiece featured nearly five thousand feet of skylights and amenities like a basketball and volleyball court. He never made employees work on Sundays and flew executives home from business trips promptly so they could be with their families on the Lord's Day.

Detroit's auto industry may have been suffering in the 1980s, "but you'd never know it from the Prince Corporation," read the lead of a story in the *Holland Sentinel*. "My family's business was automotive supply—the most viciously competitive business in the world," Erik Prince told author Robert Young Pelton. "My father was focused on quality, volume, and customer satisfaction. That's what we talked around the dinner table." But Edgar Prince had more than the success of his business and his employees on his mind, and with the money flowing into Prince Corporation, he finally had the means to achieve the higher goals to which he aspired. That meant pouring serious money into conservative Christian causes. "Ed Prince was not an empire builder. He was a Kingdom builder," recalled Gary Bauer. "For him, personal success took a back seat to spreading the Gospel and fighting for the moral restoration of our society."

In the 1980s, the Prince family merged with one of the most venerable conservative families in the United States when Erik Prince's sister Betsy married Dick DeVos, whose father, Richard, founded the multilevel marketing firm Amway and went on to own the Orlando Magic basketball team. Amway was a powerhouse distributor of home products and was regularly plagued by accusations that it was run like a cult and was nothing more than a sophisticated pyramid scheme. The company would rise to become one of the greatest corporate contributors in the U.S. electoral process in the 1990s, mostly to Republican candidates and causes, and used its business infrastructure as a massive political organizing network. "Amway relies heavily on the nearly fanatical—some say cultlike—devotion of its more than 500,000 U.S. 'independent distributors.' As they sell the company's soaps, vitamins, detergents, and other household products, the distributors push the Amway philosophy," reported *Mother Jones* magazine in a 1996 expose on the company. "They tell you to always vote conservative no matter what. They say liberals support the homosexuals and let women get out of their place," Karen Jones, a former Amway distributor, told the magazine. "They say we need to get things back to the way it's supposed to be." Amway leaders also reportedly used "voice-mail messages, along with company rallies and motivational tapes, to mobilize distributors into a potent domestic political force."

Betsy and Dick's union was the kind of alliance common among the families of monarchs in Europe. The DeVos family was one of the few in Michigan whose power and influence exceeded that of the Princes. They were one of the greatest bankrollers of far-right causes in U.S. history, and with their money they propelled extremist Christian politicians and activists to positions of prominence. For a time, Betsy and Dick lived down the street from the Prince family, including Erik, who is nine years younger than his sister.

In 1988, Gary Bauer and Focus on the Family founder James Dobson began building

what would become the Family Research Council (FRC), the crusading, influential, and staunchly conservative evangelical organization that has since taken the lead on issues ranging from banning gay marriage to promoting school vouchers for Christian schools to outlawing abortion and stem-cell research. To get it off the ground, though, they needed funding, and they turned to Edgar Prince. "[W]hen Jim Dobson and I decided that the financial resources weren't available to launch FRC, Ed and his family stepped into the breach," wrote Bauer. "I can say without hesitation that without Ed and Elsa and their wonderful children, there simply would not be a Family Research Council." Young Erik would go on to become one of Bauer's earliest interns at the FRC. It was one of many right-wing causes that the Princes would join the DeVoses in bankrolling, leading to what would be known as the Republican Revolution in 1994, which brought Newt Gingrich and a radical right-wing agenda known as the Contract with America to power in Congress, wresting control from the Democrats for the first time in forty years. To support the "revolution," DeVos's Amway gave some \$2.5 million to the Republican Party in what was the single largest soft-money donation on record to any political party in history. In 1996, Amway also donated \$1.3 million to the San Diego Convention and Visitors Bureau to pay for Republican "infomercials" broadcast on Pat Robertson's Family Channel during the RNC convention.

Erik's sister Betsy DeVos would go on to chair Michigan's Republican Party from 1996 to 2000 and from 2003 to 2005; at times she flirted with running for the U.S. Senate. She was also a George W. Bush "Pioneer" fundraiser, bringing in more than \$100,000 for his campaign." Her husband, Dick, was the GOP candidate for governor in 2006, a race that he ultimately lost. Seasoned observers of Michigan politics say it would be hard to overestimate the influence the DeVos family has on politics in the state. "Anyone who runs for a significant Republican office in Michigan has to check with the DeVos family," said Calvin College political science professor Doug Koopman. "They are perceived within that community as being not only a source of funds but a judge of [a candidate's] fitness."

The Prince and DeVos clans were also a major driving force behind the Michigan Family Forum (MFF), the state's chapter of Jim Dobson's Focus on the Family. Besides the tens of thousands of dollars that the Prince family poured into the MFF, another of Erik Prince's sisters, Emilie Wierda, has served as its treasurer.<sup>44</sup> The MFF has mobilized voters in conservative churches to support legislators who have backed the Christian right's agenda. Beginning in 1990, the MFF ran what was essentially a backdoor lobbying system, through the establishment of more than one thousand church-based Community Impact Committees (CICs), which operated under the radar, away from public scrutiny. "The CICs offer advantages to political organizing that other Christian Right organizing doesn't have," Russ Bellant wrote in his 1996 book *The Religious Right in Michigan Politics*. "Because they are based in churches, their meetings are not visible in the world of politics. Since laypersons rather than pastors may run these groups, they may not have a high profile even in the church community outside the Family Forum network." The MFF also established the Michigan Prayer Network, which consisted of "prayer warriors" assigned to nearly every legislator in the state. While the groups were prohibited from expressly lobbying, the effect of asking legislators to "pray" for issues like school choice and against gay rights made it, as one Michigan legislator put it, "just another lobbying gimmick."

While opening his wallet to the Christian right, Edgar Prince also became a patron to the entire community of Holland, investing millions of dollars into Hope College, founded by

Albert Van Raalte, and its equally devout rival Calvin College, Edgar's wife's alma mater. He and Elsa almost single-handedly reengineered and brought a boom to Holland's downtown, saving it from the fate hundreds of other small towns had suffered throughout the Midwest as they gradually slipped into economic oblivion due to poor urban planning coupled with outsourcing, downsizing, layoffs, and the overall decline of U.S. manufacturing. The Princes helped establish the Evergreen Commons, a popular senior center downtown, and lobbied hard for the preservation and restoration of historic landmarks in town. They fought for a well-planned city that would exist and thrive for generations while maintaining what they saw as a necessary connection to its Dutch roots. They personally took on causes like saving an 1892 stone clock tower that had once been a cornerstone of downtown before falling into disrepair. Some of Edgar Prince's ideas for maintaining a vibrant downtown seemed utterly insane. He envisioned and campaigned hard in the late 1980s for an underground system of heated pipes that would melt snow and ice throughout the downtown business district, ensuring that strollers could be pushed along the sidewalks even during western Michigan's harsh winters. When the city balked at the \$1.1 million plan, Prince ponied up a quarter of the funding himself.

All the while, Edgar Prince continued to balance his business and religious obligations, both to his local Dutch Reform Church and the Prince Corporation. "Ed was at his best and was most valuable to [the Family Research Council] during the dark and difficult times—during the confirmation battle over Clarence Thomas, following the bitter disappointment of the Supreme Court's unexpected pro-abortion ruling in *Planned Parenthood v. Casey*, through the anti-family shift in the Congress in 1992, and in recent months with the wave of efforts by some to redefine the traditional family and undermine marriage," Gary Bauer wrote of Prince in 1995. Prince Corporation continued to flourish, a "boom built on Biblical principles," Bauer wrote. In 1992, the company roster had grown to 2,250 employees. By early 1995, it had ballooned to more than 4,000 employees and \$400 million in annual sales. Prince had also married his business acumen with his desire to see Holland thrive and had founded Lumir Corporation, which became Holland's foremost downtown developer, responsible for projects like the \$2.5 million Evergreen Commons Senior Center. But tragedy would soon strike the Prince empire.

At about 1:00 p.m. on March 2, 1995, Edgar Prince had one of his usual chats with Prince Corporation president John Spoelhof, a longtime friend with whom he had just gone skiing in Colorado a week earlier. They said good-bye, and the sixty-three-year-old Prince stepped into the elevator at his company's headquarters. Inside, he suffered a massive heart attack and was found on the floor fifteen minutes later. Despite CPR attempts by two Prince employees, Edgar was pronounced dead within the hour. "I saw him probably two minutes before he passed away," Spoelhof said. "I looked at the expression of his face and the color of his face and Ed was Ed. I knew him so well all these years; if he would have been a little ashen, I would have noticed."

As happens with the deaths of kings, patriarchs, and heads of state, the town of Holland entered a period of intense mourning. The flag flew at half-staff. Every newspaper in the region ran front-page stories eulogizing Prince, accompanied with sidebars and pictures and timelines. More than one thousand people gathered at the Christ Memorial Reformed Church to hear evangelical leaders James Dobson and Gary Bauer, who referred to Edgar as his "mentor," eulogize Prince. Bauer remembered how Prince was adamant that the Family Research council's new headquarters in Washington, D.C., should have a cross atop



it, to remind the President, members of the Supreme Court, and Congress "that this is one nation under God's judgment." In the *Grand Rapids Press Lakeshore* supplement, the banner headline read "A Christian Man," and the Rev. Ren Broekhuizen said, "Ed Prince was a gifted and developed individual who never took his eyes off the goal of honoring Jesus Christ in his life." That pastor, a friend of Prince's for two decades, would marry Edgar's widow Elsa five years later."

At the time of his father's death, Erik Prince was a Navy SEAL serving a string of deployments in Bosnia, Haiti, and the Middle East. Even still, he had happened to visit his father just a week before his death, when Edgar made the sign of the cross on Erik's daughter's forehead during her baptism. Erik remembered that his father had taught him never to say, "I can't." At the time of his death, Edgar had been married to Elsa for forty-one years, and they had raised three daughters in addition to Erik. "Dad was definitely the shepherd of his family, and he would bring the whole family together every chance he could. He'd make all the arrangements and take care of all the details," Erik told the *Holland Sentinel* after Edgar's death. Erik seemed elated that his father had been able to meet and baptize his first-born daughter, Sophia, but that elation was tinged with regret: "He loved her. That was the last time I saw him. My regret is my kids will never know him. I wanted them to be able to talk to him, to learn from him."

Erik Prince adored his father and strived to follow in his footsteps from the time he was a child. Erik was an active youth, playing soccer, track, and basketball at the Holland Christian schools he attended as a primary and high schooler, and for which his family also provided financial support. Prince's deeply religious high school featured pages upon pages of Bible quotations and incantations throughout its yearbooks. One year, the third page of his yearbook intoned: "In God's Kingdom all of life is living out the meaning of the New Humanity in Christ. This takes all the inventiveness, creativity and discovering that we can do." Gary Bauer recognized the special bond between Edgar and Erik: "Erik Prince, Ed and Elsa's only son, and one of FRC's first college interns, certainly did know him well." In addition to his work with the Family Research Council, Erik spent his college years increasingly taking up his father's mantle. He entered the Naval Academy after high school intending to be a Navy pilot but resigned after three semesters to attend Hillsdale College, a Michigan Christian liberal arts school that preaches libertarian economics. The campus was rated the most conservative in the country in a 2006 Princeton Review poll.

"He was a smart guy, and pleasant to be around, and he's well spoken," said Erik's professor Gary Wolfram. "What's good about him, he understands the interrelationship between markets and the political system." Prince also had a thirst for adrenaline-pumping action and initially satiated it by becoming the first college student to join the Hillsdale Volunteer Fire Department. "When you've been on a fire an hour and a half and the crowd's gone, some of the guys want to sit on bumpers and have a soft drink," recalled firefighter Kevin Pauken. "Other guys will be rolling hoses and picking up equipment so you can get out of there. That was Erik."

As he grew older, Erik became increasingly active in right-wing politics, landing a six-month internship at George H. W. Bush's White House. It was during this internship that the nineteen-year-old Prince made his first political contribution, giving \$15,000 to the National Republican Congressional Committee. Since then, Prince and his late wife, Joan, and current wife, Joanna, have given \$244,800 in contributions to federal campaigns, not a dime of it to Democrats. He has supported Jesse Helms, 011ie North, Richard Pombo, Spencer

Abraham, Dick Chrysler, Rick Santorum, Tom Coburn, Tom DeLay, Jim DeMint, Mike Pence, Duncan Hunter, and others. Prince also worked for a stint in the office of Republican Congressman Dana Rohrabacher. In 1992, he became enthralled with the renegade presidential campaign of Pat Buchanan, who challenged President Bush for the GOP nomination, running on an extreme anti-immigrant, antiabortion, antigay platform. Erik Prince's backing of Buchanan led the then twenty-two-year-old into a feud of his own with his sister Betsy, who was working for Bush's reelection as chairwoman of a local Republican districts Erik and Edgar, however, didn't seem to care for Bush. "I interned with the Bush administration for six months," Erik told the *Grand Rapids Press* in 1992. "I saw a lot of things I didn't agree with—homosexual groups being invited in, the budget agreement, the Clean Air Act, those kind of bills. I think the administration has been indifferent to a lot of conservative concerns."

Erik began coordinating Buchanan's campaign at Hillsdale, and Edgar contributed to it. But Erik's foray into public politics would be short-lived. The next year, he went back into the military, joining SEAL Team 8 through Officer Candidate School in 1992 and starting down the path that would bring him to Moyock, North Carolina. It was during his four years with SEAL Team 8 in Norfolk, Virginia, that he met many of the people who would found Blackwater. Erik seemed happy as a SEAL, and his family seemed proud to have him be one. "[Edgar] always wanted his children to do what they wanted to do, not just what he experienced," Elsa Prince said months after her husband's death. "He wanted them to go where their preferences and talents took them."

But during the months after Edgar Prince's death, the future of the Prince Corporation was anything but clear. More than four thousand employees depended on what had largely been the vision of Edgar Prince. The company and many in the family felt that only the Prince family itself could ensure that the reputation of Prince Corporation outlived its founder. Elsa became chairman of the company's board, and Erik came home to help get the company's affairs in order, and to help his family. His wife, Joan Nicole, had just been diagnosed with terminal cancer. Being a full-time SEAL was no longer an option.

But the young Prince would not become the king of Prince Corporation. On July 22, 1996, little more than a year after Edgar's death, the family, after much deliberation and many suitors, agreed to sell the corporation to Johnson Controls for \$1.35 billion in cash. They sold under the condition that the Prince name would remain, as would the employees and the community atmosphere they had long fostered. The bevy of stories in the local press took on that same enthusiasm, liberally quoting Elsa Prince gushing over the deal: "The Lord opened the right doors at the right time in an answer to our prayer. His timing is always perfect." Beyond that, Elsa said the buyout would enable her husband's company to have "an influence well beyond the United States." A few years later, that influence could really be felt in Holland, as hundreds of jobs started migrating to Mexico. Johnson Controls eventually stripped the name off the company and shuttered some of the local factories.

Though the influence of industrialist Edgar Prince has steadily receded in Holland, the religious beliefs and politics he promoted, as well as the downtown he created, continue to grow. When Edgar was alive, the Prince family largely shied away from overt political involvement, preferring to let its money do the talking. In the years after her husband's death, Elsa Prince became notably outspoken on behalf of a number of right-wing political causes, including those favored by her late husband. In 2004 she was the single largest donor to the successful campaign to ban same-sex marriage in Michigan, kicking in \$75,000 of her own

money. She served on the boards of the Family Research Council and Focus on the Family and was active in the Council for National Policy and a host of other right-wing religious organizations. "My main thrust is to do things that Jesus would want you to do to further your knowledge of him and his ways," she told the *Holland Sentinel* in 2003. Edgar, Elsa, and her new husband, Ren, cumulatively donated nearly \$556,000 to Republican candidates and political action committees, along with untold millions to right-wing causes. Along with the DeVos family, the Princes remain major players in the conservative Christian movement in Michigan and nationally. One of their recent hard-fought but unsuccessful battles was to implement school vouchers in Michigan. The DeVos family itself spent upwards of \$3 million in 2000 pushing the perennial conservative education idea<sup>1</sup>.

Erik Prince adopted his father's behind-the-scenes demeanor, as well as his passion for right-wing religious causes, but with a twist. "Erik is a Roman Catholic," said author Robert Young Pelton, who has had rare access to Prince. "A lot of people brand him in his father's religion, but he converted to Roman Catholicism." Indeed, many of the executives who would later form the core of Prince's Blackwater empire are also Catholics, and when Prince's first wife, Joan, died, Catholic Mass was celebrated for her both near her hometown outside Schenectady, New York, and near where the family lived in McLean, Virginia. In 1997, Lt. Erik Prince, U.S. Navy SEAL, blurbed a book called *Christian Fatherhood: The Eight Commitments of St. Joseph's Covenant Keepers*, saying that it "provides men with the basic training they need to complete (their) mission." At the time, Prince himself had two young children. The book's author, Stephen Wood, is the founder of Family Life Center International, a Catholic apologist organization specializing in providing "moral media . . . geared toward deepening a family's love and knowledge of their faith and thus hopes to impact today's society. We place a special focus on fatherhood and providing resources which aid fathers in fulfilling their vocation." The "moral media" include books with titles like *A Parent's Guide to Preventing Homosexuality* and *Breast Cancer and the Pill*, among many others.

Taking a cue from his father's funding of right-wing evangelical Protestant causes, Prince became a major funder of extremist, fringe Catholic organizations. In 1999 he contributed \$25,000 to Catholic Answers, a San Diego-based Catholic evangelical organization founded by the Catholic fundamentalist Karl Keating. Keating dedicated his life to apologetics and defending Catholicism at all costs. During the 2004 and 2006 elections, the group promoted a "Voters Guide for Serious Catholics," which listed five "non-negotiable" issues that it said are never morally acceptable under Catholic teaching: abortion, homosexual marriage, embryonic stem-cell research, euthanasia, and human cloning. Issues that were identified as "Not Non-Negotiable" included "the questions of when to go to war and when to apply the death penalty." When Prince's wife was dying of cancer, he e-mailed Keating, who in turn asked his followers to pray for the Princes. The following year, Prince provided funding to the right-wing Catholic monthly magazine *Crisis*. He also gave generously to several Michigan churches, including \$50,000 to Holy Family Oratory, a Kalamazoo Catholic Church, and \$100,000 to St. Isidore Catholic Church and school in Grand Rapids, as well as Catholic churches in Virginia.

But Erik Prince's philanthropy has certainly not been limited to Catholic causes. The Prince family was deeply involved in the secretive Council for National Policy, described by the *New York Times* as "a little-known club of a few hundred of the most powerful conservatives in the country [which has] met behind closed doors at undisclosed locations

for a confidential conference" three times a year "to strategize about how to turn the country to the right." The Council was started in 1981 by the Rev. Tim LaHaye, one of the founders of the modern right-wing Christian movement in the United States and author of the apocalyptic *Left Behind* novels. The idea was to build a Christian conservative alternative to the Council on Foreign Relations, which LaHaye considered too liberal. CNP membership is kept secret, and members are instructed that "The media should not know when or where we meet or who takes part in our programs, before or after a meeting." While membership lists are not public, CNP meetings have been attended by a host of conservative luminaries like Jerry Falwell, Phyllis Schlafly, Pat Robertson, Tony Perkins, James Dobson, Gary Bauer, and Ralph Reed. Holland H. Coors of the beer dynasty and Wayne LaPierre of the National Rifle Association, Richard and Dick DeVos, and the likes of Oliver North, Grover Norquist, and Frank Gaffney are also affiliated with CNP. Guests are allowed to attend "only with the unanimous approval of the executive committee." George W. Bush addressed the group in 1999, seeking support for his bid for the presidency.

The group also has played host to powerful players in the Bush administration. Shortly after the Iraq invasion, Vice President Dick Cheney and Defense Secretary Donald Rumsfeld attended CNP meetings; in 2004 John Bolton briefed the group on U.S. plans for Iran; John Ashcroft has attended meetings; as did Dan Senor, the top aide to Paul Bremer, the original head of the Iraq occupation. Former House majority leader Tom DeLay and several other prominent Republican politicians have also attended meetings. Then-Senate majority leader Bill Frist was given the CNP's Thomas Jefferson Award. In his acceptance speech, he told the gathering, "The destiny of our nation is on the shoulders of the conservative movement." Edgar Prince served a stint as vice president of the CNP from 1988 to 1989 and was CNP vice president at the time of his death." Elsa Prince was also a member of the organization. The DeVos family has donated at least \$100,000 to the CNP, and the Princes gave at least \$20,000 over a two-year period in the 1990s. While the lack of public records on the group makes it impossible to confirm that Erik Prince is a member, as his father was, the younger Prince has donated money to the CNP and has close relationships with many of its key players.

Erik Prince's philanthropy and politics have also put him in bed with some of the most controversial political figures in recent U.S. history. Prince's Freiheit Foundation, which is German for "liberty," gave \$500,000 to the Prison Fellowship in 2000. The Fellowship is a so-called prison reform organization that, among other things, advocates for "faith-based prisons." It is the brainchild of Richard Nixon's "hatchet man," Watergate conspirator Charles Colson. In 1969, Colson was appointed Nixon's Special Counsel; he was seen by many as the "evil genius" in the administration. In 1971, Colson wrote what later became known as Nixon's Enemies List, a catalogue of the President's political opponents, who would be targeted by the White House." Colson was the first person sentenced in the Watergate scandal, after pleading guilty to obstruction of justice in the investigation of the break-in to the psychiatrist's office of Daniel Ellsberg, the whistleblower who leaked the Pentagon Papers during the Vietnam War. Colson also allegedly tried to hire Teamsters thugs to beat up antiwar demonstrators and plotted to raid or firebomb the Brookings Institution. Colson became a born-again Christian before going to prison and after leaving wrote the bestseller *Born Again* about his conversion, the proceeds from which he used to found the Prison Fellowship.

As of late 2006, some 22,308 Fellowship volunteers operated in more than eighteen hundred U.S. prison facilities, while upwards of 120,000 prisoners participated in its monthly

Bible study and seminar programs. It boasted of "ministries" in more than one hundred countries. Colson's Fellowship has become so widespread that it actually runs the daily lives of some prisoners, including two hundred in a Texas prison, courtesy of one George W. Bush. "I'll never forget this," Bush said at the First White House National Conference on Faith-Based and Community Initiatives. "When I was the Governor of Texas, one of the early initiatives in my governorship, one of the faith-based initiatives, was to turn over a part of the prison unit to a faith program, Chuck Colson's program. He convinced me that this would be a great opportunity to change lives. And it would be—it would be better than stamping license plates." Bush, whose administration held Colson's work up numerous times as evidence of successful "faith-based initiatives," went on to tell the story of a prisoner "whose life was changed and saved because of faith." From the first week that Bush took office in 2001, Colson has been a regular adviser to the President. The Texas prison Colson ran was in Sugar Land—the district represented by then-majority leader Tom DeLay.

In 2002, Colson gave a speech at Calvin College about his Texas prison: "My friend Erik Prince, who is here tonight, traveled with me recently to a prison in Texas that has been under Prison Fellowship administration for the past eighteen months. This is an extraordinary program because it is not just that men are coming to Christ and being redeemed, as wonderful as that is. They are creating an entire culture!" A similar program at an Iowa prison was found unconstitutional in June 2006 because it used state funding, a judge said, for the indoctrination of "inmates into the Evangelical Christian belief system." Colson has vowed to appeal the ruling all the way to the Supreme Court. He has suggested that his faith-based prison program is "the one really successful antidote" to what he termed "the largely unimpeded spread of radical Islam through our prisons." Colson predicted, "If, God forbid, an attack by home-grown Islamist radicals occurs on American soil, many, if not most, of the perpetrators will have converted to Islam while in prison." He suggested that opponents of his Prison Fellowship program are abetting terrorism and said the efforts to declare his program unconstitutional "leaves jihadists and other radical groups as the only game in town." In October 2006, Colson was given the Faith & Freedom Award by the Acton Institute for the Study of Religion and Liberty, an organization to which Prince has donated at least \$200,000. The Grand Rapids-based organization has Prince's stepfather, Ren Broekhuizen, on its board of directors, and its president and founder is the Rev. Robert Sirico, who presided over the funeral of Erik Prince's first wife. "Islam has a monolithic worldview, which sees just one thing: the destruction of infidels and the recovery of territories they've lost," Colson declared at the Acton dinner. "We're in a hundred-year war and it's time to sober up, and Christians understand it because we understand our history, and we understand what makes the religious mind tick, and secular America doesn't get it." Colson said when Mohammed wrote the Koran, "I think he'd had too many tamales the night before."

A few years earlier, in the 2002 speech in which Colson praised Erik Prince, the former Watergate conspirator talked extensively about the historical foundation and current necessity of a political and religious alliance of Catholics and evangelicals. Colson talked about his work, beginning in the mid-1980s, with famed conservative evangelical Protestant minister turned Catholic priest Richard Neuhaus and others to build a unified movement. That work ultimately led in 1994 to the controversial document "Evangelicals and Catholics Together: The Christian Mission in the Third Millennium." The ECT document articulated the vision that would animate Blackwater's corporate strategy and

the politics practiced by Erik Prince—a marriage of the historical authority of the Catholic Church with the grassroots appeal of the modern conservative U.S. evangelical movement, bolstered by the cooperation of largely secular and Jewish neoconservatives. Author Damon Linker, who once edited Neuhaus's journal, *First Things*, termed this phenomenon the rise of the "Theocons."

The ECT document became the manifesto of the movement that Erik Prince would soon serve and bankroll. It declared that "The century now drawing to a close has been the greatest century of missionary expansion in Christian history. We pray and we believe that this expansion has prepared the way for yet greater missionary endeavor in the first century of the Third Millennium. The two communities in world Christianity that are most evangelistically assertive and most rapidly growing are Evangelicals and Catholics. The signatories called for a unification of these religions in a common missionary cause, that "all people will come to faith in Jesus Christ as Lord and Savior. The document recognized the separation of church and state but "just as strongly protest[ed] the distortion of that principle to mean the separation of religion from public life. . . . The argument, increasingly voiced in sectors of our political culture, that religion should be excluded from the public square must be recognized as an assault upon the most elementary principles of democratic governance." But the ECT was not merely a philosophical document. Rather, it envisioned an agenda that would almost identically mirror that of the Bush administration a few years later, when Neuhaus would serve as a close adviser to Bush, beginning with the 2000 campaign.

The signers of the ECT document asserted that religion is "privileged and foundational in our legal order" and spelled out the need to defend "the moral truths of our constitutional order." The document was most passionate in its opposition to abortion, calling abortion on demand "a massive attack on the dignity, rights, and needs of women. Abortion is the leading edge of an encroaching culture of death." It also called for "moral education" in schools, advocating for educational institutions "that transmit to coming generations our cultural heritage, which is inseparable from the formative influence of religion, especially Judaism and Christianity.. The document forcefully defended neoliberal economic policies. "We contend for a free society, including a vibrant market economy," the signers asserted. "We affirm the importance of a free economy not only because it is more efficient but because it accords with a Christian understanding of human freedom. Economic freedom, while subject to grave abuse, makes possible the patterns of creativity, cooperation, and accountability that contribute to the common good." It called for a "renewed appreciation of Western culture," saying, "We are keenly aware of, and grateful for, the role of Christianity in shaping and sustaining the Western culture of which we are part." "Multiculturalism," the signers declared, has most commonly come to mean "affirming all cultures but our own." Therefore, the ECT signers claimed Western culture as their "legacy" and set for themselves the task of transmitting it "as a gift to future generations."

"Nearly two thousand years after it began, and nearly five hundred years after the divisions of the Reformation era, the Christian mission to the world is vibrantly alive and assertive. We do not know, we cannot know, what the Lord of history has in store for the Third Millennium. It may be the springtime of world missions and great Christian expansion," the lengthy document concluded. "We do know that this is a time of opportunity—and, if of opportunity, then of responsibility—for Evangelicals and Catholics to be Christians together in a way that helps prepare the world for the coming of him to whom belongs the

kingdom, the power, and the glory forever. Amen." In addition to Neuhaus and Colson, the document was endorsed by one of the most powerful mainstream Catholic leaders in the United States, John Cardinal O'Connor of New York, as well as the Rev. Pat Robertson and Michael Novak of the conservative American Enterprise Institute. The manifesto was years in the making and would greatly assist the unifying of the conservative movement that made George W. Bush's rise to power possible. The ECT signers, according to Damon Linker—who worked for Neuhaus for years—"had not only forged a historic theological and political alliance. They had also provided a vision of America's religious and political future. It would be a religious future in which upholding theological orthodoxy and moral traditionalism overrode doctrinal disagreements. And it would be a political future in which the most orthodox and traditionalist Christians set the public tone and policy agenda for the nation."

Six years later, with Bush—the theocons' President—in the White House, Chuck Colson was in Michigan with his buddy Erik Prince at Calvin College talking about his faith-based prisons. During the lecture, Colson played to the largely Protestant crowd's heritage as he advocated his theoconservative movement based on Catholic/Evangelical unity. Colson quoted a nineteenth-century Calvinist scholar who said, "Rome is not an antagonist but stands on our side, inasmuch as she also recognizes and then maintains the Trinity, the Deity of Christ, the Cross as an atoning sacrifice, the Scriptures of the Word of God, and the Ten Commandments as a divinely imposed rule of life. Therefore, let me ask, if Roman Catholic theologians take up the sword to do valiant and skillful battle against the same tendency that we ourselves mean to fight to the death, is it not part of wisdom to accept their valuable help?" Erik Prince has been in the thick of this right-wing effort to unite conservative Catholics, evangelicals, and neoconservatives in a common theoconservative holy war—with Blackwater serving as a sort of armed wing of the movement. As Prince himself once envisioned the role of his mercenaries, "Everybody carries guns, just like Jeremiah rebuilding the temple in Israel—a sword in one hand and a trowel in the other."

In addition to his support for extremist Catholic organizations, Prince has continued to contribute heavily to the evangelical Christian causes that his parents supported, including large donations to a slew of Protestant schools and colleges. Prince has also donated at least \$200,000 to the Haggai Institute in Atlanta, Georgia (to go along with the hundreds of thousands more from the broader Prince family). Haggai, one of the leading Christian missionary organizations in the world, boasts that it has "trained" more than sixty thousand evangelical "leaders" around the globe, with a concentration on poor or developing countries. Prince has also served on the board of directors of and donated to Christian Freedom International, formerly Christian Solidarity International, a crusading missionary group active operating everywhere from Somalia to Sudan to Afghanistan and Iraq. Its mission statement reads: "More Christians have been martyred in the past 100 years than in all prior 1900 years combined. And the persecution of Christians is growing. Today more Christians are oppressed for their faith than ever. In many nations—right now—Christians are harassed, tortured, imprisoned, and even martyred for their faith in Jesus Christ." Jim Jacobson, a former aide to Gary Bauer in Ronald Reagan's White House, runs the group, which has taken public positions against the work of the United Nations, calling some of its agencies "merchants of misery," and has protested that Iraqi self-determination could harm Christians. In calling for the United States to attack Afghanistan after 9/11, Jacobson declared, "Only unequivocal military strikes will express our commitment to world peace

and the rule of law." The board of directors includes Blackwater lobbyist Paul Behrends, former Republican Senator Don Nickles, and former Voice of America director Robert Reilly, who began his career as a Reagan White House propagandist for the Nicaraguan Contras and worked briefly for war contractor SAIC on its ill-fated attempt to create a new Iraqi information ministry.

In 2000 Erik Prince was on hand for a Michigan benefit to raise money for one of his family's (and the theoconservative movement's) pet causes— school vouchers. At the event, Prince spoke to the *Wall Street Journal*, saying both his family and the DeVos clan believe in conservative, Christian, free-market ideals, and that his beloved father's business—the one responsible for building up Focus on the Family and the Family Research Council— "was an engine that generated cash that he could use to do good things. He said his sister Betsy was using those "same energies. By that time, the thirty-year-old Prince had his own small cash-generating engine, on the brink of becoming much, much bigger. While Erik continued the Prince family tradition of supporting the right-wing Christian movement, his Blackwater empire was steadily growing in the Great Dismal Swamp of North Carolina. How fast it would grow wouldn't become clear until two planes smashed into the World Trade Center a year later, in a horrible tragedy that would fuel Erik Prince's meteoric rise to become head of one of the most powerful private armies in the world. Prince would soon draw on his father's ideals and money to build up an army of soldiers who would serve on the front lines of a global battle, waged largely on Muslim lands, that an evangelical President Prince helped put in the White House would boldly define as a "crusade."



## CHAPTER TWO

# BLACKWATER BEGINS

ARMY. NAVY. Air Force. Marines. Blackwater.

Erik Prince might now see his empire as the fifth branch of the U.S. military, but his designs for Blackwater started off much more modestly, and they weren't really his own designs. While he served as the hands-on ATM for the creation of Blackwater, the location, plans, and virtually every detail of the new company came not from Prince but rather from one of his mentors in the Navy SEALs: Al Clark, who spent eleven years as one of the elite unit's top firearms trainers. In an interview, Clark said that in 1993, when Prince was just beginning his military career, Clark had already "started drawing the sketches for Blackwater." The concept grew out of Clark's experiences as a Navy firearms trainer, when he recognized firsthand what he saw as an inadequate training infrastructure for what was one of the most vaunted forces in the U.S. military machine. "There were no facilities. We didn't have anything. The Navy never owned ranges, they always had to borrow from the Marine Corps or the Army " he said. "[Private] facilities were out there that had different pieces of the programs we needed, but no one had one-stop shopping."

But one essential element was missing from Clark's plan: money. Little did Clark know that within a few years, one of the wealthiest men ever to serve in the U.S. military would be one of his pupils. In 1996, Clark was transferred to SEAL Team 8 to run its tactical training program. Lt. Erik Prince was in the first platoon that Clark trained there, but "I didn't know he had a gazillion dollars," Clark recalled. Prince went through Clark's training, though the two never discussed any sort of business partnership. Eventually, Prince set off on a deployment with SEAL Team 8. Seven months later, Al Clark had learned not only that his former pupil was loaded with cash but that the two shared a common interest in the burgeoning world of privatized training. When Prince returned to the States after his SEAL deployment, "I hooked it up with him through the request of somebody else," Clark recalled. "Basically, we just kind of started the dialogue from there."

For Prince, that period was a bittersweet time. His father had died in 1995, and every indication suggests that Prince wanted to remain in the SEALs, instead of jumping head first into the family business. But the combination of his father's death and the worsening condition

of his first wife, Joan—then sick with cancer—and the needs of their four children left Prince little choice. "Just prior to a deployment, my dad unexpectedly died," Prince recalled a decade later. "My family's business had grown to great success and I left the Navy earlier than I had intended to assist with family matters." In short order, however, the family sold Edgar Prince's empire. The 1996 sale for \$1.35 billion in cash allowed Erik Prince to begin building his own kingdom, one that would combine his various religious, political, and military passions: "I wanted to stay connected to the military, so I built a facility to provide a world-class venue for U.S. and friendly foreign military, law enforcement, commercial, and government organizations to prepare to go into harm's way," Prince claimed in 2006. "Many Special Operations guys I know had the same thoughts about the need for private advanced training facilities. A few of them joined me when I formed Blackwater. I was in the unusual position after the sale of the family business to self-fund this endeavor."

But Prince's attempt to claim virtually sole credit for Blackwater's founding spurs sharp reactions from some of his early Blackwater cohorts. According to several sources involved with Blackwater's founding and early history, the story of the company's genesis had never been in dispute until Blackwater rose to prominence after the 2003 Iraq occupation. That was when Erik Prince began peddling what appeared to be a bit of revisionist history. The company Web site boasted, "Our founder is a former U.S. Navy SEAL. He created Blackwater on the belief that both the military and law enforcement establishments would require additional capacity to train fully our brave men and women in and out of uniform to the standards required to keep our country secure." Prince has claimed the Blackwater concept came to him during his time with SEAL Team 8, when he was deployed in Haiti, the Middle East, Bosnia, and the Mediterranean. "As I trained all over the world, I realized how difficult it was for units to get the cutting-edge training they needed to ensure success," he said. "In a letter home while I was deployed, I outlined the vision that is today Blackwater."

Al Clark and other former Blackwater executives hotly dispute that version of Blackwater's history. "[Clark] was the guy that came up with the idea for Blackwater as a training center in the beginning and mentioned it to Erik Prince," says a former Blackwater executive. "Al was the idea [man] and Erik came up with the money. Erik gets the credit for it because he's the owner, but it was actually Al's idea." Moreover, Prince's claim that he laid out "the vision that is today Blackwater" in 1996 is dubious given how closely linked to the "war on terror" the company's success has been. But because of his upbringing and the training he received at the hands of his father and the family's conservative friends and allies, Erik Prince was a committed disciple of free-market economic theory and privatization; he clearly understood what led Al Clark to envision a "one-stop shopping" training facility for the federal government. In many ways, the Blackwater project couldn't have come at a better time—converging as it did with the government's embrace of some of the very policies the Prince family had long advocated.

Blackwater was born just as the military was in the midst of a massive, unprecedented privatization drive that had begun in force during Dick Cheney's time as Defense Secretary, from 1989 to 1993, under George H. W. Bush. "In his first year in office, Cheney reduced military spending by \$10 billion. He cancelled a number of complicated and expensive weapons systems, and reduced the number of troops from 2.2 million to 1.6 million. Year after year, from 1989 to 1993, the military budget shrank under Cheney," wrote Dan Briody in his book *The Halliburton Agenda*. "The

army depended very little on civilian contractors in the early 1990s and Cheney was inclined to change that. The idea was to free up the troops to do the fighting while private contractors handled the back- end logistics. It was also a tidy way of handling the public relations nightmare that ensued every time the United States committed troops overseas. More contractors meant fewer troops, and a much more politically palatable troop count." At the end of his tenure, Cheney commissioned Halliburton subsidiary Brown and Root (later renamed KBR following a merger with engineering contractor M. W. Kellogg) to do a classified study on how the military could privatize the majority of support services— troop housing, food, laundry, etc.—for U.S. international military operations. Brown and Root was paid \$3.9 million to write a report that would effectively create a hugely profitable market for itself by greatly expanding the Pentagon's Logistics Civil Augmentation Program (LOGCAP)." Indeed, by late August 1992, the U.S. Army Corps of Engineers had selected Halliburton, soon to be run by Cheney himself, to do virtually all of the support work for the military over the next five years.

That first Halliburton contract burst open the door for the rapid privatization that would culminate in the contracting bonanza in Iraq, Afghanistan, and elsewhere ushered in by the war on terror.

By the time Al Clark, Erik Prince, and a handful of others began serious planning for what would become Blackwater in the mid-1990s, the military had been downsizing for years, and training facilities were some of the casualties of that trend. Those facilities were also some of the most valuable components of the military machine. But the Base Realignment and Closure Act process that had begun during the Reagan/Bush era, ostensibly as a money-saving venture, had accelerated under Bill Clinton and had left the military with what many in the special forces community saw as an inadequate number of training venues. This downsizing would provide fertile ground for Blackwater to sprout and grow fast. "There was a need for training for military and for Special Operations units, because most of the ranges and facilities were World War II and they were antiquated," said Bill Masciangelo, the first president of Blackwater, who now runs military and government sales for hotel giant Cendant. "Since they were running out of places to train, and nobody provided a modern military facility, that was the whole concept behind Blackwater when it was first conceived." Al Clark said that at the time of Blackwater's founding it was "not an original idea. Everybody knew for twenty years there needed to be a place like this built." Not long after Clark pitched his idea to Prince in 1996, Clark says his former pupil told him, "Let's do it."

At the time, the United States was in the midst of one of the darkest moments in recent history for the Republican Party and the religious right. Bill Clinton's defeat of George H. W. Bush in the 1992 presidential election meant the end of a twelve-year golden era of conservative governance, molded in large part by the policies of Ronald Reagan's White House. While the right-wing political apparatus in which Edgar Prince was a key player did succeed in propelling the 1994 Republican Revolution and Newt Gingrich's rise to Speaker of the House, the Clinton administration was viewed by the theocons as a far-left "regime" that was forcing a proabortion, progay, antifamily, antireligious agenda on the country. In November 1996—the month Clinton crushed Bob Dole and won reelection—the main organ of the theoconservative movement, Richard Neuhaus's journal *First Things*, published a "symposium" titled "The End of Democracy?" which bluntly questioned "whether we have reached or are reaching the

point where conscientious citizens can no longer give moral assent to the existing regime." A series of essays raised the prospect of a major confrontation between the church and the "regime," at times seeming to predict a civil-war scenario or Christian insurrection against the government, exploring possibilities "ranging from noncompliance to resistance to civil disobedience to morally justified revolution." Erik Prince's close friend, political collaborator, and beneficiary Chuck Colson authored one of the five major essays of the issue, as did extremist Judge Robert Bork, whom Reagan had tried unsuccessfully to appoint to the Supreme Court in 1987. "Americans are not accustomed to speaking of a regime. Regimes are what other nations have," asserted the symposium's unsigned introduction. "This symposium asks whether we may be deceiving ourselves and, if we are, what are the implications of that self-deception. By the word 'regime' we mean the actual, existing system of government. The question that is the title of this symposium is in no way hyperbolic. The subject before us is the end of democracy" It declared, "The government of the United States of America no longer governs by the consent of the governed. . . . What is happening now is the displacement of a constitutional order by a regime that does not have, will not obtain, and cannot command the consent of the people." The editorial quoted Supreme Court Justice Antonin Scalia saying, "A Christian should not support a government that suppresses the faith or one that sanctions the taking of an innocent human life."

Colson's essay was titled "Kingdoms in Conflict." "[E]vents in America may have reached the point where the only political action believers can take is some kind of direct, extra-political confrontation of the judicially controlled regime," Colson wrote, adding that a "showdown between church and state may be inevitable. This is *not* something for which Christians should hope. But it is something for which they need to prepare." He asserted, "[A] 'social contract' that included biblical believers and Enlightenment rationalists was the basis of the founding of the United States. . . . If the terms of our contract have in fact been broken, Christian citizens may be compelled to force the government to return to its original understanding. . . . The writings of Thomas Jefferson, who spoke openly of the necessity of revolution, could also be called upon for support." Colson stopped short of calling for an open rebellion, but he clearly viewed that as a distinct possibility/necessity in the near future, saying, "with fear and trembling, I have begun to believe that, however Christians in America gather to reach their consensus, we are fast approaching this point."

The *First Things* symposium sparked great controversy—even within the theoconservative movement. Among those who came to the defense of Colson, Bork, Neuhaus et al. was Edgar Prince's old friend, ally, and beneficiary James Dobson of Focus on the Family. "My deepest gratitude to the editors of First Things for facilitating what history may reveal to be their most important symposium. The moral legitimacy of our current government and the responsibility of the Christian towards it are questions of tremendous moment," Dobson wrote. "I wonder—do we have the courage to act upon the conclusions we may reach in these deliberations?" Dobson said the essays had "laid an indisputable case for the illegitimacy of the regime now passing itself off as a democracy," adding, "I stand in a long tradition of Christians who believe that rulers may forfeit their divine mandate when they systematically contravene the divine moral law. . . . We may rapidly be approaching the sort of Rubicon that our spiritual forebears faced: Choose Caesar or God. I take no pleasure in this prospect; I pray against it. But it is worth noting that such times have historically been rejuvenating for the faith."

It was against this backdrop—a throwing down of the political and religious gauntlet by

many of the powerful conservative leaders Prince and his family had supported and built up—that Blackwater was born. A month after the *First Things* symposium explored the possibility of a "showdown between church and state" and a "morally justified revolution," Erik Prince would begin building up one of the largest privately held stockpiles of weaponry inside the United States, a few hours outside Washington, D.C. Prince simultaneously strengthened his bonds with powerful Republican legislators and the leaders of the theoconservative movement, becoming a major bankroller on par with his father. On December 26, 1996, three months after being discharged from active duty with the SEALs, he incorporated Blackwater Lodge and Training Center. The next year, he purchased more than four thousand acres in Currituck County, North Carolina, for \$756,000 and nearly one thousand acres in neighboring Camden County for \$616,000. Prince's new kingdom would be built near the Great Dismal Swamp. The stated idea behind Blackwater was "to fulfill the anticipated demand for government outsourcing of firearms and related security training."

Blackwater USA might now have influence over and access to some of the most powerful operatives roaming the chambers of power in Washington, D.C., but at its inception, the company struggled to convince the planning commission of Currituck County—population twenty-thousand—that Blackwater should be allowed to open for business. In the pre-9/11 days of Bill Clinton's America, the planning commissioners weren't worried about international terrorism and couldn't have even comprehended the company that Blackwater would become. Instead, what concerned them was property values, noise ordinances, and the possibility that the types of militia groups that Oklahoma City bomber Timothy McVeigh had been linked to would come to their community for training. When Erik Prince appealed to the plan commissioners, his project was described as a "\$2 million outdoor shooting range." At the time, Prince estimated the facility could create up to thirty new jobs in the county and help to train its sheriff's department. But before Prince could land approval for the facility, he needed to convince the planning commission to create a new ordinance that would allow it to be built, and to spell out the protections that would be put in place to keep the area quiet and stray bullets away from residences.

Local opposition to the Blackwater project was strong. A year earlier, residents had been outraged when stray bullets from a hunter struck a truck and building at a local junior high during school hours. Consequently, county officials raised serious questions that a proposed 900-foot buffer between nearby properties and firing areas would be sufficient. "The 900-foot buffer is no buffer at all, really" County Attorney William Romm said. One resident constructing a home near Blackwater's proposed site said, "Nobody's going to want to live anywhere near a shooting range," while another resident asserted, "I've not spoken to anyone who is in favor of this." One woman at one of the early meetings said she "would never consider buying anything next to a firing range of this magnitude." The commission apparently didn't seem sold on the idea, either, and a month later denied Prince's request for a new ordinance. "We're very disappointed," Prince said at the time. "For a county that claims to be a sportsman's paradise, it doesn't bode well for safe-shooting sports." After being rebuffed by Currituck, Prince went down the road to Camden County, which quickly approved the project.

In June 1997, ground was broken on the Blackwater compound, and in May 1998, the company officially opened for business. Though the company's name sounds ominous, it

actually was inspired by the black waters of the Great Dismal Swamp—a 111,000-acre peat bog stretching from southeastern Virginia to northeastern North Carolina—close to where Blackwater was constructed. While many later accounts from company executives and others would portray the early days of Blackwater as slow going, its volume of "black" and confidential contracts makes that difficult to confirm. As Clark remembers it, the company hit the ground running. "The SEAL community came down, because we came from the SEAL community and they were aware of it. They came down at least for the shootouts and the ranges to run their training. It filtered into a lot of law enforcement; the FBI came down, as word got out. The facility was the initial draw to a lot of them because it was something new and big and close by," Clark said. While Blackwater was constructed on a swamp, it was strategically located a half-hour from the largest naval base in the world, the forty-three-hundred-acre Norfolk Naval Station, and not far from the epicenter of the U.S. intelligence and federal law enforcement communities. The facility would also provide various government agencies—federal, state, and local—with a remote and secure location to discreetly train forces. "A lot of the reason some of those agencies came down there was to get away from everybody else, get out of the public eye, for the press and the public," Clark recalled. "Just because they're wearing black outfits everybody want[ed] to come see what they're doing."

Clark said Blackwater's new training facility offered U.S. Special Operations forces another advantage over existing private shooting facilities, many of which were run by competitive "trophy shooters." At Blackwater, Clark recalled, "the training that we exposed them to—mainly that I exposed them to while I was there—kind of gave them a breath of fresh air. You know, finally someone that's not a competitive trophy shooter or some kind of action shooter." Competitive shooting, Clark said, was "all about me, me, me. Second place for them is just a small trophy, but [for] tactical shooters, people who have to kick in doors or go to the desert, second place is not a very good place to be."

By 1998, Blackwater was doing a brisk business in training private and government customers in the use of a wide variety of weapons from pistols to precision rifles to machine guns. It was leasing out the facility to SEALs for their training. Police officers from Virginia, North Carolina, and Canada had enrolled in Blackwater training programs, and the company was starting to get inquiries from foreign governments. The Spanish government was interested in training security details that would protect presidential candidates, while Brazil expressed interest in counterterrorism training. "They are the best of the best . . . to come to a school where you are taught by the best in the world is great," an early customer told the *Virginian-Pilot* in September 1998. "It is an honor to be here."

As word spread about Blackwater's training, Prince and other executives wanted to make sure that Blackwater would earn a reputation as the premiere facility of its kind. "I was a retired Marine officer who had been in the hotel business for fifteen years, so they were looking for somebody that had that balance," Masciangelo, the company's first president, said in an interview. "Blackwater delivered more than training. The whole customer service issue and the ambiance and the setting and the facilities, that was the whole reason for them hiring me."<sup>47</sup> By late 1998, Blackwater boasted a nine-thousand-square-foot lodge with conference rooms, classrooms, lounge, pro shop, and dining hall. A wide variety of ranges including an urban street facade and a pond for water-to-land training were just some of the early offerings.

Steve Waterman, a writer on assignment for *Soldier of Fortune*, visited Blackwater in

1999 and described the facility at Moyock in glowing terms. With "a great chow hall (I would describe it more as a cafeteria), satellite TV systems in the dorms and plenty of hot water in the showers, I would put Blackwater ahead of any of the civilian or military training sites I have visited," Waterman wrote. "When you turn the last corner and are able to see the buildings, it quickly becomes obvious that the operators of this center are quite serious in their endeavors and nothing has been spared to make this a top notch facility. The buildings are brand new . . . and the place is well laid out and neat. Off to the right are the dorm facilities and the tactical house. Straight ahead is the main building which houses the classrooms, store, administrative offices, cafeteria, armory, and conference rooms, lounge, where tall tales may be spun and examples of taxidermy are displayed. A large black bear looms out at you over the fireplace and several other animals watch you through plastic eyes. The gun cleaning area is off to the side of the main building where there is room for more than a dozen people to clean weapons. The benches are chest high and there are compressed air nozzles for blowing dust and dirt out of weapons. The well-lighted rooms have four bunk beds in each with a spacious closet for each occupant. There are two heads (bathrooms to you landlubbers), each with several shower stalls. On both sides of the dorm building is a large room with a couch and several chairs. A TV in each lounge is fed by a satellite system. There is also a refrigerator and water cooler in each of these rooms. Magazines are there for the perusal of the guests." In 1998 Blackwater hosted a police and military handgun competition, the first of many such events, later called the Shoot-Out at Blackwater, that would draw people from all over the world to Moyock. But Blackwater would soon demonstrate its powerful ability to capitalize on tragedy and fear. In fact, 1999 would kick off a string of almost annual high-profile violent incidents that would play out on international television and result in more business and growing profits for Blackwater.

On April 20, 1999, Dylan Klebold and Eric Harris walked into their high school, Columbine High, in Littleton, Colorado, wearing black trench coats and armed to the teeth with semiautomatic weapons and shotguns. The two proceeded to go on a killing rampage that took the lives of twelve of their fellow students and one teacher. The incident would quickly be dubbed the "Columbine massacre." Despite the fact that the number of school shootings had dropped from thirty-two during the 1992-1993 school year to nineteen during 1998-1999, the hype around Columbine encouraged a panic about such incidents that spread throughout the country. It also caused law enforcement agencies at all levels to review their ability to respond to such incidents. "Nobody thought that Columbine could have happened," Ron Watson, a spokesman for the National Tactical Officer's Association (NTOA), said at the time. "So Columbine has changed thinking. It has thrown a new wrinkle into training."

In September 1999, some four hundred SWAT team officers found their way to Moyock for exercises at Blackwater's newly constructed "R U Ready High School." The NTOA kicked in \$50,000 to construct the fifteen-room, 14,746-square-foot mock school, but the project likely cost Blackwater much more. As with future projects, Prince had the means and the motivation to spend if he thought there would eventually be a payoff. "Erik had enough money to pay for whatever they needed up front, so he could get his money back, he had plenty of capital," said Al Clark. "He probably inherited \$500 million, so he had plenty of money to play with." The mock school featured the sound effects of screaming students, blood spatters, gunshot wounds, and simunition (practice ammo). "You're dealing with chaos—a

tremendous amount of confusion," said retired NYPD Emergency Service Unit commander Al Baker. "They are all young and all are unknowns in this large place. There is a tremendous amount of noise. You don't know who the shooter is. We're trying to teach them the techniques of clearing a hostile environment. There is a lot of bleeding. This is not something that can wait."

Blackwater's quick construction and running of "R U Ready High" convinced the NTOA, an organization that trains four thousand police officers annually, to split its sixteenth annual conference between Virginia Beach and Blackwater's Moyock compound. The event drew tactical teams and police officers from every state, Canada, Haiti, Belgium, and England. By April 2000, the NTOA had put more than one thousand officers through training at "R U Ready" as police departments across the country started more and more to hear the name Blackwater. At an NTOA soiree at the time, Prince commented that events like Columbine are "a reminder that vigilance is the price of liberty, and we need well-trained law enforcement and military. There is no shortage of evil in the world."

On February 1, 2000, with its name spreading across the law enforcement community, Blackwater took a huge leap forward as it landed its first General Services Administration contract, creating a government-approved list of services and goods Blackwater could sell to federal agencies and the prices it could officially charge. Winning a "GSA schedule" essentially opened Blackwater up for "long-term governmentwide contracts." The schedule outlined a list of prices for use of Blackwater facilities or to use Blackwater instructors for specialty training. Use of the tactical training area cost \$1,250 per day for less than twenty shooters. Use of the urban training area, of which "R U Ready High" was a component, ran \$1,250 a day for less than thirty people, \$1,500 a day for more. Each range could be rented out to a government agency for \$50 per person per day with a \$500 minimum. The schedule also provided for \$1,200-a-day Blackwater instructors to teach classes in executive protection, force protection, close quarter battle, ship- boarding movement, and hostage rescue, and allowed Blackwater to sell its own specially developed targets and other training gear to whatever agency requested it. Offerings ranged from \$1,335 bullet traps to \$170 "pepper poppers" to \$512 turning targets. In and of themselves, those may not seem like big ticket items, but having the GSA schedule in place essentially opened Blackwater's doors to the entire federal government, provided it could politick well enough to score contracts. "It's like having a Wal-Mart to the government," explained Jamie Smith in an interview. Smith is a former CIA operative who spent years working for Blackwater. "Having a GSA contract allows the government to go in and buy things from you without having to go out to bid really." The real work for companies once they win a GSA designation is greasing the wheels at various government agencies and convincing them to use the company's services often and widely. That's where a company's political connections come into play. Halliburton had developed a model that Blackwater and others could mimic. As Smith said, "It's a handshake-type thing and you say, 'Here's our GSA schedule, and let's see what we can do.'" Blackwater's first payment under its GSA contract was for \$68,000 in March 2000 for "armament training devices." As it happened, that was the exact amount Erik Prince would donate later that year to the Republican National State Elections Committee in an election year that would see George W. Bush take power.

Blackwater's original five-year GSA contract value (i.e., the government's projection of how much business Blackwater would do with federal agencies) was estimated at a meager \$125,000. When it was extended by five years in 2005, the estimate was pushed to \$6



million. But all of those projections were far shy of the actual business Blackwater would win under the GSA. As of 2006, Blackwater had already been paid \$111 million under the schedule. "This is a multiple-award schedule, indefinite quantity, indefinite delivery contract," said GSA spokesman Jon Anderson. "When the contract is first awarded, we do not know whether or not agencies are going to place orders with the contractor as the contractor has to compete with other . . . contractors for task orders, so we set the estimated dollar value of the contract at \$125,000. Blackwater was obviously very successful in their endeavors and was able to build their sales to \$111 million over a six-year period."

In 2000, as business was picking up for Blackwater, all was not well at the Moyock compound. Al Clark, the man many credit with dreaming up the company, found himself at odds with Prince and others at the company. "As time went on, some things took place there that I didn't really agree with, so I left to start another business," recalled Clark, who founded Special Tactical Systems with former Blackwater employee and fellow SEAL Dale McClellan in 2000. "One of the things that started happening was Erik wanted it to be a playground for his rich friends. And I was questioned on why would I train your standard Army guy on the same level that I'd train a SEAL. And my rebuttal was, 'Why would you base the value of someone's life on the uniform they're wearing, because once the bullets start flying they don't discriminate; and I was basically told my standards were too high.'"

Clark says during training sessions he "gave everybody everything I had when I had them," but he said company executives "thought there was no incentive for [clients] to come back if I gave them everything, and my argument was, they may not get a chance to come back, so while we've got them, we should give them everything we have. A lot of cops were paying out of their own pocket, taking their vacation time away from their families, to go to a school they thought would give them something their departments wouldn't." Clark was reluctant to expand much on his split with Prince, but he summed up his feelings about leaving Blackwater: "Let's put it this way: I wanted it to be a place built by professionals for professionals, and I wanted it to be professional, and it didn't feel to me like it was being that way." Blackwater had already started down the path to success when Clark left in 2000, having landed a couple of hundred thousand dollars in payments on its GSA contract and other awards, but it wasn't until more than a year later that the business really began to boom. That would come courtesy of two terror attacks attributed to Osama bin Laden.

Shortly after 11:00 a.m. on the morning of October 12, 2000, in the Yemeni port of Aden, a small boat approached the U.S. Navy guided missile destroyer the *USS Cole*, which had just finished up a routine fuel stop. As the boat neared the ship's port side, it exploded, ripping a forty-by-forty foot hole in the massive ship. Osama bin Laden would later take responsibility for the suicide attack that killed seventeen U.S. sailors and injured thirty-nine others. The second annual tragedy, following 1999's Columbine massacre, that would benefit Blackwater resulted in a \$35.7 million contract with the Navy, Blackwater's ancestral branch of the military, to conduct "force protection" training. Traditionally, the average Navy midshipmen didn't train for a combat role, but with increased threats to the fleet, that began to change. "The attack on the *USS Cole* was a terrible tragedy and dramatic example of the type of threat our military forces face worldwide on a day-to-day basis, emphasizing the importance of force protection both today and in the future," Adm. Vern Clark, the chief of Naval operations, told the Senate Armed Services Committee in May 2001. "The Navy has taken action at home and abroad to meet this challenge, undergoing a sea change in the way we plan and execute self-defense. We have enhanced the manning, training, and equipping of

naval forces to better realize a war fighter's approach to physical security, with AT/FP serving as a primary focus of every mission, activity, and event. Additionally, we are dedicated to ensuring this mindset is instilled in every one of our sailors." At the time, the Navy had already committed itself to incorporating "a comprehensive plan to reduce infrastructure costs through competition, privatization, and outsourcing." Among its projects was a review of some 80,500 full-time equivalent positions for outsourcing. While the bombing of the *USS Cole* significantly boosted Blackwater's business, it would pale in comparison to the jackpot that would come courtesy of the greatest act of tenor ever carried out on U.S. soil.

On the morning of September 11, 2001, American Airlines Flight 11, carrying ninety-two passengers from Boston to Los Angeles, abruptly turned course and headed straight toward New York City. At 8:46 a.m., the plane smashed directly into the North Tower of the World Trade Center. Some seventeen minutes later, United Airlines Flight 175 crashed into the South Tower. At 9:37 a.m., American Airlines Flight 77 hit the Pentagon. As fire and smoke burned from two of America's most famous buildings, the attacks almost instantly accelerated an agenda of privatization and conquest long sought by many of the people who had just taken over the White House less than a year earlier. President Bush's Secretary of the Army, Thomas White, a former Enron executive, oversaw the rapid implementation of the privatization agenda kick-started by Dick Cheney a decade earlier. The program would soon see the explosion of a \$100 billion global for-profit military industry. Among the greatest beneficiaries of the administration's newly declared "war on terror" would be Erik Prince's Blackwater. As Al Clark put it, "Osama bin Laden turned Blackwater into what it is today."

"The bombing of the *USS Cole* in Aden, Yemen, sent a ripple through the U.S. Navy, and then 9/11 happened and the ripple was worldwide," Blackwater vice president Chris Taylor said in a 2005 speech at George Washington University Law School. "The Navy appropriately responded realizing that in order to combat today's terrorist threat, all sailors would need substantial training in basic and advanced force protection techniques. The Navy moved swiftly to create a sound training program, the majority of which Blackwater now executes and manages all over the country. Sailors the world over are now better prepared to identify, appropriately engage, and defeat would-be attacks on naval vessels in port and underway. To date, Blackwater has trained some 30,000 sailors." Blackwater was officially awarded the \$35.7 million Navy contract for "force protection training that includes force protection fundamental training . . . armed sentry course training; and law enforcement training." The bulk of the work was to be performed in Norfolk, with some in San Diego and San Antonio. A Blackwater trainer who oversaw the contract commented shortly after it started in 2002 that his instructors were shocked to find many sailors "have never held a firearm, except for at boot camp."

The post-9/11 environment provided Erik Prince and his Blackwater colleagues with a blank canvas on which to paint a profitable future for the company, seemingly limited only by imagination and personnel. Defense Secretary Rumsfeld had come into office determined to dramatically expand the role private companies like Blackwater would play in U.S. wars, and 9/11 had put that agenda on the fastest of tracks. On September 27, two weeks after 9/11, Prince made a rare media appearance as a guest on Fox News's flagship program, *The O'Reilly Factor*. "I've been operating in the training business now for four years and was starting to get a little cynical on how seriously people took security" Prince said on the show. "The phone is ringing off the hook now." The reason for Prince's appearance on Fox was to discuss

the air marshal program and the training that marshals would receive, some of it at Blackwater. That month, Blackwater inked contracts with the FBI worth at least \$610,000. Soon it would be providing training for virtually every wing of the government, from the Department of Energy's National Nuclear Security Administrative Service Center to the Department of the Treasury's Financial Crime Enforcement Network to the Department of Health and Human Services assistant secretary's office.

But while Blackwater raised its profit margin and profile with its training services in the aftermath of 9/11, its true fame and fortune would not be gained until it formed Blackwater Security Consulting in 2002 and burst into the world of soldiers-for-hire. As with Blackwater's founding, Erik Prince would once again provide the medium for another's idea. This time, it was the vision of former CIA operative Jamie Smith. Smith had been recruited by Al Clark to teach weapons classes while he was a law student at Regent University, "America's preeminent Christian university" in Virginia Beach, not far from Blackwater.

In an interview, Smith said he first thought about the prospects for a private security company while working as a CIA operative during the 1991 Persian Gulf War. "I'm not trying to say that I was some sort of soothsayer a decade prior to all of this, but it was an infantile idea, it looked like it was just going to continue the trends of privatization," Smith said. "There were already companies doing similar things. There wasn't a lot of public knowledge surrounding that. DynCorp was working, there were other companies, SAIC, that were doing something along the same lines." Smith said he realized that the military was beginning to use private forces to guard military facilities, a practice known as "force protection," thus freeing up more forces for combat. It was a trend, and Smith said he "did not think it was something that could be arrested because of the nature of our military being a volunteer service. Do you really want to have your volunteer force standing guard out at the front gate when they could be doing things a lot more valuable for you? So I just didn't see that it would change and that it would probably just continue."

Like Al Clark a few years earlier, Jamie Smith didn't have the means at the time to start his own private security company, and while the demand was certainly there, it was not overwhelming. Then, after 9/11, Smith says Prince "called and said, 'Hey I'd like you to consider a full-time job and come back to work with us, and I told him that was interesting to me and that I would consider doing that with the caveat that we could create this security company.'" Prince agreed. But, Smith contends, Prince didn't see the payoff in what would shortly become Blackwater's biggest moneymaker. "I was told, 'You can't devote all your time to this because it's not going to work.' They said, 'You can devote about 20 percent of your total time to this, but no more than that—you need to stick to what you're doing now,'" Smith said. Smith joined Blackwater full-time in December 2001, and Blackwater Security Consulting was incorporated in Delaware on January 22, 2002. Within months, as the U.S. occupied Afghanistan and began planning the Iraq invasion, Blackwater Security was already turning a profit, pulling in hundreds of thousands a month from a valuable CIA contract.

One of the key players in landing that first Blackwater Security contract was A. B. "Buzzy" Krongard, executive director of the CIA, the agency's number-three position. Krongard, who was named to that post in March 2001, had an unusual background for a spook, having spent most of his adult life as an investment banker. He built up Alex. Brown, the country's oldest investment banking firm, into one of the most successful, eventually selling it to Bankers Trust, which he resigned from in 1998. There have been some

insinuations that Krongard was working undercover for the CIA years before he officially joined the agency in 1998 as a special adviser to George Tenet. But he won't reveal how he met the CIA director, except to say that it was through "mutual friends." The Princeton alum, Hall of Fame lacrosse player, and former Marine boasts of having once punched a great white shark in the jaw; and he keeps one of its teeth on a chain and pictures of the animal in his office. Despite his bravado, some at the agency thought Krongard more of a wanna-be, according to a 2001 *Newsweek* story published shortly after his ascension to the number-three spot. "A wanna-be? Maybe I am. Maybe I'm not. That's as much as you're going to get," Krongard responded.

9/11 conspiracy theorists have long been interested in Krongard because the bank he headed until 1998, which was bought out by Deutsche Bank after he left, was allegedly responsible for the unusually high number of put options on United Airlines stock placed just before 9/11, options that were never collected. There is no evidence of his having prior knowledge of the attacks. While at the CIA, working under George Tenet, Krongard acted internally, reorganizing divisions and pushing for projects like an intelligence venture capital firm, but he did on occasion speak publicly. In October 2001, he declared, "The war will be won in large measure by forces you do not know about, in actions you will not see and in ways you may not want to know about, but we will prevail."

Some three years later, in January 2005, Krongard made news when he became the most senior administration figure to articulate the benefits of having *not* killed or captured Osama bin Laden. "You can make the argument that we're better off with him (at large)," he said. "Because if something happens to bin Laden, you might find a lot of people vying for his position and demonstrating how macho they are by unleashing a stream of terror. . . . He's turning into more of a charismatic leader than a terrorist mastermind." Krongard also characterized bin Laden "not as a chief executive but more like a venture capitalist," saying, "Let's say you and I want to blow up Trafalgar Square. So we go to bin Laden. And he'll say, 'Well, here's some money and some passports and if you need weapons, see this guy.' "

It's not clear exactly what the actual connection was between Prince and Krongard. Some have alleged that Krongard knew Prince's father. In a brief telephone interview, Krongard would only say he was "familiar" with Prince and Blackwater. A former Blackwater executive, however, asserted, "I know that Erik and Krongard were good buddies." Whatever Krongard's involvement, it was the CIA that handed Blackwater its first security contract in April 2002.<sup>101</sup> Krongard visited Kabul and said he realized the agency's new station there was sorely lacking security. Blackwater received a \$5.4 million six-month no-bid contract to provide twenty security guards for the Kabul CIA station. Krongard said it was Blackwater's offering and not his connection to Prince that led to the company landing the contract, and that he talked to Prince about the contract but wasn't positive who called who, that he was "not sure which came first, the chicken or the egg." He said that someone else was responsible for actually signing off on the CIA contract. "Blackwater got a contract because they were the first people that could get people on the ground," Krongard said in the interview. "We were under the gun, we did whatever it took when I came back from Kabul. . . . The only concern we had was getting the best security for our people. If we thought Martians could provide it, I guess we would have gone after them."

The relationship between Krongard and Prince apparently got chummier after the contract was signed. "Krongard came down and visited Blackwater, and I had to take his [family] around and let them shoot on the firing range a number of times," said a former Blackwater

executive in an interview. "That was after the contract was signed, and he may have come down just to see the company that he had just hired." Prince apparently became consumed with the prospect of being involved with secretive operations in the war on terror—so much so that he personally deployed on the front lines. Prince joined Jamie Smith as part of the original twenty-man contingent Blackwater sent to fulfill its first CIA contract, which began in May 2002, according to Robert Young Pelton's book *Licensed to Kill*. Most of the team guarded the CIA Kabul station and its assets at the airport, but Smith and Prince also went to one of the most dangerous places in Afghanistan, Shkin, where the United States was establishing a base four miles from the Pakistani border. But after just one week, Prince left the Shkin detail and the mud fortress (that some called the "Alamo") out of which U.S. forces operated. Smith told Pelton that Prince's trip was more like "playing CIA paramilitary" and that he left to go "schmooze" those who could give more work to Blackwater Security. Smith stayed in Shkin for two months and then in Kabul for four months. After leaving Shkin, Prince remained in Kabul for a week. Apparently Prince enjoyed the experience so much that he subsequently tried to join the CIA, but was reportedly rejected when his polygraph test came back inconclusive. Though Prince was denied the status of a full CIA operative, he has apparently maintained close ties with the agency. Prince reportedly was given a "green badge" that permitted him access to most CIA stations. "He's over there [at CIA headquarters] regularly, probably once a month or so," a CIA source told *Harper's* journalist Ken Silverstein in 2006. "He meets with senior people, especially in the [directorate of operations]."

Since CIA and other intelligence and security contracts are "black" contracts, it's difficult to pin down exactly how much Blackwater began pulling in after that first Afghanistan job, but Smith described it as a rapid period of growth for Blackwater. The company's work for the CIA and the military and Prince's political and military connections would provide Blackwater with important leverage in wooing what would become its largest confirmed client, the U.S. State Department. "After that first contract went off, there was a lot of romancing with the State Department where they were just up the road, so we traveled up there a lot in Kabul and tried to sweet talk them into letting us on board with them," Smith said. "Once the State Department came on and there was a contract there, that opened up some different doors. Once you get your foot in the door with a government outfit that has offices in countries all over the world, it's like—and this is probably a horrible analogy—but it's something maybe like the metastasis of a cancer, you know, once you get into the bloodstream you're going to be all over the body in just a couple of days, you know what I mean? So if you get in that pipeline, then everywhere that they've got a problem and an office, there's an opportunity.

For Blackwater, the opportunity of a lifetime would come when U.S. forces rolled into Baghdad in March 2003. Strapped with a GSA schedule and deep political and religious connections, Prince snagged a high-profile contract in Iraq that would position his men as the private bodyguards for the Bush administration's top man in Baghdad, Ambassador L. Paul Bremer III. Referred to as the "viceroy" or "proconsul," Bremer was a diehard free-marketeer who, like Prince, had converted to Catholicism and passionately embraced the neoconservative agenda of using American military might to remake the world according to U.S. interests—all in the name of democracy. The Bremer contract meant that Prince would be at the helm of an elite private force deployed on the front lines of a war long sought by many of the forces that made up the theocon movement. Far from the simple shooting

range on a North Carolina swamp that Blackwater was just a few years earlier, the company was now recognized by the Bush administration as an essential part of its war on terror armada. Blackwater president Gary Jackson, a career Navy SEAL, would soon boast that some of Blackwater's contracts were so secret that the company couldn't tell one federal agency about the business it was doing with another agency. Iraq was a pivotal coming-of-age moment for mercenaries, and Blackwater would soon emerge as the industry trendsetter. But less than a year after Prince's forces deployed in Iraq, four of Blackwater's men would find themselves on a fatal mission in the Sunni Triangle that would propel Blackwater to international infamy and forever alter the course of the U.S. occupation and Iraqi resistance to it. It happened in a city called Fallujah.

## FALLUJAH BEFORE BLACKWATER

"A stranger should be well-mannered." —  
Fallujah proverb

**LONG BEFORE** Blackwater deployed in Iraq—more than a decade earlier, in fact—events beyond the control of Erik Prince and his colleagues were setting in motion the epic ambush that would take place on March 31, 2004, when Iraqi resistance fighters killed four Blackwater contractors in broad daylight in the center of Fallujah. The killing of those Americans would alter the course of the Iraq War, spark multiple U.S. sieges of Fallujah, and embolden the antioccupation resistance movement.

But to begin the story of what happened to the Blackwater men that day with the particular details surrounding the ambush of their convoy, or even the events of the immediate days and weeks preceding the killings, is to ignore more than a decade of history leading up to the incident. Some would say the story goes even further back, to Fallujah's fierce resistance to the British occupation of 1920, when an antioccupation rebellion in the city took the lives of some one thousand British soldiers almost a century before the United States invaded Iraq. Regardless, there is little question that the city of Fallujah has suffered like no other in Iraq since the U.S. invasion began in 2003. On several occasions, U.S. forces have attacked the city, killing thousands and displacing tens of thousands, and occupation troops have fired on unarmed demonstrators several times. Since the invasion, U.S. officials have brutally sought to make an example of the rebellious city. In the U.S. press and among the punditry, policy-makers, and military commanders, Fallujah has been portrayed as a hotbed of pro-Saddam resistance and as the seat of foreign fighters angered at the regime's overthrow and furious at the U.S. occupation. But that is a very narrow, incomplete, and misleading presentation of history that serves only Washington's agenda. As Pulitzer Prize-winning *Washington Post* correspondent Anthony Shadid noted, "[Fallujah's] historical links with the former government constituted only part of the story. It was also a region shaped by rural traditions and reflexive nationalism, stitched together by a fierce

interpretation of Islam and the certainty it brought. This fundamental identity and its attendant values became even more important as the community sank deeper into the sense of disenfranchisement voiced so often in this swath of Sunni land." What is seldom acknowledged in the media is that before the first U.S. troops rolled into Iraq, before the Blackwater killings and the ensuing sieges of the city, before it became a symbol of Iraqi resistance, the people of Fallujah knew suffering at the hands of the United States and its allies.

During the 1991 Gulf War, Fallujah was the site of one of the single greatest massacres attributed to "errant" bombs during a war that was painted as the dawn of the age of "smart" weaponry. Shortly after 3:00 p.m. on the afternoon of February 13, 1991, allied warplanes thundered over the city, launching missiles at the massive steel bridge crossing the Euphrates River and connecting Fallujah to the main road to Baghdad. Having failed to bring the bridge down, the planes returned to Fallujah an hour later. "I saw eight planes," recalled an eyewitness. "Six of them were circling, as if they were covering. The other two carried out the attack." British Tornado warplanes fired off several of the much-vaunted laser-guided "precision" missiles at the bridge. But at least three missed their supposed target, and one landed in a residential area some eight hundred yards from the bridge, smashing into a crowded apartment complex and slicing through a packed marketplace. In the end, local hospital officials said more than 130 people were killed that day and some eighty others were wounded. Many of the victims were children. An allied commander, Capt. David Henderson, said the planes' laser system had malfunctioned. "As far as we were concerned, the bridge was a legitimate military target," Henderson told reporters. "Unfortunately, it looks as though, despite our best efforts, bombs did land in the town." He and other officials accused the Iraqi government of publicizing the "errant" bomb as part of a propaganda war, saying, "We should also remember the atrocities committed by Iraq against Iran with chemical warfare and against [its] own countrymen, the Kurds." As rescue workers and survivors dug through the rubble of the apartment complex and neighboring shops, one Fallujan shouted at reporters, "Look what Bush did! For him Kuwait starts here."

Whether or not it was an "errant" bomb, for the decade that followed that attack, it was remembered in Iraq as a massacre and would shape the way Fallujans later viewed the invading U.S. forces under the command of yet another President Bush. Already, the overwhelmingly Sunni population of Fallujah was one of Saddam Hussein's most loyal populations within Iraq and the home of many of his elite Revolutionary Guard soldiers. "Even though Saddam Hussein regarded Fallujah as a city which had supported his regime, the Iraqi government couldn't insulate Fallujah's hospitals and clinics from the devastating effects of US-led economic sanctions," recalled veteran human rights activist Kathy Kelly, founder of Voices in the Wilderness. "We visited hospital wards before the invasion in Fallujah that were like 'death rows' for infants because of shortages caused by the sanctions." Kelly has been to Iraq scores of times since first traveling there during the 1991 Gulf War. In a visit to Fallujah before the 2003 invasion, she said she and some British activists went to the city in an effort to acknowledge U.S./U.K. culpability in the marketplace bombing of 1991 and to interview survivors. Kelly got separated from the group and recalled, "One man began to shout at me, in English: 'You Americans, you Europeans, you come to my home and I'll show you water you wouldn't give your animals to drink. And this is all that we have. Now, you want to kill our children again. You cannot kill my son. My son, he was killed in the first Bush war!'" After shouting at her, Kelly recalled, the man calmed down and offered her tea



at his home. To her, that was evidence that "even in Fallujah, there might have been a chance to build fair and friendly relations, in spite of the suffering inflicted on ordinary Iraqis. But those chances were increasingly squandered by maintenance of economic sanctions and eventual bombing of the no-fly zones." When U.S. Forces rolled into Iraq in April 2003, it didn't take long for them to pour gasoline on the already volatile anti-American rage born in Fallujah at least twelve years earlier.

U.S. Special Forces took Fallujah in April, early on in the invasion, but soon left the city. Local Iraqis said they agreed to surrender the conservative Sunni city without a fight on the condition that U.S. troops would not occupy it for more than two days. As in many Iraqi communities, the people of Fallujah began to organize themselves and to take stock of the consequences of the earth-moving developments in their country. They even assembled a new city council." As the occupation spread and various U.S. commanders fanned out to different regions in Iraq, the Eighty-second Airborne Division ultimately moved into Fallujah. Like their countrymen elsewhere, the people of Fallujah did not immediately resist the occupying forces. Instead they watched and waited. It didn't take long for resentment to build, as the Americans would speed up and down the streets in their Humvees; checkpoints humiliated local people and invaded their privacy, and some complained the soldiers were staring at local women inappropriately. There were also allegations that soldiers were urinating on the streets. A clear consensus was building in Fallujah that the Americans should at least withdraw to the city limits. It took only days before the situation in the city took a decisive and bloody turn for the worse. Hundreds of troops from the Eighty-second quickly spread out across Fallujah, and on Friday, April 25, a few days before the birthday of Saddam Hussein, they occupied Al Qaed (The Leader's) School on Hay Nazzal Street, converting the two-story compound into an occupation headquarters in Fallujah.

The takeover of the school, attended by both primary and high school students, immediately sparked anger in the city for a number of reasons. Among them, parents and teachers were trying to return their children to some semblance of normalcy, and school was viewed as central to that. But also, rumors were rampant that the U.S. soldiers were using their night vision goggles to peer through windows at Iraqi women from the roof of the school and that troops were gawking at women without head coverings in the privacy of their own backyards. Local Iraqi leaders met with U.S. soldiers throughout the weekend, urging them to leave the school. The weekend passed, and on Monday, April 28, Saddam Hussein's 66th birthday, some 150 soldiers continued to occupy the school.

That night, with tensions rising in the city over the presence of the troops, a local imam preached against the United States occupation from the pulpit in his mosque during evening prayers and decried the continued occupation of the school. In the face of the heavy U.S. presence in their city, local clerics had been reminding people of the adage "Better to be strong than weak." After the prayers ended, people began to assemble in what would become the first organized demonstration against the United States since troops moved into Fallujah. A week earlier, U.S. forces had killed ten demonstrators in the northern city of Mosul, but that did not deter the people of Fallujah. At around 6:30 the evening of April 28, people began to gather outside the former Baath Party headquarters, which had also been commandeered by U.S. forces and converted into a command post. Next door was the U.S.-backed mayor's office, where the local U.S. commander was holding a meeting. The crowd chanted slogans like "God is great! Muhammad is his prophet!" as well as "No to Saddam! No to the U.S.!" Military officials claim that some in the crowd were firing weapons in the

air, a common practice at Iraqi demonstrations. Local residents say that is untrue, and many Iraqi witnesses contend that no weapons were fired. The U.S. commander in Fallujah, Lt. Col. Eric Nantz, said his forces warned the protesters to disperse, announcing, he claims, in Arabic through a loudspeaker that the demonstration "could be considered a hostile act and would be engaged with deadly force." The crowd moved from the mayor's office and made its way through the streets of Fallujah gathering momentum and size. By the time it reached the school, there were hundreds of people. In the crowd, someone held a large picture of Saddam, which residents say was the clearest symbol of opposition to the occupying forces. "There is no God but Allah, and America is the enemy of Allah," demonstrators chanted on Hay Nazzal Street, as Americans looked down from sniper positions on the roof of the school. "We don't want Saddam and we don't want Bush," said Mohamed Abdallah, a retired accountant. "The Americans have done their job and they must go."

What happened that night is a matter of great dispute between the U.S. occupation forces and local Fallujans. According to scores of Iraqis interviewed by major media outlets at the time, no Iraqis fired on the school or at U.S. forces. Some locals describe random shots fired into the air, while others deny that any Iraqis in the crowd fired guns; and Iraqi witnesses categorically deny that shots were fired at U.S. forces. Every Iraqi witness and demonstrator subsequently interviewed by Human Rights Watch said no one in the demonstration had arms. Several said there was shooting in other Fallujah neighborhoods, but not near the school. Nantz claimed that as the demonstration went on, the crowd was "hostile, throwing rocks, and occasionally firing a number of weapons into the air." A U.S. soldier, Nantz said, was hit by a rock. Then, he says, the school came under attack from gunmen within the crowd. Iraqis there that night say that is not true. U.S. commanders say their troops threw smoke grenades and were then given orders to respond with fire. Within moments, bullets were raining into the crowd. The Americans say they wore night-vision goggles and fired only at muzzle flashes." Iraqis say the shooting was unprovoked and uncontrolled. "We were shouting, 'There's no god but Allah,'" recalled Fallujah resident Ahmed Karim, who was shot in the thigh. "We arrived at the school building and were hoping to talk to the soldiers when they began shooting at us randomly. I think they knew we were unarmed but wanted a show of force to stop us from demonstrating."

"We had one picture of Saddam, only one," said nineteen-year-old Hassan. "We were not armed and nothing was thrown. There had been some shooting in the air in the vicinity, but that was a long way off. I don't know why the Americans started shooting. When they began to fire, we just ran." A fifteen-year-old boy, Ahmed al-Essawi, who was shot in both the arm and leg said, "All of us were trying to run away. They shot at us directly. The soldiers were very scared. There were no warning shots, and I heard no announcements on the loudspeakers."

Within moments, the demonstration on Hay Nazzal Street turned into a bloodbath. Many people described a horrifying scene of wounded people—among them children—lying in the streets and U.S. forces firing on people attempting to rescue them. "They suddenly started shooting at us," remembered Falah Nawwar Dhahir, whose brother was killed that day. "There was continuous shooting until people fled. They shot at people when they came out to get the wounded. Then there was individual shooting, like from snipers." Mu'taz Fand al-Dulaimi saw his cousin Samir Ali al-Dulaimi shot by U.S. forces: "There were four [U.S. soldiers] on the roof—I saw them with my own eyes. There was a heavy machine gun. It was full automatic shooting for ten minutes. Some of the people fell to the ground. When

they stood up, they shot again." Ambulance drivers also report being told to "Go away!" by U.S. forces."

"We were sitting in our house. When the shooting started, my husband tried to dose the door to keep the children in, and he was shot," said thirty-seven-year-old Edtesam Shamsudeim, who lives near the school and was herself shot in the leg. More than seventy-five people were injured that night, and at least thirteen were killed. Among the dead were six children. "The engagement was sharp and precise," said Nantz. Soldiers, he said, "returned fire with those firing at them, and if others were wounded, that is regrettable." Almost immediately, the U.S. version of the events came under serious scrutiny when journalists toured the area. In a dispatch from Fallujah, correspondent Phil Reeves of *The Independent* of London, wrote:

[T]here are no bullet holes visible at the front of the school building or tell-tale marks of a firefight. The place is unmarked. By contrast, the houses opposite . . . are punctured with machine-gun fire, which tore away lumps of concrete the size of a hand and punched holes as deep as the length of a ballpoint pen. Asked to explain the absence of bullet holes, Lt-Col Nantz said that the Iraqi fire had gone over the soldiers' heads. We were taken to see two bullet holes in an upper window and some marks on a wall, but they were on another side of the school building.

There are other troubling questions. Lt-Col Nantz said that the troops had been fired on from a house across the road. Several light machine guns were produced, which the Americans said were found at the scene. If true, this was an Iraqi suicide mission—anyone attacking the post from a fixed position within 40 yards would have had no chance of survival.

The American claim that there were 25 guns in the crowd would also indicate that the demonstrators had had a death wish or were stupid. Iraqis have learnt in the past few weeks that if they fail to stop their cars quickly enough at an American-manned checkpoint, they may well be shot.

In its on-the-ground investigation, Human Rights Watch (HRW) found that "the physical evidence at the school does not support claims of an effective attack on the building as described by U.S. troops." This, HRW's researchers asserted, "contrasts sharply" with the homes across the street from the school, which bore "the marks of more than 100 rounds—smaller caliber shots as well as heavy caliber machine gun rounds—shot by U.S. soldiers. The facades and perimeter walls of seven of the nine homes across from the school had significant-bullet damage, including six homes that had been hit with more than a dozen rounds each. . . . No bullet marks were found on the upper levels of the houses, despite U.S. soldiers' claims that they had targeted gunmen on the roofs across the street."

Any hopes the United States had about its "winning hearts and minds" rhetoric resonating in Fallujah were obliterated that blood-soaked night. The morning after the shooting, funerals were held for the dead in accordance with Islamic tradition. A bloodied Iraqi flag hung outside the emergency room at a local hospital, which was struggling to treat the wounded as word was spreading fast across Fallujah and the country about the massacre. "We won't remain quiet over this," said Ahmad Hussein, as he sat in a Fallujah hospital with his eighteen-year-old son, who doctors predicted would die from the gunshot wound to his stomach. "Either they leave Fallujah or we will make them leave." Some in the international press were comparing it to the "Bloody Sunday" massacre of 1972, when British troops opened fire on Irish Catholic protesters, killing thirteen, an event that helped popularize and mobilize the Irish Republican Army.

On the Wednesday morning after the killings, as many as a thousand people poured into the streets of Fallujah to protest the massacre and to demand that the U.S. troops leave the city. They assembled in front of the old Baath Party headquarters, which—like the school—had been taken over by the Americans. UPI reported that "the street scene was chaotic, with U.S. troops aiming weapons into the crowd from buildings the United States has been using as a base camp, while a pair of Apache attack helicopters circled overhead training their guns on the gathered crowd throughout the morning." Once again, the protest ended in bloodshed, as U.S. forces shot and killed four people and injured at least fifteen others. As with the incident at the school, U.S. commanders claimed their forces acted in self-defense. But journalists from mainstream news organizations on the scene contradicted this account. The UPI correspondent in Fallujah, P. Mitchell Prothero, reported that "none of the dead and wounded in Wednesday's incident appeared to have been armed, and none of the gathered protesters displayed weapons of any kind. In over a dozen interviews with witnesses of the shooting, the Iraqis denied any shots were fired at U.S. troops. The only shell casings found within the vicinity were 5.56 mm rounds used by U.S. forces, not 7.62 mm rounds commonly used in AK-47s, the Iraqi weapon of choice."

Witnesses said one man was shot in the face and chest. His friends said the man was the father of four children. People interviewed by the *Washington Post* described U.S. forces in Fallujah patrolling neighborhoods and "firing with little regard for civilian life." "This is exactly like what's happening in Palestine," geography professor Ahmed Taber Saab, whose two nephews were wounded by U.S. forces, told the paper. "I didn't believe it until I saw it myself." As he prepared a body for burial after the killings, Sunni cleric Sheik Talid Alesawi mocked U.S. rhetoric. "We understood freedom by making demonstrations," he said. "But the shooting that greeted us was not freedom. Are there two types of freedom, one for you and one for us?" That sentiment was widespread in the city. "Is this Bush's freedom and liberation?" asked Fallujah resident Faleh Ibrahim as he marched with hundreds of others to a cemetery with the coffins of two of the dead. "We don't want Bush, and we don't want to be liberated. The Iraqis will bring their own liberation."

A few hours after the second round of killings happened in Fallujah, Defense Secretary Donald Rumsfeld landed at the Basra airport, at the time making him the most senior U.S. official to visit Iraq. "What is significant is that large numbers of human beings, intelligent, energetic, have been liberated," Rumsfeld declared. "They are out from under the heel of a truly brutal vicious regime and that's a good thing." In Fallujah, U.S. soldiers abandoned Al Qaeda School, consolidating their headquarters in the former Baath Party offices in Fallujah. Nearby, someone hung a banner that read: "Sooner or later, U.S. killers, we'll kick you out."

That day as well, a letter from Saddam—at the time still underground— was published, calling on Iraqis to "forget everything and resist the occupation," declaring, "There are no priorities other than driving out the infidel, criminal, cowardly occupier. No honorable hand is held out to shake his, but, rather, the hand of traitors and collaborators." The White House, meanwhile, announced that President Bush would, the following day, declare an end to major combat operations in Iraq aboard the *USS Abraham Lincoln*— his infamous "Mission Accomplished" moment. In reality, though, the real war was just beginning, and the events of the previous forty-eight hours would play a decisive role. That night, a grenade was thrown into the new U.S. headquarters in Fallujah, wounding seven American soldiers. After meeting with U.S. representatives in an effort to avert further bloodshed, Imam Jamal Shaqir Mahmood, of the Grand Fallujah Mosque, said the Americans argued that the troops

were needed to provide security, "but the people of Fallujah told them we already have security." To Fallujans, their city was now officially occupied. "After the massacre, we don't believe the Americans came to free us, but to occupy and take our wealth and kill us," said local leader Mohammed Farhan.

It didn't take long for the story of the U.S. massacres in Fallujah to spread across Iraq and the Arab world. Within a few weeks, folk songs appeared on the radio, praising the people of Fallujah for bravely confronting the occupation forces. DVDs went on the market with footage of the aftermath of the massacres interwoven with images of resistance attacks against U.S. patrols and scenes of epic Arab movies. In one DVD, footage from the movie *Black Hawk Down* depicting the slaughter of U.S. forces in Somalia is accompanied by the voice of Fallujan singer Sabeh al-Hashem, who sings: "Fallujah, attack their troops and no one will be able to save their injured soldiers. Who brought you to Fallujah, Bush? We will serve you the drink of death." In another song, Hashem declares, "The people of Fallujah are like wolves when they attack the enemy."

All of this would prove eerily prophetic in less than a year's time, when four Blackwater soldiers found themselves driving through the center of Fallujah. In the meantime, back in the suburbs of Washington, D.C., a neoconservative "terror expert," L. Paul Bremer, was preparing to head for Baghdad, where he would direct the occupation for the Bush administration. Erik Prince would soon ready his private soldiers to serve as the elite personal bodyguards for Bush's man in Iraq.

## CHAPTER FOUR

# GUARDING BUSH'S MAN IN BAGHDAD

**L. PAUL** Bremer III arrived in Baghdad on May 12, 2003, and moved into Saddam Hussein's former Republican Palace on the banks of the Tigris River. Perhaps Bremer's greatest legacy in Iraq, where he served as the proconsul of the U.S. occupation for a little more than a year, was overseeing the transformation of the country into the epicenter of anti-U.S. resistance in the world and presiding over a system in Iraq that resulted in widespread corruption and graft within the lucrative world of private contracting. At the end of Bremer's tenure, some \$9 billion of Iraqi reconstruction funds were unaccounted for, according to a comprehensive audit done by the U.S. special inspector general for Iraq. Bremer responded that the audit held his Coalition Provisional Authority to "an unrealistic standard."

Like Erik Prince, Bremer is a conservative Catholic convert who cut his teeth in government working for Republican administrations and was respected by right-wing evangelicals and neoconservatives alike. In the mid-1970s, he was Secretary of State Henry Kissinger's assistant. During the Reagan administration, he served as Executive Secretary and Special Assistant to Alexander Haig, Reagan's imposing and powerful Secretary of State. At the height of Reagan's bloody wars in Central America, Bremer was promoted to Ambassador at Large on terrorism. In the late 1980s, Bremer left government, joining the private sector as the managing director of Henry Kissinger's consulting firm, Kissinger and Associates. A favorite "terrorism expert" among neoconservatives, Bremer was influential in developing the concepts for what would become the "war on terror" and the Department of Homeland Security. A year before 9/11, he protested CIA guidelines that "discouraged hiring terrorist spies," arguing that they should be lifted to permit the CIA to "actively recruit clandestine informants." When the 9/11 attacks happened, Bremer was already a fixture in the "counterterrorism" community, having been appointed in 1999 by House Speaker Dennis

Hastert as chair of the National Council on Terrorism. At the time of the attacks, Bremer was a senior adviser on politics and emerging risks for the massive insurance firm Marsh & McLennan. The company had a headquarters in the World Trade Center staffed by 1,700 employees, 295 of whom died in the attacks.

Forty-eight hours after 9/11, Bremer wrote in the *Wall Street Journal*, "Our retribution must move beyond the limp-wristed attacks of the past decade, actions that seemed designed to 'signal' our seriousness to the terrorists without inflicting real damage. Naturally, their feebleness demonstrated the opposite. This time the terrorists and their supporters must be crushed. This will mean war with one or more countries. And it will be a long war, not one of the 'Made for TV' variety. As in all wars, there will be civilian casualties. We will win some battles and lose some. More Americans will die. In the end America can and will prevail, as we always do." Bremer concluded, "[W]e must avoid a mindless search for an international 'consensus' for our actions. Today, many nations are expressing support and understanding for America's wounds. Tomorrow, we will know who our true friends are." In an appearance on *Fox News* at the time, Bremer said, "I would hope that we would conclude that any state which was involved in any way, giving any kind of support or safe haven to that group, will pay the ultimate price."

A month after 9/11, Bremer headed up a new division at Marsh & McLennan, specializing in "terrorism risk insurance" for transnational corporations. The division was called Crisis Consulting Practice and offered companies "total counterterrorism services." To sell this expensive insurance to U.S. corporations, wrote Naomi Klein in *The Nation*, "Bremer had to make the kinds of frank links between terrorism and the failing global economy that activists are called lunatics for articulating. In a November 2001 policy paper titled 'New Risks in International Business; he explains that free-trade policies 'require laying off workers. And opening markets to foreign trade puts enormous pressure on traditional retailers and trade monopolies. This leads to 'growing income gaps and social tensions; which in turn can lead to a range of attacks on US firms, from terrorism to government attempts to reverse privatizations or roll back trade incentives.'" Klein likened Bremer to a computer hacker who "cripples corporate websites then sells himself as a network security specialist," predicting that "in a few months Bremer may well be selling terrorism insurance to the very companies he welcomed into Iraq." Shortly after Bremer arrived in Baghdad, his former boss at Marsh & McLennan, Jeffrey Greenberg, announced that 2002 "was a great year for Marsh; operating income was up 31 percent. . . . Marsh's expertise in analyzing risk and helping clients develop risk management programs has been in great demand. . . . Our prospects have never been better."

In mid-April 2003, Dick Cheney's then Chief of Staff, I. Lewis "Scooter" Libby, and Deputy Defense Secretary Paul Wolfowitz had contacted Bremer about taking "the job of running the occupation of Iraq. By mid-May, Bremer was in Baghdad. His appointment as both Director of Reconstruction and Humanitarian Assistance and the head of the Coalition Provisional Authority in Iraq was met with immediate controversy, even among those who had worked with him. One former senior State Department official who served with Bremer labeled him a "voracious opportunist with voracious ambitions," saying, "What he knows about Iraq could not quite fill a thimble." Klein argues that, in Bremer, the Bush administration was not looking for an Iraq specialist, but rather tapped him because he "is an expert at profiting from the war on terror and at helping US multinationals make money in far-off places where they are unpopular and unwelcome. In other words, he's the perfect man

for the job." That certainly seemed to be the view of Henry Kissinger, who said of Bremer at the time, "I don't know anyone who could do it better."

Bremer replaced Gen. Jay Garner, who seemed intent on building an Afghan-style puppet government and maintaining the public veneer of Iraqi self-governance, while ensuring a permanent U.S. presence in Iraq. Garner himself was heavily criticized during his three-week tenure in Iraq, but he certainly was less ambitious than his successor when it came to realizing Iraq as the free-market laboratory envisioned by many within the administration and the neocon intelligentsia. Garner was, by most accounts, a military man, not a committed ideologue. The *Washington Post* described Bremer as "a hard-nosed hawk who is close to the neoconservative wing of the Pentagon." This was further emphasized by the fact that Dick Cheney sent his own special assistant, Brian McCormack, to Baghdad to serve as Bremer's assistant. Bremer also reportedly relied heavily on the disgraced Iraqi exile, Ahmad Chalabi, for advice on internal politics in Iraq. Almost immediately upon Bremer's arrival in Baghdad, some Iraqis viewed him as another Saddam, as he began issuing decrees like an emperor and quashing Iraqi hopes of self-governance. "Occupation is an ugly word," Bremer said upon his arrival in the country. "But it is a fact."

During his year in Iraq, Bremer was a highly confrontational viceroy who traveled the country in a Brooks Brothers suit coat and Timberland boots. He described himself as "the only paramount authority figure—other than dictator Saddam Hussein—that most Iraqis had ever known. Bremer's first official initiative, reportedly the brainchild of Defense Secretary Rumsfeld and his neoconservative deputy, Douglas Feith, was dissolving the Iraqi military and initiating a process of "de-Baathification," which in Iraq meant a banishment of some of the country's finest minds from the reconstruction and political process because party membership was a requirement for many jobs in Saddam-era Iraq. Bremer's "Order 1" resulted in the firing of thousands of schoolteachers, doctors, nurses, and other state workers, while sparking a major increase in rage and disillusionment. Iraqis saw Bremer picking up Saddam's governing style and political witch hunt tactics. In practical terms, Bremer's moves sent a firm message to many Iraqis that they would have little say in their future, a future that increasingly looked bleak and familiar. Bremer's "Order 2"—disbanding the Iraqi military—meant that four hundred thousand Iraqi soldiers were forced out of work and left without a pension. "An Iraqi soldier was getting \$50 a month," said one Arab analyst. "Keeping these men and their families in food for a year would have cost the equivalent of three days of U.S. occupation. If you starve a man, he's ready to shoot the occupier." In his book on the Iraq War, *Night Draws Near*, Pulitzer Prize-winning *Washington Post* correspondent Anthony Shadid wrote, "The net effect of Bremer's decision was to send more than 350,000 officers and conscripts, men with at least some military training, into the streets, instantly creating a reservoir of potential recruits for a guerrilla war. (At their disposal was about a million tons of weapons and munitions of all sorts, freely accessible in more than a hundred largely unguarded depots around the country.)" One U.S. official put the number of out-of-work Iraqi soldiers higher, telling *The New York Times Magazine*, "That was the week we made 450,000 enemies on the ground in Iraq." According to Bremer's orders, some soldiers were given a month of severance pay, while Iraqi commanders were given nothing. Shortly after Bremer's order was issued, former Iraqi soldiers began to organize massive demonstrations at occupation offices—many housed in former palaces of Saddam's. "If we had fought, the war would still be going on," said Iraqi Lt. Col. Ahmed Muhammad, who led a protest in Basra. "The British and the Americans would not be in our



palaces. They would not be on our streets. We let them in." Muhammad warned, "We have guns at home. If they don't pay us, if they make our children suffer, they'll hear from us." In an ominous warning of things to come, another former Iraqi military commander, Maj. Assam Hussein Il Naem, pledged: "New attacks against the occupiers will be governed by us. We know we will have the approval of the Iraqi people."

In the meantime, Bremer exacerbated the situation as he stifled Iraqi calls for direct elections, instead creating a thirty-five-member Iraqi "advisory" council, over which he would have total control and veto power. Bremer banned many Sunni groups from the body, as well as supporters of Shiite religious leader Muqtada al-Sadr, despite the fact that both had significant constituencies in Iraq. The future prime minister of Iraq, Ibrahim al-Jaafari, said that excluding these forces "led to the situation of them becoming violent elements." Within a month of Bremer's arrival, talk of a national uprising had begun. "The entire Iraqi people is a time bomb that will blow up in the Americans' face if they don't end their occupation," declared tribal chief Riyadh al-Asadi after meeting with U.S. officials who laid out the Bremer plan for the country. "The Iraqi people did not fight the Americans during the war, only Saddam's people did," Asadi said. "But if the people decide to fight them now, [the Americans] are in big trouble." Bremer staunchly ignored these Iraqi voices, and as the bloody impact of his decision to dissolve the military spread, he amped up his inflammatory rhetoric. "We are going to fight them and impose our will on them and we will capture or, if necessary, kill them until we have imposed law and order upon this country," he declared.

By July 2003, Bremer began referring to Iraq in the first-person plural. "We are eventually going to be a rich country," Bremer said. "We've got oil, we've got water, we've got fertile land, we've got wonderful people." According to *Time* magazine, he toured the Iraq National Museum that month, in the aftermath of the massive looting of Iraq's national treasures—including by U.S. forces and journalists. As museum officials showed

Bremer a collection of ancient gold and jewelry, Bremer quipped, "Which one can I take home for my wife?" As he made the remark, according to *Time*, "a member of his security detail interrupted, informing him of reports of four grenade attacks near Bremer's palace headquarters. Minutes later Bremer climbed into a waiting SUV and headed back to the office, managing a few hurried handshakes as he left. Later that day a U.S. soldier was shot and killed while guarding the museum."

He also made no bones about his religious influences. Taking a page from the Christian zealot Gen. Jerry Boykin, Bremer spoke of his divine guidance. "There is no doubt in my mind that I cannot succeed in this mission without the help of God," Bremer said a month after arriving in Baghdad. "The job is simply too big and complex for any one person, or any group of people to carry out successfully. . . . We need God's help and seek it constantly." This perspective seemed to be a family affair. Bremer's brother Duncan ran for Congress in 2006 in the home district of James Dobson's Colorado-based Focus on the Family. "I want to be God's man in Washington," he said. He ran on a far-right platform and opposed exceptions to any abortion ban that would allow abortions for victims of rape or incest, saying, "We're killing the wrong person in that case." During his unsuccessful campaign, Duncan Bremer held up his brother's role in Iraq as evidence of his own foreign policy experience, saying he had visited Iraq while Paul Bremer was heading the occupation. Duncan Bremer declared during his campaign, "While I prefer that the Islamic Jihadists convert to my world view and receive the benefits of it, my point is that they must give up their world view

and their particular version of Islam in order for us to have a peaceful world. From a geopolitical point of view, it does not matter whether they convert to 'peaceful Islam' if that be a religion, or Buddhism or whatever, as long as they give up their religious ideology." Paul Bremer's wife, Francie, whom Dobson called a "prayer warrior," told a Christian publication that "her husband viewed his work in Iraq as a chance to bring the light of freedom to the people of Iraq after decades of darkness there."

But Bremer's zealotry was not confined to his religion. Upon his arrival, he moved swiftly to begin building the neoconservative vision in Iraq, ushering in a period that Naomi Klein labeled "Baghdad Year Zero." True to form, after just two weeks in the country, Bremer declared that Iraq was "open for business." The centerpiece of his plan was the rapid privatization of Iraq's oil industry. Klein, who traveled to Iraq during Bremer's tenure in the country and has written extensively on his rule, described the effects of his edict-based governance as such:

[Bremer] enacted a radical set of laws unprecedented in their generosity to multinational corporations. There was Order 37, which lowered Iraq's corporate tax rate from roughly 40 percent to a flat 15 percent. There was Order 39, which allowed foreign companies to own 100 percent of Iraqi assets outside of the natural-resource sector. Even better, investors could take 100 percent of the profits they made in Iraq out of the country; they would not be required to reinvest and they would not be taxed. Under Order 39, they could sign leases and contracts that would last for forty years. Order 40 welcomed foreign banks to Iraq under the same favorable terms. All that remained of Saddam Hussein's economic policies was a law restricting trade unions and collective bargaining.

If these policies sound familiar, it's because they are the same ones multinationals around the world lobby for from national governments and in international trade agreements. But while these reforms are only ever enacted in part, or in fits and starts, Bremer delivered them all, all at once. Overnight, Iraq went from being the most isolated country in the world to being, on paper, its widest-open market.

Shortly after Bremer took over in Baghdad, economist Jeff Madrick wrote in the *New York Times*: "[B]y almost any mainstream economist's standard, the plan, already approved by L. Paul Bremer III, the American in charge of the Coalition Provisional Authority, is extreme—in fact, stunning. It would immediately make Iraq's economy one of the most open to trade and capital flows in the world, and put it among the lowest taxed in the world, rich or poor. . . . The Iraqi planners, apparently including the Bush administration, seem to assume they can simply wipe the slate clean." Madrick stated boldly that Bremer's plan "would allow a handful of foreign banks to take over the domestic banking system."

It seems appropriate, then, that Bremer, the senior U.S. official in Iraq, the public face of the occupation, would not be protected by U.S. government forces or Iraqi security but rather by a private mercenary company—and one founded by a right-wing Christian who had poured tens of thousands of dollars into Republican campaign coffers.

By mid-August, three months after Bremer arrived in Baghdad, resistance attacks against U.S. forces and Iraqi "collaborators" were a daily occurrence. "We believe we have a significant terrorist threat in the country, which is new," Bremer said on August 12. "We take this very seriously." As with other violent incidents and situations in preceding years, the chaos in Iraq would convert to financial success for Blackwater. On August 28, 2003, Blackwater was awarded the official "sole source," no-bid \$27.7 million contract to provide

the personal security detail and two helicopters for Bremer" as he carried out the all-important work of building the neoconservative program in Iraq. "Nobody had really figured out exactly how they were going to get him from D.C. and stand him up in Iraq," recalled Blackwater president Gary Jackson. "The Secret Service went over and did an assessment and said, 'You know what? It's much, much more dangerous than any of us believed! So they came back to us.'" Blackwater's presence, Bremer wrote, "heightened the sense that Iraq had become even more dangerous." The man who would head Bremer's Blackwater security team was Frank Gallagher, who served as head of Henry Kissinger's personal security detail in the 1990s when Bremer worked for Kissinger. "I knew and liked Frank," Bremer recalled. "I trusted him totally."

Employing Blackwater mercenaries as his personal guards was made possible by the very neoliberal policies Bremer had advocated for throughout his career and was now implementing in Iraq. It was a groundbreaking moment in the process that then-Defense Secretary Dick Cheney launched in the early 1990s when he hired Brown and Root "to explore outsourcing logistical activities." It also represented a major shift away from the long-held doctrine that the "U.S. military does not turn over mission-critical functions to private contractors," according to Peter Singer, author of *Corporate Warriors*. "And you don't put contractors in positions where they need to carry weapons. . . . A private armed contractor now has the job of keeping Paul Bremer alive—it can't get much more mission-critical than that." The privatization of the Bremer detail marked an almost immediate watershed moment for mercenary firms.

"Standard wages for PSD (personal security detail) pros [in Iraq] were previously running about \$300 a day," *Fortune* magazine reported. "Once Blackwater started recruiting for its first big job, guarding Paul Bremer, the rate shot up to \$600 a day." Blackwater described its Bremer project as a "turnkey security package." Company vice president Chris Taylor said the job "was no ordinary executive protection requirement; it really amounted to a hybrid personal security detail (PSD) solution that had yet to be used anywhere. In response, Blackwater developed an innovative combat PSD program to ensure Ambassador Bremer's safety and that of any ambassador who followed." The company provided him with thirty-six "personnel protection" specialists, two K-9 teams, and three MD-530 Boeing helicopters with pilots to taxi him around the country. In October 2003, a Blackwater spokesman said the company had just seventy-eight employees in Iraq, a number that would soon explode. A month after winning the Bremer contract, Blackwater registered its new security division with the North Carolina Secretary of State. Blackwater Security Consulting LLC would specialize in "providing qualified and trained Protective Security Specialist[s] (PSS) to the U.S. Department of State, Bureau for Diplomatic Security for the purpose of conducting protective security operations in Iraq." The Bremer contract had officially elevated Blackwater to a status as a sort of Praetorian Guard in the war on terror—a designation that would open many doors in the world of private military contracting. It wouldn't be long before Blackwater was awarded a massive contract with the State Department to provide security for many U.S. officials in Iraq, not just the Ambassador. Paul Bremer's picture would soon grace the top banner on the new Blackwater Security division's Web site, as would images of Blackwater's mercenaries around Colin Powell and British Prime Minister Tony Blair.

Blackwater's men brought a singularly Yankee flair to the Bremer job and, by most accounts, embodied the ugly American persona to a tee. Its guards were chiseled like

bodybuilders and wore tacky, wraparound sunglasses. Many wore goatees and dressed in all-khaki uniforms with ammo vests or Blackwater T-shirts with the trademark bear claw in the cross-hairs, sleeves rolled up. Some of them looked like caricatures, real-life action figures, or professional wrestlers. Their haircuts were short, and they sported security earpieces and lightweight machine guns. They bossed around journalists and ran Iraqi cars off the road or fired rounds at cars if they got in the way of a Blackwater convoy. "You see these pictures in the media of Blackwater guys loaded to the hilt with pistols and M-4s and their hand out grabbing the camera. There's a reason for that," said former Blackwater contractor Kelly Capeheart, who protected John Negroponte, Bremer's successor in Iraq. "I don't want my face on Al-Jazeera. Sorry."

Helicopters with snipers would hover above some Blackwater transport missions, as a menacing warning to everyone below. "They made enemies everywhere," recalled Col. Thomas X. Hammes, the U.S. military official put in charge of building a "new" Iraqi military after Bremer disbanded the old one. "I would ride around with Iraqis in beat up Iraqi trucks, they were running me off the road. We were threatened and intimidated. [But] they were doing their job, exactly what they were paid to do in the way they were paid to do it, and they were making enemies on every single pass out of town. Hammes said Blackwater's high-profile conduct in guarding Bremer broke the "first rule" of fighting an insurgency: "You don't make any more enemies." Hammes said, "They were actually getting our contract exactly as we asked them to and at the same time hurting our counterinsurgency effort." An intelligence officer in Iraq told *Time* magazine, "Those Blackwater guys ... they drive around wearing Oakley sunglasses and pointing their guns out of car windows. They have pointed their guns at me, and it pissed me off. Imagine what a guy in Fallujah thinks." Al Clark, one of the founders of Blackwater, helped develop the company's training procedures. In the U.S., Clark said, "we get upset about a fender-bender." But, he said, "you've got to get over that in Baghdad. Your car can be a 3,000-pound weapon when you need it. Hit and run. Trust me. The police aren't coming to your house because you left the scene of an accident."

An apparent deadly case of contractor impunity allegedly involving Blackwater guards took place in May 2004. The incident was thoroughly investigated and reported by *Los Angeles Times* correspondent T. Christian Miller. The U.S. Embassy spokesman in Baghdad, Robert J. Callahan, was finishing up his tour of duty and was making the rounds to say his good-byes to various journalists and media organizations around the Iraqi capital. "As was typical for State Department officials, Callahan relied on Blackwater for transport around Baghdad," according to Miller. Returning from one media compound, Callahan's "five-vehicle convoy turned onto a broad thoroughfare running through Baghdad's Masbah neighborhood, an area of five-story office buildings and ground-level shops." At the same time, according to Miller, a thirty-two-year-old Iraqi truck driver named Mohammed Nouri Hattab, who was moonlighting as a taxi driver, was transporting two passengers he had just picked up in his Opel. "Hattab looked up and saw Callahan's five-car convoy speed out of a side street in front of him. He was slowing to a stop about fifty feet from the convoy when he heard a burst of gunfire ring out, he said. Bullets shot through the hood of his Opel, cut into his shoulder, and pierced the chest of nineteen-year-old Yas All Mohammed Yassiri, who was in the backseat, killing him," according to Miller. "There was no warning. It was a sudden attack," said Hattab.

Miller reported that, on background, "one US official said that embassy officials had

reviewed the shooting and determined that two Blackwater employees in the convoy that day had not followed proper procedures to warn Hattab to stay back; instead they opened fire prematurely." The official said the two had been fired and sent home. As of this writing, they have not been prosecuted. Miller obtained hundreds of pages of incident reports involving private military contractors in Iraq. He reported, "About 11 percent of the nearly two hundred reports involved contractors firing toward civilian vehicles. In most cases the contractors received no fire from the Iraqi cars."

Blackwater's style fit in perfectly with Bremer's mission in Iraq. In fact, one could argue that Bremer didn't just get protection from Blackwater's highly trained mercenaries but also from the all-powerful realities of the free-market lab he was running in Iraq. Indeed, it seems that those forces were what Bremer banked on to survive the Iraq job—if he died, Blackwater's reputation would be shot. "If Blackwater loses a principal (like Bremer), they're out of business, aren't they?" asked Co' mei Hammes. "Can you imagine being Blackwater, trying to sell your next contract, saying, 'Well, we did pretty well in Iraq for about four months, and then he got killed.' And you're the CEO who's going to hire and protect your guys. You'll say, 'I think I'll find somebody else: . . . The problem for Blackwater [is] if the primary gets killed, what happens to Blackwater is they're out of business. For the military, if the primary gets killed, that's a very bad thing. There will be after-action reviews, etc., but nobody's going out of business.'"

For Blackwater, keeping Paul Bremer alive would provide the company with an incredible marketing campaign: *If we can protect the most hated man in Iraq, we can protect anyone, anywhere.* Indeed, in less than a year Osama bin Laden would release an audio tape offering a reward for Bremer's killing. "You know that America promised big rewards for those who kill mujahedeen [holy warriors]," bin Laden declared in May 2004. "We in the Al Qaeda organization will guarantee, God willing, 10,000 grams of gold to whoever kills the occupier Bremer, or the American chief commander or his deputy in Iraq." The resistance, too, reportedly offered a \$50,000 reward for the killing of any Blackwater guards. "We had prices on our heads over there," recalled ex-Blackwater contractor Capeheart. "We all knew it."

Bremer said that soon after Blackwater took over his security, "at Rumsfeld's request, the U.S. Secret Service had done a survey of my security and had concluded that I was the most threatened American official anywhere in the world. . . . One report Blackwater took seriously suggested that one of the Iraqi barbers in the palace had been hired to kill me when I got a haircut." After that, Blackwater moved Bremer into a villa on the palace grounds that reportedly had housed Qusay Hussein's mother-in-law.

In December 2003, a few months after Blackwater began guarding Bremer, came the first publicly acknowledged resistance attack on the proconsul. It happened the night of December 6, right after Bremer saw Defense Secretary Rumsfeld off at the Baghdad airport. "It was after 11:00 p.m. when [Bremer's aide] Brian McCormack and I got into my armored SUV for the run back to the Green Zone," Bremer recalled. "Our convoy, as usual, consisted of two 'up-armored' Humvees sheathed in tan slabs of hardened steel, a lead-armored Suburban, our Suburban, another armored Suburban following, and two more Humvees. Overhead, we had a pair of buzzing Bell helicopters with two Blackwater snipers in each." Inside the SUV, Bremer and McCormack were discussing whether Bremer should attend the World Economic Forum in Davos, Switzerland. Bremer was thinking that he "could now use some of the ski resort pampering" when a "deafening" explosion happened,

followed by automatic gunfire. The lead vehicle in the convoy had its tire blown out by an improvised explosive device (IED), and resistance fighters were attacking with AK-47s. According to Bremer, a bullet had hit a side window in his SUV. "We'd been ambushed, a highly organized, skillfully executed assassination attempt," wrote Bremer. "I swung around and looked back. The Suburban's armored- glass rear window had been blown out by the IED. And now AK rounds were whipping through the open rectangle." As he sped toward the safety of the palace, Bremer recalled that "with the stench of explosives lingering in the car, I considered. Davos, all those good meals. . . . Francie could fly over and we could ski. That was about as far from Baghdad's Airport Road and IEDs as you could get."

Bremer's office intentionally concealed the attack until two weeks later, when news of the ambush leaked in the U.S. press and Bremer was confronted at a press conference in the southern city of Basra. "Yes, this is true," he told reporters. "As you can see, it didn't succeed," adding, "Thankfully I am still alive, and here I am in front of you." Despite Bremer's later description of the attack as "a highly organized" assassination attempt, at the time his spokespeople dismissed it as a "random" attack that was not likely directed at Bremer personally, perhaps in an effort to downplay the sophistication of the resistance. After the attack was revealed, Bremer's spokesperson, Dan Senor, praised Blackwater: "Ambassador Bremer has very thorough and comprehensive security forces and mechanisms in place whenever there is a movement, and we have a lot of confidence in those security personnel and those mechanisms. And in this particular case, they worked."

As Bremer traveled Iraq, his policies and the conduct of his "bodyguards" and the other contractors he had immunized from accountability increasingly enraged Iraqis. Meanwhile, he continued to reinforce the Iraqi characterization of him as another Saddam, as he carried out expensive renovations to the Baghdad Palace. In December 2003, Bremer spent \$27,000 to remove four larger-than-life busts of Saddam's head from the palace compound. "I've been looking at these for six months," said Bremer as the first head was being removed. "The time has come for these heads to roll." With much of Iraq's civilian infrastructure in shambles, it seemed a questionable use of funds, but Bremer's spokespeople characterized it as compliance with the law. "According to the rules of de-Baathification, they have to come down," said Bremer deputy Charles Heady. "Actually, they are illegal."

For most of the time Blackwater guarded Bremer, the company remained under the radar. There was rarely a mention of Blackwater in media reports; instead, the men were simply referred to as Bremer's security detail or as his bodyguards. Sometimes, they were identified as Secret Service agents. Within the industry, though, Blackwater's men were viewed as the elite, the trendsetters among the rapidly expanding mercenary army in the country.

Around the time Blackwater won its Bremer contract, mercenaries quickly poured into Iraq. Firms like Control Risks Group, DynCorp, Erinys, Aegis, ArmorGroup, Hart, Kroll, and Steele Foundation, many of which already had some presence in the country, began deploying thousands of mercenaries in Iraq and recruiting aggressively internationally. In a throwback to the Vietnam War era, the positions were initially referred to as "private security consultants" on the job boards. Some companies, like Blackwater, won lucrative contracts with the State Department, the U.S. occupation authority, or the British government; others guarded oil projects, foreign embassies, or government buildings; while still others worked for major war contractors like Halliburton, KBR, General Electric, and Bechtel, or as part of security details for journalists. Among the highest paid mercenaries were former Special Forces: Navy SEALs, Delta Force, Green Berets, Rangers and Marines, British

SAS, Irish Rangers, and Australian SAS, followed by Nepalese Gurkhas, Serbian commandos, and Fijian troops. Meanwhile, the prospect of tremendous profits depleted official national forces, as soldiers sought more lucrative posts with private companies, which also aggressively headhunted Special Forces men for private work in Iraq. "We were bigger than life to a lot of the military guys," said ex-Blackwater contractor Kelly Capeheart. "You could see it in their eyes when they looked at us—or whispered about us. A lot of them were very jealous. They felt like they were doing the same job but getting paid a lot less."

In addition to these "professionals," there were many seedier elements that got in on the action, charging less money than their corporate colleagues and acting with even greater recklessness, among them former South African apartheid forces, some from the notorious Koevoet, who apparently entered Iraq in contravention of South Africa's antimercenary laws. By November 2003, the United States was explicitly telling companies wishing to do business in Iraq to bring their own armed security forces into the country.

When Bremer left Iraq in June 2004, there were more than twenty thousand private soldiers inside the country's borders and Iraq had become known as a "Wild West" with no sheriff. Those mercenaries officially hired by the occupation would be contracted for more than \$2 billion of security work by the end of the "Bremer year" and would account for upwards of 30 percent of the Iraq "reconstruction" budget. That, of course, does not take into account the private entities that widely hired mercenaries in Iraq. According to *The Economist* magazine, the Iraq occupation shot British military companies' revenues up from \$320 million before the war to more than \$1.6 billion by early 2004, "making security by far Britain's most lucrative postwar export to Iraq." One source cited by the magazine estimated that there were more ex-Special Air Service soldiers working as mercenaries in Iraq than on active duty there. Within a year, the British firm Erinys had built up a fourteen-thousand-man private army in Iraq, staffed by locals—among them, members of Ahmad Chalabi's "Free Iraq" forces—and commanded by expatriates from the company, some of whom were South African mercenaries. "[T]he massive demand for protection, and the fear of almost daily killing of foreign workers, has overstretched market supply, spawning an upsurge in cowboy contractors and drawing on a pool of international guns for hire that, according to reputable firms, are as much a liability to themselves and Iraqis as to their clients," reported *The Times* of London.

What these forces did in Iraq, how many people they killed, how many of them died or were wounded, all remain unanswerable questions because no one was overseeing their activities in the country. As of this writing, not a single U.S. military contractor has been prosecuted for crimes committed in Iraq. Still, stories trickled out of Iraq, sometimes through the bravado of the contractors themselves. One such case involved a Blackwater contractor bragging about his use of "non-standard" ammunition to kill an Iraqi.

In mid-September 2003, a month after Blackwater won the Bremer contract, a four-man Blackwater security team was heading north from Baghdad on a dirt road in an SUV when they say they were ambushed by gunmen in a small village. That morning, one of the Blackwater contractors, Ben Thomas, had loaded his M4 machine gun with powerful experimental ammunition that had not been approved for use by U.S. forces. They were armor-piercing, limited-penetration rounds known as APLPs. The product of a San Antonio company called RBCD, they are created using what is called a "blended metal" process. According to *The Army Times*, the bullets "will bore through steel and other hard targets but will not pass through a human torso, an eight-inch-thick block of artist's clay or even several

layers of drywall. Instead of passing through a body, it shatters, creating 'untreatable wounds." The distributor of these experimental rounds is an Arkansas company called Le Mas, which admits that it gave Thomas some of the bullets after he contacted the company. During the short gun battle that day, Thomas says he fired one of the APLP rounds at an Iraqi attacker, hitting him in the buttocks. The bullet, he said, killed the man almost instantly. "It entered his butt and completely destroyed everything in the lower left section of his stomach . . . everything was torn apart," Thomas told *The Army Times*. "The way I explain what happened to people who weren't there is . . . this stuff was like hitting somebody with a miniature explosive round. . . . Nobody believed that this guy died from a butt shot." Thomas, an ex-Navy SEAL, said he has shot people with various kinds of ammunition and that there is "absolutely no comparison, whatever, none," between the damage the APLP bullet did to his Iraqi victim that day and what would be expected from standard ammo. When Thomas returned to base after the shooting, he says his fellow mercenaries "were fighting over" the bullets. "At the end of the day, each of us took five rounds. That's all we had left."

These bullets have been a source of some controversy in Congress, and the manufacturer has lobbyists trying to get them approved for use by U.S. forces, calling it "an issue of national security." In fact, Thomas says he was threatened with a court-martial for using unapproved ammunition after he was mistakenly understood by a Pentagon official to be an active-duty soldier. It was the first recorded kill using the bullets, which had been tested for several years at the *Armed Forces Journal* annual "Shoot-out at Blackwater" at the company compound in Moyock. After Thomas allegedly killed the Iraqi using the APLP round, he sounded like a paid spokesman on a commercial for the bullets. "I'm taking Le Mas ammo with me when I return to Iraq, and I've already promised lots of this ammo to my buddies who were there that day and to their friends," Thomas told an interviewer during a leave from Iraq. "This is purely for putting into bad guys. For general inventory, absolutely not. For special operations, I wouldn't carry anything else." The *Armed Forces Journal* excitedly chronicled Thomas's experience with the rounds, calling them "reason enough for Pentagon officials to insist that Special Operations Command immediately begin realistic testing of the blended-metal ammunition." Thomas later posted on his MySpace Web page a link to a news article about his use of the armor-piercing bullets in Iraq with a note that said:

OSAMA BIN LADEN IS MY BITCH

And here is why [story link]

Fucker wants me dead now.

As mercenaries roamed the country freely, there was no official explanation given to Iraqis as to who these heavily armed, often nonuniformed forces were. It would be a year before Bremer would officially get around to issuing an order that defined their status—as immune from prosecution. Iraqis killed or wounded by these mercenaries had no recourse for justice. Many Iraqis—and some journalists—erroneously believed that the mercenaries were CIA or Israeli Mossad agents, an impression that enraged citizens who encountered them. The mercenaries' conduct and reputation also angered actual U.S. intelligence officers who felt the mercenaries could jeopardize their own security in the country. As 2003 neared its end, much of Iraq lay in ruins, while the oft-promised "reconstruction" projects, osten-



sibly to be funded by Iraqi oil revenue, were overwhelmingly nonexistent or flat-out failing. For mercenary companies, though, business was booming. In early 2004, the situation in Iraq would begin to descend even further into chaos, bringing more business for private military companies.

In February 2004, Bremer's office engaged in an incredible act of either vast miscalculation or wanton (and deadly) disregard for reality. According to a report at the time in the *Washington Post*, "U.S. officials courting companies to take part in the rebuilding insist that security is not an issue for contractors and said accounts have been overblown. 'Western contractors are not targets; Tom Foley, the CPA's director of private-sector development, told hundreds of would-be investors at a Commerce Department conference in Washington on Feb. 11. He said the media have exaggerated the issue.'" On the contrary, Foley asserted, "The risks are akin to sky diving or riding a motorcycle, which are, to many, very acceptable risks." By mid-March 2004, mercenary firms were basking in what had become a tremendous "sellers' market" in Iraq. "What it cost to hire qualified security personnel in June (2003) is a fraction of what it costs today," said Mike Battles, founder of the U.S. firm Custer Battles, which was contracted to guard the Baghdad airport.

On March 18, word hit the streets that the United States was putting up a contract worth \$100 million to hire private security to guard the foursquare-mile Green Zone and its three thousand residents. "The current and projected threat and recent history of attacks directed against coalition forces, and thinly stretched military force, requires a commercial security force that is dedicated to provide Force Protection security," read the solicitation. As Blackwater's Bremer detail succeeded in keeping its high-value "noun" alive, the company's management seized opportunity in the chaos of Iraq. They opened several new offices, in Baghdad, Amman, and Kuwait City, as well as headquarters in the epicenter of the U.S. intelligence community in McLean, Virginia, that would house the company's new Government Relations division. Plans were under way to expand Blackwater's lucrative business in the war zone in a profit drive that would end with four American contractors dead in Fallujah, Iraq in flames, and Blackwater's future looking very bright.

## CHAPTER FIVE

# SCOTTY GOES TO WAR

**BY EARLY 2004**, Blackwater was firmly entrenched in Iraq, while Erik Prince, Gary Jackson, and other Blackwater executives were aggressively exploring new markets and contracts for their thriving business. Its men were guarding the head of the U.S. occupation and several regional CPA offices around Iraq, giving Blackwater a pole position for prime contracts, and its forces were the envy of the burgeoning private security business in Iraq. This was made possible by the ever-worsening security situation in the country. In January 2004, the *Financial Times* reported, "Contractors say there have been more than 500 attacks on civilian and military convoys in the last two months alone." That month, Blackwater executive Patrick Toohey "advised" businesses looking to operate in Iraq, "You should be adding a further 25 percent for security." Some began comparing the mercenary market in Iraq to the Alaskan Gold Rush and the O.K. Corral. As *The Times* of London put it, "In Iraq, the postwar business boom is not oil. It is security." Almost overnight, a once-despised industry was emerging from the shadows and thriving, and Blackwater was at the head of the pack. Eager to expand its business and profits, the company quickly put the word out that it was looking for highly qualified ex-Special Forces guys to deploy in Iraq. The company offered wages to "qualified" candidates that dwarfed basic military pay—and almost any other job's salary. A contractor with Blackwater could make \$600 to \$800 a day, in some cases even more. Plus, the short-term contracts the company offered—two months—meant that a small fortune could be made quickly in a defined number of days. In many cases, contractors could extend for more terms if they wished. There were also major tax breaks offered to would-be mercenaries.

The privatization of the occupation also offered a chance for many combat

enthusiasts, retired from the service and stuck in the ennui of everyday existence, to return to their glory days on the battlefield under the banner of the international fight against terrorism. "It's what you do," said former Navy SEAL Steve Nash. "Say you spend twenty years doing things like riding high-speed boats and jumping out of airplanes. Now, all of sudden, you're selling insurance. It's tough." Dan Boelens, a fifty-five-year-old police officer from Michigan and self-described weapons expert, went to Iraq with Blackwater because it was "the last chance in my life to do something exciting," saying, "I like the stress and adrenaline push it gives me."

"When a guy can make more money in one month than he can make all year in the military or in a civilian job, it's hard to turn it down," said ex-SEAL Dale McClellan, one of the original founders of Blackwater USA. "Most of us have been getting shot at most of our lives anyway." Their skills—urban warfare, sniping, close-quarter combat—McClellan said, are "all worthless in the civilian world." Plus, there's an added bonus McClellan calls the "cool-guy factor." "Let's face it," he said. "Chicks dig it."

"You're not trained for a lot of other things," said Curtis Williams, another ex-SEAL. "That adrenaline rush is addicting. It's something that never goes away." Many Special Forces soldiers who served in the "peacetime" of the 1990s also felt robbed of the overt combat of different eras and viewed the war on terror as their chance at glory. "We are trained to serve our country in an elite fashion," said Williams. "We want to go back and kill the bad guy. It's who we are." A Blackwater contractor who served in Afghanistan admitted that money is a major factor. "But that's not all of it," he said. "After 9/11, I wanted some payback." Among those lured to Iraq by Blackwater's offer was a thirty-eight-year-old former Navy SEAL named Scott Helvenston.

A tan, chiseled, G.I. Joe action figure of a man, Helvenston was like a walking ad for the military. Literally. His image—shirt off, running on a beach at the head of a pack of jogging SEALs—once graced the cover of a Navy promotional calendar. He came from a proud family of Republicans, and his great-great-uncle, Elihu Root, was once the U.S. Secretary of War and a winner of the 1912 Nobel Peace Prize. Helvenston's father died when he was seven, and he helped raise his younger brother, Jason. Scott Helvenston was, by all accounts, a model soldier and athlete. He made history by becoming the youngest person ever to complete the rigorous Navy SEAL program, finishing it at seventeen. He spent twelve years in the SEALs, four of them as an instructor. "It's the longest and most arduous training of its kind in the free world," Helvenston said of the SEAL program's Basic Underwater Demolition School. "When you make it through, you say, Hey, I think I can handle anything." But, like many ex-Special Forces guys, Helvenston struggled to figure out what to do with his life after he left the service in 1994. His combat skills didn't exactly transfer into the "real world" all that well, and he had no interest in being anybody's rent-a-cop. His real passion was fitness: he had made several workout videos through his company, Amphibian Athletics, and had dreams of opening his own fitness center.

For a while in the 1990s, Helvenston tried his luck with Hollywood. He trained Demi Moore for her film about the SEALs, *G.I. Jane*, was an adviser on John Travolta's film *Face/Off*, and he even had a cameo as a stunt double in a movie here and there. He also did a few stunts on reality television, including a starring role in the Special Forces military reality show *Combat Missions*, which was produced by *Survivor* creator Mark Burnett. One reviewer described Helvenston as having "a spitfire temperament" on the show, and he was widely seen as the villain. "He's very emotional, and he reads things a certain way and is of a mind

about how he's perceived," said Burnett of Helvenston. "But you know what? Put a gun on him and send him into battle. You'd want him on your side. He's a great Navy SEAL and one of the best athletes in America." In another series, *Man vs. Beast*, Helvenston was the only contestant to defeat the beast, outmaneuvering a chimpanzee in an obstacle course.

Not for lack of effort, the acting work wasn't panning out for Helvenston, and he was struggling to make ends meet. "It was good money but it was never enough," his mother, Katy Helvenston-Wettengel, remembers. He was divorced from his wife, Patricia, but continued to support her and their two teenage children, Kyle and Kelsey. Helvenston was also in debt, and when he heard through the SEAL grapevine that serious money was to be made as a high-risk bodyguard, he began looking around. He was offered a job by DynCorp protecting Afghan President Hamid Karzai, but he ultimately declined because it required a one-year commitment and Helvenston didn't want to leave his children. Then, in late 2003, when he heard that Blackwater was hiring—and that he could deploy for just two months—the idea immediately appealed to him. Scott's mother says he viewed it as an opportunity to turn his life around. "He said, 'I'm gonna go over there, make some money, maybe make a difference, then I'll be coming back starting my new job. I'll only be away from my kids for a couple of months! That's why he chose Blackwater,'" she recalls.

When he would talk about it with his family or friends, Scott Helvenston would tell people that he was going to be guarding the U.S. Ambassador in Iraq. After all, that's what Blackwater was known in the private security world to be doing over there. Plus, the company was run by ex-SEALs like Helvenston—he'd be right at home and around guys who'd have his back in Iraq. "Scott had a warrior mindset," said his friend Mark Divine, a Navy SEAL reservist trained by Helvenston. He said Helvenston planned to make \$60,000 in Iraq, but that he also was looking forward to seeing the kind of action he'd trained for but hadn't really seen during his "peacetime" years in the SEALs. "When you're not in the game, you feel a little bit like a caged animal. Like training your whole life to be a pro football player and not getting to suit up for the game," Divine said. Helvenston's brother, Jason, said that although Scott had participated in covert operations as a SEAL, he felt none were risky enough to feel fulfilled. "He sometimes felt he never served his country because he didn't encounter enough danger," Jason Helvenston said. "That's why he went to Iraq." Divine spoke to Helvenston two days before he shipped out. "This was a last hooray for Scott," he said. "It was his last opportunity to get back in the arena." As for the serious risks of deploying in Iraq, Divine said, "His feeling was, 'If your time is up, there's going to be a bullet out there with your name on it.'"

If it had been up to Katy Helvenston-Wettengel, her son wouldn't have gone to Iraq at all. "We had argued about him going over there," she recalls. "I believe that we should have gone into Afghanistan, but I never believed we should have gone into Iraq. And Scott bought the whole story about Saddam Hussein being involved with Al Qaeda and all that. He believed in what he was doing." Except guarding the Ambassador—or any other U.S. official, for that matter—is not what Scott Helvenston would be doing in Iraq.

In early March 2004, Helvenston arrived at the Blackwater training center in the wilderness of Moyock, North Carolina, where he would spend two weeks preparing for deployment in Iraq. He was surrounded by ex-SEALs and other Special Ops guys. Also at the compound were some of the first batch of non U.S. mercenaries Blackwater would hire: Chilean commandos—some of whom had trained under the brutal regime of Augusto Pinochet—whom Blackwater had flown to North Carolina a few days earlier." Like Helvenston, they, too, were destined for

deployment in Iraq as part of the rapidly expanding privatized forces. "We scour the ends of the earth to find professionals," Blackwater president Gary Jackson said at the time. "The Chilean commandos are very, very professional, and they fit within the Blackwater system."

Shortly after Scott Helvenston arrived in North Carolina, trouble started. One of the men heading the training at Blackwater was a man some of the guys called Shrek, presumably after the green ogre movie cartoon character. By all accounts Helvenston was excited to be working for Blackwater and heading into action. But shortly after the training, he alleged in an email to Blackwater management that a conflict had developed between him and Shrek. Among other things, Helvenston alleged that Shrek was an "unprofessional" manager, and he portrayed Shrek as becoming defensive when Helvenston would ask questions of him during training. "In my class participation, I truly attempted to serve my comments in a manner that would not imply [Shrek] was wrong but that this was the experience I gained while going through a Department of State Certification course," Helvenston alleged, adding that because of how Shrek reacted to his comments and suggestions, he stopped offering them. After the training session in North Carolina, Helvenston and Shrek ended up deploying to Kuwait together, flying over in mid-March with the team of Chilean commandos recently contracted by Blackwater.

Despite what Helvenston saw as a conflict with Shrek, the deployment seemed like a decent situation for him, as two of his friends from his days on the reality TV show *Combat Missions* were helping to run the Blackwater operations: John and Kathy Potter. "I spent a week in Kuwait with Scott right before he went into Iraq," recalled Kathy Potter, who was running Blackwater's Kuwait operations while her husband was in Baghdad. "We were able to have some wonderful conversations about his family, life, and lessons learned. Scott was a totally changed man from the last time I saw him." She described Helvenston as "a joy to be around! There wasn't a day I wasn't cracking up at him and his comments!"

"His favorite saying (which he used every opportunity he had) was 'I'm just damn glad to be here!' This would make me laugh and bring a smile to all of our faces when he said this," Potter wrote. She described Helvenston as supporting her in the face of other Blackwater "guys coming in with a very negative and disrespectful attitude, and a chauvinistic and challenging demeanor." But it took only a few days before things started to go very wrong for Helvenston.

When he set off for the Middle East, Scott Helvenston's family thought he was going to be guarding Paul Bremer. As it turned out, he was slated to carry out a far less glamorous task. As part of Blackwater's power-drive for more business, the company had recently teamed up with a Kuwaiti business called Regency Hotel and Hospital Company, and together the firms had won a security contract with Eurest Support Services (ESS), a Haliburton subcontractor, guarding convoys transporting kitchen equipment to the U.S. military. Blackwater and Regency had essentially wrestled the ESS contract from another security firm, Control Risks Group, and were eager to win more lucrative contracts from ESS, which described itself as "the largest food service company in the world," in its other division servicing construction projects in Iraq. Blackwater was quickly pulling together teams to begin immediately escorting the convoys, and it was one of these details that Helvenston would ultimately be assigned to in Iraq. In the meantime, unbeknownst to him, there were secret business dealings going on behind the scenes.

Blackwater was paying its men \$600 a day but billing Regency \$815, according to the contracts and reporting in the *Raleigh News and Observer*. "In addition," the paper reported,

"Blackwater billed Regency separately for all its overhead and costs in Iraq: insurance, room and board, travel, weapons, ammunition, vehicles, office space and equipment, administrative support, taxes and duties." Regency would then bill ESS an unknown amount for these services. Kathy Potter told the *News and Observer* that Regency would "quote ESS a price, say \$1,500 per man per day, and then tell Blackwater that it had quoted ESS \$1,200." In its contract with Blackwater/Regency, ESS made reference to its contract with Halliburton subsidiary KBR, apparently indicating that Blackwater was working under a KBR subcontract with ESS. The *News and Observer* reported that ESS billed KBR for the Blackwater services and that KBR in turn billed the federal government an unknown amount for these same services. KBR/Halliburton, which makes a policy of not disclosing its subcontractors, said they were "unaware of any services" that Blackwater may have provided to ESS. This dispute would later become the focus of a Congressional inquiry.

The original contract between Blackwater/Regency and ESS, signed March 8, 2004, recognized that "the current threat in the Iraqi theater of operations" would remain "consistent and dangerous," and called for a minimum of three men in each vehicle on security missions "with a minimum of two *armored* vehicles to support ESS movements." [Emphasis added.] But on March 12, 2004, Blackwater and Regency signed a subcontract that specified security provisions identical to the original except for one word: "armored." It was deleted from the contract, allegedly saving Blackwater \$1.5 million.

John Potter reportedly brought that omission to the attention of Blackwater management and Regency. Further delays could have resulted in Blackwater/Regency losing profits by hindering the start of the ESS job, and they were gung-ho to start to impress ESS and win further contracts. "Regency, all they cared about was money," Kathy Potter alleged. "They didn't care about people's lives." But the call to go ahead with the project without armored vehicles would have been Blackwater's to make. As the *News and Observer* reported, "The contract gives Blackwater complete control over how and when the convoys move, based on its judgment and the threat level. Kathy Potter said that Blackwater signed off on the mission." On March 24, Blackwater removed John Potter as program manager, allegedly replacing him with Justin McQuown, who lawyers for Helvenston's family allege was the man known as "Shrek" whom Helvenston had clashed with at training in North Carolina. McQuown, through his lawyer, declined to be interviewed. Word reached Helvenston in Kuwait that both Kathy and John Potter had been removed. "The one thing I do know is that both John and Kathy put their hearts and souls into this job," Helvenston wrote. "It is my opinion that whatever the severity of their wrongdoing they should not have been fired."

In the meantime, Helvenston had been shuffled around a bit in Kuwait before being assigned to the Blackwater team he was slated to deploy to Iraq with in a few days. "We spent the last two days working, going out for meals, getting to know one another and in general bonding," he wrote on March 27, 2004. "We have been told that we are scheduled to leave two days from now to escort a bus up to Baghdad." Helvenston wrote that he and his new team went out for dinner that night in Kuwait to continue their bonding and then to a "hukha bar" when a series of fateful events began to unfold, beginning with a call on Helvenston's mobile. "At roughly 2200 hrs. this evening I receive a call asking me if I can leave tomorrow 0500 with a new team leader," he wrote. "God's honest truth. . . . I am sitting there with a fruit drink and a piece pipe in my mouth (completely legal) feeling . . . well . . . dizzy as shit and a bit nasuated and my response was no. My bags were not packed and i just didn't feel up to it." Helvenston said he returned to his room in Kuwait and his

team leader "went to speak with Justin. He frankly did not want to lose me as a team member and I think he felt that there was a hidden agenda. 'Lets see if we can screw with Scott'" [sic].

Then, according to Helvenston's e-mail, things got ugly. He alleged that Shrek and another individual came to his hotel room late that night "to front me. No, not confront me. FRONT ME!" The man with Shrek, Helvenston wrote, called Helvenston a "coward" and "Stands as if he wants to fight Justin does the same. I draw my ASP [handgun] and this coward is ready to rock & roll. I just had a premonition [sic] it was going to happen. My roommate Chris breaks it up and Justin says I am fired and on a plane tomorrow. We exchange pleasantries and the result is him assuming my CLOCK [pistol] for which he has giving [sic] me permission to keep in my room." Helvenston's family would later allege that McQuown "threatened to fire Helvenston if he did not leave early the next morning with the new team." Regardless of the alleged conflict that night, Helvenston would soon find himself in Iraq. McQuown's lawyer said his client lacked any "involvement in the planning or implementation of [the] mission," on which Helvenston would be dispatched a few days later. The e-mail Helvenston sent the night before he deployed to Iraq was addressed to the "Owner, President and Upper Management" of Blackwater. Its subject: "extreme unprofessionalism." It was the last e-mail Scott Helvenston would ever send.

## CHAPTER SIX

# THE AMBUSH

**AROUND THE** time Scott Helvenston arrived in the Middle East, in mid- March 2004, the situation in Fallujah was reaching an incendiary point. Following the massacre outside the school on Hay Nazzal Street in April 2003, the U.S. forces withdrew to the city's perimeter. Like Muqtada alSadr's Shiite followers in the Sadr City section of Baghdad, Fallujans had organized themselves and, before U.S. forces entered the city, created a local system of governance—appointing a Civil Management Council with a manager and mayor—in a direct affront to the authority of the occupation. According to Human Rights Watch, "Different tribes took responsibility for the city's assets, such as banks and government offices. In one noted case, the tribe responsible for al-Falluja's hospital quickly organized a gang of armed men to protect the grounds from an imminent attack. Local imams urged the public to respect law and order. The strategy worked, in part due to cohesive family ties among the population. Al-Falluja showed no signs of the looting and destruction visible, for example, in Baghdad." They were also fierce in their rejection of any cooperation with the United States and its Iraqi allies. In January 2004, Maj. Gen. Charles Swannack, commander of the Army's Eighty-second Airborne Division, said the region was "on a glide path toward success," declaring, "We have turned the corner, and now we can accelerate down the straightaway." But Swannack's forces had largely operated on the outskirts of the city, which, to the great consternation of Bremer and other U.S. officials, remained semiautonomous and patrolled by local militias. "Iraqis consider this period only a truce," said Fallujan shopkeeper Saad Halbousi in the weeks following the massacre at The Leader School and the subsequent U.S. withdrawal to the city's perimeter. "They will eventually explode like a volcano. We've exchanged a tyrant for an occupier." In February, in a highly organized, broad-daylight raid, resistance fighters stormed a U.S.-backed Iraqi police



center in Fallujah, killing twenty-three officers and freeing dozens of prisoners. The next month, with militia openly patrolling Fallujah and antioccupation sentiment rising across Iraq, the U.S. determined to make an example of the city. "The situation is not going to improve until we clean out Fallujah," declared Bremer. "In the next ninety days [before the official 'handover' of sovereignty], it's vital to show that we mean business."

On March 24, the First Marine Expeditionary Force took over responsibility of the city from the Eighty-second Airborne and immediately attempted to impose U.S. dominance over the antioccupation residents of Fallujah. A few days earlier, Marine commander Maj. Gen. James Mattis had outlined his strategy for dealing with Fallujah and the other areas of the largely Sunni Anbar province at a "handover" ceremony. "We expect to be the best friends to Iraqis who are trying to put their country back together," Mattis said. "For those who want to fight, for the foreign fighters and former regime people, they'll regret it. We're going to handle them very roughly. . . .

If they want to fight, we will fight." Less than a year later, Mattis spoke about his time in Iraq and Afghanistan, telling an audience, "Actually it's quite fun to fight them, you know. It's a hell of a hoot," adding, "It's fun to shoot some people. I'll be right up there with you. I like brawling."

As Mattis's forces took Fallujah, the Associated Press reported from inside the city, "Newly arrived U.S. Marines are leaving no one in doubt about their resolve to defeat insurgents. Residents are awed by the show of force but remain convinced that the Marines will fail to stamp out the resistance." In a message to arriving troops, Mattis compared the Fallujah mission to battles in World War II and Vietnam: "We are going back into the brawl. . . . This is our test—our Guadalcanal, or Chosin Reservoir, our Hue City. . . . You are going to write history." Khamis Hassnawi, Fallujah's senior tribal leader, told the *Washington Post*, "If they want to prevent bloodshed, they should stay outside the city and allow Iraqis to handle security inside the city. Two days after they arrived, the Marines engaged in street battles with Iraqis in the working-class al-Askari neighborhood that raged for hours. In the end, one Marine was killed and seven were wounded. Fifteen Iraqis—among them, an ABC News cameraman and a two-year-old child—died in the fighting. A Marine crackdown quickly followed that "many residents say was unlike any they'd seen in nearly a year of U.S. occupation." The Marines' aggressive move into Fallujah also presented many residents with a harsh sea of choices: surrender to foreign occupation, flee their homes, or resist. While some chose to leave, the more civilians that died, the more emboldened people in Fallujah became.

There was also another significant incident around that time that was fanning the flames of Sunni resistance. It happened not in Iraq but in Palestine. The Israeli military openly assassinated the spiritual leader of Hamas, Sheikh Ahmed Yassin, in Gaza. As he was being wheeled in his chair out of a morning prayer session on March 22, 2004, an Israeli helicopter gunship fired a Hellfire missile at his entourage, killing Yassin and at least a half-dozen others. The "targeted assassination" enraged Muslims globally, particularly Sunnis like those living in Fallujah. Right after the assassination, more than fifteen hundred people gathered for prayers in the city to remember Yassin, with Sunni clerics saying the killing presented "a strong case for jihad [holy war] against all occupation forces." Shops, schools, and government buildings were shut down as part of a general strike in Fallujah. For many in Iraq, the U.S. occupation of their country was part of the broader pro-Israel agenda in the region, and the Israeli occupation of Palestine and the U.S. invasion of Iraq were seen as

intimately linked. "The assassination of an old man on a wheelchair, whose only weapon is his fierce drive to liberate his land, is an act of cowardice that proves the Israelis and the Americans do not want peace," said sixty-four-year-old Muslih al-Madfai, a Fallujah resident. The timing of the assassination, which happened as the aggressive Marine takeover of Fallujah was beginning, fueled the belief that the United States and Israel were working in concert. As it was, many ordinary people in Iraq believed private security contractors to be Mossad or CIA.

As the Marines began fanning out across Fallujah, residents began reporting house-to-house raids and arbitrary arrests. "If they find more than one adult male in any house, they arrest one of them," said Fallujah resident Khaled Jamaili. "Those Marines are destroying us. They are leaning very hard on Fallujah." On Saturday, March 27, the Marines issued a statement saying they were "conducting offensive operations . . . to foster a secure and stable environment for the people." It went on to say, "Some have chosen to fight. Having elected their fate, they are being engaged and destroyed." The Marines blockaded the main entrances to the city with tanks and armored vehicles and dug foxholes along the roads. Graffiti began popping up on buildings in the Askari neighborhood with slogans like "Long live the Iraqi resistance," "Long live the honorable men of the resistance," and "Lift up your head. You are in Fallujah." Many in the city began hunkering down as the U.S. forces escalated their campaign to take Fallujah. "We are all suffering from what the Americans are doing to us, but that doesn't take away anything from our pride in the resistance," said Saadi Hamadi, a twentyfour-year-old graduate of Arabic studies from Baghdad's al-Mustansiriyah University. "To us, the Americans are just like the Israelis." Tension was mounting inside Fallujah as the Americans began warning people—using patrols with bullhorns—that their neighborhoods would be turned into a battlefield if the "terrorists" did not leave. By then, some families had already begun to flee their homes.

"The American forces had withdrawn from Fallujah over the winter, saying that they were going to rely on Iraqi security forces to do the work there for them, and so as not to be provocative," the veteran *New York Times* foreign correspondent John Burns said at the time. "The Marines, who took over authority for the Fallujah area from the 82nd Airborne Division, only last week changed the template. They decided to go back into Fallujah in force, and take a real crack at some of these insurgents. That resulted in a whole series of running battles last week, in which a number of marines were killed. Quite a few Iraqi civilians [were killed], 16 in one day last Friday." It was part of a Marine strategy to draw the "insurgents" out. "You want the fuckers to have a safe haven?" asked Clarke Lethin, the First Marine Division's chief operations officer. "Or do you want to stir them up and get them out in the open?" According to *Washington Post* defense correspondent Thomas Ricks, "Marine patrols into Fallujah were familiarizing themselves with the city, and in the process purposely stirring up the situation. Inside the city, insurgents were preparing to respond—warning shops to close, and setting up roadblocks and ambushes with parked cars." Even still, on March 30, 2004, Brig. Gen. Mark Kimmitt told reporters, "The Marines are quite pleased with how things are going in Fallujah, and they're looking forward to continuing the progress in establishing a safe and secure environment and rebuilding that province in Iraq." In reality, the United States was swatting a hornets' nest in Fallujah, one in which Scott Helvenston and three other Blackwater contractors would find themselves less than twenty-four hours later.

### **Like "Slaughtered Sheep"**

Jerry Zovko was a private soldier years before the "war on terror" began. He had joined the U.S. military in 1991 at age nineteen and fought his way into the Special Forces, eventually becoming an Army Ranger. The Croatian-American was deployed, by choice, in Yugoslavia, his parents' homeland, during the civil war there in the mid-1990s, where his family says he participated in covert operations. He was independent-minded, stubborn, and ambitious, and after Yugoslavia he trained to become an elite Green Beret but was never given a team assignment. In 1997, Zovko left the military. "He did something for the government that he couldn't tell us about," recalls his mother, Danica Zovko. "We don't know what it was. You know, I never knew what he was doing. To this day, I do not." She says her son once showed her some small copper "tokens" the size of a silver dollar that he said would prove who he was to people who needed to know. She remembers a conversation where Jerry said, "Mom, it's easy to be an Army Ranger—that's physical work. But going into Special Forces, that's where your intelligence comes in."

In 1998, Zovko headed for the relatively unknown (to the public) world of private security. He was hired by one of the largest of these companies, DynCorp, and was stationed in the Arab Gulf nation of Qatar, working at the U.S. Embassy, where he learned Arabic. That assignment grew into a career as a soldier for hire. He traveled a lot and did a stint in the United Arab Emirates. Whenever Danica Zovko would ask her son about what exactly he was doing in all of these exotic places, he would always tell his mother the same thing. "He would tell me he was just taking care of the Embassy and working in the kitchen. But then, all his life in the military—a good seven years—he was always in the kitchen," she recalls with a doubtful tone. "Now I found out that he wasn't really in the kitchen." When the occupation of Iraq took hold, Zovko took a job, in late-August 2003, with the Virginia-based Military Professional Resources Incorporated, training the new Iraqi army. A few months before he left for Iraq, his mother had asked him, "Would you want to be a hired gun or something like that? Why would you put your life in danger for someone else?" He said, "Mom, I'm not. I'm going to train the Iraqis." The job was short-lived, though, as many Iraqi recruits never returned after a Ramadan break a couple of months later. So Zovko was picked up by Blackwater, which was in the midst of its aggressive recruitment drive for Iraq deployment. It was a good gig for Zovko, especially because his buddy Wes Batalona, a tough former Army Ranger from Hawaii who had been in Panama in 1989 and Somalia in 1993, was by his side. The two had hit it off during their brief stint training the Iraqi army, and Batalona was ultimately drawn back to Iraq in February 2004 by Zovko to work with Blackwater after the training job fell apart. "Around that time, Jerry called me," remembers his mother. "He was serious. He said I needed to write something down. I asked, 'What is it?' He said it was the number of the insurance policy and I told him, 'If I need to write down an insurance policy number, then you need to get your you-know-what home: And I hung up on him.'" Danica Zovko instructed her other son, Tom, to tell Jerry the same if he called. "That was the first time we'd ever argued with Jerry or ever asked him to come home. He did not tell me he was working for Blackwater," Danica says. The next time Jerry called, "he promised my husband and me that he would be there for Easter dinner, that we'd go to church together and that he'd take over the family business."

But a few weeks before Easter, on the morning of March 30, Zovko and Batalona got teamed up with another Blackwater contractor, thirty-eight year-old Mike Teague from Tennessee, a former member of the 160th Special Operations Aviation Regiment, the "Night

Stalkers." Known as "Ice Man" to his friends, Teague was a twelve-year Army veteran who had been in Panama and Grenada before becoming a reservist. Most recently, he'd won a Bronze Star for his time in Afghanistan after 9/11. After Afghanistan, he returned to the States and took a low-paying security job before joining up for more lucrative work with Blackwater in Iraq. "This was the kind of work Mike loved," his friend John Menische told *Time* magazine. "He was a soldier and a warrior." That day in Iraq, Teague had sent an e-mail to a friend, saying he loved Iraq and the excitement of his new six-figure-salary job. The fourth member of this hodgepodge team was a face Zovko and Batalona had never seen in Baghdad, an ex-SEAL named Scott Helvenston. Their assignment was to escort some trucks to pick up kitchen equipment near Fallujah and then drop it off at a military base. It was one of the first missions under Blackwater's new contract to provide security for ESS's catering convoys. Before the mission, Batalona complained to a friend that the group had never worked together. On top of that, they were sent off that morning short two men, who were allegedly held back for clerical duties at the Black-water compound. Then, there were the vehicles. Instead of armored trucks, the men were provided with two jeeps that had been recently equipped with a single improvised steel plate in the back.

On March 30, 2004, Scott Helvenston's first real workday in Iraq, he found himself behind the wheel of a red Mitsubishi Pajero jeep, speeding through the eerie, empty desert of western Iraq. Next to him was Teague. Helvenston had just met the others a day earlier—not the ideal procedure for men about to deploy to one of the most dangerous areas in the world. Following close behind the red jeep, hulky Jerry Zovko was at the wheel of a black Pajero; next to him was Batalona—at forty-eight, the oldest of the group. The mission they were on that day had nothing to do with Paul Bremer or diplomatic security. They literally were putting their lives on the line for some forks and spoons and pots and pans. The men, though, weren't getting paid \$600 a day to set the priorities or to question the bigger picture, just to make sure the job got done right and that their "noun" of the moment was protected. Today it's kitchen equipment; tomorrow it's the Ambassador.

In retrospect, there were all sorts of reasons those four men shouldn't have gone on that mission. For one, they were shorted two guys. The CIA and State Department say they would never send just four men on a mission into the hostile territory these guys were heading into—six is the minimum. The missing man in each vehicle would have been wielding a heavy SAW machine gun with a 180-degree scope to mow down any attacker, especially from behind. "I am a designated driver so I am pretty dependent on my buds to pick up field of fire," Helvenston had e-mailed to his ex-wife, Tricia, a few days before he set off for Fallujah. Without the third man, that meant the passenger had to navigate and defend from attacks pretty much alone. The men should have been in better-secured vehicles than SUVs, which are widely referred to as "bullet magnets" in Iraq because of their wide use by foreign contractors. The men also were supposed to be able to do a pre-operation intelligence assessment and review the threat level along the route they'd be traveling, but the mission was reportedly pulled together too fast. To top it all off, Helvenston was allegedly sent out that day without a proper map of the dangerous area into which he would be driving. It's easy to look back and say the four men could have said, "No way, screw this, we're not going." After all, they were not active military and would not have faced a court-martial for disobeying orders. In the end, all they had to lose in refusing to go was their reputations and possibly their paychecks. "We just shouldn't have gone [on the mission]," Helvenston's friend and former Blackwater employee Kathy Potter told the *News and Observer*. "But

these guys are go-getters, and they'll make do with what they get."

So off they went into the quiet of the western Iraqi desert. It's hard to imagine that the men didn't talk about the short stick they seemed to have drawn. Going anywhere near Fallujah in those days was scary business for non-Iraqis, and they didn't need any intel to know it. The U.S. Marines were in the midst of a major offensive in the city, and nobody from the military in their right mind would have headed through Fallujah with only four men and without serious firepower. Blackwater management was very well aware of this. In its own contract with ESS, Blackwater laid it out, recognizing that with "the current threat in the Iraqi theater of operations as evidenced by the recent incidents against civilian entities in Fallujah, Ar Ramadi, Al Taji and Al Hillah, there are areas in Iraq that will require a minimum of three Security Personnel per vehicle. The current and foreseeable future threat will remain consistent and dangerous. Therefore, to provide tactically sound and fully mission capable Protective Security Details, the *minimum team size is six operators.*" [Emphasis added.]

In the immediate days preceding this particular mission, the situation in Fallujah was already spiraling out of control. U.S. soldiers had been ambushed in the city, civilians had been killed, and word was getting around that "the city of mosques" was quickly becoming the city of resistance. A day before the four Blackwater men set off for Fallujah, a Marine convoy near the city had hit an improvised explosive device. Within moments resistance fighters had moved in on the vehicle, opening fire with AK-47s, killing a Marine and wounding two others. The next morning, as Helvenston and the others headed to Fallujah, the Marines shut down the main highway from the city to Baghdad. Nine Marines had died in the past eleven days around the city. After months of relative calm, a giant was rising from the rubble of "Shock and Awe," and Scott Helvenston and the other three Blackwater contractors would soon find themselves in the middle of it all.

As luck would have it (or perhaps because they didn't have a map), on the night of March 30, Helvenston and the three others got lost. They drove around for a while in the Sunni Triangle before making contact with the U.S. military in the area. They made their way to a Marine base that had recently been renamed Camp Fallujah and arranged to spend the night before heading off. It is well-known in Iraq that a lot of active-duty soldiers harbor resentment toward mercenaries. Most soldiers knew that guys like Helvenston and the other three were making in a day what an average grunt makes in a week. So it isn't surprising that the Blackwater men wouldn't have exactly been guests of honor at the base. Still, the four men crashed there and ate alongside the troops. One Marine officer from the base angrily called the men "cowboys" and said the Blackwater men refused to inform the commanders—or anyone on the base for that matter—about the nature of their mission. At some point before they set off the next morning, Helvenston called his mother, who said she was already sick with worry about her son being over there. But the fact that he hadn't called in days made her even more concerned. It was the middle of the night back in Leesburg, Florida, and the ringer was off on his mother's phone, so Helvenston left a message: *Everything's fine mom. Please don't worry. I'm gonna be home soon. I'm gonna take care of you.*

A short while later, Scott Helvenston was behind the wheel of the Pajero driving down Highway 10, heading straight for perhaps the most dangerous city in the world in which four lightly armed CIA-looking Americans wearing wraparound sunglasses could find themselves. It was about 9:30 a.m., and the city of mosques was awake and waiting.

The main drag through Fallujah is a congested strip, lined with restaurants, cafes, *souks*, and lots of people milling around. At some point before the men arrived in Fallujah that morning, according to witnesses, a small group of masked men had detonated some sort of explosive device, clearing the streets and causing shopkeepers to shutter their doors. From the moment the convoy entered the city limits, the men stood out. In fact, it was very possible that the whole thing was a setup from the start. In a video purportedly made by an Iraqi resistance group, insurgents claimed they had been tipped off to the movements of the Blackwater convoy, which they believed consisted of U.S. intelligence agents. "A loyal mujahideen arrived who was a spy for the Islamic Jihad Army," said a masked insurgent on the video. "He told our commander that a group of CIA will pass through Fallujah en route to Habbaniyah." The insurgent said, "They would not have bodyguards with them and they would wear civilian clothes—this to avoid being captured by the mujahideen, because every American that passes through Fallujah will be killed." Blackwater representatives later alleged that units purportedly from the U.S.-installed Iraqi police had escorted the men into the city. A senior U.S. intelligence official "with direct access to that information" later told journalist Thomas Ricks that there had been a leak out of the Green Zone about the Blackwater convoy's movements.

As it happened, Zovko and Batalona—who had been in country much longer than Helvenston—led the way, followed by two empty flatbed trucks, driven by Iraqis, that were to be stocked up with kitchen equipment on the other side of Fallujah. Taking up the rear, Helvenston and Teague were in the red Pajero. Shortly after they rolled into the city, the convoy began to slow. To their right were shops and markets; to the left, open space. As the vehicles came to a standstill, witnesses say a grenade was thrown at Helvenston's jeep. Before he or Teague could figure out what was happening, the unmistakable rip of machine-gun fire bellowed out on Fallujah's streets. Bullets tore through the side of the Pajero like salt through ice.

It was the worst thing that could happen to a Special Forces guy—the realization that you're trapped. No one knows for sure the last thing Scott Helvenston saw before he breathed his last breath, but there is no doubt it was terrifying. He may have lived long enough to know that he would die a gruesome death. As his fatally wounded body lay in the jeep, blood gushing from him, a mob of men jumped on the hood of the Pajero, unloading cartridges of ammo and pounding their way through the windshield. Next to Helvenston lay Mike Teague, blood spitting from his neck. Chants of "Allahu Akbar" (God is Great) filled the air. The attackers had moved in swiftly, like hawks on fatally wounded prey. Soon, more than a dozen young men who had been hanging around in front of a local kebab house joined in the carnage. According to one eyewitness, one of the Blackwater men survived the initial attack after being hit in the chest with gunfire, only to be pulled from his vehicle by the mob, begging for his life. "The people killed him by throwing bricks on him and jumping on him until they killed him," the witness said. "They cut off his arm and his leg and his head, and they were cheering and dancing."

By the time Helvenston's jeep was shot up, Jerry Zovko and Wes Batalona realized an ambush was under way. Batalona slammed on the gas, rammed over the median, and tried either to rescue the other two or get the hell out. According to a former private military-company operator, Blackwater trains its men "not to aid the other when one vehicle is hit in an ambush. They are taught to get off the X. Your own survival is the ultimate monkey." But with little armor on the jeep and only one gunner, Batalona and Zovko were as good

as dead. Within moments, they found themselves in a hail of gunfire as their jeep slammed into another vehicle. Zovko's head was blown apart. Batalona's Hawaiian shirt was full of bullet holes; his head slumped over. Down the road, the mob was tearing apart Helvenston's Pajero. Their weapons and gear had been looted; someone brought in gasoline and doused the vehicles and the bodies. Soon they were in flames. The eerie soundtrack to the massacre, captured on videos made by resistance fighters, was a mix of horns blaring and random screams of "Allahu Akbar!"

In the midst of the carnage, journalists arrived on the scene and captured images that would soon become infamous. The crowd swelled to more than three hundred people, as the original attackers faded into the side streets of Fallujah. The scorched bodies were pulled from the burned-out jeep, and men and boys literally tore them apart, limb from limb. Men beat the bodies with the soles of their shoes, while others hacked off burned body parts with metal pipes and shovels. A young man methodically kicked one of the heads until it was severed from the body. In front of the cameras, someone held a small sign emblazoned with a skull and crossbones that declared, "Fallujah is the graveyard of the Americans!" Chanting broke out: "With our blood and our souls, we will sacrifice for Islam!" Soon the mob tied two of the bodies to the back of a dark red Opel sedan and dragged them to the main bridge crossing the Euphrates. Another body was tied to a car with a poster of the assassinated Hamas leader Sheik Yassin. Along the way, someone tied a brick to one of the men's severed right leg and tossed it over a power line. At the bridge, men climbed the steel beams, hanging the charred, lifeless remains of Helvenston and Teague over the river, forming an eerily iconic image. Their bodies dangled over the Euphrates for almost ten hours—like "slaughtered sheep" in the words of one Fallujan. Later, people cut the bodies down and put them on a pile of tires, setting them ablaze once again. When the fire died out, men tied what was left of some of the bodies to the back of a gray donkey cart and paraded them through Fallujah, eventually dumping them in front of a municipal building. Dozens of Iraqis followed the cart in a macabre procession chanting, "What makes you come here, Bush, and mess with the people of Fallujah?" One man warned, "This is the fate of all Americans who come to Fallujah."

It was the Mogadishu moment of the Iraq War, but with two key differences: the murdered men were not U.S. military, they were mercenaries; and unlike Somalia in 1993, the United States would not withdraw. Instead, the deaths of these four Blackwater soldiers would spark a violent U.S. siege, ushering in a period of unprecedented resistance to the occupation almost a year to the day after the fall of Baghdad.

## CHAPTER SEVEN

# "WE WILL PACIFY FALLUJAH"

**THE CHARRED** bodies of the Blackwater contractors were still hanging from the Fallujah bridge when news of the ambush began to spread across the globe. "They can't do that to Americans," said Capt. Douglas Zembiac as he watched the scene on TV in a mess hall at a military base outside Fallujah. But there would be no immediate response from the thousands of nearby U.S. Marines. Perhaps that was because that same morning, five Marines were killed near Fallujah after hitting a roadside bomb. Maybe it was because the Blackwater men were not "official" U.S. forces. In any case, the contractors' bodies hung over the Euphrates for hours as a grim reminder that one year after the fall of Baghdad, eleven months after President Bush declared an end to major combat operations, and ninety days before the official "handover of sovereignty" to the Iraqis, the war was just beginning. U.S. military spokesperson Brig. Gen. Mark Kimmitt initially tried to downplay the significance of the ambush, calling it an "isolated" and "small, localized" case, part of a "slight uptick in localized engagements." Fallujah, Kimmitt said, "remains one of those cities in Iraq that just don't get it." "While this one incident was happening in Fallujah, throughout the rest of the country, we are opening schools. We're opening health clinics. We are increasing the amount of electrical output. We are increasing the amount of oil output," Kimmitt declared at a press briefing the day of the ambush. "So is this tragic? Absolutely it's tragic. There are four families in this world today that are going to get knocks on the doors. And you don't want to be on either side of that door when it happens, either hearing the news or delivering the news. . . . But that isn't going to stop us from doing our mission. In fact, it would be disgracing the deaths of these people if we were to stop our missions." Paul Bremer's spokesperson, Dan Senior, told reporters that "the people who pulled those bodies out and engaged in this attack against the contractors are not people we are here to help," saying, "Those are people we have to capture or kill so this country can move forward." Senior said the people who carried out the



ambush and supported it represented "a tiny, tiny minority" of Iraqis. "The overwhelming majority of Iraqis are grateful for the liberation-95, 98 percent are the numbers that come up," he said.

Meanwhile, thousands of miles away in Washington, D.C., President Bush was on the campaign trail, speaking at the posh Marriott Wardman Park Hotel at a Bush-Cheney dinner. "We still face thugs and terrorists in Iraq who would rather go on killing the innocent than accept the advance of liberty," the President told his supporters. "This collection of killers is trying to shake our will. America will never be intimidated by thugs and assassins. We are aggressively striking the terrorists in Iraq. We will defeat them there so we do not have to face them in our own country." The next morning Americans woke up to news of the gruesome killings in Fallujah. "Iraqi Mob Mutilates 4 American Civilians," screamed the banner headline in the *Chicago Tribune*. "U.S. Civilians Mutilated in Iraq Attack," announced the *Washington Post*. "Americans Desecrated," proclaimed the *Miami Herald*. Somalia was being mentioned frequently.

After Kimmitt's initial downplaying of the ambush, the White House— and Paul Bremer—recognized the prolonged, public mutilation of the Black- water men as a major blow in the propaganda war against the fast-emerging anti-U.S. resistance in Iraq. Some went so far as to believe the ambush was a direct attempt to re-create Somalia in 1993, when rebels shot down a U.S. Black Hawk helicopter, killing eighteen U.S. soldiers and dragging some of their bodies through the streets of Mogadishu, prompting the Clinton administration to pull out of the country. With less than three months before the much-hyped "handover," the Bush administration faced the undeniable reality of an emboldened resistance to an occupation that was increasingly unpopular, both at home and inside Iraq. "The images immediately became icons of the brutal reality of the insurgency," wrote Bremer, saying they "underscored the fact that the coalition military did not control Fallujah." Bremer says he told Lt. Gen. Ricardo Sanchez, the commander of U.S. forces in Iraq, "We've got to react to this outrage or the enemy will conclude we're irresolute." Sanchez, according to Bremer, responded, "We're dusting off the operation we planned last fall . . . the one to clean out Fallujah." Almost immediately, plans for crushing the "city of mosques" were put on the fast track. "We will not be intimidated," declared White House spokesperson Scott McClellan. "Democracy is taking root and there's no turning back." Senator John Kerry—then the Democratic candidate for President—concurred, saying, "These horrific attacks remind us of the viciousness of the enemies of Iraq's future. United in sadness, we are also united in our resolve that these enemies will not prevail." Rep. Nancy Pelosi, the House Democratic leader, said, "We're not going to run out of town because some people were lawless in Fallujah." Meanwhile, political pundits on the cable networks called for blood. Bill O'Reilly of Fox News spoke of a "final solution," saying, "I don't care about the people of Fallujah. You're not going to win their hearts and minds. They're going to kill you to the very end. They've proven that. So let's knock this place down." Later, in calling for the United States "to use maximum force in punishing the Fallujah terrorists," O'Reilly declared, "Fear can be a good thing. Homicidal terrorists and their enablers must be killed or incarcerated. And their punishment must be an example to others. How do you think Saddam controlled Iraq all these

decades? He did it by fear. Meanwhile on MSNBC, former Democratic presidential candidate Gen. Wesley Clark said, "The resistance is not declining in Fallujah, so far as I can determine. It's building and mounting. And we can't have that challenge to our authority."

Many questioned why—with four thousand Marines positioned around Fallujah—such a prolonged mutilation of the bodies of the Blackwater contractors was possible and why their charred corpses were left for hours to hang from the bridge. "[E]ven while the two vehicles burned, sending plumes of thick, black smoke over the shuttered shops of the city, there were no ambulances, fire engines or security dispatched to try and rescue the victims," UPI reported. "This time, there were no Blackhawks to fly to the rescue. Instead, Fallujah's streets were abandoned to the jubilant, chaotic, and violent crowds who rejoiced amid battered human remains." Col. Michael Walker, a Marine spokesman, said: "Should we have sent in a tank so we could have gotten, with all due respect, four dead bodies back? What good would that have done? A mob is a mob. We would have just provoked them. The smart play was to let this thing fade out."

Responding to a reporter's question about whether the Marines did not go into Fallujah right after the ambush to confront the mob attacking the Blackwater men because it was "too dangerous," Kimmitt shot back, "I don't think that there is any place in this country that the coalition forces feel is too dangerous to go into." That day on CNN, *Crossfire* host Tucker Carlson said, "I think we ought to kill every person who's responsible for the deaths of those Americans. This is a sign of weakness. This is how we got 9/11. It's because we allowed things like that to go unresponded to. This is a big deal."

Within twenty-four hours, Kimmitt's tone had changed. "We will respond. We are not going to do a pell-mell rush into the city. It's going to be deliberate, it will be precise and it will be overwhelming," he declared at a press briefing in Baghdad. "We will be back in Fallujah. It will be at the time and the place of our choosing. We will hunt down the criminals. We will kill them or we will capture them. And we will pacify Fallujah."

Paul Bremer made his first public remarks on the killings during an address in front of nearly five hundred new graduates from the Iraqi police academy in Baghdad. "Yesterday's events in Fallujah are a dramatic example of the ongoing struggle between human dignity and barbarism," he declared, warning that the killing of the Blackwater men "will not go unpunished." The dead contractors, he said, "came to help Iraq recover from decades of dictatorship, to help the people of Iraq gain the elections, democracy, and freedom desired by the overwhelming majority of the Iraqi people. These murders are a painful outrage for us in the coalition. But they will not derail the march to stability and democracy in Iraq. The cowards and ghouls who acted yesterday represent the worst of society."

In most U.S. news reports on the ambush, Fallujah was described as a Sunni resistance stronghold filled with foreign fighters and Saddam loyalists. The dominant narrative became that the Blackwater men were innocent "civilian contractors" delivering food who were slaughtered by butchers in Fallujah. At one point after the incident, Kimmitt told reporters that the Blackwater men were "there to provide assistance, to provide food to that local area," as though the men were humanitarians working for the Red Cross. But inside Fallujah and elsewhere in Iraq, the ambush was viewed differently. The news that the men were technically not active U.S. forces did not change the fact that they were fully armed Americans who had traveled into the center of Fallujah at a time when U.S. forces were killing

Iraqi civilians and attempting to take the city by force. The *New York Times* reported, "Many people in Falluja said they believed that they had won an important victory on Wednesday. They insisted that the four security guards, who were driving in unmarked sport utility vehicles, were working for the Central Intelligence Agency. 'This is what these spies deserve,' said Salam Aldulayme, a 28-year-old Falluja resident."

On CNN's *Larry King Live*, ABC News anchor Peter Jennings, who had just returned from Iraq a few days before the Blackwater killings, said, "There is a sort of second army of Americans out there now in the form of security personnel, who can be seen almost anywhere in the country there is a member of the coalition doing something. And they struck me as being very high-profile targets. They're armed to the teeth. A lot of them look like they come out of a Sylvester Stallone movie. And so, and they move around the country. And I think that the insurgents, whomever they are, have picked up on them and may be tracking them. So when it happened in Fallujah, as bad as it was, I must say I wasn't deeply surprised."

Others described the ambush as a response to the recent U.S. killing of civilians in Fallujah, particularly the gun battle the previous week that left more than a dozen Iraqis dead. "Children and women were killed. They were innocent," said Ibrahim Abdullah al-Dulaimi. "People in Fallujah are very angry with the American soldiers." Leaflets began circulating in Fallujah claiming that the killings were carried out as revenge for the Israeli assassination of Hamas leader Sheikh Ahmad Yassin. A Fallujah shop assistant named Amir said, "The Americans may think it is unusual, but this is what they should expect. They show up in places and shoot civilians, so why can't they be killed?" These sentiments were even echoed among the ranks of the U.S.-created Iraqi police force. "The violence is increasing against the Americans," said Maj. Abdelaziz Faisal Hamid Mehamdy, a Fallujan who joined the police force in 2003 after Baghdad fell. "They took over the country and they didn't give us anything. They came for democracy and to help the people, but we haven't seen any of this, just killing and violence."

A local Fallujan official, Sami Farhood al-Mafraji, who had been supportive of the occupation, said, "Americans are not meeting their promises here to help build up this country. . . . I used to support the military. But they have put me in a very difficult situation with my people. Now, they tell us to hand these people over?" He said the dire humanitarian situation and the violence of the occupation had "made people depressed and angry." "Hungry people will eat you," he said. "And people here are very hungry." This context even seemed clear to some U.S. troops as well. "The people who did this heinous crime were looking for revenge," said Marine Lt. Eric Thorliefson, positioned on the outskirts of Fallujah. He added, "We shall respond with force."

While U.S. officials condemned the public mutilation of the bodies, they refused to answer questions about the U.S. policy of distributing gruesome photos of the mangled corpses of "high value" Iraqis killed by U.S. forces, like Saddam's sons Uday and Qusay in July 2003, as proof of death. Similar to the outrage expressed by Washington over the mauling of the Blackwater contractors, Iraqis were furious over this U.S. propaganda technique. At the White House the day of the Blackwater killings, McClellan was asked if the administration did "not see hypocrisy [when showing] embalmed bodies as proof of death is condemned but the dragging of American bodies through a street goes on without a comment?"

"It is offensive. It is despicable the way that these individuals have been treated," McClellan responded, ignoring the question. "And we hope everybody acts responsibly in their coverage of it." Indeed, most of the images of the ambush and its aftermath that were

broadcast on U.S. networks and in newspapers were edited or blurred. Even so, the message was clear. With the Somalia comparisons increasing in the international media, the administration shot back. "We are not going to withdraw. We are not going to be run out," Secretary of State Colin Powell, the first senior Bush administration official to comment directly on the Blackwater killings, told German television. "America has the ability to stay and fight an enemy and defeat an enemy. We will not run away."

Meanwhile, reporters began questioning who these four contractors were and what they were doing in the middle of Fallujah. "I will let individual contractors speak for themselves on the clients they have inside Iraq. My understanding is Blackwater has more than one. But again, I would have you contact them to get that information. I certainly do not have it," said Dan Senor, the occupation spokesperson in Baghdad. "They—we do have a contract with Blackwater, with—relating to Ambassador Bremer's security. They are involved with protecting Ambassador Bremer," Senor said. On CNN, Senor was asked, "So with all due respect to the men who lost their lives, any concern that this security company is up to the task?"

"Absolutely," Senor shot back. "We have the utmost confidence in Blackwater and the other security institutions that protect Mr. Bremer and provide security throughout the country."

In North Carolina, meanwhile, Blackwater's phones were ringing off the hook as the identities of the four "civilian contractors" became public. The company refused to officially confirm the names of the dead, a Blackwater policy. "The enemy may have contacts in the U.S.," said former Blackwater vice president Jamie Smith. "If you start putting names out there—any names—and they start finding out who your friends are and asking questions, it could become a security problem."

The day after the ambush, Blackwater hired the powerful, well-connected Republican lobbying firm the Alexander Strategy Group (founded and staffed by former senior staffers of then-House majority leader Tom DeLay) to help the company handle its newfound fame. Blackwater released a brief statement to the press. "The graphic images of the unprovoked attack and subsequent heinous mistreatment of our friends exhibits the extraordinary conditions under which we voluntarily work to bring freedom and democracy to the Iraqi people," the Blackwater statement said. "Coalition forces and civilian contractors and administrators work side by side every day with the Iraqi people to provide essential goods and services like food, water, electricity and vital security to the Iraqi citizens and coalition members. Our tasks are dangerous and while we feel sadness for our fallen colleagues, we also feel pride and satisfaction that we are making a difference for the people of Iraq." Republican Congressman Walter Jones Jr., who represents Currituck County, North Carolina (where Blackwater has its headquarters), said the contractors had "died in the name of freedom." Republican Senator John Warner, head of the Senate Armed Services Committee, praised the Blackwater men at a hearing, saying, "Those individuals are essential to the work that we're performing in Iraq, primarily the rebuilding of the infrastructure."

In the "Chaplain's Corner" section of Blackwater's newsletter, *Blackwater Tactical Weekly*, right after the ambush, Chaplain D. R. Staton continued the misleading characterization of the men as "humanitarian" workers who came to Iraq "to save a people," writing, "Those four Americans were there because they were hired to provide security to food caravans delivering life giving substances to native Iraqis.... This one incident points up the hatred of Islamic militants for anyone not Islamic militant and especially those who are called by them the white devils or the 'great Satan' or simply 'infidels' Did you study those individuals in the

mob as they were displayed to us via television? Did you note their attitudes and their ages? They are brainwashed from birth to hate all who are not with them. . . . And especially us!!! . . . And the Israelis!" The attackers' message, Staton wrote, "is to discourage our forces from entering Fallujah and the special claimed area around that city!!! The message will backfire!!!" Staton ended his sermon with a plea to his readers: "Make the enemy pay dearly for every action brought against us as we stand for liberty and justice!!!"

But not everyone working for Blackwater was on the same page. "I think they're dying for no reason," said Marty Huffstickler, a part-time electrician for the company in Moyock. "I don't agree with what's going on over there. The people over there don't want us there."

To the Marines, which had just taken over command of Fallujah, the Blackwater ambush could not have come at a worse moment because it dramatically changed the course of Maj. Gen. James Mattis's strategy. The local commanders wanted to treat the killings as a law enforcement issue, go into the city, and arrest or kill the perpetrators. But at the White House, the killings were viewed as a serious challenge to the U.S. resolve in Iraq—one that could jeopardize the whole project in the country. President Bush immediately summoned Rumsfeld and the top U.S. commander in the region, Gen. John Abizaid to ask for a plan of action.

According to the *L.A. Times*:

Rumsfeld and Abizaid were ready with an answer, one official said: "a specific and overwhelming attack" to seize Fallouja. That was what Bush was hoping to hear, an aide said later. What the president was not told was that the Marines on the ground sharply disagreed with a full-blown assault on the city. "We felt ... that we ought to let the situation settle before we appeared to be attacking out of revenge," the Marines' commander, Lt. Gen. James T. Conway, said later. Conway passed this up the chain—all the way to Rumsfeld, an official said. But Rumsfeld and his top advisors didn't agree, and didn't present [Lt. Gen. Conway's reservations] to the president. "If you're going to threaten the use of force, at some point you're going to have to demonstrate your willingness to actually use force," Pentagon spokesman Lawrence Di Rita said later. Bush approved the attack immediately.

In Fallujah, word of the President's go-ahead for an attack reached the Marine base positioned on the city's outskirts. "The president knows this is going to be bloody," Sanchez told the commanders there. "He accepts that." One officer characterized the orders as, "Go in and clobber people." By April 2, 2004, forty-eight hours after the ambush, "Operation Vigilant Resolve" was put on the fast track. Marine Sgt. Maj. Randall Carter began to pump his men up for their mission. "Marines are only really motivated two times," he declared. "One is when we're going on liberty. One is when we're going to kill somebody. We're not going on liberty. . . . We're here for one thing: to tame Fallujah. That's what we're going to do." Inside the city, meanwhile, Fallujans, too, were preparing for a battle many believed was inevitable.

Before the U.S. troops launched the full assault on the city, Bremer deputy Jim Steele, the senior adviser on Iraqi security forces, was sent covertly into Fallujah with a small team of U.S.-trained Iraqi forces and people Steele referred to as "U.S. advisors." Steele had most recently been an Enron executive before being tapped for the Iraq job by Paul Wolfowitz. Perhaps most appealing to the administration, Steele had a very deep history with U.S. "dirty wars" in Central America. As a colonel in the Marines in the mid-1980s, Steele had been a key "counterinsurgency" official in the bloody U.S.-fueled war in El

Salvador, where he coordinated the U.S. Military Group there, supervising Washington's military assistance and training of Salvadoran Army death squads battling the leftist FMLN guerrillas. In the late 1980s, Steele was called to testify during the Iran- Contra investigation about his role in Oliver North's covert weapons pipeline to the Nicaraguan Contra death squads, running through the Salvadoran Air Force base at Ilopango. He also worked with the Panamanian police after the United States overthrew Manuel Noriega in 1990.

Steele played a similar role with U.S.-trained Iraqi forces in the early days of the occupation and was central to a program some refer to as the "Salvadorization of Iraq." Under this strategy, "U.S. soldiers are increasingly moving to a Salvador-style advisory role," wrote Peter Maass in *The New York Times Magazine*. "In the process, they are backing up local forces that, like the military in El Salvador, do not shy away from violence. It is no coincidence that this new strategy is most visible in a paramilitary unit that has Steele as its main adviser; having been a central participant in the Salvador conflict, Steele knows how to organize a counterinsurgency campaign that is led by local forces."

After the Blackwater ambush, Steele claimed his "undercover" mission in Fallujah in April 2004 was to recover the corpses of the Blackwater men and to "assess the enemy situation." Shortly after that mission, he laid out what he thought should happen. "In Fallujah, a heavy hand makes sense," he said. "That's the only thing some of those guys will understand. Down south, too [where the United States faced a mounting Shiite rebellion]. We can't be seen as weak. Otherwise, this kind of thing can happen everywhere." The "city of mosques" would soon find itself under siege as Bremer's dreams of "cleaning out" Fallujah found their justification. While U.S. commanders readied their troops to attack, Blackwater's stock was rising in Washington, and Erik Prince's men would soon find themselves in the middle of the second major resistance front exploding against the occupation—this time in the Shiite holy city of Najaf.

## CHAPTER EIGHT

### NAJAF, IRAQ: 4.04.04

**AS THE** Marines began preparing to invade Fallujah, back in Washington, D.C., Erik Prince's stock was rising dramatically. In a matter of days, Prince and other Blackwater executives would be welcomed on Capitol Hill as special guests of some of the most powerful and influential Republican lawmakers—the men who literally ran Congress—where Blackwater would be hailed as a "silent partner" in the war on terror. As his schedule began to fill, Prince found himself monitoring yet another crisis with his mercenaries at the center. But unlike Fallujah, where the deaths of four Blackwater men had provided the spark for a U.S. onslaught, this time Blackwater forces would be active combatants in the fighting, engaging in a day-long battle against hundreds of followers of the fiery cleric Muqtada al-Sadr in the Shiite holy city of Najaf, where Blackwater had been contracted to guard the U.S. occupation authority's headquarters.

In the weeks preceding the March 31 Fallujah ambush, the Bush administration had been building toward an intense crackdown on Sadr, whom Bremer and the White House viewed as an obstacle to the central U.S. goal at the time—the so-called "handover of sovereignty" scheduled for June 2004. The son of a revered religious leader assassinated by Saddam's forces, Sadr had emerged in occupied Iraq as commander of the Mandi Army—named for a Shiite messiah—and perhaps the most vocal and popular opponent of the U.S. occupation. The

administration and Bremer believed that like the rebellious Sunnis of Fallujah, Sadr and his insurgent Shiite movement had to be stopped. In April 2004, as the U.S. launched simultaneous counterinsurgency wars in Iraq against the country's main Sunni and Shiite resistance movements, Blackwater would play a decisive role in perhaps the most pivotal moments of the Iraq occupation, a period that would irreversibly alter the course of the war and go down as the moment the anti-U.S. insurrection exploded.

While the killing of the Blackwater men in Fallujah grabbed international headlines for days and is remembered as an iconic moment of the war, the significant role of Blackwater's forces in Najaf during the Shiite uprising five days later was barely noticed at all. And yet this episode, which found Blackwater mercenaries commanding active-duty U.S. soldiers in battle, starkly dramatized the unprecedented extent to which the Bush administration had outsourced the war. Like the ambush in Fallujah, the fate of Blackwater in Najaf was guided by history.

During his year in Iraq, Paul Bremer presided over various U.S. policies that greatly accelerated the emergence of multiple antioccupation resistance movements. In April 2004, it all came to a head. "The British took three years to turn both the Sunnis and the Shias into their enemies in 1920," wrote veteran British war correspondent Robert Fisk from Fallujah. "The Americans are achieving this in just under a year." The disbanding of the Iraqi military combined with the firing of thousands of state employees under Washington's "de-Baathification" program had put tens of thousands of Iraqi men of fighting age out of work and into the resistance. Iraqis watched as foreign corporations—most of them based in the United States—fanned out across their country to reap enormous profits while ordinary Iraqis lived in squalor and insecurity. What's more, victims of U.S. crimes had almost no recourse as contractors were basically immunized from domestic prosecution, giving the overwhelming appearance of total impunity.

At the same time, the dire humanitarian situation in the country and killings and disappearances of Iraqi civilians had opened the door for religious leaders to offer security and social services in return for loyalty. This phenomenon was perhaps seen most clearly in the ascent of Muqtada alSadr to the status of a national resistance hero. In the chaos and horror that followed "Shock and Awe," Sadr was one of the few figures within the country actually addressing the extreme poverty and suffering, establishing a sizable network of social institutions in his areas of influence, among them the vast Baghdad slum of Sadr City, whose 2 million residents had long been neglected by Saddam's regime. At a time when Bremer's deBaathification was dismantling social institutions and protections, Sadr's network was building alternatives and winning thousands of new followers. "Immediately after the invasion, Mr. Sadr deployed black-clad disciples to patrol the streets of Baghdad's Shiite slums," reported the *New York Times*. "His men handed out bread, water and oranges. They also provided much-needed security. Mr. Sadr had seen a void and filled it." While other religious and political figures vied for power within the new U.S.-created institutions, Sadr rejected all components and supporters of the U.S. regime. In August 2003, his militia numbered roughly five hundred members. By April 2004, it had swelled to an estimated ten thousand.

Sadr's rising credibility and popularity, combined with his fierce rhetoric against the occupation—and Bremer in particular—would soon earn him the U.S.-imposed label of "outlaw." With the June 2004 "deadline" fast approaching, the United States believed that, like the militant Sunnis of Fallujah, Sadr had to be stopped.



Washington had long viewed Sadr as a primary enemy in the "new" Iraq, and top U.S. officials, including Deputy Defense Secretary Paul Wolfowitz and the senior commander in Iraq, Gen. Ricardo Sanchez, had for months discussed plans to neutralize him. "There was a conclusion early on that this guy was trouble and needed to be contained," a senior U.S. official told the *Washington Post*. "But there was not a clear plan on how to go about it." That changed in March 2004, when Bremer launched his all-out war on Sadr, his institutions, and his followers. As Bremer and the Bush administration engaged in a major propaganda campaign leading up to the "handover," Sadr was railing against the occupation and its collaborators within the country. He was calling for the United States to pull out and had declared his Mandi Army the "enemy of the occupation." Sadr was not just a Shiite religious figure; he was also an Iraqi nationalist who spoke the language of the streets, often peppering his sermons with slang and cultural references.

According to the *Washington Post*, there had long been concerns that if the United States went after Sadr, it would boost his already rising popularity and possibly make him into a martyr. By March, the *Post* said, "Bremer's calculus had changed. On March 28, U.S. troops raided the Baghdad office of Sadr's small antioccupation weekly newspaper, *Al Hawza* (The Seminary), ejecting the staff and placing a large padlock on the door. In a letter written in "sparse, understated" Arabic, bearing the official stamp of the CPA, Bremer accused the paper of violating his Order 14, charging that *Al Hawza* had the "intent to disrupt general security and incite violence." While U.S. officials could not cite any examples of the paper encouraging attacks against occupation forces, Bremer provided two examples of what he characterized as false reporting. One of them was an article headlined "Bremer Follows in the Footsteps of Saddam." The move against Sadr was carried out with senior Bush administration officials fully behind it. "We believe in freedom of press," said Bremer spokesman Dan Senor. "But if we let this go unchecked, people will die. Certain rhetoric is designed to provoke violence, and we won't tolerate it." The crackdown would prove to be a disastrous miscalculation on Bremer's part. *Al Hawza* was named for a thousand-year-old Shiite seminary that historically encouraged revolt against foreign occupiers, most notably in the 1920s against the British. "In recent months, al-Sadr had been losing popularity," wrote *Newsday's* veteran Iraq correspondent Mohamad Bazzi. "But after U.S. soldiers closed al-Sadr's weekly newspaper in Baghdad on March 28, accusing it of inciting violence, the young cleric won new support and established himself as the fiercest Shiite critic of the U.S. occupation. The shutdown of *Al Hawza* immediately sparked massive protests and fueled speculation that Bremer intended to arrest Sadr. Eventually the protests spread to the gates of the Green Zone, where demonstrators chanted, "Just say the word, Muqtada, and we'll resume the 1920 revolution!"

Even before the United States began its attacks against Sadr, there were serious rumblings across Iraq of a national uprising of Shiites and Sunnis. Two days before Bremer shut down *Al Hawza*, U.S. forces had raided a neighborhood in Fallujah, killing at least fifteen Iraqis in an incident that enraged many Sunnis. By the time the four Blackwater contractors were ambushed in Fallujah on March 31, the south of the country was already on the brink, with tens of thousands of Shiites pouring into the streets. On April 2, during Friday prayers, Sadr declared, "I am the beating arm for Hezbollah and Hamas here in Iraq." As U.S. forces prepared to lay siege to Fallujah, Bremer poured gas on the volatile situation by ordering the arrest of Sadr's top deputy, Sheikh Mustafa Yaqubi, who was taken into custody on Saturday, April 3, 2004. For Sadr, it was the final straw. He urged his followers to openly

and fiercely rise up against the occupation.

After Yaqubi's arrest, thousands of outraged Sadr followers boarded buses from Baghdad heading for their leader's spiritual headquarters in Kufa, next to the holy city of Najaf, where many believed Yaqubi was being held by occupation forces. Along the way, they encountered jam-packed roads filled with thousands of men preparing to do battle. "We didn't choose the time for the uprising," said Fuad Tarfi, Sadr's Najaf spokesman. "The occupation forces did." Shortly after dawn on Sunday, April 4, the Mandi Army began to take over the administrative buildings in the area. Local police commanders immediately relinquished their authority, as did administrators in another government building. But then the massive crowd began moving toward its actual target—the occupation headquarters in Najaf, which was guarded by Blackwater.

#### **04/04/04**

On the morning of April 4, 2004, as the sun was rising over the Shiite holy city of Najaf, a handful of Blackwater men stood on the rooftop of the Coalition Provisional Authority headquarters they were tasked with protecting. At the time, the actual U.S. military presence in Najaf was very limited because of negotiations with Shiite religious leaders who had demanded that U.S. troops leave. As part of its contract in Iraq, Blackwater not only guarded Paul Bremer but also provided security for at least five regional U.S. occupation headquarters, including the one in Najaf. Like most of the world, the Blackwater guards in Najaf were well aware of the fate of their colleagues a few days earlier in Fallujah. Now, with a national uprising under way, they watched as an angry demonstration of Muqtada al-Sadr's followers reached Camp Golf, formerly the campus of Kufa University, which had been converted to an occupation headquarters. Blackwater had just eight men guarding the facility that day, along with a handful of troops from El Salvador. By chance, there were also a few U.S. Marines at the complex.

U.S. Marine Cpl. Lonnie Young had been in Iraq since January 2004. The twenty-five-year-old native of Dry Ridge, Kentucky—population two thousand—was deployed in Iraq as a Defense Messaging System administrator. On the morning of April 4, he was in Najaf to install communication equipment at Camp Golf. "While entering the front gate, I noticed a small group of protesters out in the streets," Young recalled in an official Marine Corps account of the day. "As we proceeded onto the base there were numerous coalition soldiers in 'riot gear' near the front gate." Young and his colleagues met with the local occupation commander, a Spanish official, and then proceeded to the roof of the building to install the communications equipment. About twenty-five minutes later, Young had finished his task.

Despite the beginnings of a protest at the camp, Young tried to catch a quick ten-minute nap in the back of his truck, "since we were about twenty-minutes from chow time." But a few moments later, a colleague of Young's woke him up and told him the equipment was not working properly. "I told him that I would be right in to help," Young said. "I got dressed, grabbed my weapon, and was about to get out of the truck when I heard the unmistakable sound of an AK-47 rifle fire a few rounds out in the street in front of the base." Young said he quickly grabbed his gear and headed into the CPA building, eventually making it to the roof, where he joined eight Blackwater mercenaries and the Salvadoran troops. Young assumed a position on the roof and readied his heavy M249 Squad Automatic Weapon. He peered through the scope of his gun, watching the action unfold below and awaiting orders. "After what seemed like an eternity, which was maybe just a few seconds, I could see people getting out of [a] truck

and start running," Young recalled. "One of the Iraqis quickly dropped down into a prone position and fired several round[s] at us. I started yelling that I had one in my sights and asking if I could engage." But there was no commanding officer on hand from the U.S. military. Instead, Cpl. Lonnie Young, active-duty United States Marine Corps, would be taking his orders that day from the private mercenaries of Blackwater USA.

"With your permission Sir, I have acquired a target," Young recalled yelling out. "Finally, the Blackwater Security guys gave the call [to] commence firing." Young said he then "leveled the sights on my target and squeezed the trigger. I could see that the man had on an all white robe and was carrying an AK-47 rifle in his right hand. He seemed to be running as hard as he could when I fired off a short burst of 5.56 mm rounds. Through my sights I could see the man fall onto the pavement. I stopped for a second, raised my head from my gun, to watch the man lay in the street motionless."

"I had a weird feeling come over me," Young recalled. "I had many emotions kick in at once. I felt a sense of purpose, happiness, and sorrow, which all hit me at once."

While Young and Blackwater contend that the Iraqis initiated the shooting that day, other witnesses interviewed by journalists on the scene said it went down differently; they claimed the battle began when the forces guarding the occupation headquarters fired percussion rounds from atop the roof as the protesters assembled. "Alarmed to see the throng still moving toward them, [the forces on the roof] fired percussive rounds designed to break up the crowd, which instead enraged it," wrote *Washington Post* correspondent Anthony Shadid. "They may then have switched to live fire. Armed men in the crowd returned fire with small arms, rocket-propelled grenades, and mortars." Estimates of the crowd size outside the occupation headquarters that day ranged from seven hundred to more than two thousand.

Regardless of how it started, once the shooting began, Blackwater's men, the Salvadorans, and Corporal Young were unloading clip after clip, firing thousands of rounds and hundreds of 40 mm grenades into the crowd. They fired so many rounds that some of them had to stop shooting every fifteen minutes to let their gun barrels cool. Sadr's men responded with rocket-propelled grenades and AK-47s. Shadid reported, "At one point, witnesses saw a vehicle carrying four Salvadoran soldiers caught outside the gate. Demonstrators overwhelmed the terrified occupants, seizing and executing one prisoner on the spot by putting a grenade in his mouth and pulling the pin. Two of the other soldiers, their faces bruised from recent beatings, were [later] seen being led by armed men into the mosque."

In the midst of the fighting, several active-duty military police officers joined the force on the roof being managed by Blackwater's men. During the battle, which would rage on for nearly four hours, a Blackwater contractor began videotaping the action. That video would make it onto the Internet and provide remarkable historical documentation of the events of April 4, 2004. The home video opens with a deafening barrage of outgoing gunfire, as Blackwater's men, Corporal Young, and at least two other soldiers dressed in camouflage fire round after round. "You're aiming too high buddy," one contractor yells at the soldiers.

"You see a guy on the ground?" the voice yells. "RPG!"

"Where?"

"Right in front of the truck, right on the wall!"

Boom boom, rat-a-tat-tat. Explosive gunfire rips for thirty seconds. "Got more ammo?" someone yells. Then: "The truck's empty, the truck's empty."

The shooting stops as the men assess the situation below them. "Hold what you got, hold what you got right there," a voice commands. "Just scan your sectors. Scan your sectors."

Who needs ammo?"

"We got mags, we got mags right here."

"Fuckin' niggers," says another voice as the men begin to reload their weapons. The camera then pans to what appears to be the cameraman—a goateed Blackwater contractor wearing sunglasses—who looks into the camera and smiles. As the camera pans back to the action, he quips laughingly, "What the fuck?" The camera then turns to a man who appears to be a U.S. soldier, and the cameraman asks him about his weapon, "That shit fuckin' hot, dude?"

"I spent all this time [unintelligible] in the flicking Marine Corps—never fired a weapon," the soldier replies. Another voice yells, "Mark your target!"

Men who appear to be Salvadoran troops can also be seen on the roof; a Blackwater contractor wearing a blue T-shirt and a baseball cap apparently instructs one Salvadoran on how to position the heavy weapon. "Hang tight, hang tight, hang tight," says another goateed man wielding a machine gun and wearing a T-shirt, bulletproof vest, and a blue baseball cap.

"Hey, all these flickers right here," says another voice.

"Yeah, Mandi ass!"

With that, the heavy firing once again begins as the men unload from the rooftop. Along with machine-gun fire, there is the methodical boom, boom, boom from heavier weapons. "Hey, get some!" someone yells as the deafening rip of gunfire explodes over Najaf. One of the Blackwater men appears to be directing three camouflaged soldiers firing from the roof.

As the battle raged on, Iraqi snipers hit a total of three of the men protecting the occupation headquarters. According to Young, a Blackwater contractor got hit and blood spurted five feet out from his face. "I could see a quarter-sized hole in his jaw," Corporal Young remembered. "By this time, the guy had lost about a pint of blood. I tried to press on the wound and stop the bleeding that way, but the blood was squirting out between my fingers." Young said he reached into the wound and pinched the man's carotid artery closed. He then picked him up and got him to Blackwater's medic before returning to his rooftop post. A picture taken that day shows Young on the rooftop aiming his SAW at the crowd with heavily armed Blackwater men in sunglasses positioned directly behind him and alongside him. "I gazed over the streets with straining eyes, only to see hundreds of dead Iraqis lying all over the ground," Young said. "It was an unbelievable sight; even though there were so many lying dead, the Iraqis were still running towards the front gate. I opened fire once again. Emptying magazine after magazine, I watched the people dressed in white and black robes drop to the ground as my sights passed by them. All I could think about at that time was that I had to either kill or be killed. It felt as if we were losing ground. In many senses we were, but that feeling just made me fight harder."

Blackwater later said that throughout the battle, its men tried to make contact with U.S. military commanders but were unsuccessful. A senior Blackwater executive, Patrick Toohey, told the *New York Times* that at one point the crowd was moving in fast on the compound, and Blackwater's men "were down to single digits of ammo, less than 10 rounds a man." The besieged men eventually contacted Blackwater's headquarters in Baghdad. Within moments, Paul Bremer's staff gave the go-ahead for Blackwater to send in three company helicopters—known as "Ass Monkeys," the very ones used for Bremer's security—to deliver more ammunition. The helicopter crews also rescued Corporal Young after he was wounded. "We ran outside and I saw three Blackwater helicopters sitting there," Young recalled. "I ran to the farthest helicopter and got inside the front passenger seat. I felt

very nervous as we took off from the ground. I didn't have any body armor at all, nor did I have a weapon. I looked all around the base and saw that everybody was firing their weapons. . . . I felt almost helpless sitting there." In the end, the Blackwater helicopter transported the Marine to safety. "It was OK with [Bremer] if they went out and saved some American lives," said Toohey.

In another video filmed on the CPA roof in Najaf, Blackwater helicopters can be seen dropping off supplies. The video then cuts to a closeup of what appears to be a Blackwater contractor aiming a large sniper-style weapon. "He slipped into a building," a man says off camera. "Guy on the wall runnin'?" asks the sniper. Before the man off camera says, "Yep," the sniper calmly pulls the trigger. Three shots ring out. He reloads his clip.

"We got a group of three. They're all runnin' now," says the man off camera. "Wow, we've got lots of—see the guy in white? He's goin' too fast— now they're haulin' ass." The sniper adjusts his scope. "We got a big group comin'. On the wall, squeezin' off," he calmly announces. Three more shots are fired off. "Wow, you got a whole group of 'em," says the man off camera, who appears to be acting as a spotter.

Another shot.

"We got a bunch of bad guys at twelve o'clock, 800 meters," says the man off camera into his walkie-talkie. "We've got about fifteen of 'em on the run up here." The spotter is asked for the location of the "bad guys" from a voice on the other end as the sniper continues firing. It was unnecessary, though. "Negative," he replies. "He cleaned 'em all out."

A short while later, the sniper indicates that U.S. forces have joined the battle, dropping a Joint Direct Attack Munition (JDAM)—a GPS-controlled air-to-surface missile, sometimes referred to as a "smart bomb"—in the vicinity. The sniper asks his colleague, "Who dropped the JDAM?"

"Marines."

"Yeah," the sniper says. "We were flyin' in right as that JDAM was hittin'." The sniper's reference to "flyin' in" as the JDAM missile was hitting indicates that in addition to ammunition, Blackwater also deployed more of its men to Najaf during the fighting.

"Another car haulin' ass out—blue Mercedes," the sniper says, firing a shot. "OK, I hit the car right in front of him." Another shot. The video then cuts to bursts of shooting and then back to the sniper again. "That guy with a green flag?" he asks. "Yeah. There you go," says his partner. A shot rings out. "That's Mandi Army. Green flag is Mandi Army—they're to be engaged at any opportunity." Three more shots. "OK, you see the road that goes straight out like that? That road right there?" asks the spotter.

"Yeah."

"Follow it out—straight out—about 800 meters," he instructs the sniper. As the sniper reloads, his partner exclaims, "Holy shit—look at all them fuckers." Then to the sniper: "All right, you're on 'em." The sniper begins picking people off. "You guys are dead on," says the spotter. Three more shots. As he shoots, the sniper declares, "Jesus Christ, it's like a flicking turkey shoot." Two more shots. "They're taking cover," says the spotter. Another shot. The Blackwater men then say they are receiving return fire and begin accelerating their firing pace. The video then cuts to a scene of heavy outgoing fire. "Smoke that motherfucker when he comes around the corner! Hit him now!" someone yells. Rat-a-tat-a-tat-a-tat.

Blackwater contractor Ben Thomas—the man who admitted to killing an Iraqi with the unapproved "blended metal" bullets in September 2003— said he was on the roof in Najaf

that day. Two years after the Najaf shootout, when the home videos had circulated widely around the Internet, Thomas lashed out at critics of the conduct of the Blackwater forces that day. "You wanna know what its like to be shoulder to shoulder with 8 teammates while 1,200 Mandi troops hit the wire at 300 meters on three flanks? And then criticize the actions of my teammates based on a grainy video?" [sic] Thomas wrote in a posting on a private military contractor Web forum to which he is a frequent contributor. "My seven teammates and our EL Salvadorian SF oda who fought with us are the only people who saw what happend. War is chronicaled and studied. Najaf is just another small battle in history but for us it was a place of alot of killing and dying. Its not a light dinner topic" [sic]. As for the man on the tape heard using the word "nigger," Thomas wrote: "My Teamate who had never been in direct combat and rarely swore can be heard making a racial slur. This is not his character. Its a man who has just killed 17 enemy troops who had slipped to within 70 meters of our Alamo. When my friend stopped the advance cold, alone and under direct fire, the worst word his mind could muster to yell at the dead bastards was 'nigger'. When he saw the video he cried. He isnt a racist. What you hear is a man terrified and victorious. But you dont see that in the video" [sic].

Eventually, U.S. Special Forces moved into Najaf and the crowd was dispersed. At the end of the battle, an unknown number of Iraqis were dead in the streets. According to Corporal Young, it was "hundreds." Other estimates put it at twenty to thirty dead with two hundred wounded. Because Blackwater was guarding the building and coordinating its defense, there are no official military reports on how the incident started. Blackwater admitted that its men fired thousands of rounds into the crowd, but vice president Patrick Toohey told the *New York Times* his men "fought and engaged every combatant with precise fire." Then, according to the *Times*, Toohey "insisted that his men had not been engaged in combat at all. 'We were conducting a security operation,' he said. 'The line; he finally said, 'is getting blurred.'" At the end of one of the home videos of the Najaf battle, Iraqis are shown loaded on the back of a truck with hoods over their heads and plastic cuffs binding their hands. One of the men appears to be crying under his hood as he clutches his forehead.

What was clear from the video and from Corporal Young's recollections of that day was that Blackwater was running the operation, even giving orders to an active-duty U.S. Marine on when to open fire. "When there are rounds firing, coming at you from down range, everybody pulls together to do what needs to be done," said Blackwater's Chris Taylor. He praised Corporal Young after hearing how the Marine resupplied the ammunition of the Blackwater contractors on the roof. "He should be proud of the way he acted," Taylor said. By afternoon, the top U.S. commander in Iraq, Lt. Gen. Ricardo Sanchez, and his deputy, Brig. Gen. Mark Kimmitt, had arrived on the scene. When Kimmitt later spoke about the battle, he did not mention Blackwater by name but praised the operation its men led. "I know on a rooftop yesterday in An Najaf, with a small group of American soldiers and coalition soldiers . . . who had just been through about three and a half hours of combat, I looked in their eyes, there was no crisis. They knew what they were here for," Kimmitt said. "They'd lost three wounded. We were sitting there among the bullet shells—the bullet casings—and, frankly, the blood of their comrades, and they were absolutely confident. They were confident for three reasons: one, because they're enormously well trained; two, because they're extremely good at what they're doing; and three, because they knew why they were there." Blackwater's Toohey, acknowledging the growing use of private military contractors, concluded, "This is a whole new issue in military affairs. Think about it. You're actually

contracting civilians to do military-like duties."

To the Iraqis, particularly Sadr's followers, April 4 is remembered as a massacre in one of the holiest cities of Shiite Islam—indeed, clerics were among the casualties that day. To the Blackwater men and Corporal Young, it was a day when—against all odds—they fended off hordes of angry, armed militia members intent on killing them and overtaking a building they were tasked by their government with protecting. "I thought, 'This is my last day. I'm going out with a bang,'" Corporal Young later told the *Virginian-Pilot*. "If I had to die it would be defending my country." While scores of Iraqis were killed and Blackwater retained control of the CPA building, the battle emboldened Sadr's forces and supporters. By that afternoon "the loudspeakers of the Kufa mosque announced that the Mandi Army held Kufa, Najaf, Nasiriyah and Sadr City, Baghdad's teeming Shiite slum," according to the *Washington Post*. "The checkpoint controlling access to the bridge into Kufa and Najaf was staffed by young militiamen. Many Iraqi police officers, paid and trained by the U.S.-led coalition, had joined the assault on its quarters." That afternoon, Paul Bremer announced that he had appointed new Iraqi defense and intelligence ministers. In making the announcement, Bremer addressed the fight in Najaf. "This morning, a group of people in Najaf have crossed the line, and they have moved to violence," Bremer declared. "This will not be tolerated.

Just before the sun set over Najaf, Muqtada al-Sadr issued a public call for an end to all protests, instead exhorting his followers to rise up. "Terrorize your enemy," he said. "God will reward you well for what pleases him. . . . It is not possible to remain silent in front of their abuse." That night U.S. forces began moving into the Sadr City section of Baghdad. A U.S. military spokesman said U.S. fighter jets and helicopter gunships were striking back in response to the Najaf clash, and Reuters television footage showed images of tanks crushing civilian cars in the neighborhood. As word spread of Sadr's orders, his followers carried out ambushes against U.S. forces, including in Sadr City, where Cindy Sheehan's son, Casey—a Specialist in the U.S. Army—was killed that day. In all, eight U.S. soldiers died in Sadr City April 4 and fifty were wounded, along with an unknown number of Iraqis. Maj. Gen. Martin Dempsey, commander of the First Armored Division, would later call the fighting in Sadr City that day "the biggest gunfight since the fall of Baghdad a year ago." Ultimately, Sadr's followers staged uprisings in at least eight cities across Iraq.

On Monday, April 5, Paul Bremer officially labeled Muqtada al-Sadr an outlaw. "He is attempting to establish his authority in the place of the legitimate authority," Bremer declared. "We will not tolerate this. We will reassert the law and order which the Iraqi people expect." Hours later, occupation authorities announced that there was a warrant for Sadr's arrest. It would prove to be a disastrous decision that would boost Sadr's status tremendously. Along with the situation in Fallujah, the crackdown on Sadr would also briefly unite Shiites and Sunnis in a guerrilla war against the occupation.

Back in the United States, a debate was beginning to rage about the increasing use of private contractors—a development due in no small part to Blackwater's involvement in Fallujah and Najaf. In an unsigned editorial, the *New York Times* referred to the Fallujah ambush as evidence of "America's troubling reliance on hired guns" and the Najaf firefight as an indication that the "Pentagon seems to be outsourcing at least part of its core responsibilities for securing Iraq instead of facing up to the need for more soldiers." The *Times* editorial said, "Defense Secretary Donald Rumsfeld has pledged that the Pentagon will keep looking for ways to 'outsource and privatize: When it comes to core security and combat

roles, this is ill advised. The Pentagon should be recruiting and training more soldiers, rather than running the risk of creating a new breed of mercenaries." Amid mounting criticism of the use of private soldiers, Blackwater was lionized in some circles, particularly the Republican Congressional leadership. If there had been any question before, it was now clear that Blackwater was a major player in the war. The night of the Najaf firefight, hundreds of miles to the northwest, more than a thousand U.S. Marines had Fallujah surrounded and were preparing to exact revenge for the killing of the four Blackwater contractors five days earlier.



## CHAPTER NINE

# "THIS IS FOR THE AMERICANS OF BLACKWATER"

**EVEN AS** a Shiite rebellion spread across Iraq, the White House remained determined to crush Sunni Fallujah. The Blackwater ambush had provided the administration—enthusiastically encouraged by Paul Bremer in Baghdad—with the ideal pretext to launch a massive assault on a population that was fast becoming a potent symbol suggesting that the United States and its Iraqi proxies were not really in control of the country. To back down in the face of the boldest insurrection to date among antioccupation Sunnis and Shiites and talk of a Mogadishu redux, the administration reasoned, would have sent the message that the United States was losing a war that President Bush had already declared a "mission accomplished." Bremer and the administration had calculated that in "pacifying" Sunni Fallujah and making an example of the Shiite leader Muqtada al-Sadr, they could surgically eliminate organized resistance in Iraq. While Washington's disastrous policies resulted in the deaths of thousands of Iraqis and hundreds of U.S. soldiers, they simultaneously facilitated an extraordinary business opportunity for Blackwater and its mercenary friends (which will be discussed in depth later in this book).

The first U.S. siege of Fallujah began on April 4, 2004, the day of the Blackwater firefight at Najaf. It was code-named Operation Vigilant Resolve. That night, more than a thousand Marines and two Iraqi battalions surrounded Fallujah, a city of about 350,000 people. U.S. forces positioned tanks, heavy machine guns, and armored Humvees at the major routes running in and out of the city. They set up blockades with concertina wire, effectively locking people in, and Marines set up "camps" for detainees. American forces commandeered the local radio station and began propaganda broadcasts telling people to cooperate with U.S. forces

and to identify resistance fighters and positions. Iraqi police distributed leaflets to mosques in Fallujah announcing a weapons ban and a mandatory curfew from 7 p.m. to 6 a.m. and passed out "Wanted" posters featuring pictures of men alleged to have been involved with the Blackwater attack. On the city's outskirts, the Marines dug trenches near a Muslim cemetery as sharpshooters took up positions on the roof of a mosque. "The city is surrounded," Lt. James Vanzant of the First Marine Expeditionary Force told reporters. "We are looking for the bad guys in town." U.S. commanders announced their intent to conduct house-to-house raids inside Fallujah to find the killers of the four Blackwater contractors. "Those people are specially targeted to be captured or killed," said Marine spokesman Lt. Eric Knapp. U.S. commanders sent their Iraqi proxies into the city to instruct Fallujans not to resist when U.S. forces entered their homes and to gather everyone in one room during a raid. If they wanted to speak with the invading troops, they must first raise their hands. Thousands of Fallujans fled the city ahead of the imminent American onslaught.

The next morning, the U.S. forces made their first incursions into Fallujah first sending in special operators to hunt "high value targets." Then came the full-on assault carried out by twenty-five hundred Marines from three battalions, backed up by tanks. U.S. forces soon found themselves in fierce gun battles with resistance fighters. As the fighting raged on, the Marines called in for air support. On April 7, an AH-1W Cobra attack helicopter attacked the AbdelAziz al-Samarrai mosque compound, which the U.S. said was housing resistance fighters who were attacking the invading forces. A Hellfire missile was launched at the base of the mosque's minaret. Eventually, an F-16 warplane swooped in and dropped a five-hundred-pound bomb on the mosque compound, an alleged violation of the Geneva Convention that prohibits the targeting of religious sites. The Marines issued a statement defending the attack, saying that because resistance fighters were inside it, "the mosque lost its protected status and therefore became a lawful military target." Witnesses reported that as many as forty Iraqis were killed in the mosque attack," while a handful of American soldiers died in the fighting that day.

Meanwhile, the military had seized Fallujah's main medical facility, preventing its use in treating the wounded. "U.S. forces bombed the power plant at the beginning of the assault," recalled journalist Rahul Mahajan, one of the few unembedded journalists to enter Fallujah at the time. "[For the next several weeks, Fallujah was a blacked-out town, with light provided by generators only in critical places like mosques and clinics." Food supplies were running out in the city, and a local doctor said that sixteen children and eight women had been killed in an air strike on a neighborhood on April 6. The siege of Fallujah was under way. "We are solidly ensconced in the city, and my units are stiffening their grip," said Marine commander Lt. Col. Brennan Byrne. If anyone resists, he said, "We will break their backs. We will drive them out. Fallujah, Byrne said, had become a haven for resistance fighters and smugglers because "No one ever took the time to clean it out properly." Byrne's battalion "was the first to persuade the U.S. Army Psychological warfare teams to initiate scatological warfare," recalled Bing West, a military author who was embedded with U.S. forces around Fallujah. Platoons "competed to dream up the filthiest insults for translators to scream over the loudspeakers. When enraged Iraqis rushed from a mosque blindly firing their AKs, the Marines shot them down. The tactic of insult-and-shoot spread along the lines. Soon the Marines were mocking the city as 'Lalafallujah' (after the popular stateside concert Lollapalooza) and cranking out 'Welcome to the Jungle' by Guns 'n' Roses and 'Hell's Bells' by AC/DC."

As images from inside Fallujah emerged, primarily via journalists from Arab television

networks, portraying a dire humanitarian crisis in the city, protests began spreading across Iraq, with U.S. forces using violence in an effort to shut them down. Mosques in Baghdad and elsewhere began organizing humanitarian convoys to Fallujah and stockpiling blood. By April 8, local hospital officials inside the city painted a horrifying picture of the human suffering, saying that upwards of 280 civilians had been killed and more than 400 wounded. "We also know of dead and wounded in various places buried under the rubble but we cannot reach them because of the fighting," said Dr. Taher al-Issawi. The U.S. military denied it was killing civilians and accused resistance fighters of trying to blend into the broader population. "It is hard to differentiate between people who are insurgents or civilians," said Maj. Larry Kaifesh. "It is hard to get an honest picture. You just have to go with your gut feeling."

Byrne, according to the *Washington Post*, "said any bodies were those of insurgents. He estimated that 80 percent of Fallujah's populace was neutral or in favor of the American military presence." That optimistic pronouncement, however, did not match the ferocity of the resistance that succeeded—at an incredible human cost—in keeping the United States from totally capturing control of the city. "The enemy was better prepared than the Marines had been told to expect," wrote veteran *Washington Post* reporter Thomas Ricks. He cited an internal Marine summary of the battle. "Insurgents surprise U.S. with coordination of their attacks: coordinated, combined, volley-fire RPGs, effective use of indirect fire," the summary stated. "Enemy maneuvered effectively and stood and fought."

As the siege neared a week, bodies began piling up in the city and, according to witnesses, a stench of death spread across Fallujah. "Nothing could have prepared me for what I saw in Fallujah," recalled a doctor from Baghdad who made it into the city with a peace delegation. "There is no law on earth that can justify what the Americans have done to innocent people." Independent U.S. journalists Dahr Jamail and Rahul Mahajan, meanwhile, managed to make it into Fallujah—unembedded—a week after the siege began. Upon entering the city with a humanitarian convoy, Jamail described the scene at a makeshift emergency room at a small health clinic. "As I was there, an endless stream of women and children who'd been sniped by the Americans were being raced into the dirty clinic, the cars speeding over the curb out front as their wailing family members carried them in. One woman and small child had been shot through the neck," Jamail wrote in a dispatch from inside the besieged city. "The small child, his eyes glazed and staring into space, continually vomited as the doctors raced to save his life. After 30 minutes, it appeared as though neither of them would survive." Jamail said he saw one victim after another brought into the clinic, "nearly all of them women and children." Jamail called Fallujah "Sarajevo on the Euphrates."

Mahajan, meanwhile, reported: "In addition to the artillery and the warplanes dropping 500, 1000, and 2000-pound bombs, and the murderous AC-130 Spectre gunships that can demolish a whole city block in less than a minute, the Marines had snipers criss-crossing the whole town. For weeks, Fallujah was a series of sometimes mutually inaccessible pockets, divided by the no-man's-lands of sniper fire paths. Snipers fired indiscriminately, usually at whatever moved. Of 20 people I saw come into the clinic I observed in a few hours, only five were 'military-age males: I saw old women, old men, a child of 10 shot through the head; terminal, the doctors told me, although in Baghdad they might have been able to save him. One thing that snipers were very discriminating about—every single ambulance I saw had bullet holes in it. Two I inspected bore clear evidence of specific, deliberate sniping. Friends of mine who went out to gather in wounded people were shot at." Jamail reported

that "the residents have turned two football fields into graveyards."

### **The War on Al Jazeera**

While most of the world came to understand the siege of Fallujah as an earth-moving development in the occupation, the story of the extent of the human suffering endured by Iraqis was downplayed in the "mainstream" U.S. press. Embedded corporate journalists reported exclusively from the vantage point of the invading U.S. forces and relied disproportionately on military spokespeople and their Iraqi proxies. The graphic verbiage that had peppered the media landscape following the ambush and killing of the Blackwater men days earlier was now absent from the reporting on the civilian consequences of the assault. As battles continued to rage on and spread to the outskirts of Fallujah, *New York Times* correspondent Jeffrey Gettleman—totally avoiding mention of the humanitarian disaster—wrote that the fierce fighting "showed not only the intensity of the resistance but an *acute willingness among insurgents to die*." [Emphasis added.] Coming alongside U.S. military claims that "90 to 95 percent" of Iraqis killed in Fallujah were combatants, such embedded reporting from the U.S. "paper of record" appeared almost indistinguishable from official U.S. military propaganda. "It's their Super Bowl," Maj. T. V. Johnson, a Marine spokesman, was quoted as saying in Gettleman's story. "Falluja is the place to go if you want to kill Americans."

But while the embedded U.S. press focused on the "urban warfare" story, unembedded Arab journalists—most prominently from the popular Al Jazeera network—were reporting around the clock from inside the besieged city. Their reports painted a vivid picture of the civilian devastation and gave lie to U.S. commanders' pronouncements about precision strikes. Al Jazeera and Al Arabiya broadcast images of corpses in the streets and destruction of the city's infrastructure. In fact, when Brig. Gen. Mark Kimmitt was doing a phone interview on Al Jazeera, insisting the United States was observing a cease-fire, the network simultaneously aired live images of continued raids by U.S. fighter jets on residential neighborhoods inside Fallujah. The images Al Jazeera's cameras captured in Fallujah were not only being broadcast widely in the Arab world but also on

TV networks across the globe. Veteran Al Jazeera journalist Ahmed Mansour and cameraman Laith Mushtaq had entered Fallujah on April 3 and were the primary source of footage of the civilian devastation in the city. They regularly filmed scenes of women and children killed by the U.S. offensive—in one case broadcasting a story about an entire family in the al Jolan neighborhood who had allegedly been killed in a U.S. airstrike. "The planes bombed this house, as they did for the whole neighborhood, and they brought the corpses and bodies to the hospital," Mushtaq recalled. "I went to the hospital. I could not see anything but, like, a sea of corpses of children and women, and mostly children, because peasants and farmers have usually a lot of children. So these were scenes that are unbelievable, unimaginable. I was taking photographs and forcing myself to photograph, while I was at the same time crying."

Mansour, who is one of Al Jazeera's best-known personalities, said he realized early on that there were only a handful of journalists inside the city and believed he had a responsibility to remain in Fallujah, despite the enormous risk. "I wanted to report this reality to the whole world. I wanted the whole world to know what's happening to those besieged people. I wasn't thinking about leaving the city at all. I decided to stay and let my destiny be as those of people. If they die, I'll be with them; if they escape, I'll be with them. I decided not to think about any possibilities, what the U.S. forces will do with me if they catch me,

and not to think about my family or anything. I only think about those people." In the midst of the siege, Mansour reported live from Fallujah, "Last night we were targeted by some tanks, twice . . . but we escaped. The U.S. wants us out of Fallujah, but we will stay." Despite its firm grip on embedded U.S. correspondents, Washington was losing the global propaganda war—so U.S. officials attacked the messenger. On April 9, Washington demanded that Al Jazeera leave Fallujah as a condition for a cease-fire. The network refused. Mansour wrote that the next day "American fighter jets fired around our new location, and they bombed the house where we had spent the night before, causing the death of the house owner Mr. Hussein Samir. Due to the serious threats we had to stop broadcasting for a few days because every time we tried to broadcast the fighter jets spotted us [and] we became under their fire."

On April 12, Kimmitt, facing questions about the footage being shown on Al Jazeera depicting a civilian catastrophe in Fallujah, called on people to "Change the channel. Change the channel to a legitimate, authoritative, honest news station." Kimmitt declared, "The stations that are showing Americans intentionally killing women and children are not legitimate news sources. That is propaganda, and that is lies." Dan Senor, Bremer's senior adviser, asserted that Al Jazeera and Al Arabiya "are misreporting facts on the ground and contributing to a sense of anger and frustration that possibly should be directed at individuals and organizations inside of Fallujah that mutilate Americans and slaughter other Iraqis rather than at the Coalition." On April 15 Defense Secretary Donald Rumsfeld echoed those remarks in still harsher terms, calling Al Jazeera's reporting "vicious, inaccurate and inexcusable." A reporter asked Rumsfeld if the United States had a "civilian casualty" count. "Of course not," Rumsfeld shot back. "We're not in the city. But you know what our forces do; they don't go around killing hundreds of civilians. . . . It's disgraceful what that station is doing." It was the very next day, according to a British government memo stamped "Top Secret" reported on in Britain's *Daily Mirror*, that President Bush allegedly told British Prime Minister Tony Blair of his desire to bomb Al Jazeera. "He made clear he wanted to bomb al-Jazeera in Qatar and elsewhere," a source told the *Mirror*. "There's no doubt what Bush wanted to do." Ahmed Mansour said he believed that what Al Jazeera was providing in its reports from inside Fallujah was balance to a story that otherwise was being told exclusively from the vantage point of embedded correspondents and U.S. military spokespeople. "Is it professionalism that the journalists wear U.S. [military] clothing and they go with them in the planes and tanks to cover this and report this?" Mansour asked. "The battles have to be reported from both sides. We were among the civilians, and we reported, and they had embedded journalists with those who launched this attack from the U.S. forces who occupied Iraq, and they reported what they wanted. We were trying to create an equilibrium or a balance, so that the truth is not lost."

### **Collective Punishment**

The horrors unfolding in Fallujah, coupled with the U.S. failure to take control of the city and the bold resistance of Fallujah's residents, was encouraging other Iraqis to rise up. As the siege, went on, people from across Iraq began coming to Fallujah to help in the defense of the city. "The battle of Fallujah is the battle of history, the battle of Iraq, the battle of the nation," Harth al-Dhari, of the Muslim Scholars Association, told thousands of worshipers at Friday prayers in the midst of the siege. "Merciful God, take revenge for spilled blood. Take revenge for slaughter. Send your army against the occupiers. Kill all of them. Don't spare any of them."

By the time what U.S. officials called a "cease-fire" had set in the weekend of April 9, some thirty Marines had been killed. But it was Iraqis who paid the highest price. After the weeklong U.S. siege, some six hundred were dead in Fallujah, among them "hundreds of women and children." On April 13, President Bush delivered a prime-time address on national television in the United States "Terrorists from other countries have infiltrated Iraq to incite and organize attacks," Bush declared from the East Room of the White House. "The violence we have seen is a power grab by these extreme and ruthless elements . . . it's not a popular uprising."

But half a world away, as thousands of Fallujans escaped their city and fled to other parts of Iraq, they brought with them tales of horror and civilian death that no amount of propaganda could combat. Despite U.S. rhetoric about liberating Fallujah from "foreign fighters" and Baathists, it was not lost on Iraqis that the stated justification for the destruction of Fallujah and the deaths of hundreds of people was the killing of four U.S. mercenaries—seen by most Iraqis as the real foreign fighters. "For only four individuals, the Americans killed children, women, elderly, and now a whole city is under siege?" asked Haitham Saha, while at a Baghdad dropoff point for humanitarian supplies to Fallujah. "We know who the people were who killed the American contractors," a cleric at a local mosque told a reporter.

"But instead of negotiating with us, Bremer has decided to have his revenge." Even members of the U.S.-installed Iraqi Governing Council expressed outrage. "These operations were a mass punishment," said Governing Council president Adnan Pachachi, who three months earlier sat next to First Lady Laura Bush, as her special guest, at the State of the Union address in Washington, D.C. "It was not right to punish all the people of Fallujah, and we consider these operations by the Americans unacceptable and illegal."

As Vigilant Resolve continued to exact a deadly toll on the people of Fallujah, Iraqis in the U.S.-created security force began deserting their posts; some joined the resistance to the siege, attacking U.S. forces around the city. "In all, as many as one in four of the new Iraqi army, civil defense, police, and other security forces quit in those days, changed sides, or stopped working," according to Anthony Shadid. When the United States attempted hastily to hand over "responsibility" for Fallujah to an Iraqi force, some 800 AK-47 assault rifles, twenty-seven pickup trucks, and fifty radios the Marines gave the brigade ended up in the hands of the resistance. Lt. Gen. James Conway would later admit, "When we were told to attack Fallujah, I think we certainly increased the level of animosity that existed." In the midst of a worsening public relations disaster for the United States, Kimmitt said, "I would argue that the collective punishment on the people of Fallujah is those terrorists, those cowards who hunker down inside mosques and hospitals and schools, and use the women and children as shields to hide against the Marines, who are just trying to bring liberation from those cowards inside the city of Fallujah." For most of the world, though, it was the United States that was responsible for the "collective punishment"—a phrase in Arabic that evokes images of the Israeli policy against Palestine—of the people of Fallujah. In fact, those were the exact words that the UN envoy to Iraq, Lakhdar Brahimi, used when he declared, "Collective punishment is certainly unacceptable, and the siege of the city is absolutely unacceptable." Brahimi asked, "When you surround a city, you bomb the city, when people cannot go to hospital, what name do you have for that?"

In the end, perhaps as many as eight hundred Iraqis died as a result of the first of what would be several sieges of Fallujah. Tens of thousands of civilians fled their homes, and the

city was razed. And yet the United States failed to crush Fallujah. Far from asserting U.S. supremacy in Iraq, Fallujah demonstrated that guerrilla tactics were effective against the occupiers. "Fallujah, the small city at the heart of the Sunni Arab insurrection, was considered something of a hillbilly place by other Sunni in Iraq," wrote veteran Middle East correspondent Patrick Cockburn in a dispatch from Iraq in late April. "It was seen as Islamic, tribal and closely connected to the former regime. The number of guerrillas probably totaled no more than 400 out of a population of 300,000. But by assaulting a whole city, as if it was Verdun or Stalingrad, the US Marines have managed to turn it into a nationalist symbol."

Testifying before Congress on April 20, Gen. Richard Myers, chair of the Joint Chiefs of Staff, defended the operation. "As you remember, we went in because of the atrocities on the Blackwater security personnel, the four personnel that were killed and later burned, and then hung on the bridge. We went in because we had to and to find the perpetrators. And what we found was a huge rat's nest, that is still festering today—needs to be dealt with." The April siege of Fallujah would be followed a few months later, in November 2004, by an even greater onslaught that would bring hundreds more Iraqi deaths, force tens of thousands of people from their homes, and further enrage the country. In all, U.S. forces carried out nearly seven hundred airstrikes, damaging or destroying eighteen thousand of Fallujah's thirty-nine thousand buildings. Approximately 150 U.S. soldiers were killed in the operations. Meanwhile, the "perpetrators" of the Blackwater ambush "were never found," as political and military officials had vowed, further underscoring the vengeful nature of the U.S. slaughter in Fallujah. The Marines renamed the infamous bridge "Blackwater Bridge," and someone wrote in English in black marker on one of its beams: "This is for the Americans of Blackwater that were murdered here in 2004, Semper Fidelis P.S. Fuck You." Journalist Dahr Jamail later concluded, "[I]n April of 2004, as a city was invaded and its residents were fleeing, hiding, or being massacred, there was considerable public awareness in the United States of human beings whose bodies had been mutilated in Iraq, thanks to our news media. But among thousands of references to mutilation in that month alone, we have yet to find one related to anything that happened after March 31st. . . . [M]utilation is something that happens to Blackwaterhired mercs and other professional, American killers, not to Iraqi babies with misplaced heads."

## CHAPTER TEN

# MR. PRINCE GOES TO WASHINGTON

**BEFORE THE** invasion of Iraq, when most people heard the term "civilian contractors," they didn't immediately conjure up images of men with guns and bulletproof vests riding around a hellhole in jeeps. They thought of construction workers. This was also true for the families of many private soldiers deployed in Iraq and Afghanistan. Their loved ones were not "civilian contractors," in their minds but were often thought of and referred to in family discussions as "Special Forces" or being "with the military." Their actual employer or title was irrelevant because what they were doing in Iraq or Afghanistan was what they had always done—they were fighting for their country. The parents of one Blackwater contractor killed in Iraq said it was their son's "deep sense of patriotism and his abiding Christian faith that led him to work in Iraq," a common sentiment in the private military community. So on March 31, 2004, when news began to reach the United States that four "civilian contractors" had been ambushed in Fallujah, several of the men's families didn't draw any kind of connection. After all, their loved ones were not civilians—they were military. In Ohio, Danica Zovko, Jerry's mother, heard the news on the radio that "American contractors" had been killed. After she saw the images coming out of Fallujah, she actually wrote her son an e-mail, telling him to be careful: "They're killing people in Iraq just like Somalia."

Katy Helvenston-Wettengel, Scott's mother, was working at her home office in Leesburg, Florida, with the television on behind her. "I was sitting here at my desk, doing research, and I



had CNN on in the background," she recalled. "And the noon news just all of a sudden caught my attention, and I looked over there and I saw this burning vehicle and I thought, 'Oh, my God!' It didn't cross her mind at the time that the footage she was watching was her own son's gruesome death. "When they said contractors, I was thinking construction workers working on pipelines or something. I changed the channel because I thought, This is just getting insane, I can't watch this anymore." Helvenston-Wettengel went on with her work, but then she heard the men described on the news as "security contractors," which made her nervous. "I said, 'My God, Scotty is a security contractor, but he's not in Fallujah. He's protecting Paul Bremer in Baghdad;" she recalled. "I called my other son, Jason, and he told me, 'Mom, you worry too much!' Anyway, she reasoned, her son had just arrived in Iraq a few days earlier. "He wasn't even supposed to be on any missions," she said. Helvenston-Wettengel went out that afternoon to a meeting, and when she returned home at seven o'clock that night, her answering machine was blinking like crazy: eighteen new messages. "The first four were from Jason, saying, 'Mom, it was Blackwater. They were Blackwater guys that got ambushed!" Helvenston-Wettengel called Blackwater headquarters and got a woman on the other line. "This is Katy Helvenston, Scotty's mom," she said. "Is Scotty all right?" The Blackwater representative said she didn't know. "It's been twelve hours!" Helvenston-Wettengel exclaimed. "What do you mean you don't know?" She said the Blackwater representative told her that the company was in the process of doing a sort of "reverse 911" with its contractors in the field in Iraq. "She said there were about 400 of them and that 250 had checked in. I asked if Scotty was one of those and the woman said, 'No!" Helvenston-Wettengel said she called Blackwater back every hour, desperate for any information. In the meantime, she found Fallujah on a map and realized that it wasn't that far from Baghdad. By midnight, she knew in her heart that her son was dead. "Scotty had been so good about calling me and e-mailing me, and I kept thinking, He would have called me and let me know he was OK, because he knew how worried I was," she recalled. "I just knew it."

While the families began to absorb the shock and horror of what had happened to their loved ones in Fallujah, the world—including many elected officials in Washington—was getting a window into just how privatized the war had become and how entrenched private contractors, like the dead Black- water men, now were in the occupation. In the 1991 Gulf War, one in sixty people deployed by the coalition were contractors. With the 2003 occupation, the ratio had swelled to one in three. For Erik Prince, the Fallujah killings and the Najaf firefight provided an almost unthinkable opportunity—under the guise of doing damage control and briefings, Prince and his entourage would be able to meet with Washington's power brokers and sell them on Black- water's vision of military privatization at the exact moment that those very senators and Congressmen were beginning to recognize the necessity of mercenaries in preserving the occupation of (and corporate profits in) Iraq. With timing that would have been impossible to create, Blackwater was thrust into the fortunate position of a drug rep offering a new painkiller to an ailing patient at the moment the worst pain was just kicking in.

### **Blackwater's Lobbyists**

The day after the Fallujah ambush, Erik Prince turned to his longtime friend Paul Behrends, a partner at the powerful Republican lobbying firm Alexander Strategy Group, founded by senior staffers of then-majority leader Tom DeLay. Behrends, a U.S. Marine Corps Reserve lieutenant colonel, had been a senior national security adviser to California

Republican Congressman Dana Rohrabacher, a onetime aide to President Reagan. Prince and Behrends had a long history—in 1990-1991, young Prince worked for Rohrabacher alongside Behrends. That marked the beginning of a close political, business, and religious partnership between the two men that would only strengthen as Blackwater grew.

Behrends first officially registered as a lobbyist for Blackwater in May 1998 and began advocating for the company in areas ranging from disaster planning to foreign relations. That month, Behrends's firm Boland & Madigan "delivered" Representative Rohrabacher and another "staunch defender" of the Second Amendment, Representative John Doolittle, to Prince's Moyock compound for Blackwater's grand opening—at the company's expense.

While Prince—with Behrends's lobbying assistance—built up his Blackwater empire, Behrends was simultaneously becoming deeply involved in areas of U.S. foreign policy that would become front lines in the war on terror and areas of revenue for Blackwater. Among these was a high-stakes Big Oil scheme, led by petrol giant Unocal, to run a pipeline through Talibangoverned Afghanistan. Behrends worked as a lobbyist for Delta Oil, Unocal's partner in the scheme, pushing for the United States to officially recognize the Afghan government. Prince and Behrends's former boss, Rohrabacher, had long been interested in Afghanistan, since his days working as a senior speechwriter in the Reagan White House, when the United States was aggressively backing the mujahedeen against the Soviet occupation of the country. Rohrabacher, known as a fan of various U.S.-backed "freedom fighters," traveled to Afghanistan in 1988, personally joining the mujahedeen in the fighting against the Soviet forces before being officially sworn into Congress. It was not surprising when Blackwater became one of the first private military firms contracted to conduct operations inside Afghanistan after 9/11.

Prince and Behrends have long served together on the board of directors of Christian Freedom International, the evangelical missionary organization founded and run by veterans of the Reagan administration—several of them major players in the Iran-Contra scandal. Its founder and president, Jim Jacobson, cut his political teeth working under Erik Prince's friend and beneficiary Gary Bauer, when Bauer served as the head of President Reagan's Office of Policy Development. Jacobson also served in the George H. W. Bush administration. CFI passionately supported the Bush administration's war on terror, faulting the White House's wars in Iraq and Afghanistan only for not doing enough to defend Christians.

At the time of the Fallujah ambush, there were few lobbying firms with more influence on Capitol Hill than Alexander Strategy, a centerpiece of the GOP's "K Street Project," under which lobbyists raised "enormous sums of money from their clients to ensure that Republicans remain the majority in Congress. For this fealty, the leadership grants the lobbyists access to the decision-makers and provides legislative favors for their clients," according to the Congressional watchdog group Public Citizen. Behrends and his associates wasted no time in going to work for Prince and Blackwater. "[Blackwater] did not go out looking for the publicity and did not ask for everything that happened to them," said Chris Bertelli, a spokesman for Alexander Strategy assigned to Blackwater after the Fallujah killings. "We want to do everything we can to educate [the media and Congress] about what Blackwater does."

A week to the day after the ambush, Erik Prince was sitting down with at least four senior members of the Senate Armed Services Committee, including chairman John Warner. Former Navy SEAL turned Blackwater executive Patrick Toohey accompanied Prince to his

Congressional meetings, as did Behrends. Senator Rick Santorum arranged the meeting, which included Warner and two other key Republican senators—Appropriations Committee chairman Ted Stevens of Alaska and Senator George Allen of Virginia. This meeting followed an earlier series of face-to-faces Prince had with powerful House Republicans who oversaw military contracts. Among them: Tom DeLay, the House majority leader and Alexander Strategy's patron; Porter Goss, chairman of the House Intelligence Committee (and future CIA director); Duncan Hunter, chair of the House Armed Services Committee; and Representative Bill Young, chair of the House Appropriations Committee. What was discussed at these meetings remains a secret, as neither Blackwater nor the Congressmen have discussed them publicly. But there was no question: the company's moment had arrived.

With well-connected ASG operatives steering the publicity-shy Erik Prince and other company executives around, Blackwater was positioning itself to cash in on its newfound fame, while staking out a key role in crafting the rules that would govern mercenaries on U.S. government contract. "Because of the public events of March 31, [Blackwater's] visibility and need to communicate a consistent message has elevated here in Washington," said ASG's Bertelli. "There are now several federal regulations that apply to their activities, but they are generally broad in nature. One thing that's lacking is an industry standard. That's something we definitely want to be engaged in." By May, Blackwater was reportedly "leading a lobbying effort by private security firms and other contractors to try to block congressional or Pentagon efforts to bring their companies and employees under the same justice code" as active-duty soldiers. "The Uniform Code of Military Justice should not apply to civilians because you actually give up constitutional rights when you join the armed forces," Bertelli said. "You're subject to a different legal system than you are if you are a civilian." (Two years later, despite Blackwater's efforts, language would be slipped into the 2007 defense-spending authorization that sought to place contractors under the UCMJ.) In June, Blackwater would be handed one of the U.S. government's most valuable international security contracts to protect diplomats and U.S. facilities. At the same time, Blackwater was given its own protection, as Bremer granted a sweeping immunity for its operations in Iraq.

But while Blackwater executives worked the GOP elite on the Hill, others in Congress began to question what the Blackwater men were even doing in Iraq, not to mention Fallujah that day. A week after the ambush, thirteen Democratic senators, led by Jack Reed of Rhode Island, wrote to Donald Rumsfeld, calling on the Pentagon to release an "accurate tally" of the number of "privately armed" non-Iraqi personnel operating in Iraq. "These security contractors are armed and operate in a fashion that is hard to distinguish from military forces, especially special operations forces. However, these private security companies are not under military control and are not subject to the rules that guide the conduct of American military personnel," the senators wrote. "It would be a dangerous precedent if the United States allowed the presence of private armies operating outside the control of governmental authority and beholden only to those who pay them." The senators asserted that security in a "hostile fire area is a classic military mission" and "delegating [it] to private contractors raises serious questions." Rumsfeld did not respond to the letter. Instead, the Iraq reconstruction floodgates opened wide and mercenary contracts poured out. As the *New York Times* bluntly put it, "The combination of a deadly insurgency and billions of dollars in aid money has unleashed powerful market forces in the war zone. New security companies aggressively compete for lucrative contracts in a frenzy of deal making."

Two weeks after the Fallujah killings, Blackwater announced plans to build a massive new facility—a twenty-eight-thousand-square-foot administrative building—on its Moyock property for its operations. The finished product would be sixty-four-thousand square feet, more than twice the originally projected size. It was a major development for Blackwater, which had been denied permission for the project for six years because of objections by the local government. In the days after the ambush, county officials worked to amend local ordinances for Blackwater's expansion. With the new permissions, Blackwater was given the green light to build and operate firearms ranges and parachute landing zones, and to conduct explosives training as well as training in hand-to-hand combat, incendiary-type weapons, and automatic assault weapons. "It will be our international headquarters," said company president Gary Jackson.

Meanwhile, just two weeks after the Fallujah killings, Blackwater issued a press release announcing that it would be hosting the first-ever "World SWAT Conference and Challenge." The release declared, "Never before in the history of the world has there been such a need for men and women who can respond effectively to our most critical incidents. Blackwater USA, the world's largest firearms and tactical training facility, has put together a conference to meet that need that is unlike any other before it." It boasted of workshops on a number of subjects, including "resolving hostage situations, suicide bomber profiling, and the psychology of operating and surviving critical incidents." After the conference portion, there would be a SWAT Olympics, where teams from across the United States and Canada would compete in a series of events televised by ESPN. At the event's press conference, Gary Jackson refused to answer any questions about the Fallujah ambush, steering all discussion back to the SWAT challenge. The only mention of Fallujah came during the chaplain's blessing of the event. "This is almost a vacation compared to what a regular week looks like," Jackson told reporters at the opening of the games.

At the conference, retired Army Lt. Col. David Grossman, author of the book *On Killing* and founder of the Killology Research Group, addressed participants in a hotel ballroom, pacing around with a microphone. He spoke of a "new Dark Age" full of Al Qaeda terrorism and school shootings. "The bad guys are coming with rifles and body armor!" he declared. "They will destroy our way of life in one day!" The world, Grossman said, is full of sheep, and it was the duty of warriors—the kind of men assembled at the Blackwater conference—to protect them from the wolves. "Embrace the warrior spirit!" he shouted. "We need warriors who embrace that dirty, nasty four-letter word *kill*!" Meanwhile, Gary Jackson sent out an e-mail to the Blackwater listserv encouraging people not to miss the "fantastic" dinner speaker at the challenge, one of the most experienced spies in recent U.S. history, J. Cofer Black, at the time the State Department's head of counterterrorism. In the aftermath of 9/11, as head of the CIA's counterterrorism division, Black had led the administration's hunt for bin Laden. A year after the Fallujah ambush, he would join Blackwater as the company's vice chairman—one of several former senior officials the company would hire in building up its empire and influence.

As Blackwater plotted its tremendous expansion at home, it emerged as the mercenary industry trendsetter. "Increased violence this month has thrown a spotlight on the small army of private US security firms operating as paramilitaries in Iraq under Pentagon contracts," reported *PR Week*, a public relations trade journal. "As calls for greater regulation over these companies increase, [they] are ramping up their presence in Washington to make their voices heard. . . . At the forefront is Blackwater USA, the North Carolina firm that lost four employees after an attack in Fallujah on March 31." After Blackwater started using

well-connected ASG lobbyists to promote its services, other mercenary firms followed suit. All seemed to realize that the mercenary gold rush was on. The California-based Steele Foundation, one of the earliest private security companies to deploy in Iraq, hired former Ambassador Robert Frowick, a major player in the Balkans conflicts, on April 13, 2004, to help manage "strategic government relationships" in Washington. Meanwhile, the London-based mercenary provider Global Risk Strategies rented office space in D.C. that month to base its own lobbying operations. "We are fully aware that D.C. operates in a totally different manner," said Global executive Charlie Andrews. "What we need to assist our company is a hand-holding organization basically who will guide us through procedures and D.C. protocols." In the midst of the flurry of lobbying activity by private military companies, Senator Warner told the *New York Times* his view of the mercenaries. "I refer to them as our silent partner in this struggle," he said.

The day after Erik Prince met with Warner and the other Republican senators, his new ASG spokesman, Chris Bertelli, boasted about a considerable spike in applications from ex-soldiers to work for Blackwater. "They're angry," Bertelli said, "and they're saying, 'Let me go over.'" Bertelli said that with the graphic images of the Fallujah ambush, "it's natural to assume that the visibility of the dangers could drive up salaries for the folks who have to stand in the path of the bullets." By late April, the *New York Times* was reporting, "[S]ome military leaders are openly grumbling that the lure of \$500 to \$1,500 a day is siphoning away some of their most experienced Special Operations people at the very time their services are most in demand."

In Iraq the situation was fast deteriorating. On April 13, in a dispatch from Baghdad, British war correspondents Robert Fisk and Patrick Cockburn reported, "At least 80 foreign mercenaries—security guards recruited from the United States, Europe and South Africa and working for American companies—have been killed in the past eight days in Iraq." The violence rocking the country had brought "much of the reconstruction work" to a halt and contractors were being killed or abducted in record numbers. Nearly fifty were kidnapped in the month after the March 31 Blackwater ambush. The targeting of foreign contractors (brought in to support Washington's occupation and reconstruction operations), aid workers, and journalists would provide a major source of funding for the very forces fighting the United States in Iraq. Though the United States has an official policy of not paying ransoms, a classified U.S. government report estimated that resistance groups were taking in as much as \$36 million annually from ransom payments. In April 2004, Russia withdrew some eight hundred civilian workers from Iraq and Germany followed suit, while a senior Iraqi official said that month more than fifteen hundred foreign contractors had left the country. As *Fortune* magazine reported, "[T]he upsurge in violence comes just as the government is awarding \$10 billion in new contracts, and companies like Halliburton and Bechtel are trying to increase their presence there." The United States was struggling to interest more business partners and organized a series of international conferences to entice new businesses. "In Rome there were over 300 companies and there was so much interest we had to use a spillover room," said Joseph Vincent Schwan, vice chair of the Iraq and Afghanistan Investment and Reconstruction Task Force. He boasted that 550 businesses showed up at a similar conference in Dubai, and another 250 in Philadelphia. The U.S. Chamber of Commerce also distributed its "Doing Business in Iraq" PowerPoint presentation across the world, from Sydney to Seoul to London.

At the conference in Dubai three weeks after the Fallujah ambush, described by the local press

as an "opportunity to win billions of dollars in subcontracted work in Iraq," Schwan told potential contractors, "Iraq presents an opportunity of a lifetime." But to cash in on this opportunity, security was a necessity, and the contractors were being encouraged to add on new costs in their billing to hire mercenaries. As a public service the "Doing Business in Iraq" presentation included a list of mercenary companies for hire.

Meanwhile, the newly appointed U.S. Special Inspector General for Iraq, Stuart Bowen Jr., explained the extent of the new demand for mercenary services in Iraq. "I believe that it was expected that coalition forces would provide adequate internal security and thus obviate the need for contractors to hire their own security," Bowen said. "But the current threat situation now requires that an unexpected, substantial percentage of contractor dollars be allocated to private security." As a result of the ever-increasing demand for private security services from companies like Blackwater, corporations servicing the occupation began billing the CPA substantially more for their protection costs. "The numbers I've heard range up to 25 percent," Bowen said, versus the initially estimated 10 percent of the "reconstruction" budget that would go to pay for security for private companies like Halliburton. The Pentagon official in charge of Army procurement contracts backed up Bowen's estimate.

"The US military has created much of the demand for security guards," reported *The Times* of London. "It has outsourced many formerly military functions to private contractors, who, in turn, need protection." Because the U.S. privatized so many of these essential services—like providing food, fuel, water, and housing for the troops—and made private corporations necessary components of the occupation, the Bush administration didn't even consider not using contractors when the situation became ultralethal. As one occupation official, Bruce Cole, put it, "We're not going to stop just because security costs go up." Instead, the administration dug deeper into the privatization hole, paying out more money to more companies and encouraging an already impressive growth in the mercenary industry. "When Halliburton teams working to rebuild oil pipelines first arrived in the country, they had military protection," according to *Fortune* magazine. "But now they've had to hire private security. With armored SUVs running more than \$100,000 apiece and armed guards earning \$1,000 a day, big contractors like Bechtel and Halliburton are spending hundreds of millions to protect their employees. Since the government picks up the tab, ultimately that means fewer dollars for actual reconstruction work." And many more dollars for private military companies.

What became clear after the Fallujah ambush and firefight at Najaf was that mercenaries had become a necessary part of the occupation. "With every week of insurgency in a war zone with no front, these companies are becoming more deeply enmeshed in combat, in some cases all but obliterating distinctions between professional troops and private commandos," reported the *New York Times*. "[M]ore and more, they give the appearance of private, for-profit militias." A year after the invasion began, the number of mercenaries in the country had exploded. Global Risk Strategies, one of the first mercenary companies to deploy in Iraq, went from ninety men to fifteen hundred, Steele Foundation from fifty to five hundred, while previously unknown firms like Erinys thrived—hiring fourteen thousand Iraqis to work as private soldiers. The global engineering firm Fluor—the largest U.S. publicly traded engineering and construction company—hired some seven hundred private guards to protect its 350 workers, servicing its nearly \$2 billion in contracts. "Let's just say there are more people carrying guns and protecting than turning wrenches," said Garry Flowers, Fluor's vice president. "Established" mercenary firms—or those with connections to the

occupying powers—began complaining about ramshackle operations offering security services in Iraq for cheaper and with far less "qualified" contractors. There was also controversy about former apartheid-era security forces from South Africa, whose presence came to light only after some were killed. "The mercenaries we're talking about worked for security forces that were synonymous with murder and torture," said Richard Goldstone, a retired justice of the Constitutional Court of South Africa who also served as chief prosecutor of the UN war crimes tribunals for the former Yugoslavia and Rwanda. "My reaction was one of horror that that sort of person is employed in a situation where what should be encouraged is the introduction of democracy. These are not the people who should be employed in this sort of endeavor." A Pentagon official told *Time* magazine, "These firms are hiring anyone they can get. Sure, some of them are special forces, but some of them are good, and some are not."

On April 28, 2004, the Abu Ghraib prison scandal was blown into the open when CBS's *60 Minutes II* broadcast graphic images depicting U.S. soldiers torturing and humiliating Iraqi prisoners. It soon emerged that private contractors from two U.S. corporations—the San Diego-based Titan Corporation and the Virginia-based CACI—were allegedly involved in the torture, having provided interrogators for use at the prison during the period of alleged abuse. An Army investigative report by Maj. Gen. Antonio Taguba found that an interrogator at CACI and a translator for Titan "were either directly or indirectly responsible for the abuses at Abu Ghraib." Both companies denied the allegations. CACI counted as one of its former directors Deputy Secretary of State Richard Armitage, a key administration official in the war on terror. A subsequent class action lawsuit filed by the Center for Constitutional Rights charged that Titan and CACI conspired with U.S. officials to "humiliate, torture and abuse persons" to win more contracts for their "interrogation services." Though a greater spotlight was being shone on private contractors, it was hardly having an adverse effect on business.

In Iraq, Blackwater, with its former Special Forces operators and political connections, billed some clients \$1,500 to \$2,000 per man per day, according to *Time* magazine. The private military industry, meanwhile, used the Fallujah ambush to argue for overt approval from the United States for private soldiers to use heavier weapons in Iraq. Even with the growing controversy and image problems, it was an incredible moment in mercenary history, blowing open a door to legitimacy that would have been difficult to fully imagine before the launch of the war on terror. A year after the Iraq invasion, shares in one of the largest private security firms, Kroll Inc.—which provided security for the U.S. Agency for International Development in Iraq—had soared 38 percent, while its profits had "skyrocketed" 231 percent with sales doubling to \$485.5 million. "Listen, it is the Gold Rush," said Michael Cherkasky, Kroll's president, warning, "This is what happens: People who don't know what they're doing can really get hurt." The full magnitude of the industry-wide profits is difficult to gauge because many of the firms, like Blackwater, are ultrasecretive and not publicly traded. But some experts began estimating the value of the industry at \$100 billion a year. "We have grown 300 percent over each of the past three years," Blackwater's Gary Jackson bragged shortly before the Fallujah killings. "We have a very small niche market, we work towards putting out the cream of the crop, the best."

In the aftermath of Fallujah and Najaf, some of the private military firms began to coordinate informally with one another, sharing information and intelligence. "Each private firm amounts to an individual battalion," a U.S. government official told the *Washington Post*. "Now they are all coming together to build the largest security organization in the world." It became like

a Frankenstein experiment in military and intelligence outsourcing, with Iraq as the laboratory. "[T]he power of the mercenaries has been growing," Robert Fisk wrote from Baghdad in the summer of 2004. "Black- water's thugs with guns now push and punch Iraqis who get in their way: Kurdish journalists twice walked out of a Bremer press conference because of their mistreatment by these men. Baghdad is alive with mysterious Westerners draped with hardware, shouting and abusing Iraqis in the street, drinking heavily in the city's poorly defended hotels. They have become, for ordinary Iraqis, the image of everything that is wrong with the West. We like to call them 'contractors', but there is a disturbing increase in reports that mercenaries are shooting down innocent Iraqis with total impunity."

### **Doing Kafka Proud**

That summer, the United States began funding a large intelligence and operations center for the mercenaries, intended as a sort of privatized Green Zone within the Green Zone. It started in May 2004 with a massive \$293 million, three-year contract awarded to the newly formed UK firm Aegis Defense Services, founded and run by the world's most infamous mercenary, Tim Spicer, a former British Special Forces officer. Spicer's previous firm, Sandline, was hired by warring factions in Papua New Guinea and Sierra Leone in the late 1990s, sparking a major controversy in Britain about the use of mercenaries. He started the new firm in September 2002 to shake the mercenary image of Sandline. "I wanted to make sure that Aegis was a completely different animal," he said. Spicer became the godfather of sorts of the campaign to recast mercenary firms as "private military companies." That Spicer was awarded the largest security contract to date in the Iraq occupation was an ominous symbol of the dawning of a new era. What's more, the scale of the contract and its timing made a bold statement about real U.S. intentions with the "handover of sovereignty" a month away: *We—and our mercenaries—are here to stay*. It was also a devastating commentary on the flimsiness of a key part of the "handover" rhetoric—that Iraqis would be assuming responsibility for the country's security. Like the system that Halliburton used to guarantee itself large-scale profits through its government contracts, Spicer's contract was a "cost plus" arrangement. "In effect, this deal rewards companies with higher profits the more they spend, and thus is ripe for abuse and inefficiency," wrote Peter Singer, a Brookings Institution expert on private military contracting. "It has no parallel in the best practices of the business world, for the very reason that it runs counter to everything Adam Smith wrote about free markets."

The official intent of the contract was twofold: Aegis was to coordinate and oversee the activities and movements of the scores of private military firms in the country servicing the occupation, including facilitating intelligence and security briefings. Aegis would soon establish six control centers across Iraq. Under the contract, Aegis was also to provide up to seventy-five "close protection teams" to protect employees of the occupation authority's Program Management Office from "assassination, kidnapping, injury and embarrassment." The deal pushed Aegis from an unprofitable company to one of the most successful ones operating in the war on terror. "The contract has taken us from a very small organization to a big one," said Spicer, the largest single shareholder in Aegis. "Now we want to consolidate. We will go wherever the threat takes us." The awarding of the contract to Spicer sparked outrage from various sectors—including from other private military companies. Texas-based DynCorp, one of six original bidders for the contract, filed a protest with the U.S. Government Accountability Office. Aegis was not even on the list of State Department-



recommended private military firms in Iraq. Even Republican lawmakers were up in arms over the deal. Texas Congressman Pete Sessions, in supporting DynCorp, wrote a letter to Defense Secretary Rumsfeld, saying, "It is inconceivable that the firm charged with the responsibility for coordinating all security of firms and individuals performing reconstruction is one which has never even been in the country."

Then there was the issue of Spicer's past. In a letter to Rumsfeld shortly after the Aegis contract was announced, Senators John Kerry, Edward Kennedy, Hillary Clinton, Christopher Dodd, and Charles Schumer called on the Defense Secretary to order an Inspector General's review of the contract, labeling Spicer "an individual with a history of supporting excessive use of force against a civilian population" and a man "who vigorously defends [human rights abuses]." As evidence, the senators cited a *Boston Globe* article charging that Spicer has "a reputation for illicit arms deals in Africa and for commanding a murderous military unit in Northern Ireland." The senators' protests apparently fell on deaf ears, as Spicer's contract was renewed by the United States each of the following two years. "The contract is a case study in what not to do," Peter Singer, the Brookings scholar, wrote in the *New York Times*. Citing the already evident lack of coordination, oversight, and management of the mercenaries in Iraq, Singer asserted, "[O]utsourcing that very problem to another private company has a logic that would do only Kafka proud. In addition, it moves these companies further outside the bounds of public oversight."

In late 2005 more controversy hit Aegis when a video was posted on a Web site run by a former Aegis employee that appeared to show private security contractors shooting at civilian vehicles driving on highways in Iraq. The video looked as though it was filmed from a camera mounted in the rear window of an SUV. According to the *Washington Post*, "It contained several brief clips of cars being strafed by machine-gun fire, set to the music of the Elvis Presley song 'Mystery Train' A version posted months later contained laughter and the voices of men joking with one another during the shootings. The scenes were aired widely on Arabic-language satellite television and prompted denunciations from several members of Congress." A subsequent investigation by the U.S. Army's Criminal Investigation Division determined there was a "lack of probable cause to believe that a crime was committed." It also determined the incidents recorded were "within the rules for the use of force."

The U.S. Special Inspector General for Iraq audited Aegis in 2005 and found "There is no assurance that Aegis is providing the best safety and security for the government and reconstruction contractor personnel and facilities." Despite the controversy, what mattered to the industry was that "private military companies" were being brought closer to the fold and winning their legitimacy. "There have been a lot of changes in the way this industry works in the past ten years," Tim Spicer said in late 2006. "What I was doing ten years ago was way ahead of its time. The catalyst has been the war on terror. The whole period since 9/11 has highlighted the need for a private security sector." By October 2006, there were an estimated twenty-one thousand mercenaries working for British firms in Iraq, compared to seventy- two hundred active duty British troops.

### **Ambushed Again**

In the summer of 2004, more private soldiers poured into Iraq, as the situation on the ground continued to deteriorate. In June, Blackwater commandos once again fell victim to an ambush that had echoes of the Fallujah killings. On the morning of Saturday, June 5, at about 10:30

a.m., two Blackwater sports utility vehicles were en route to the Baghdad airport. Blackwater/Alexander Strategy spokesperson Chris Bertelli said the men were on a mission relating to Blackwater's ESS contract—like the one the four men killed at Fallujah were working under when they died. Bertelli identified it as a subcontract with Halliburton subsidiary KBR. Working the Black- water detail that morning was a mixture of U.S. and Polish contractors. One of the Americans, Chris Neidrich, had previously worked the Bremer motorcade detail. In one of his last e-mails sent before the mission, Neidrich had joked with his friends about needing to drive ninety miles per hour in Iraq to avoid roadside bombs. "You know when I get home I'll have to not drive for like two months," Neidrich wrote. "Can't remember the last time I drove slow, stopped for a light or stop sign or even a person." The Poles on the Black- water team that day were former members of their country's elite GROM ("Thunder") forces who had left Poland's official Iraq contingent and gone to work for Blackwater. Gen. Slawomir Petelicki, former commander of the GROM, said Blackwater offered the Polish commandos \$15,000 a month plus insurance.

As the Blackwater convoy sped along the four-lane highway to the airport, resistance fighters began tailing them in their own vehicles. "They were set up by four to five vehicles, full of armed men, all with automatic weapons," said Bertelli. "It was a high-speed ambush." The resistance fighters reportedly fired a rocket-propelled grenade at the trailing Black- water vehicle, hitting the gas tank and engulfing the vehicle in flames. The second Blackwater vehicle doubled back to assist, and a gun battle ensued. "It was a hell of a firefight," said K.C. Poulin, owner of Critical Intervention Services, a private security company that had employed Neidrich for years in the United States. "They engaged hostiles in multiple vehicles. They expended all their ammunition in the fight. The attack was well orchestrated. These weren't your run-of-the-mill terrorists." Blackwater said its men were outnumbered about twenty to seven. In the end, Neidrich and another American were killed, along with two of the Polish contractors. The remaining three Blackwater guards reportedly managed to fight their way to the other side of the road, flag down a passing vehicle, and escape."

The ambush took place on the main route from the Green Zone to the Baghdad airport and once again put Blackwater in the headlines. "Remember a year ago when Saddam's spokesman, the wacky 'Baghdad Bob,' claimed that U.S. forces didn't control the airport?" wrote *New York Times* columnist Thomas Friedman about the ambush. "We shouldn't have laughed. A year later, we still do not fully control the main road from Baghdad airport to Baghdad. You can't build anything under those conditions." Ironically, Blackwater would soon become one of the main high-paid taxi providers along this dangerous route—transporting clients in armored vehicles. The day after the ambush, with the chaos escalating in Iraq, the U.S.-installed Prime Minister-designate, Iyad Allawi, a former CIA asset, appeared to blame the violence on U.S. policy. He told Al Jazeera that "big mistakes" had been made by the United States in "dissolving the army, police services and internal security forces." Allawi called for the Iraqi military to be reconstituted. The damage, though, had been done, and there were very few parties that benefited more from the violence than private military companies.

Paul Bremer snuck out of Iraq on June 28, 2004, two days ahead of the scheduled "handover of sovereignty." As Bremer made his final rounds in Baghdad, saying good-bye to his Iraqi allies, the head of Bremer's security detail, Frank Gallagher, insisted on increased

security for the proconsul. "So this time he laid on seventeen extra Humvees to cover our convoy's route, ordered all three Blackwater helicopters—each with two 'shooters'—to fly just above our motorcade, and arranged with the military for a couple of Apache choppers to fly on our flanks and F-16 fighter bombers to fly top cover," Bremer recalled. One of Bremer's last official acts was to issue a decree immunizing Blackwater and other contractors from prosecution for any potential crimes committed in Iraq. On June 27, Bremer signed Order 17, which declared, "Contractors shall be immune from Iraqi legal process with respect to acts performed by them pursuant to the terms and conditions of a Contract or any sub-contract thereto." That same month, Senator Patrick Leahy attempted to attach an "Anti-War Profiteering" amendment to the Defense Authorization Bill that, among other provisions, would have created "extraterritorial jurisdiction over offenses committed overseas" by contractors. It was voted down.

Paul Bremer's policies had left Blackwater firmly attached to the contract gravy train, not the least of which was the company's prized contract to guard senior U.S. officials in Iraq. Blackwater would soon be responsible for the security of Bremer's successor, Ambassador John Negroponte, a man notorious for his central role in the U.S. "dirty wars" in Central America in the 1980s. Known as the "proconsul" when he was U.S. Ambassador to Honduras from 1981 to 1985, Negroponte helped oversee U.S. aid to the Contra death squads fighting to overthrow the left-wing Sandinista government in Nicaragua—a program Negroponte referred to as "our special project. Negroponte was also accused of covering up widespread human rights abuses by the U.S.-backed Honduran junta. Like several other officials from the Iran-Contra era, Negroponte was placed in a key position by the Bush administration. In Iraq, he would oversee the world's largest Embassy and the biggest CIA station anywhere.

As Bremer left Iraq, there was a much bigger picture unfolding that Blackwater understood better, perhaps, than any other private military firm on the planet: a *kairos* moment was upon the new soldiers of fortune. Out of the carnage of Fallujah, Blackwater was leading the mercenary industry toward a level of legitimacy that years earlier would have seemed unimaginable. One of the broader goals of the neo-mercenary rebranding campaign has been acceptance as legitimate forces in the country's national defense and security apparatuses. For Blackwater, the Bremer contract in Iraq was undoubtedly far more valuable than its incredibly lucrative price tag. It was prestigious and an invaluable marketing tool to win more clients and high-value government contracts. The company could boast that the U.S. government had entrusted it with the protection of its most senior officials on Washington's hottest front line in the "war on terror." It also gave the unmistakable impression that Blackwater operations had a U.S. government seal of approval.

While private military firms on the ground in Iraq battled each other for contracts, Blackwater was quietly rewarded with the attachment of a U.S. taxpayer funded I.V. to the company's headquarters in Moyock. In June 2004, at the end of Bremer's tenure, Blackwater was handed one of the most valuable and prestigious U.S. government contracts on the market, through the State Department's little-known Worldwide Personal Protective Service (WPPS) program. State Department documents describe the WPPS program as a government "diplomatic security" initiative to protect U.S. officials and "certain foreign government high level officials whenever the need arises." In the government documents, the work is described as "providing armed, qualified, protective services details" and, if ordered, "Counter Assault Teams and Long Range Marksman teams." The companies might also provide translators and perform intelligence work. The State Department warned the companies to "Ensure that

contractor-assigned protective detail personnel are prepared to, and in fact shall operate and live in austere, at times unsettled conditions, anywhere in the world." The contract also said that if necessary, "personnel, who are American citizens, will be issued an appropriate, official or diplomatic passport." Private contractors were also authorized to recruit and train foreign nationals and to "conduct protective security operations overseas with them."

In soliciting bids for the 2004 global contract, the State Department cited a need born of "the continual turmoil in the Mid East, and the post-war stabilization efforts by the United States Government in Bosnia, Afghanistan and Iraq." It said the government "is unable to provide protective services on a long-term basis from its pool of special agents, thus, outside contractual support is required."

The WPPS contract was divided among a handful of well-connected mercenary companies, among them DynCorp and Triple Canopy. Blackwater was originally slated to be paid \$229.5 million for five years, according to a State Department contract list. Yet as of June 30, 2006, just two years into the program, it had been paid a total of \$321,715,794. A government spokesperson later said the estimated value of the contract through September 2006 was \$337 million. A heavily redacted 2005 government-commissioned audit of Blackwater's WPPS contract proposal charged that Blackwater included profit in its overhead and its total costs, which would result "not only in a duplication of profit but a pyramiding of profit since in effect Blackwater is applying profit to profit." The audit also alleged that the company tried to inflate its profits by representing different Blackwater divisions as wholly separate companies.

For Blackwater, the WPPS contract was a milestone that solidified the company's role as the preferred mercenary firm of the U.S. government, the elite private guard for the administration's global war. In late November 2004, Blackwater president Gary Jackson sent out a mass e-mail celebrating President Bush's reelection and Blackwater's new contract: "Well, the Presidential elections are over, the masses spoke, the liberals are lined up at health clinics receiving treatment for Post Election Selection Trauma, and President Bush's war on terror will continue to move forward for the next four years. Our military is doing a fabulous job in fighting the war on terrorism as is apparent by the results of the most recent victory in the Battle of Fallujah. As Iraq continues to become more stable the Department of State will be sending in more U.S. Government Officials to assist Iraq in becoming a democracy. Even though the majority of Iraqis want democracy there will still be those terrorist's] who do not, and they are a high-threat to the safety of our Officials. These Officials need professional protection and the Department of State, Bureau of Diplomatic Security has chosen and contracted Blackwater Security Consulting to assist their organization in providing that protection." Jackson excitedly announced that for qualified candidates wishing to "get involved in stabilizing Iraq and supporting the President's war on terrorism . . . now is the time to join Blackwater."

## CHAPTER ELEVEN

# CASPIAN PIPELINE DREAMS

**ALTHOUGH BLACKWATER'S** name recognition in 2004 was almost exclusively centered on the Fallujah ambush and the company's role in Iraq, it was not the only "war on terror" front line where the Bush Administration dispatched the company. Beginning in July 2004, Blackwater forces were contracted to work in the heart of the oil- and gas-rich Caspian Sea region, where they would quietly train a force modeled after the Navy SEALs and establish a base just north of the Iranian border as part of a major U.S. move in what veteran analysts in the region call the "Great Game." As it won more contracts in Iraq in the aftermath of Fallujah, Blackwater simultaneously found itself helping to defend another high- stakes pet project of some of the most powerful figures in the U.S. national security establishment, including Henry Kissinger, James Baker III, and Dick Cheney.

The United States' quest for domination of the world's petrol reserves certainly did not begin with the 1991 Persian Gulf War or the subsequent 2003 invasion of Iraq. While Iraq and the war on terror have dominated the headlines, the U.S. government and American corporate interests have long been quietly engaged in a parallel campaign to secure another major prize, this one located on the territory of what was once the Soviet Union: the Caspian Sea, which is believed to house well over 100 billion barrels of oil. After the collapse of the Soviet Union in 1991, Washington and its allies saw an opportunity to snatch one of the great deposits of valuable natural resources from Moscow's grip. Multinational oil giants swooped in like vultures as the United States and its allies moved quickly to shore up the repressive regimes of the littoral ex-Soviet republics of the Caspian region. Unocal spent much of the 1990s trying to run a pipeline from Tajikistan through Afghanistan, a project on which Erik Prince's friend (and Blackwater's lobbyist) Paul Behrends had worked, but there was also great interest in the nations of Kazakhstan and Azerbaijan, as well as the strategically important Republic of

Georgia. While the route from Tajikistan proved very complicated, it was by no means the only one being explored by Big Oil, the White House, and a powerful cast of political players from past U.S. administrations.

Complicating a swift U.S. domination of the landlocked resources of the Caspian was the fact that two powerful nations—Russia and Iran—also border the sea and viewed the U.S. incursion into the area as a hostile threat. By 1997, a powerful U.S. consortium was hard at work exploring multiple ways to get to the Caspian resources. "American oil companies—including Amoco, Unocal, Exxon, Pennzoil—have invested billions of dollars in Azerbaijan and plan to invest billions more. As a result, they have developed a strongly pro-Azerbaijan position," reported *New York Times* correspondent Stephen Kinzer in a dispatch from Azerbaijan. "The list of private American citizens who are seeking to make money from Azerbaijani oil or to encourage investment here reads like a roster of the national security establishment.

Among the most prominent names are former Secretaries of State Henry A. Kissinger and James A. Baker 3d, former Defense Secretary Dick Cheney, former Senator and Treasury Secretary Lloyd Bentsen, former White House chief of staff John H. Sununu, and two former national security advisers, Brent Scowcroft and Zbigniew Brzezinski."

While the Clinton administration worked feverishly to secure Caspian resources, hosting Azerbaijan's president at the White House for a two-hour meeting in August 1997 and courting his cooperation, it was not until the Bush administration took power that these onetime "pipe dreams" became a reality. In May 2001, Dick Cheney's energy task force estimated that proven oil reserves in Azerbaijan's and Kazakhstan's sectors of the Caspian alone equaled "about 20 billion barrels, a little more than the North Sea and slightly less than the United States." The Cheney group estimated that if the United States could get a major pipeline flowing west from the Caspian Sea—away from Moscow's control—daily exports from the Caspian to world markets could go as high as 2.6 million barrels per day by 2005, "as the United States works closely with private companies and countries in the region to develop commercially viable export routes." By contrast, in 2005 Iran exported 2.6 million barrels of oil per day, Venezuela 2.2, Kuwait 2.3, Nigeria 2.3, and Iraq 1.3.

Since the collapse of the Soviet Union, getting at the Caspian region's oil had proved extremely difficult for Washington. Dating back to the Clinton administration, the United States and its allies envisioned a plan wherein Washington would essentially prop up the repressive regime in Azerbaijan and establish a state-of-the-art oil exploitation operation off the coast of the Azerbaijani capital, Baku, a peninsula that juts into the western Caspian. The oil would then flow through a massive pipeline stretching from Baku to Tbilisi, Georgia, through Turkey to the Mediterranean port city of Ceyhan. From there, the Caspian oil could be easily transported to Western markets. The project would mean an end to Moscow's de facto monopoly on transporting Caspian oil, while at the same time providing Washington with an unparalleled opportunity to exert its influence in the ex-Soviet territories. When the project began in 1994, some analysts celebrated it as a "new Persian Gulf"; estimates projected as much as 230 billion barrels of oil in the region—eight times the proven U.S. reserves.

During the latter years of Clinton's tenure, however, the project came to be viewed as a white elephant likely to fail. The Caspian countries were governed by corrupt, unstable regimes that remained under Moscow's sway despite their nominal independence. The pipeline would be extremely costly and vulnerable to sabotage. To top it off, early Western explorations in the

Caspian turned up estimates of the sea's potential resources far more modest than previous projections. While the United States remained committed to tapping the Caspian, the program moved forward at a slow pace. That changed when Bush took office and oil executives were welcomed into the White House like cousins at a family reunion. By September 2002, construction on the massive eleven-hundred-mile Caspian pipeline was under way. The BBC described it as a project that U.S. officials favored because it would "weaken Russia's stranglehold on regional pipeline network and leave Iran on the sidelines."

A potential problem for the project lay in what the White House saw as the dangerous geography of the neighborhood—located not far from Chechnya and Iran. The Bush administration, therefore, made a number of moves that would result in at least one regime change in the region and the deployment of forces from Blackwater and other U.S. war-servicing firms to protect what would be one of Washington's most ambitious power grabs on former Soviet territory.

In 2003, the Bush administration helped overthrow the government of a longtime U.S. ally, President Eduard Shevardnadze of Georgia. Once considered Washington's closest strategic partner in the region and affectionately referred to as "Shevy-Chevy" by U.S. officials like James Baker, Shevardnadze had fallen fast out of favor with the administration of George W. Bush, as Shevardnadze began increasingly doing business with Moscow after years of U.S. patronage." Among his sins: granting new drilling and pipeline concessions to Russian firms and obstructing Washington's grand Caspian pipeline plan. Soon after those transgressions, he was forced to resign in November 2003 as the so-called "Rose Revolution" brought to power a more staunchly pro-U.S. regime. The first telephone call the new acting president, Nino Burdzhnaze, made when she took over from Shevardnadze was to oil giant BP to "assure them the pipeline would be OK." Just prior to taking power in Georgia, the new U.S.-backed leader, Mikhail Saakashvili, announced, "All strategic contracts in Georgia, especially the contract for the Caspian pipeline, are a matter of survival for the Georgian state." That regime change resulted in the closure of Russian bases in Georgia and an increase in U.S. military aid to the country. In early 2004, Defense Secretary Rumsfeld deployed private military contractors from the Washington firm Cubic on a three-year \$15 million contract to Georgia "to equip and advise the former Soviet republic's crumbling military, embellishing an eastward expansion that has enraged Moscow," reported London's *Guardian*. "A Georgian security official said the Cubic team would also improve protection of the pipeline that will take Caspian oil from Baku to Turkey through Georgia. Georgia has already expressed its gratitude by agreeing to send 500 troops to Iraq."

The Bush administration knew that the controversial pipeline would need to be protected in each country it passed through. While Washington increased its military aid to Georgia, it faced a decade-long U.S. Congressional ban on military assistance to Azerbaijan, where the oil would be extracted. In 1992, Congress banned such aid because of Azerbaijan's bloody ethnic and territorial conflict with Armenia in the Nagorno-Karabakh region. But on January 25, 2002, President Bush "waived" that section of the Congressional Act, thereby allowing U.S. military aid to Azerbaijan to resume. The White House said the waiver was "necessary to support United States efforts to counter international terrorism [and] to support the operational readiness of United States Armed Forces or coalition partners to counter international terrorism"—in other words, to protect oil interests. In the fall of 2003, the administration officially launched a project it called "Caspian Guard," under which the United States would significantly bolster the military capabilities

of Kazakhstan and Azerbaijan. Similar to the U.S. plan in Georgia, the \$135 million program would create a network of commando and special operations forces that would protect the lucrative oil and gas exploitation being plotted out by transnational oil corporations and patrol the massive pipeline project that would allow an easy flow of the hydrocarbon resources of the Caspian to Western markets.

But oil and gas were only part of the story. While the Caspian's resources were undoubtedly viewed by Washington as a major prize to be secured, Azerbaijan's geographic proximity to the center of the administration's broader attempt at conquest of the Middle East was also incredibly valuable. With open talk of the possibility of a U.S. attack on Iran and several reports detailing military planning for such operations as part of the "war on terror," many of Tehran's neighbors, particularly those directly on its border such as Azerbaijan, were very resistant to the overt presence of U.S. forces on their soil. Iran had made clear that it would retaliate against any state that supported the United States in an attack. As the Caspian Guard program got under way in 2004, "the Azerbaijani parliament adopted a law prohibiting the stationing of foreign troops on the country's territory, a move widely believed to be a gesture towards Moscow and Tehran, which both oppose any strengthening of military ties between Azerbaijan and the US," reported the EurasiaNet news service. But despite the overtures to Washington's foes, the reality was that Azerbaijan was on the receiving end of a massive new pipeline of U.S. military assistance.

### **Enter Blackwater**

In early 2004, with the United States ratcheting up its rhetoric against "axis of evil" member Iran, Blackwater USA was hired by the Pentagon under Caspian Guard to deploy in Azerbaijan, where Blackwater would be tasked with establishing and training an elite Azeri force modeled after the U.S. Navy SEALs that would ultimately protect the interests of the United States and its allies in a hostile region. The \$2.5 million Army contract for a one-year project indicated that it was open for competition but that Blackwater was the only company to bid on it. On Pentagon documents, the nature of Blackwater's work in Azerbaijan was kept vague—only mentioning "training aids" and "armament training devices." Despite the secrecy, one thing was clear: Blackwater had once again found itself at the forefront of a pet Bush administration project. "We've been asked to help create, for lack of a more educated term, a SEAL team for Azerbaijan, both to help them with their oil interests in the Caspian but also to kind of monitor what goes on in the Caspian during the wee hours of the night," said Blackwater's Taylor. "These are very, very politically . . . sensitive issues." Blackwater joined a U.S. corporate landscape in Baku that included other Bush administration-linked corporations such as Bechtel, Halliburton, Chevron-Texaco, Unocal, and ExxonMobil.

Some analysts viewed Caspian Guard and the Blackwater contract as a backdoor U.S. military deployment. "We were hired to come in and build by the U.S. government, to build a maritime special operations capability in Azerbaijan," said Blackwater founder Erik Prince at a U.S. military conference in 2006. "We took over an old Spetsnaz (Soviet special forces) base and built about a ninety-man Azeri high-end unit." Prince called Blackwater's Azerbaijan work "a great small footprint way to do it." Instead of sending in battalions of active U.S. military to Azerbaijan, the Pentagon deployed "civilian contractors" from Blackwater and other firms to set up an operation that would serve a dual purpose: protecting the West's new profitable oil and gas exploitation in a region historically dominated by Russia and Iran, and



possibly laying the groundwork for an important forward operating base for an attack against Iran. "Compared with the U.S. efforts to train and equip troops in neighboring Georgia, training Azerbaijan's commandos was a relatively low-profile program," observed Central Asia correspondent Nathan Hodge. "It's understandable: The country is sandwiched between Russia and Iran, and sending a contingent of uniformed U.S. military trainers would be a provocative move. A private contractor helps keep things under the radar."

One indication of the strategic importance of Azerbaijan comes from the list of names associated with the U.S. Azerbaijan Chamber of Commerce, an organization formed in 1995 to "facilitate and encourage trade and investment in Azerbaijan" and to "serve as a liaison between foreign companies and Azerbaijani businesses and officials." Its "Council of Advisors" reads like a who's who of the hawks of the Reagan-Bush era: James Baker III, Henry Kissinger, John Sununu, and Brent Scowcroft. The board of directors includes senior executives from ExxonMobil, Chevron, ConocoPhillips, and Coca-Cola, while the trustees include Azerbaijan's dictator, Ilham Aliyev, and top neoconservative Richard Perle. Listed as "former" officials of the organization are none other than Dick Cheney and Richard Armitage. "These men are the power behind the throne in Azerbaijan," observed investigative journalist Tim Shorrock, adding that Blackwater's deployment would be "impossible to imagine . . . without a nod from one of these principals."

A March 2004 Blackwater recruitment ad sought a manager to oversee the contract "to train, equip, and permanently establish a Naval Special Operations Unit in the Azerbaijan Armed Forces." The announced salary was \$130,000 to \$150,000 annually. Blackwater referred to the project as part of a "Maritime Commando Enhancement" program. "The Caspian Sea is a region of interest for many, many reasons," said Blackwater vice president Chris Taylor at a conference on contracting in 2005, where he held up Blackwater's Azerbaijan work as evidence of successful U.S. government contracting to help allied governments build up their forces. "This is not a zero-sum game. We're not trying to take as much of the pie and leave the government with nothing so we can get as much money as we possibly can. It just doesn't work out that way. And if you want quote unquote repeat business, if you want to have a solid reputation, it's actually affecting the strategic balance in an area for the government or assisting in doing that, then you've got to be part of that give and take. And we like to think that we do that on a daily basis."

Caspian Guard appeared to be part of a strategy Defense Secretary Rumsfeld had articulated publicly in a visit to the region in early 2004. At a press conference in Uzbekistan on February 24 of that year, Rumsfeld revealed that he and other senior U.S. officials had been discussing the establishment of "operating sites" in the area, which he described as facilities "that would not be permanent as a base would be permanent but would be a place where the United States and coalition countries could periodically and intermittently have access and support. . . . What's important to us is to be arranged in a way and in places that are hospitable, where we have the flexibility of using those facilities." In Georgia, where the Pentagon has also deployed private military contractors, a Western diplomat told the *Guardian* that the United States was considering "creating a 'forward operational area' where equipment and fuel could be stored, similar to support structures in the Gulf." "The two moves would combine to give Washington a 'virtual base'—stored equipment and a loyal Georgian military—without the diplomatic inconvenience of setting up a permanent base," according to the paper.

That appeared to be the strategy with Blackwater in Azerbaijan as well. In strategically

important Baku, Blackwater renovated a Soviet-era maritime special operations training facility that Pentagon planners envisioned as a command center modeled on those used by the Department of Homeland Security. As part of Caspian Guard, the United States also contracted defense giant and Iraq War contractor Washington Group International to construct a radar surveillance facility in Astara, just north of the Iranian border, one of two such facilities built under the program. The other was positioned atop a mountain south of Russia's North Caucasus region, not far from Chechnya. Washington also renovated the nearby Nakhchewan airport to accommodate military aircraft, including from NATO. In the meantime, encouraged by its cozy relationship with Washington, Azerbaijan dramatically increased its military spending by 70 percent in 2005 to \$300 million. By the end of 2006, it had reached a whopping \$700 million, with the country's president pledging it would soon grow to \$1 billion annually.

In the event of a U.S. war against Iran, Azerbaijan would play a central role; to Tehran, the U.S.-orchestrated buildup along the Caspian was an ominous threat. Iran actually responded to word of Blackwater's involvement in the region by announcing the creation of its own special naval police force that would patrol the Caspian. As an exclamation point to Iran's concerns, Ariel Cohen of the right-wing Heritage Foundation wrote in the *Washington Times* in 2005 that Caspian Guard was "significant . . . for any future conflict with Iran." As *Jane's Defence Weekly* reported, the U.S. presence near the Caspian allowed Washington to "gain a foothold in a region that is rich in oil and natural gas, and which also borders Iran. It's good old US interests, it's rather selfish; said US Army Colonel Mike Anderson, chief of the Europe Plans and Policies Division at US European Command (EUCOM). 'Certainly we've chosen to help two littoral states, Azerbaijan and Kazakhstan, but always underlying that is our own self interest.'"

By April 2005, Rumsfeld had visited Azerbaijan, a small country of 8.5 million people, at least three times. The visits were secretive, and U.S. and Azerbaijani officials would only speak in generalities about what exactly Rumsfeld was doing dropping into the country so often. After Rumsfeld's third visit, the popular daily newspaper *Echo* ran the headline "Rumsfeld Is Interested in Oil!" Indeed, the flurry of U.S.-military-related activities in Azerbaijan, including the Blackwater deployment, was timed for the launch of one of the most diplomatically controversial Western operations on former Soviet soil since the fall of the Berlin Wall: the massive eleven-hundred mile oil pipeline that for the first time would transfer oil out of the Caspian on a route that entirely circumvented Russia and Iran—a development both Moscow and Tehran viewed as a serious U.S. incursion into their spheres. The \$3.6 billion pipeline project was heavily funded by the World Bank, the U.S. Export-Import Bank, and the Overseas Private Investment Corporation, and spearheaded by a consortium led by oil giant BP along with U.S. companies Unocal, ConocoPhillips, and Hess. As originally planned, the pipeline would run from Baku, Azerbaijan through Tbilisi, Georgia to the Turkish port of Ceyhan, where the oil would then be shipped for Western consumption.

Known by its acronym, the BTC pipeline was labeled "a new round in the Great Game" by veteran Russia analysts, who viewed it as part of a wider plan to isolate Moscow. Analyst Vladimir Radyuhin said the "pipeline is a key element in the U.S. strategy to redraw the geopolitical map of the former Soviet Union and supersede Russia as a dominant force in the former Soviet Union. The U.S. has pushed through the project over more profitable pipelines via Russia and Iran to create an alternative export route for oil produced in Azerbaijan,

Kazakhstan, Turkmenistan, and Uzbekistan, which have so far depended on Russian pipelines to export their oil to Europe."<sup>42</sup> Radyuhin said Washington's Caspian Guard program "together with the U.S.-promoted GUUAM alliance of Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova, will enable Washington to exercise control over an absolute majority of post-Soviet states and create a cordon sanitaire around Russia." The head of the International Committee of Russia's upper house of parliament, Mikhail Margelov, said, "Russia will always oppose the presence of any foreign military contingents within the boundaries of the [Caspian region]. . . . First and foremost, it is a question of [Russia's] national security.

Prior to the launch of the BTC pipeline, the United States had invested in the Russian-controlled Caspian Pipeline Consortium, a \$2.6 billion project made up of a 935-mile crude oil pipeline that ran from the Tengiz oilfield in Kazakhstan to the Russian Black Sea port of Novorossiysk. The White House called it "the largest single United States investment in Russia." In November 2001, when the first tanker loaded with oil from the Caspian under the project was launched, Commerce Secretary Don Evans remarked, "It tells the world that the United States, Russia, and Central Asian states are cooperating to build prosperity and stability in this part of the world." But once the new BTC pipeline became active in 2005, Bush publicly encouraged "companies producing oil [in Kazakhstan] and elsewhere in the Caspian region [to] embrace BTC as a gateway to global markets." It seemed that was the plan from the start. Indeed, the Cheney energy task force had envisioned a scheme to allow multinational oil giants like Chevron and Exxon operating in Kazakhstan under the Russian pipeline to redirect oil through the BTC pipeline, effectively taking away from Russia's profits. It was all laid out in May 2001 in the recommendations made by the White House National Energy Policy Development Group, headed by Cheney. The group recommended that President Bush "direct the Secretaries of Commerce, State, and Energy to continue working with relevant companies and countries to establish the commercial conditions that will allow oil companies operating in Kazakhstan the option of exporting their oil via the BTC pipeline" instead of through the Russian controlled pipeline. It called for the Administration to "deepen [its] commercial dialogue with Kazakhstan, Azerbaijan, and other Caspian states to provide a strong, transparent, and stable business climate for energy and related infrastructure projects."

The BTC pipeline was inaugurated in May 2005, and President Bush dispatched his new Energy Secretary Samuel Bodman to represent him at the ceremony. "BTC opens a new era in the Caspian Basin's development. It ensures Caspian oil will reach European and other markets in a commercially viable and environmentally sound way," Bush said in a letter read by Bodman at the ceremony. The letter was addressed to the dictator of Azerbaijan, whom Bush praised. "As Azerbaijan deepens its democratic and market economic reforms, this pipeline can help generate balanced economic growth, and provide a foundation for a prosperous and just society that advances the cause of freedom," Bush wrote. But as David Sanger of the *New York Times* reported, a few days before Bush's letter was read at the ceremony, "the Azerbaijani police beat pro-democracy demonstrators with truncheons when opposition parties, yelling 'free elections, defied the government's ban on protests against President Ilham Aliyev. Mr. Aliyev is one of President Bush's allies in the war on terror, even though he won a highly suspect election to succeed his father, a former Soviet strongman."

Azerbaijan's human rights record is dismal. "Torture, police abuse, and excessive use of force by security forces are widespread," according to Human Rights Watch. The U.S. State

Department, meanwhile, labeled Azerbaijan's human rights record "poor" and said President Aliyev, the ally of Kissinger, Baker, Cheney, et al., maintained power through an election "that did not meet international standards for a democratic election due to numerous, serious irregularities." The State Department charged that in Azerbaijan there was: "restriction on the right of citizens to peacefully change their government; torture and beating of persons in custody; arbitrary arrest and detention, particularly of political opponents; harsh and life-threatening prison conditions; excessive use of force to disperse demonstrations; [and] police impunity." It also determined, "Members of the security forces committed numerous human rights abuses." Even still, the United States has spent millions of dollars to deploy Blackwater in the country with the explicit purpose of bolstering Azerbaijan's military capabilities, including creating units modeled after the United States most elite Special Forces, the Navy SEALs. As with other convenient allies of the administration, Azerbaijan was valued for its usefulness in securing oil profits and as a potential staging site for future wars. Blackwater's contract in the country strengthened the United States a foothold in a region that will only grow in importance to U.S. policy, and the company has publicly advertised its work in Azerbaijan as a model in seeking more business. Journalist Tim Shorrock concluded, "Blackwater's project in Azerbaijan is clear evidence that contractors have crossed the line from pure mercenaries to strategic partners with the military-industrial complex."

## CHAPTER TWELVE

# BLACKWATER'S MAN IN CHILE

**WHILE THE** Bush administration struggled and failed to build a "Coalition of the Willing" among nations for its invasion and occupation of Iraq, the private military firms Washington hired to support its Iraq operation recruited aggressively around the globe—often in nations whose military and security forces had horrible human rights records and reputations. Along with the workers from across the developing world—many of whose home countries strongly opposed the war—hired by Halliburton, Bechtel, Fluor, and other "reconstruction" megafirms, the mercenary companies in Iraq largely made up the "international" or multilateral nature of the occupation. The United States may not have been able to convince many governments to deploy forces in Iraq, but it certainly could entice their citizens with promises of significantly higher wages than they could earn at home. Unlike some other private military firms operating in Iraq—which contracted cheap Iraqi labor to staff security projects—Blackwater was viewed as an elite security company because of its high-profile contract guarding the top U.S. officials and several regional occupation headquarters. But while Blackwater encouraged this view, in both Baghdad and in Washington, of a highly professional all-American company patriotically supporting its nation at war, it quietly began bringing in mercenaries from shady quarters to staff its ever-growing security contracts in Iraq.

U.S. training of foreign forces to support covert operations and overtly repressive policies is hardly a new development, particularly in Latin America. Over its six decades of existence, the U.S. Army School of the Americas (renamed the Western Hemisphere Institute

for Security Cooperation in 2001) trained more than sixty thousand Latin American soldiers "in counterinsurgency techniques, sniper training, commando and psychological warfare, military intelligence, and interrogation tactics." According to Amnesty International, the SOA was "notorious for training and educating Latin American military personnel who went on to commit human rights violations in their own countries. . . . The SOA used manuals that advocated torture, extortion, kidnapping and execution." Throughout the 1980s and '90s, the United States also fueled "dirty wars" by covertly arming, funding, and training death squads or repressive militaries to crush popular movements Washington deemed a threat to its interests. The Iraq occupation saw a greatly expanded use and training of foreign forces by the private sector. Latin American countries that had been victims of U.S.-sponsored death squads and repressive policies—and whose populations and governments opposed the 2003 Iraq invasion—became the new training grounds and recruitment centers for mercenaries enlisted in the Iraq War.

Among the largest contingents of non-U.S. soldiers imported to Iraq by Blackwater were former Chilean commandos, some of whom trained or served under the brutal military dictatorship of General Augusto Pinochet. The story of how nearly a thousand Chileans made their way to Iraq is in many ways the story of the ex-Chilean Army officer Erik Prince contracted to do Blackwater's recruiting in Chile: Jose Miguel Pizarro Ovalle. Pizarro, a passionate defender of Pinochet, worked as a translator for the U.S. military in Latin America in the 1990s before becoming a liaison between more than a dozen Latin American governments and U.S. weapons manufacturers. When the U.S. invasion of Iraq began in 2003, Pizarro discovered Blackwater USA and almost overnight became a trailblazer in recruiting hundreds of low-cost Latin American mercenaries for it and other private military firms operating in Iraq. "From a Latin-American point of view, my story is not believable," Pizarro said in a lengthy two-and-a-half-hour interview. "From an American point of view it's the American story of success."

Pizarro, who prefers to be called "Mike," is a dual citizen of Chile and the United States, having been born in 1968 in Los Angeles, where his father worked at Paramount Pictures as an artist, drawing cartoon characters. His father also worked as a driver for UPS, and his mother worked as a teller for Bank of America. Shortly after Socialist presidential candidate Salvador Allende won the presidency in Chile in 1971, becoming the first democratically elected Marxist head of state in the hemisphere, the Pizarros returned to their native Santiago. Two years later, Allende's government would be overthrown in a U.S.-backed coup d'etat that brought to power one of the world's most notorious dictators. To understand the significance of Blackwater recruiting Chilean mercenaries for deployment in Iraq—and enlisting an apologist for Augusto Pinochet as Blackwater's point man—it is necessary to understand the U.S. government's role in Chile over the four decades that preceded the 2003 Iraq invasion.

When he launched his campaign for Chile's presidency, Salvador Allende had been a Chilean senator for twenty-five years; he campaigned with his "Popular Unity" movement on pledges to improve the lives of millions of impoverished Chileans. On September 4, 1970, Allende narrowly—but freely and fairly—won a hotly contested presidential race in which right-wing parties, the CIA, and large transnational corporations aggressively backed his opponent. Allende had defied a decade-long "major covert effort," in the words of Secretary of State Dean Rusk, to "reduce chances of Chile being the first American country to elect an avowed Marxist president." Allende's victory, a historic moment in Latin

American politics, alarmed the Washington power structure and large U.S. corporations like PepsiCo, Anaconda Copper, and HT, which had backed Allende's opponent. The Nixon White House immediately undertook a two-track covert plan to prevent Allende from being inaugurated or to overthrow his government if it took power.

The Chilean Congress, however, overwhelmingly ratified Allende as president, and the Socialist leader moved quickly to implement his program, known as "La via Chilena al socialismo" ("the Chilean Way to Socialism"). This included nationalization of large industries, the implementation of government-run healthcare and educational systems, land redistribution, literacy campaigns, and free milk programs for children. Allende reestablished diplomatic relations with Cuba in defiance of Washington and was close to Cuban leader Fidel Castro, who spent a month in Allende's Chile.

Throughout Allende's short-lived presidency, the Nixon administration—with the cooperation of large U.S. corporations and powerful media outlets in Santiago—aggressively fomented unrest within Chile and isolated it economically. In a cable to Washington, U.S. Ambassador Edward Korry reported telling Chilean authorities: "Not a nut or bolt will be allowed to reach Chile under Allende. We shall do all within our power to condemn Chile and the Chilean to utmost deprivation and poverty." Nixon, meanwhile, issued a directive saying the United States should "Make the [Chilean] economy scream." By 1973, U.S.-influenced hyperinflation and strikes had gripped the country, while Washington supported a media campaign inside Chile aimed at blaming and ultimately bringing down the Allende government.

On the morning of September 11, 1973, General Pinochet—Commander in Chief of the Army—coordinated a massive military operation that surrounded the presidential palace, La Moneda. In a radio recording of Pinochet instructing his troops during the coup, the General is heard saying, "Kill the bitch and you eliminate the litter." Shortly after 9:00 a.m.—with gunfire and bombs in the background—Allende addressed the nation on one of the few radio stations still operating. "Having a historic choice to make, I shall sacrifice my life to be loyal to my people," Allende said. "I can assure you that I am certain that the seeds planted by us in the noble consciences of thousands and thousands of Chileans will never be prevented from growing." Within hours, Salvador Allende was dead—allegedly having committed suicide—and one of the darkest eras in the country's history had begun. "The [U.S. government] wishes to make clear its desire to cooperate with the military Junta and to assist in any appropriate way," said a classified cable from the White House Situation Room dated two days after the coup. "We welcome General Pinochet's expression of Junta desire for strengthening ties between Chile and U.S."

With the support of Washington, the junta quickly dissolved Congress and Pinochet was declared president. Thousands of Allende supporters and suspected "communist sympathizers" were hunted down by the junta's forces. Thousands were brought to Estadio Nacional de Chile between September and November 1973; hundreds were executed, thousands tortured. The number of Chileans killed in the early days of the Pinochet regime will never be known, but the CIA station in Santiago reported that by September 20, "4,000 deaths have resulted so far from the [coup] and subsequent clean-up operations." Four days later, the CIA estimated the number at 2,000 to 10,000. According to a secret briefing paper prepared in October 1973 for Secretary of State Henry Kissinger titled "Chilean Executions," the Junta had massacred some 1,500 civilians, summarily executing between 320 and 360 of them. "During a ruthless seventeen-year dictatorship, the Chilean military would be responsible for the murder,

disappearance and death by torture of some 3,197 citizens—with thousands more subjected to savage abuses such as torture, arbitrary incarceration, forced exile, and other forms of state-sponsored terror," wrote investigative researcher Peter Kornbluh in his groundbreaking book *The Pinochet File*. "Within weeks of the coup, Pinochet created a secret police force empowered to eliminate any and all enemies of his regime." So brazen was the junta—and so confident in its backing by the United States—that it murdered U.S. citizens in Chile and targeted Chilean dissidents, such as Allende's foreign minister, Orlando Letelier, in Washington, D.C. Letelier and his U.S. research assistant, Ronni Karpen Moffitt, were killed in a 1976 car bombing fourteen blocks from the White House.

Despite the overwhelming evidence of the brutality of the Chilean junta, Jose Miguel Pizarro, Blackwater's Chilean recruiter, remained a staunch defender of Pinochet and the coup. "It's exactly the same war on terror" that the Bush administration has waged, Pizarro argued. "I believe there was a major effort of the Chilean Army, the Chilean Navy, and the Chilean Air Force, to make sure that a lot of people got arrested in order to clear them up immediately, but very few people remained in actual custody after the first three or four weeks of the military putsch." Mass executions, Pizarro said, simply did not happen. He did not deny that there was a "military government" in Chile, but he asserted, "to claim that the amount, the scale of the corruption or the human right abuses, to claim that there was an actual, real military dictatorship, is a flat-out lie."

Pizarro grew up proud in Pinochet's Chile with dreams of serving in the Chilean Army: "I got a picture of myself when I was seven with a plastic rifle in my hands so—it's funny—I have never wanted to be anything else besides an Army officer." Despite the well-documented atrocities committed under the Pinochet regime in Chile, Pizarro said, "Funny because I spent those seventeen years of military government living in Santiago. I never saw troops shooting, arresting, killing, doing anything wrong in any way, in any shape, or in any form." He said allegations of Pinochet overseeing "human rights abuses at an institutional level" are "a flat-out lie." Instead, Pizarro painted a picture of Pinochet as a man who restored democracy to Chile, stamped out communism, and cracked down on Cubans from Fidel Castro's government who had flocked into Chile as "advisers" after the election of Allende. As for allegations of mass torture, Pizarro said that, too, did not happen, adding that the Chilean definition of torture is liberal. When asked if he personally knew anyone who was tortured, he recalled a story told by a family friend whose father was taken in 1973 when they were in the midst of a barbeque, "and then the military stormed in, and they took my daddy prisoner. They keep him for forty-eight hours, and then they kicked him out on a highway." Pizarro said the official government documentation determined 2,871 people were killed under the dictatorship, adding, "After three years in Iraq, you have less than 3,000 casualties." Absolutely, he acknowledged, "there were human rights abuses" in Chile, but he asserted they were committed by "secret police, by little tiny groups of corrupted officials." There were human rights abuses "by Chilean standards," he said. "By Colombian standards, we were having, I mean, I don't know, a picnic."

Pinochet was, according to Pizarro, "A great patriot that was poorly advised by ill-prepared civilian and military advisers in terms of public relations, in terms of international image. Again, PR. Everything he was doing was right. He was building bridges, creating schools, creating new businesses. He was copying the model of the United States. He tightened up our ties with the U.S. He was fighting communism, fighting corruption, fighting the terrorism. He was doing exactly the right things that every president is supposed to be doing. However,



he was so ill advised in terms of public relations that he didn't understand the importance of bringing on board the press, the media. He didn't understand the term *transparency*. We didn't have anything to hide." Pizarro called that his "negative assessment" of Pinochet.

Even though Allende was elected in an internationally recognized democratic election, Pizarro asserted that Pinochet's coup was necessary to restore democracy to Chile. "General Pinochet decided to rebuild the nation, divide the nation in regions, send the civilians to Chicago to study economy, change the traditional economical model of Chile up to 1973, to make a mirror image of the United States of America. So he did that," Pizarro recalled with pride. "And overnight, in less than ten years, this little, tiny banana, third-world nation turned out to be the model, and it is today still, the economical and political model of the region. The most stable nation, Spanish-speaking nation in Latin America." Pizarro says that the civilian governments that succeeded Pinochet's regime have feared that the Chilean military will once again take power, as it did in 1973, if the government is corrupt. As a result, he says civilian leaders in Chile have engaged in historical revisionism about the Pinochet era aimed at demonizing the Chilean armed forces to "destroy the image of the military, present them as corrupt, dumb, banana- oriented, whatever, just destroy their image and make sure they never come to power again." This history has endured, Pizarro argued, because "the right- wing parties of Chile are too calm, too silent, too comfortable, and they're not being aggressive and responsible enough to defend what really happened, to tell the people what really happened in Chile during those seventeen years."

Back in 1987, with Pinochet firmly in control of Chile, Pizarro finished high school and headed straight for the National Military Academy, where he graduated four years later as a second lieutenant. On graduation day, he shook General Pinochet's hand and began his career in Chile's armed forces. Pizarro moved around in various regiments and worked as a translator for the Army, translating for Chilean generals meeting with their foreign counterparts. That brought him in contact with military personnel from the U.S. Embassy in Santiago. In 1995, Pizarro said he struck up a friendship with one U.S. officer in particular, whom he declined to name. He listened to his new American friend and his colleagues speak of their adventures across the globe—from Panama to the Gulf War—with the U.S. military. Pizarro watched their videos and joined them at their homes for cookouts. "I was overwhelmed by their professionalism, their *esprit de corps*, their way of spreading good words, good news, their way of working. These guys were warriors," Pizarro recalled. "They went to a war, they won the war, they went back home, and they never went, you know, crazy, or cuckoo, or unreliable. They were normal people. And so it was very motivating for me to think, Maybe, maybe I can be a part of this, maybe." Pizarro began thinking of leaving the Chilean forces to join the U.S. military. "I love the Chilean Army," he said. But "I have an opportunity because I have dual citizenship to join an army of a nation that has the same goals of democracy of Western society that Chile [has], but they're actually deploying troops. I [felt] like a doctor that will study for thirty years and never, ever, ever operate [on] a single human being. I'm a professional. I want[ed] to deploy." About a month after informing his superiors in Chile, Pizarro joined the U.S. Marines, "guaranteed deployed within ninety days. I love it. I was the happiest guy."

Pizarro began his U.S. military career training at Paris Island, South Carolina, and then at the U.S. Armor School in Fort Knox, Kentucky. When he graduated in 1996, he says the commander of the Marine Detachment at Fort Knox called him into his office.

"Jose, is it true that you were a Chilean Army Officer?"

"Yes, sir."

"Do you speak Spanish?"

"Yes, sir. Better than English."

"Maybe we're going to have a career move for you," the commander told Pizarro. Shortly after that conversation, Pizarro was sent to Camp Lejeune in North Carolina before being ordered by the Second Marine Expeditionary Force to work for three years, from 1996 to 1999, "at the Marine unit specializing in military operations in South America, called the Unitas." Pizarro says that for the next three years, he traveled throughout Latin America working with U.S. Southern Command as a translator for "lieutenant colonels, colonels, and admirals from the U.S. Navy and the U.S. Marine Corps going down to South America. Either if they needed to go for a forty-eight-hours meeting with the Commander in Chief of the Brazilian Marine Corps, they took me as a translator, or if they needed to conduct a three-week military exercise in Colombia, I went over there with a lieutenant colonel, with a U.S. Marine lieutenant colonel as a translator. So I loved it. It was a super, super-interesting experience. I went to every single nation in Latin America, except Bolivia. I went to Brazil, Argentina, Chile, Ecuador, Colombia, Venezuela, you name it. I was having the time of my life learning how to present U.S. foreign policy, U.S. defense atmospheric policies to the armed forces in Latin America."

After three years working with Unitas and the U.S. Southern Command, Pizarro decided to take his experience to the private sector. In 1999, he said, he "offered my services" to the U.S. weapons manufacturer General Dynamics. He said the connections he made during his work with the U.S. military in Latin America put him in a prime position to help General Dynamics expand its sales and marketing in the region. "I knew [Latin American governments'] needs for helicopters, weapon systems, etc.," Pizarro recalled. "I believe I grasped a certain degree of understanding of their needs, their budgets, their budget culture, etc." General Dynamics hired Pizarro and, he says, made him the head of its Latin American division. "I was in charge of sales of Mark 19, MK19, GOA19, which is automatic grenade launchers, rockets, and electric airborne, helicopter-borne, electric helicopter-borne machine guns," said Pizarro. He worked with General Dynamics for a year and a half and said he made so much money in salary and bonuses pushing weapons to Latin American governments that he was able to start his own company. "I realized, hey, I have enough money to, you know, create my own company and work for me instead of working for somebody else."

In 2001, Pizarro started Red Tactica (Tactical Network), a company that would serve as a liaison between Latin American governments and U.S. weapons manufacturers. "Because every single Latin American Government has a military attaché, a naval attaché, an air force attaché, and a police attaché on separate buildings actually, times sixteen countries, sixteen countries times four military attaches, that was a major, major market for me," Pizarro said. "So we went, for example, to the Argentinean Embassy. 'Good morning, my name is Mike Pizarro. I'm a U.S. citizen, and I'm also a Chilean citizen. I'm bilingual. I'm bicultural. I know exactly, sir, Admiral, what you're looking for. You're looking for submarines, torpedoes, radars, electronic communication system; etc., etc.'" Eventually, Pizarro struck up a relationship with virtually every defense and military attaché from "friendly" Latin American nations and earned a reputation as a go-to guy for Latin American countries seeking to purchase specialized weapons systems from major defense companies.

Pizarro hotly denied that he was an arms dealer and scoffed at the label. Instead, he said, he was selling "business intelligence" to Latin American officials he characterized as essentially paying him to do their jobs. "A military attaché by definition is a gift, is a reward, is a promotion, is a vacation in Washington. You're not supposed to actually work," Pizarro said. "That is in the Latino world. For us, if you're a general and you get promoted to a senior general, you get a year of vacation, a paid vacation with your entire family in Washington, D.C. So having—and because I knew this—having a guy who can actually do the job for you for a few thousand dollars a month or less than that, it was a major advantage. It was very attractive to them." Pizarro says he worked with the military attaches from "every single" Latin American nation in good standing with the United States, "selling the information" to them on where they could purchase various weapons systems, military hardware, radars, spare parts—even rifles. Pizarro also sold his services to defense and weapons companies—in both the United States and in Europe—seeking to break into Latin American markets. He would tell these companies, "Well, let's say you pay me \$10,000 a month times three months, I will provide you with enough information and enough business intelligence so your salespeople will know exactly which doors to knock, to which officers they're supposed to address, and how and when and for how much and for how long."

Pizarro said he made enough money selling "business intelligence" that he decided in early 2003 to "step away from the company and enjoy the money, enjoy my free time." Leaving the day-to-day operations of Red Tactica to his business partners, Pizarro began writing for a German magazine focused on military technology. In February 2003, as the United States prepared to invade Iraq, a producer at CNN's Spanish-language channel contacted Pizarro and asked him to come to the network's Washington bureau to apply for a possible position with the network as a commentator on the war. Pizarro said after testing him out, "They offered me a full-time job for the time of the war. So they put me in a hotel, at the CNN Hotel, at CNN headquarters in Atlanta for a month, plus the previous month in Washington, close to my house. I mean, I was showing up so many times per day that they thought it was necessary for me to be on call. So they provided [me] with a full salary." All the while, Red Tactica was on "auto pilot." Pizarro said that during his time in Atlanta, he struck up a friendship with retired Gen. Wesley Clark, former Supreme Allied Commander of NATO and future 2004 Democratic presidential candidate, who was doing commentary and analysis for CNN as well. "I'm so embarrassed to say this," Pizarro recalled, "but if I needed to ask, if I have a question from the public or a major question from common sense, I just went to the coffee shop of CNN in English," where he would ask Clark for advice on what analysis to offer on air. Pizarro would then use Clark's analysis in his own commentary on CNN en Espanol. "Love the guy," Pizarro says of Clark. "Love the guy."

Pizarro's full-time job with CNN en Espanol lasted until the end of April, when he turned his attentions back to Red Tactica. With the Iraq occupation underway, he began going to military shows and expos looking for new business. In July 2003, Pizarro went to the Modern Marine Expo in Quantico, Virginia, when a "very good-looking" woman at one of the booths caught his eye. It turned out she was a rep for Blackwater USA, Pizarro said, a former police officer in charge of selling Blackwater's target systems. Pizarro had never heard of Blackwater and struck up a conversation with the attractive representative about Red Tactica helping to market Blackwater's systems. Pizarro recalled that the Blackwater system was "fantastic. It's absolutely fabulous. I told them, I can help you to sell that in Latin America." After questioning Pizarro about his credentials, the Blackwater representative

suggested that Pizarro travel down to Blackwater's compound in Moyock. What he would see on that trip would change Pizarro's life.

In describing his first visit to Blackwater in the summer of 2003, just as the mercenary boom was getting under way in Iraq, Pizarro speaks with the enthusiasm of a child describing Christmas presents to his friends at school. "My hair was on fire," he recalled. "It's a private army in the twenty-first century. A private company with their own training, their own private forces to protect U.S. government facilities in a war zone. It was like out of a *Dr. No* movie.

It's like a movie. It's a gigantic facility with a military urban terrain. It's a mock city where you can train with real-life ammunition or paintball, with vehicles, with helicopters. Gosh, impressive, very, very impressive." Pizarro thought he was essentially going to a souped-up firing and training range, but when he got there, "I saw people from all over the world training over there—civilians, military personnel, army personnel, naval, navy personnel, marines, air force, para-rescue. Wow, it was like a private military base."

Pizarro said that "within five seconds I dropped the idea of helping them in selling target systems" and began to dream of how he could fit into this incredible movie set. Pizarro said that he didn't want to blow his opportunity, so "I kept my mouth shut." In his head, though, he envisioned providing Chilean forces to Blackwater. "I didn't want to look like a walking suitcase," he said. "It was a hunch. Like maybe, maybe if I can get enough Chilean Navy SEALs, enough Chilean Army paratroopers, enough Chilean Marine Corps commandos, I know how professional they are, they're super- young, they're recently retired, with twenty years or fifteen years of active duty, and working as a supermarket security guard—I mean, I should, in theory, I should be able to create something." Pizarro said after his first visit to Blackwater, he "spent a few weeks talking to people on the phone back in Chile. I called them from Washington. I hooked up with a few lieutenant colonels, a few retired majors. 'Can you get a hundred commandos?' 'Can you get a hundred paratroopers?' 'Can you get Navy SEALs, bilingual within a couple of weeks?' 'Yes,' 'No,' 'OK' I can get twenty. Another guy: 'I can get seven: 'I can get twenty-five.'" The phone calls led to meetings in Santiago with military officials, but Pizarro said the reception was hardly enthusiastic. He heard the same things over and over: "That sounds illegal"; "That sounds dirty"; "That doesn't sound right"; "No, we're not interested"; "You're going [to] fail." But Pizarro said these responses "were actually fueling me more. I was convinced that I was doing the right thing."

A major reason Pizarro said he believed this is that he had been speaking regularly with Doug Brooks, president of the International Peace Operations Association, the private military trade group of which Blackwater is now a prominent member. "[Brooks] doesn't strike me as an illegal, evil bastard," recalled Pizarro. "He strikes me as a professional young man. And he told me this is perfectly legal. I mean, I spent countless meetings with his friends at his office. I mean, we both live in Washington, and after I was convinced that I was doing what's legal, what's right, what's correct, then I made up my mind. Nothing will stop me." In an e-mail, Brooks admitted he met with Pizarro "a few times" but said he didn't "recall discussion [of the] legality" of Pizarro's plan. Eventually, after "hundreds of meetings," Pizarro said he found people from Chile's military community who believed in his idea of supplying Chilean forces to U.S. companies: "I met the right colonel, the right lieutenant colonel, the right admiral, the right retired personnel." Pizarro and his comrades hired a private Chilean human resources firm to help recruit men for their plan. When Pizarro felt it was a go, he returned to the United States to make his pitch to Blackwater in October 2003. He said he spoke to Blackwater president Gary Jackson. "Gary

didn't like the project," Pizarro recalled. "He kicked me out of his office, like, 'Hey, no way. We're not going to do this. It's just, it's too crazy. Get out of here.'" Then, Pizarro said, he landed a meeting with Erik Prince at Prince's office in Virginia. As Pizarro told it, he walked into the office and Prince said, "Who the hell are you?"

"My name is Mike Pizarro. Do we have five minutes, sir?"

"You got three," Prince shot back.

Pizarro said he presented Prince with a PowerPoint presentation on the Chilean forces he wanted to provide Blackwater. Within moments, Pizarro recalled, Prince warmed to the idea. "Guess what?" Pizarro recalled with excitement. "When [Prince] was a U.S. Navy SEAL, he was in Chile." Prince, he said, had a high regard for Chilean forces. "So he knew the Chilean Navy SEALs. He got friends over there. He knew our professionalism, the orientation of our training, how bilingual are our enlisted personnel, and the quality of our officers." Pizarro recalled that Prince said, "Mike, listen, you convinced me. If you can get one, just one Chilean Navy SEAL to work for me, this is worth it. Go ahead and impress me." Pizarro said as he was leaving the Virginia office, Prince told him, "Once you're ready for a demo, give us a call. I will send a few evaluators" to Chile. The next morning, Pizarro was on a plane back to Santiago.

Back in Chile, Pizarro moved quickly. He and his business partners established a company, Grupo Tactic, and rented a ranch in Calera de Tango, south of Santiago, where they could review prospective soldiers. Pizarro's commercial manager was Herman Brady Maquiavello, son of Herman Brady Roche, Pinochet's former defense minister. On October 12, 2003, they placed an ad in the leading daily newspaper, *El Mercurio*: "International company is looking for former military officers to work abroad. Officers, deputy officers, former members of the Special Forces, preferably. Good health and physical condition. Basic command of English. Retirement documents (mandatory). October 20 to 24, from 8:45 am to 5 pm." As applicants began showing up for interviews with Pizarro and his colleagues, word spread that salaries as high as \$3,000 a month were being offered, far greater than the \$400 monthly pay for soldiers in Chile. A former soldier who applied for the job told the Chilean newspaper *La Tercera*, "We were informed that a foreign security company needs around 200 former military officers to work as security guards in Iraq." Another said, "I would like to get that job. They pay \$2,500 and they told me at the fort that the job entailed going to Iraq to watch several facilities and oil wells." It didn't take long for Pizarro to get flooded with applications from retired Chilean officers and those wishing to retire so that they could join this new private force.

Before he knew it, Pizarro had more than a thousand applications to sort through. But just as he was beginning to make progress, the Chilean press began to report on his activities. Reports emerged that a Chilean naval commander had allegedly violated military procedure and announced the job offer to soldiers, while some Socialist lawmakers accused Pizarro's colleagues of headhunting soldiers. Within days of the ad's appearance in the paper, Chilean parliamentarians began calling for Pizarro to be investigated. "Lawmakers recalled that the Defense Ministry—not a private corporation—is the only body that, at the request of the UN, may select active military members to support the peacekeeping forces in that country. So any other method would be illegal," reported *La Tercera* shortly after Pizarro's project became public. Pizarro responded at the time that his activities were "absolutely legal and transparent." The Chilean press also recalled a controversy in July 2002 when Pizarro was quoted by a Brazilian paper, *Jornal do Brasil*, claiming that Chile's war academy was

reviewing a plan for twenty-six hundred troops from the United States, Chile, Argentina, Uruguay, Ecuador, and Peru to intervene in Colombia's battle against FARC rebels, under the auspices of the United Nations. The Chilean Defense Ministry was forced to issue a public denial, creating an awkward situation between Chile and Colombia. There were also rumblings in Chile that Pizarro was working with the CIA. "Obviously, Mike Pizarro is a CIA agent, supported by the FBI and the Imperial Forces of the United States, and obviously, he's working for President Bush," Pizarro recalled with sarcasm. "There is a gossip that he also goes to the ranch of President Bush in Texas. I mean, the stories are absolutely flat-out ignorance."

In the midst of all of this, Pizarro forged ahead. He and his colleagues worked feverishly at their ranch to whittle down the number of men they would present to the Blackwater evaluators from one thousand to three hundred. They purchased dozens of rubber and ceramic "dummy" rifles for training and painted them black. By late October, Pizarro had his three hundred men, and he called Erik Prince. "We're ready," he told Prince. "Send your people." He said Prince told him that he was leaving for Switzerland but gave him Gary Jackson's cell phone number. Aware of Jackson's attitude about the project, Prince told Pizarro to wait a few minutes to call Jackson so that Prince could brief the Blackwater president, according to Pizarro. "Then I called Gary, and Gary was obviously not happy," Pizarro recalled. He said Jackson told him, "OK, I just talked to Erik. This is a fucking waste of time. I'll send my three evaluators there, but Mike, you better deliver on your promise because this is a complete waste of time; blah, blah, blah. He was very negative. But that's just the way Gary is."

Back at the ranch in Chile, Pizarro addressed the three hundred men he and his colleagues had chosen for evaluation by Blackwater. "You will be interviewed by American evaluators. They will ask you basic questions," Pizarro told the Chilean soldiers. "They will test the level of your leadership skills, how smart you are, how well trained you are, etc., your physical ability." Pizarro said they would be divided into three groups—one for each of the three U.S. evaluators. "It will be a hundred guys per American. It will take basically the entire day. So you need to be patient. I can make no promises. If we can impress these guys, maybe, maybe we'll be hired to work in Iraq protecting U.S. Consulates and Embassy," Pizarro said. In the last week of November 2003, Pizarro said, the Blackwater evaluators arrived in Chile. "The three of them, former U.S. Navy SEALs, impressive guys, six foot tall, gigantic, excellent shape, very professional," Pizarro recalled. "The three of them bilingual. I mean super-impressive. They evaluated 300 guys" in three days. "They went back to the States, and those were the longest fourteen days of my life because for fourteen days there was no news from Blackwater whatsoever."

In the meantime, the controversy in Chile about Pizarro's activities was growing. Pizarro said that a few hours before the Blackwater evaluators arrived at the ranch, a Chilean TV station showed up and ended up filming the activities there. On national television in Chile, Pizarro was accused of "training a private army," under the supervision of U.S. military people, he said. "The news flash presented me like some sort of Arnold Schwarzenegger—Latino version of—it was absurd," Pizarro recalled. "My family was crying on the phone. My mom was calling, 'Mike, what are you doing? We're going to jail. 'No, mom. It's a dummy rifle' 'It looks so real. You're going down: I mean, even my girlfriend kicked me out.'" Despite the mounting controversy and the silence from Blackwater, Pizarro held out hope that his plan would succeed.

Then on December 18, Pizarro said he got an e-mail from Gary Jackson. *We're up. You're bringing 100 people in February to be evaluated in the United States.* Pizarro said he chose his "best 100 guys" and prepared to head to North Carolina. The Chilean soldiers were sequestered in Chile for forty-eight hours before departing and were not allowed to call their families. They went to the U.S. Embassy in Santiago, which promptly issued them multiple entry visas. On February 4, 2004, Pizarro and seventy-eight Chilean soldiers arrived at Moyock for "evaluation." Training, Pizarro asserted, "is illegal. You cannot train. They were *evaluated*." Pizarro said, "Every single one of them was evaluated for English skills, medical skills, first aid, rifle range, pistol range, driving skills, telecommunication skills, and leadership." Pizarro was particularly impressed with one exercise in which Blackwater evaluators used toy soldiers to present various scenarios that could occur in Iraq and quizzed the Chileans on how they would handle the situation. It was "very smart, very cheap," Pizarro recalled with amazement. "It didn't cost a penny, but it really tested my guys to extreme." In all, the first batch of seventy-eight Chileans spent ten days at Blackwater. Pizarro said the evaluators "were very impressed" with his men. Only one was sent home, he said, because of an attitude problem.

On February 14, 2004, Blackwater flew the first group of Chilean commandos from North Carolina to Baghdad. "They got deployed immediately," Pizarro said. "And then I got a contract for another group of seventy-eight within twenty-four hours. So I flew over [to Blackwater] again at the end of February with the second group." Pizarro recalled with great pride that Gary Jackson—who he said had doubted the project all along—was interviewed by a Chilean newspaper the day the first group of Chileans set off for Iraq, ahead of schedule. "They did incredibly well and they are absolute professionals," Jackson told *La Tercera*. "So they are leaving today on a flight that departs in the morning to the Middle East." Jim Sierawski, Blackwater's director of training, said the deployment happened fast because the Chilean commandos did not need additional training beyond what they had received in the Chilean armed forces. "Their knowledge provides them with the necessary skills to do what they have to do in different missions," he said. "The Chilean guys from group one were so highly trained, I mean the average age was forty-three years old," Pizarro recalled. "These were highly seasoned commandos."

Once in Iraq, the Chilean forces were tasked with doing "static protection" of buildings—generally headquarters of State Department or CPA facilities, Pizarro said. The first group of Chileans was deployed in Samawah, where Pizarro said they guarded a CPA building, as well as a regional office in Diwaniyah. The second batch went straight for a hotel in Hillah that had been converted to an occupation building. They also guarded a CPA headquarters in the Shiite holy city of Karbala. "We are confident," former Chilean Army officer Carlos Wamgnat told *La Tercera*. "This mission is not something new to us. After all, it is extending our military career." Former Marine John Rivas told the paper, "I don't feel like a mercenary."<sup>38</sup> Pizarro traveled to Iraq twice to observe his men on contract with Blackwater, remaining in the country for a month and traveling to all of the sites "from Baghdad to Basra" where Chileans were deployed. "We have been successful. We're not profiting from death. We're not killing people," Pizarro said. "We're not shooting. We're not operating on open streets. We're providing static security services. We do not interact with Iraqi people. We do not patrol the Iraqi street. We never touch, talk, or get involved in any way, shape, or form with civilians in Iraq." But, as journalist Louis E. V. Nevaer reported soon after the Chileans arrived in Iraq, "Newspapers in Chile have estimated that approximately 37

Chileans in Iraq are seasoned veterans of the Pinochet era. Government officials in Santiago are alarmed that men who enjoy amnesty in Chile—provided they remain in 'retirement' from their past military activities—are now in Iraq."

Pizarro said that Blackwater was so impressed with the Chileans that the company stopped bringing them en masse for evaluation to North Carolina. Instead, Pizarro said he would bring twenty a month to Blackwater's compound and the rest would fly directly from Santiago to Jordan, where they would be evaluated by Blackwater officials in Amman before being deployed in Iraq. "We created such level of comfort, of professionalism, of trust. . . . Blackwater was addicted to us," Pizarro said. "Basically for the price of one U.S. former operator, they were getting four, sometimes five Chilean commandos." He described Blackwater's thirst for more Chileans as "very, very, very aggressive." In all, Pizarro said he provided 756 Chilean soldiers to Blackwater and other companies over two years and a month. By March 2004 Gary Jackson had become a public backer of the Chilean forces. In an interview with the *Guardian* newspaper, he explained that Chile was the only Latin American country where Blackwater had hired commandos for Iraq. "We scour the ends of the earth to find professionals—the Chilean commandos are very, very professional and they fit within the Blackwater system," Jackson said. "We didn't just come down and say, 'You and you and you, come work for us! They were all vetted in Chile and all of them have military backgrounds. This is not the Boy Scouts.'" Amid allegations from Chilean lawmakers that his activities were illegal and that the men Pizarro was recruiting were "mercenaries," Pizarro registered his firm in Uruguay to avoid legal troubles in Chile. So the contracting was eventually done between Blackwater and a Uruguayan ghost company called Neskowin. "It is 110 percent legal," Pizarro said in April 2004. "We are bullet proof. They can do nothing to stop us."

But as word spread about the use of Chilean commandos trained under Pinochet, it evoked strong condemnation in the country. As a rotating member of the UN Security Council, Chile opposed the war in Iraq. "The presence of Chilean paramilitaries in Iraq has caused a visceral rejection in the population, 92% of which just a year ago rejected any intervention of the US in the country," said Chilean writer Roberto Manriquez in June 2004. It also sparked outrage and horror from victims of the Pinochet regime. "It is sickening that Chilean army officers are considered to be good soldiers because of the experience they acquired during the dictatorship years," said Tito Tricot, a Chilean sociologist who was imprisoned and tortured under the dictatorship. The Chilean commandos working for Blackwater "are valued for their expertise in kidnapping, torturing and killing defenseless civilians. What should be a national shame turns into a market asset due to the privatization of the Iraqi war. All this is possible, not only because of the United States' absolute disrespect for human rights, but also due to the fact that justice has not been done in Chile either. Therefore, members of the Armed Forces that should be in prison due to the atrocities they committed under the dictatorship, walk freely the streets of our country as if nothing had happened. Moreover, they are now rewarded for their criminal past."

Journalist Gustavo Gonzalez said that some of the Chileans working for Blackwater "form part of those displaced from active duty by a plan for the modernisation of the armed forces applied in the army by General Luis Emilio Cheyre, the current army chief. Cheyre, like his predecessor, General Ricardo Izurieta, who replaced Pinochet in 1998 as commander-in-chief of the army, carried out a discreet but effective purge, forcing into retirement officers and non-commissioned officers who played a role in the dictatorship's repression, in which some 3,000



people were killed or 'disappeared.'

Despite growing controversy in Chile over the export of "Chilean mercenaries" to fight a war the vast majority of Chileans—and the country's elected government—opposed, things were moving along smoothly for Pizarro, and he was predicting in the Chilean press that by 2006 he would have three thousand Chileans deployed in Iraq. In September 2004, Pizarro's new company, Global Guards, which he says was modeled on Blackwater, placed another ad in *El Mercurio*—this time recruiting helicopter pilots and mechanics to operate "air taxis" for businesspeople going in and out of Iraq. *La Tercera* reported that the pilots would be paid \$12,000 a month, while mechanics would earn around \$4,000. Within hours, forty pilots and seventy mechanics had sent in their resumes.

But then Pizarro made a terrible miscalculation.

At the height of his operation, in late 2004, Pizarro branched out from Blackwater and began simultaneously working with its direct competitor, Triple Canopy. "Triple Canopy started asking me for hundreds and hundreds of former Chilean paratroopers for static security [in Iraq]," Pizarro recalled. Eager to expand his business, Pizarro said he provided the company with four hundred Chilean guards. "That was a bad mix. I never realized how much [Blackwater and Triple Canopy] hated each other." When Blackwater got wind of the deal with Triple Canopy, Pizarro said, Gary Jackson told him Blackwater was ending the partnership. "Gary told me that he felt betrayed, that my move was unforgivable. He couldn't forgive, he could not pardon me, that I betrayed his trust. He was the one who—which in a way is true—he basically helped me to create my own company." Pizarro said he deeply regrets that his Blackwater contracts fell through and pointed out that the men he was providing Blackwater were "Tier One" soldiers, "top-notch, fully bilingual, former special forces operators," while Triple Canopy was interested in cheaper "Tier Two" men, "an average former infantry person with limited language skills and limited operational experience." Even still, Pizarro said, Blackwater would no longer renew his contracts. "I ended up losing Blackwater," he recalled with obvious disappointment. "Blackwater is a fantastic company." To add insult to injury, Blackwater independently hired some of Pizarro's Chilean commandos directly. While he is "disappointed" in Blackwater, Pizarro said, "The good news is [the Chileans were] making a lot more money."

After he lost the Blackwater contracts, Pizarro continued to provide soldiers to Triple Canopy and Boots and Coots, a Texas company that specialized in fighting oil well fires. Pizarro's Chilean commandos became known as the "Black Penguins," a name he said Blackwater gave his men "because we came from a land from the Antarctica area, from the land of the snow; very short, very dark guys, very slow moving, fully equipped. They called us the penguins." Pizarro took that on as a brand for his forces and developed a logo around the concept. He also said "Black Penguins" was an effort to "emulate Blackwater." Beginning in July 2005, Pizarro said Blackwater began the process of replacing his Chileans with cheaper Jordanian forces, "Tier Three, definitely. No English . . . no major military experience, just Jordanian conscripts." Around the time his Blackwater relationship went sour, Pizarro said, competition had gotten stiff because the "Iraq reconstruction" was put on hold, meaning there were fewer projects for private forces to guard. Many firms, he said, began hiring less-trained, cheaper forces. "We were competing against Salvadorans, Peruvians, Nigerians, Jordanians, Fijians," he recalled. "We couldn't compete with them. Our prices were three times their price."

## **Blackwater's Plan Colombia**

In the meantime, like many private military firms, Blackwater was internationalizing its force inside Iraq and had broadened out from Chileans, hiring Colombian forces for deployment in Iraq. In July 2005, Jeffrey Shippy, who formerly worked for the private U.S. security company DynCorp International, began trying to market Colombian forces to companies operating in Iraq. "These forces have been fighting terrorists the last 41 years," Shippy wrote in a Web posting advertising the benefits of hiring Colombian forces. "These troops have been trained by the U.S. Navy SEALs and the U.S. [Drug Enforcement Administration] to conduct counterdrug/counter-terror ops in the jungles and rivers of Colombia." At the time, Shippy was offering the services of more than one thousand U.S.-trained former soldiers and police officers from Colombia. A U.S. Air Force veteran, Shippy said he came up with the concept after visiting Baghdad and seeing the market. "The U.S. State Department is very interested in saving money on security now," Shippy said. "Because they're driving the prices down, we're seeking Third World people to fill the positions." At the time, according to the *Los Angeles Times*, Blackwater had deployed some 120 Colombians in Iraq. While Gary Jackson refused to confirm that to the *Times*, Blackwater's use of Colombian troops became undeniable a year later, in June 2006, when dozens of Colombians blew the whistle on what they portrayed as Blackwater's cheating them out of their pay in Baghdad.

In late August 2006, thirty-five Colombian troops on contract in Iraq with Blackwater claimed in interviews with the Colombian magazine *Semana* that Blackwater had defrauded them and was paying them just \$34 a day for a job that earned exponentially more for their U.S. counterparts.<sup>55</sup> Retired Colombian Army Captain Esteban Osorio said the saga began in Colombia in September 2005. "That was when I ran into a sergeant who told me, 'Sir, they are recruiting people to send to Iraq. They pay good money, like \$6,000 or \$7,000 a month, no taxes. Let's go and give them our resumes! That number stuck in my head,'" Osorio told *Semana*. "Never in my life had I imagined so much money," said former National Army Major Juan Carlos Forero. "Who wouldn't be tempted by the prospect of a job where you earn six or seven times what they pay you?" After hearing about the prospect of working for big money in Iraq, Forero went to a recruitment office in Bogota to hand in his resume. "The company was called ID Systems," he recalled. "This firm is a representative of an American firm called Blackwater. They are one of the biggest private security contractors in the world, and they work for the United States government." When he arrived at ID Systems, Forero said he was pleased to see several other ex-military officers—including Captain Osorio, whom he knew. Osorio said a retired Army Captain named Gonzalo Guevara greeted the men. "He told us that we were basically going to go provide security at military installations in Iraq," he recalled. "He told us that the salaries were around \$4,000 monthly." No longer the rumored \$7,000, but regardless, "it was very good money."

In October 2005, the men said they were told to report to a training camp at the Escuela de Caballeria (School of Cavalry) in the north of Bogota, where they said ex-U.S. military personnel conducted courses ranging from country briefings about Iraq and the "enemy" to arms handling and a range of firing tests. A Colombian government official told *Semana* that the military had done a "favor" by lending one of its bases for the training operation. "It is a company backed by the American government that solicited the cooperation of the military, which consists of permitting the use of military facilities, under

the condition that they will not recruit active personnel," the official told *Semana*. After the training, the men said they were told to be ready for deployment at a moment's notice. It wasn't until June 2006 that the call came from ID Systems that Blackwater was ready for them in Iraq—but instead of \$4,000, they were now told they would be paid just \$2,700 a month. While disappointing, it was still much more money than any of the men were making in Colombia. Major Forero says one evening at midnight they were given contracts to sign and told to be at the airport in four hours. "We didn't have a chance to read the contract," he recalled. "We just signed and ran because when they gave it to us they told us that we had to be at the airport in four hours and since everything was so rushed we hardly had time to go to say goodbye to our families, pack our suitcases and head to El Dorado [Bogota's airport]." During a journey to Baghdad that took them to Venezuela, Germany, and Jordan, the men finally had time to read the contracts they had just signed. "That's when we realized that something was wrong, because it said they were going to pay us \$34 a day, which is to say that our salary was going to be \$1,000 not \$2,700," recalled Forero.

When the Colombians arrived in Baghdad, they immediately raised the issue of their pay with their supervisors and were told to bring it up later. In Baghdad, they learned that they would be replacing a group of Romanian soldiers on contract with Blackwater. "When we joined with those Romanians they asked us how much we had been contracted for and we told them for \$1,000." The Romanians were shocked. "No one in the world comes to Baghdad for only \$1,000," the Romanians said, adding that they were being paid \$4,000 to do the same work. The Colombians say they complained to both Blackwater and ID Systems and said that if they were not going to be paid at least the \$2,700 a month they were promised, they wanted to be returned to Colombia. "When we got to the base, they took away all our return plane tickets. They brought us together and told us that if we wanted to get back we could do it by our own means," Captain Osorio recalled. "They told us that he who wanted to go back could do so, but we didn't have a single peso and where were we going to get in Baghdad the 10 or 12 million pesos for a ticket to Colombia?" He said the supervisors "threatened to remove us from the base and leave us in the street in Baghdad, where one is vulnerable to being killed, or, at best, kidnapped." Desperate, the men contacted journalists from *Semana*, which reported on their situation. "We want the people they are recruiting in Colombia to be aware of the reality and not allow themselves to be deceived," Forero told the magazine. Another alleged, "We were tricked by the company into believing we would make much more money." Blackwater vice president Chris Taylor confirmed that the Colombians were being paid as little as they alleged but said it was the result of recently revised contractual terms. "There was a change in contract, one contract expired, another task order was bid upon, and so the numbers are different," Taylor said. "Every single Colombian signed a contract for \$34 a day before they went over to Iraq." Blackwater said it had offered to repatriate the men after they complained about their pay.

### **Business as Usual**

While the international mercenary market servicing the U.S. wars in Iraq and Afghanistan exploded, almost overnight, revelations of training camps and operations like Pizarro's in Chile surfaced across Latin America. In September 2005, news broke of a secret training camp in the remote mountain area of Lepaterique, Honduras, fifteen miles west of Tegucigalpa. It was being operated by a Chicago-based firm called Your Solutions, reportedly headed by Angel Mendez, an ex-soldier from the United States. In the 1980s, the army base at

Lepaterique served as a CIA training ground for the Nicaraguan Contras and the headquarters of the notorious Battalion 316, a U.S.-backed Honduran death squad responsible for widespread political killings and torture throughout the 1980s, when John Negroponte was U.S. Ambassador to Honduras. Two decades later, a private U.S. company was using it to prepare Honduran soldiers to work for U.S. mercenary companies in Iraq. The instructors "explained to us that where we were going everyone would be our enemy, and we'd have to look at them that way, because they would want to kill us, and the gringos too," said an unidentified trainee. "So we'd have to be heartless when it was up to us to kill someone, even [if] it was a child." Many of the Hondurans recruited by Your Solutions had been among the troops their country sent to Iraq in 2003. The Honduran government subsequently pulled those troops out amid widespread domestic opposition to the war—and right after it was announced that Negroponte was to be the new U.S. Ambassador to Iraq. In September, it was revealed that it wasn't just Hondurans who were being contracted by Your Solutions. At the training camp were more than two hundred Chileans preparing for Iraq deployment.

Among the Chileans working with Your Solutions overseeing the operation in Honduras was Oscar Aspe, a business partner of Pizarro's, who had headed one of the Chilean units in Baghdad on the Blackwater contract in 2004. A former Chilean marine and Navy commando, Aspe said of his time in Iraq, "I felt more danger in Chile when I did high-risk operations." In Chile, Aspe was allegedly involved in the murder of Marcelo Barrios, a university student and activist killed in 1989. Human rights advocates claimed it was a political assassination, though no one was convicted. When Honduran authorities learned of the camp in September 2005 and that the Chileans had entefed the country on tourist visas, Honduran Foreign Minister Daniel Ramos ordered the Chileans to leave the country, saying the Honduran Constitution prohibited security and military training of foreigners on its soil. "The foreigners better leave the country," Ramos declared at a news conference. "If not, we will be forced to take more serious measures." There was nothing to suggest that Your Solutions had any business relationship with Blackwater. Reports said that the men were to deploy to Iraq with Triple Canopy as part of its contract to provide security for U.S. installations. Your Solutions general manager Benjamin Canales, a former Honduran soldier, defended the training in Honduras. "These people are not mercenaries, as some people have called them," he said. "This hurts because these are honorable people who aren't bothering anybody." He added that the Chileans were being trained as "private bodyguards," not as a "national army." At that point, Your Solutions had already successfully sent thirty-six Hondurans to Iraq and had planned to send another 353 Hondurans abroad, along with 211 Chileans. The men were reportedly to be paid about \$1,000 a month—far less than Pizarro's Chileans. Aspe was defiant about the expulsion of Your Solutions from Honduras. "Our mission is to arrive in Iraq whether we are expelled or not from [Honduras]," he said. By November, Your Solutions was reported to have sent 108 Hondurans, eighty-eight Chileans and sixteen Nicaraguans to Iraq—in just one day. Similar operations were reportedly taking place in Nicaragua and Peru. In November 2006, the Honduran government imposed a \$25,000 fine on Your Solutions for violating the country's labor laws. "The fine was imposed because the company was training mercenaries, and the act of being a mercenary is a form of violating labor rights in whatever country," said a government spokesperson, Santos Flores. By then, Benjamin Canales had already fled the country.

As for Jose Miguel Pizarro, in October 2005 a military prosecutor in Chile, Waldo Martinez,

charged him with "organizing armed combat groups and illegally assuming functions that correspond to the armed forces and police." The charge carried a maximum sentence of five years in prison. Pizarro responded publicly by saying that all of his activities were legal and that he had authorization from the U.S. State Department to operate in Iraq. "We are not mercenaries," Pizarro said. "We are private international security guards. Mercenaries are criminals who are prosecuted throughout the world." He accused Socialist politicians of being behind what he called a "smear" campaign and complained of a "lack of laws here in Chile to file suit against defamation." Pizarro has maintained that he broke no laws; he has not been convicted of any crimes or violations.

As of late 2006, Pizarro said no action had been taken against him, and he sounded unconcerned about potential future legal troubles. He continued to operate Global Guards and still provided soldiers to Triple Canopy and other companies in Iraq, but it was hardly the "gold rush" it was at the height of his partnership with Blackwater, which ended in December 2005 when the last of his contracts with the company expired. In 2006, Pizarro's "Black Penguins" were operating at the U.S. regional headquarters in Basra and Kirkuk, as well as protecting Triple Canopy's offices in Baghdad. He said he was also "exploring the possibility of working in Pakistan and Afghanistan." Pizarro said he was ready at a moment's notice to resume his partnership with Blackwater if the company called. Pizarro described what he does as "the most beautiful way of making a living," and he said he was waiting with great anticipation for the United States to restart its "reconstruction" operations in Iraq, which he said would bring back the "market" for private security. "We will sit tight, and wait for the political environment created by the U.S. government to rebuild Iraq, and we strongly believe that it is a matter of months, not even years, that the American people will realize that it's mandatory that the United States rebuild that nation," Pizarro said in October 2006. "And rebuilding means 400 civilian companies moving in," all of which will require significant security operations from companies like his.

For former Chilean political prisoner and torture victim Tito Tricot, the use of Chileans and other soldiers from countries with atrocious human rights records by the United States is "nothing new." But, he says, "There is something deeply perverse about the privatization of the Iraq War and the utilization of mercenaries. This externalization of services or outsourcing attempts to lower costs—'Third World' mercenaries are paid less than their counterparts from the developed world—and maximize benefits, i.e.: 'Let others fight the war for the Americans: In either case, the Iraqi people do not matter at all. It is precisely this dehumanization of the 'enemy' that makes it easier for the private companies and the U.S. government to recruit mercenaries. It is exactly the same strategy used by the Chilean military to train members of the secret police and make it easy to annihilate opponents of the dictatorship. In other words, Chilean mercenaries in Iraq is business as usual."

## "THE WHORES OF WAR"

**WHILE BLACKWATER** plotted out its expansion in the aftermath of the Fallujah ambush and internationalized its force in Iraq, the families of the four men killed there on March 31, 2004, looked for answers. They wanted to know how their loved ones ended up in the middle of the volatile city that morning, not to mention in SUVs, short-staffed and underarmed. All of the families considered themselves patriotic Americans, military families—Special Forces people. For the Zovko family, life since Fallujah had become consumed with a quest to understand their son's life and death. Danica Zovko, Jerry's mother, spent months piecing together details and memories. She recalled a week back in the summer of 2003, when Jerry was visiting her before heading off to Iraq. The national power crisis had left her family without electricity in their Cleveland, Ohio, home. "We had a lot of time to just spend at home—no TV, no radio, no nothing—just sitting outside and talking." She remembered conversing with her son about his work and travels. "While we sat there, my Jerry told me, 'The best thing that one can do in life is to sort of plant seeds and see what's going on so that no matter where you go, you never close the doors behind you—that you always have someone to be there that you can count on: When I think about that now, all that talking and everything we did, that's what that comes out to.'"

At first, it didn't seem to Danica Zovko that anyone other than the insurgents in Fallujah were to blame for her son's gruesome death. In the immediate aftermath, she could not bring herself to read any news stories or look at the graphic images, but there was little doubt in her mind who bore the responsibility. From the start, Blackwater seemed on top of the situation. At 8 p.m. on March 31, 2004, Erik Prince showed up in person at the family home in Cleveland, accompanied by a state trooper, Danica recalled. "[Prince] told us that Jerry was one of the men killed that day," she said. "We were numb. Just numb. He also told me that as far as he was concerned, if anyone was going to survive the war in Iraq, he thought it was going to be my Jerry. He said he saw Jerry, he met with Jerry, he was in Baghdad with Jerry, that Jerry was—you would think he really, really liked Jerry." Danica Zovko said

Prince handed them a form to fill out for \$3,000 for funeral expenses, promised that Jerry's body would be coming home soon and that Prince would attend the funeral in person.

On April 6, Paul Bremer wrote the Zovkos a letter: "I would like to personally assure you that Jerry was serving an honorable cause. The Iraqi people will be successful in their long journey towards a democratic and free society," Bremer wrote. "Jerry was a dedicated individual and will remain an inspiration to all of us in Iraq whether civilian or military. In the line of duty, he gave his all. Rest assured that our authorities are actively investigating Jerry's murder and that we will not rest until those responsible are punished for this despicable crime. You[r] family will remain in our thoughts and prayers as you confront this terrible tragedy in the difficult days ahead. I will do my part to ensure Jerry's contribution to this country will be forever remembered by the Iraq people [*sic*]." Three days later, Jerry Zovko's remains returned to the United States in an aluminum box at Dover Air Force base in Delaware. True to his word, Danica Zovko said, Erik Prince came to the wake and funeral.

In Tampa, Florida, meanwhile, Scott Helvenston's family held a funeral at Florida National Cemetery. His godfather, Circuit Judge William Levens, eulogized Scott as "a warrior who wanted peace—peace in his heart, peace in the world." In the obituary in the paper, Helvenston's family wrote, "Scott lost his life heroically serving his country." A few weeks later, Scott Helvenston's high school buddies heard about an event in his hometown of Winter Haven, Florida, organized by Republican State Representative Baxter Troutman. The "Operation Troop Salute" event was to honor servicemen and women deployed in the war zone and would be attended by eight thousand people, among them First Lady Laura Bush and the president's brother, Florida Governor Jeb Bush. Helvenston's buddies hoped that their fallen friend, the ex-SEAL, could be mentioned from the podium in honor of his service in Iraq. But Troutman, the organizer, said no—because Scott was a private contractor, not an active-duty soldier. "This was for the servicemen and -women who are not there by choice; to me, that makes a difference," Troutman said. "If I am an employee of a company and don't like what I am being subjected to, then I can come back home." To Scott's friends, it was devastating. "They'd be naming streets after him if he was still enlisted," said high school pal Ed Twyford.

Katy Helvenston-Wettengel was finding that there were almost no resources available to families of private contractors killed in the war and decided to reach out to one of the few people she could think of who would understand what she was going through. She looked up Donna Zovko and called her. The two developed a friendship and mutual quest for the truth of what had happened to their sons. "For the first couple of months, we flew back and forth, like, every other week, and we were there holding each other up.

When one was struggling, the other would pick us up and vice versa," recalled Helvenston-Wettengel. "Those first few months after, I didn't quit crying—for almost a year. I cried every day. I just missed him so much and he's my baby. I know he's a big macho man, but he's my baby."

As more details on the ambush emerged in the media, the families moved from grieving to questioning how it all happened. "Why weren't they escorted?" wondered Tom Zovko, Jerry's brother. "I don't believe my brother would have done that. He was definitely not careless." When Danica Zovko learned details of the mission the men had been on in Fallujah, she said, "I couldn't believe it. I could not believe my son would be escorting trucks and protecting trucks. That was not my son. That made me believe that no, that's not my Jerry, it must be someone else. I just couldn't see him doing that, I just couldn't. Even we buried

his casket and I didn't see the body and I'm going on the words of people—politicians and money-hungry people—that that's him in there. I still sometimes dream that my Jerry is somewhere and just can't call or doesn't have a computer. But you know, I know it isn't that. But you can't help but hope." Danica Zovko said that things started to feel strange when Blackwater returned Jerry's belongings and some of his things were missing. She said her efforts to get these items—or information about them—were curiously stymied by the company. She started reading some articles about the incident and about her son's mysterious employer, Blackwater. "When you want to find out things, when you start questioning yourself, when you are not content with saying, 'It's in God's hands; when you think, well let me find out, your eyes open,'" she said. "I found out there were no rules and no laws that govern what my son was doing, that it was an open place, you know. He was working for a company that could do whatever they wanted to do and however they wanted to do it." She started thinking more about the ambush: *What were they even doing in Fallujah?*

But it wasn't just the families who sensed something was off. In fact, the very day of the ambush, questions arose about "who is driving around in unprotected SUVs" in Iraq. On Fox News, retired Col. Ralph Peters said, "I have to give you a painful answer on this. Either the most foolish contractors in the history of mankind or frankly it may have been intelligence people doing intelligence work. I don't know. I was talking to a colonel friend of mine who is over in the Gulf right now, today, about this. And he said, 'If they're contractors, this is Darwinian selection at work.'" Meanwhile, on NPR the next day, *New York Times* correspondent Jeffrey Gettleman came out of Fallujah asking the same questions. "What's really mysterious, though, is why two unescorted, unarmored cars would be driving through the downtown of one of the most dangerous cities in Iraq without any serious protection," Gettleman said. "If this could happen to these guys, who are, you know, well trained and had a lot of experience in dealing with things like this, you know, what does it mean for others like myself who walk into situations in places like Fallujah and don't have the military background?" Other mercenary firms weighed in as well. "We have a policy with our international security division that requires that they use armored vehicles at all times," said Frank Holder of Kroll on Fox News. "We won't take an assignment unless there are armored vehicles."

A few days later, London's *Observer* newspaper ran a story referencing the Fallujah ambush, headlined "Veiled Threat: Why an SUV Is Now the Most Dangerous Vehicle in Iraq." The article labeled SUVs "the occupation car of choice." The *Observer's* correspondent noted, "Falluja is a centre of the anti-American resistance, where even the police don't support the Americans. US soldiers don't drive through Falluja much. When they do, they have helicopter back-up and heavy armour. Almost every foreigner who has been killed here is an idiot; said one ex-Navy SEAL. Soldiers often show little sympathy for those who fail to follow the right procedure." In a reaction piece written from Amman and Baghdad, Professor Mark LeVine wrote in the *Christian Science Monitor*, "[M]any here see last week's carnage of Americans in Fallujah as suspicious. To send foreign contractors into Fallujah in late-model SUVs with armed escorts—down a traffic-clogged street on which they'd be literal sitting ducks—can be interpreted as a deliberate US instigation of violence to be used as a pretext for 'punishment' by the US military." Amid the graphic scenes of mutilation and the dominant rhetoric of revenge emanating from the Pentagon and White House, the obvious questions about the Blackwater mission that day were overshadowed, but they certainly did



not disappear. The company clearly knew it would have to offer some sort of an explanation.

A week after the ambush, Blackwater put forward a narrative that the *New York Times* said "could deflect blame for the incident from Blackwater." "The truth is, we got led into this ambush," Blackwater vice president Patrick Toohey, a decorated career military officer, told the *Times*. "We were set up." According to Blackwater's version of events, as reported by the *Times*, the four men killed in Fallujah "were in fact lured into a carefully planned ambush by men they believed to be friendly members of the Iraqi Civil Defense Corps... [who] promised the Blackwater-led convoy safe and swift passage through the dangerous city, but instead, a few kilometers later, they suddenly blocked off the road, preventing any escape from waiting gunmen." Despite the increasing hostilities in Fallujah at the time, the *Times* went along with the company's line, reporting that the Blackwater convoy "had little cause for suspicion." In the *Times* story, no questions were raised about the lack of armored vehicles or the fact that there were only four men on the mission instead of six. Lending credence to Blackwater's story, the *Times* declared that "the company's initial findings are in line with recent complaints from senior American officials about Iraqi forces":

In testimony last month to the Senate Armed Services Committee, Gen. John P. Abizaid, the top American commander in the Middle East, spoke openly of his worries about the Iraqi security and police forces, now numbering more than 200,000. "There's no doubt that terrorists and insurgents will attempt to infiltrate the security forces," he said. "We know it's happening, and we know it has happened. We attempt to do our best with regard to vetting people." Also, the Pentagon has received new intelligence reports warning that Sunni and Shiite militia groups have been ransacking Iraqi police stations in some cities, and then handing out both weapons and police uniforms to angry mobs, government officials said.

But this story was soon directly contradicted by one of the most senior U.S. officials in Iraq at the time—Bremer's deputy, Jim Steele, who had been sent covertly into Fallujah to recover the bodies and investigate. After Steele met with Jon Lee Anderson of *The New Yorker* magazine in Baghdad, Anderson reported that Steele had "concluded that there was no evidence that the Iraqi police had betrayed the contractors." This was backed up by Malcolm Nance, a former naval intelligence officer and FBI terrorism adviser who headed a private security firm in Iraq at the time. "In Fallujah especially, an [Iraqi Civil Defense Corps] guarantee is of zero value," Nance said. "You would never trust the word of local forces in a place like that—especially if you were driving a high-profile convoy, as these people were." Richard Perry, another former naval intelligence officer, who worked with Scott Helvenston when he was still in the service, said, "[E]verything that happened in Fallujah that day was a serious mistake. I simply cannot understand why the hell they were driving through the most dangerous part of Iraq in just two vehicles without a proper military escort. . . . They were lightly armed, and yet they would be up against people who regularly take on the U.S. Army." *Time* magazine reported that "A former private military operator with knowledge of Blackwater's operational tactics says the firm did not give all its contract warriors in Afghanistan proper training in offensive-driving tactics, although missions were to include vehicular and dignitary-escort duty. Evasive driving and ambush tactics were not—repeat, were not—covered in training; this source said."

Meanwhile, the *San Francisco Chronicle* reported from Baghdad that Control Risks Group, the firm Blackwater had taken over the ESS contract from, had warned Blackwater at the time

that Fallujah was not safe to travel through: "According to senior executives working with other Baghdad security companies, Blackwater's decision to press ahead anyway stemmed from a desire to impress its new clients. 'There has been a big row about this; said one executive, who asked not to be named. 'Not long before the convoy left, Control Risks said, "Don't go through Fallujah, it's not safe." But Blackwater wanted to show . . . that nowhere was too dangerous for them!" In response, Blackwater spokesman Bertelli said, "It is certainly not out of the question that some of Blackwater's competitors would use this tragic occurrence as an opportunity to try and damage Blackwater's reputation and secure contracts for themselves."

In what would turn out to be the most comprehensive statement Blackwater would provide on the incident, Bertelli told the *Chronicle*:

While our internal investigation continues, we are not aware of any specific warnings by anyone, including other private security contractors, that the route being traveled the day of March 31 was not the safest route to the convoy's destination. The two men leading the convoy had extensive experience in Iraq prior to the trip that resulted in the ambush and were well aware of the areas that are considered to be highly dangerous. They were all highly trained former U.S. Navy SEAL and Special Forces troops. The ambush took place in such a way that it would not have made a difference if there had been additional personnel protecting the convoy.

In the meantime, local reporters in North Carolina started digging for answers in Blackwater's backyard. A few months after Blackwater's alibi was published in the *New York Times*, Joseph Neff and Jay Price of the *Raleigh News and Observer* cast further doubt on Blackwater's narrative. "[C]ontractors who have worked with Blackwater in Iraq were skeptical that the team had arranged for an Iraqi Civil Defense Corps escort," the paper reported on August 1, 2004. "The Iraqi security force simply wasn't trusted, said the contractors, who asked not to be named to protect their jobs." More important, the *News and Observer* had sources inside the company who were raising serious questions about the conditions under which the four men were sent into Fallujah:

The contractors also said security teams on the ESS contract had insufficient firepower. And the team ambushed in Fallujah should have been the standard Blackwater team of three men in each car, not two, the contractors said. Days after the ambush, Helvenston's family got a copy of an April 13 120041 e-mail message by someone who identified herself as Kathy Potter, an Alaska woman who had helped run Blackwater's Kuwait City office while Helvenston was there. Most of the lengthy message consisted of condolences. Potter, however, also said Helvenston's normal team, operating in relatively safe southern Iraq, had six members—not four like the group that entered Fallujah. Potter also wrote that Helvenston helped acquire "the backup vehicles and critical supplies for these vehicles . . . when the original plan for armored vehicles fell through." Company officials declined to say why there were no armored vehicles for the ESS contract.

In Florida, Katy Helvenston-Wettengel, Scott's mom, had all sorts of questions running through her head. Finally, she decided to call Erik Prince directly. She said it was

surprisingly easy to get him on the phone. "I said, 'I want an incident report on Scotty' And I said, 'I want a copy of his contract that he signed with you;' she recalled. "And he said, 'Why?' And I said, 'I just want to know what happened: He said he would get it to me in the next few weeks. And I said, 'Well, you've already written a report. Why can't I have it tomorrow?' And I said, 'Are you going to rewrite it for my eyes only?'" She said she "never did get that report. I did get a call a few days later, and [Blackwater] all of a sudden [was] going to have this grand memorial."

Indeed, a memorial was scheduled for mid-October 2004 at the Blackwater compound in North Carolina. But a week before the memorial, Blackwater held a different kind of ceremony—to inaugurate a new plant to manufacture military practice targets. Company president Gary Jackson beamed with pride as he discussed Blackwater's rapid expansion. "The numbers are actually staggering. In the last eighteen months we've had over 600 percent growth," Jackson said, adding that Blackwater's workforce in North Carolina would soon double. The company, he said, had also opened offices in Baghdad and Jordan. "This is a billion-dollar industry," Jackson said of the target business. "And Blackwater has only scratched the surface of it." The Associated Press noted, "Gov. Mike Easley said having the global security company headquartered in North Carolina is fitting for what he called the most military-friendly state in the country."

A few days later, on October 17, the company flew most of the families of the Fallujah contractors to North Carolina, where Prince was to dedicate the company's memorial to the men killed in action. In addition to the relatives of those men, there were three other families of Blackwater contractors who also had died in the line of duty. The company put the families up in a hotel, and gift baskets of cheese and crackers were waiting in the rooms when they arrived. Danica Zovko said that from the moment they got to North Carolina, "It just felt uncomfortable. It's like sometimes somebody is watching you and you feel it but you don't know who it is. That's what it felt like. Stiff. You couldn't relax." She said that each family member was assigned a Blackwater minder that escorted them everywhere and was present for all conversations, sometimes changing the subject if the conversation moved onto one topic in particular: Both Zovko and Katy Helvenston-Wettengel said they had the distinct feeling that the company was trying to keep the families from talking with one another about the details of the Fallujah incident.

The memorial was held, trees were planted, small headstones with the men's names on them were laid in the ground around a pond on the company property. On October 18, the Zovkos said they were told there would be a meeting where they could ask questions about the Fallujah incident. "We assumed that everyone else was going to go to the meeting," Danica Zovko said. In the end, only she, her husband, Jozo, and their son, Tom, attended. "There was alcohol served at the luncheon [for the families] beforehand, so maybe people were too tired or they were taken for sightseeing," she recalled. "Blackwater was very keen on showing everyone the compound, their training center." The Zovkos were escorted to a company building, and when they walked in, they saw two large flags, one of which bore the names of Jerry and his three colleagues. A company representative, they said, told them the flag was made by Blackwater staffers in Iraq.

The Zovkos said they were taken to a meeting room on the second floor, where they were seated at a large twenty-person conference table. Erik Prince was not in the room. At the head of the table, remembered Danica, was a young blonde-haired woman named Anne. A Blackwater executive, Mike Rush, was there, too, as was a gray-haired man introduced to

the family as "the fastest gun in Iraq"—a man who they were told had just returned to the United States to "get divorced and sell his house" before heading back to Iraq. None of them, she recalled, said they knew Jerry. "The only person from Blackwater that admitted knowing my Jerry was Erik Prince," she said.

Danica said she began by asking for her son's missing belongings. She was told that he had taken them all with him to Fallujah that day and that they were destroyed. Eventually, the Zovkos began asking questions about the incident itself. "Annie [the Blackwater representative] did not even sit down at that point because I was asking for the contracts, asking at exactly what time my son had died. I was asking how he died. I was asking for his personal things," Danica said. "The tempers were not calm anymore. I mean, it's civilized, but it's not nice. You know, it's to where you see that they're not telling you what you want to know and they're not happy with what you're asking. So Annie actually stood up from her chair—she was at the head of the table, sitting all by herself. These other people were all sitting across from us. She was on the right-hand side of me at the head of the table. She stood up and said that was confidential and if we wanted to know those things, we'd need to sue them." Danica Zovko said, "I told them that's what we would do." At the time, Zovko did not know what that even meant, but she was now convinced that Blackwater was hiding something—something serious about her son's death.

Two weeks later, George W. Bush claimed victory in the 2004 presidential election. Blackwater executives, led by Prince, had poured money into Bush and Republican Party coffers and clearly viewed the reelection as great for business and necessary for the unprecedented expansion of the mercenary industry. On November 8, Gary Jackson sent out a celebratory mass email with a screaming banner headline: "BUSH WINS FOUR MORE YEARS!! HOOYAH!!" The U.S. military had just launched the second major siege of Fallujah, bombing the city and engaging in violent house-to-house combat. Hundreds more Iraqis were killed, thousands more forced from their homes, as the national resistance against the occupation grew stronger and wider. Despite the fierce attacks on the city, the killers of the Blackwater men were not apprehended. On November 14, the Marines symbolically reopened the infamous bridge running over the Euphrates in Fallujah. It was then that the Marines wrote in black bold letters: "This is for the Americans of Blackwater that were murdered here in 2004, Semper Fidelis P.S. Fuck You." Gary Jackson posted a link to the photo on Blackwater's Web site, saying, "OOHRAH . this picture is worth more than they know." The families of the dead men, though, found little solace in revenge attacks or sloganeering.

When Katy Helvenston-Wettengel started complaining about Blackwater's conduct and lack of transparency about the Fallujah ambush, Scott's godfather, Circuit Judge William Levens, put her in touch with a lawyer who, he said, would help her seek answers. Eventually, a friend of Scott's, another Blackwater contractor who had been overseas with him, brought the case to the attention of the successful Santa Ana, California, law firm Callahan & Blaine, whose owner, Daniel Callahan, was fresh off a record-setting \$934 million jury decision in a corporate fraud case. Callahan jumped at the case. In North Carolina, Callahan enlisted the local help of another well-known lawyer, David Kirby—the former law partner of 2004 Democratic vice presidential candidate John Edwards. The new legal team began compiling evidence, talking to other Blackwater contractors, scouring news reports for every detail about the ambush, watching the precious few moments of the scene captured by insurgent video and news cameras. They got a hold of the Blackwater contracts the men were working under and also

some contracts between Blackwater and its business partners in the Middle East. It took only a matter of weeks before they felt they had enough of a case to take action.

On January 5, 2005, the families of Scott Helvenston, Jerry Zovko, Wes Batalona, and Mike Teague filed a wrongful death lawsuit against Blackwater in Superior Court in Wake County, North Carolina. "What we have right now is something worse than the wild, wild west going on in Iraq," said Dan Callahan. "Blackwater is able to operate over there in Iraq free from any oversight that would typically exist in a civilized society. As we expose Blackwater in this case, it will also expose the inefficient and corrupt system that exists over there." The suit alleged that the men "would be alive today" had Blackwater not sent them unprepared on that fateful mission. "The fact that these four Americans found themselves located in the high-risk, war-torn City of Fallujah without armored vehicles, automatic weapons, and fewer than the minimum number of team members was no accident," the suit alleged. "Instead, this team was sent out without the required equipment and personnel by those in charge at Blackwater."

After the suit was filed, the families felt empowered to begin publicly voicing their anger at the company. "Blackwater sent my son and the other three into Fallujah knowing that there was a very good possibility this could happen," charged Katy Helvenston-Wettengel. "Iraqis physically did it, and it doesn't get any more horrible than what they did to my son, does it? But I hold Blackwater responsible one thousand percent."

At first glance, the lawsuit may have seemed like a stretch. After all, the four Blackwater contractors were essentially mercenaries. All willingly went to Iraq, where they would be well paid, knowing that there was a solid chance they could be killed or maimed. In fact, it was all laid out very plainly in their contract with Blackwater in macabre detail. It warned that the men risked "being shot, permanently maimed and/or killed by a firearm or munitions, falling aircraft or helicopters, sniper fire, land mine, artillery fire, rocket-propelled grenade, truck or car bomb, earthquake or other natural disaster, poisoning, civil uprising, terrorist activity, hand-to-hand combat, disease, poisoning, etc., killed or maimed while a passenger in a helicopter or fixed-wing aircraft, suffering hearing loss, eye injury or loss; inhalation or contact with biological or chemical contaminants (whether airborne or not) and or flying debris, etc." In filing its motion to dismiss the lawsuit, Blackwater quoted from its standard contract, insisting that those who signed it "fully appreciate[d] the dangers and voluntarily assume[d] these risks as well as any other risks in any way (whether directly or indirectly) connected to the Engagement."

Callahan and his legal team did not deny that the men were aware of the risks they were taking, but they charged that Blackwater knowingly refused to provide guaranteed safeguards, among them: they would have armored vehicles; there would be three men in each vehicle (a driver, a navigator, and a rear gunner); and the rear gunner would be armed with a heavy automatic weapon, such as a SAW Mach 46, which can fire up to 850 rounds per minute, allowing the gunner to fight off any attacks from the rear. "None of that was true," said Callahan. Instead, each vehicle had only two men and allegedly had far less powerful Mach 4 guns, which they had not even had a chance to test out. "Without the big gun, without the third man, without the armored vehicle, they were sitting ducks," said Callahan.

## Contract Disputes

The contract the four men were working on the day they were killed in Fallujah was a newly brokered one between Blackwater and the Cypriot-registered company Eures Support Services (ESS), a division of the British firm Compass Group. As previously discussed, Blackwater had teamed up with a Kuwaiti business called Regency Hotel and Hospital Company, and together the firms had won the job of guarding convoys transporting kitchen equipment to the U.S. military. Blackwater and Regency had essentially won the ESS contract over another security firm, Control Risks Group, and the lawsuit alleged Blackwater was eager to win more lucrative contracts from ESS in its other division servicing construction projects in Iraq. "The ill-fated March 31, 2004 mission was an attempt by Blackwater to prove to ESS that it could deliver the security detail ahead of schedule, even though the necessary vehicles, equipment and support logistics were not in place," the suit alleged.

Like many of the operations of private contractors in Iraq, the mission the four Blackwater men were on that day in Fallujah was shrouded in layers of subcontracts. In fact, determining whom they were ultimately working for remained a source of contention years after the ambush. Initially, it seemed as though the men were operating under ESS's subcontract with Halliburton subsidiary KBR, which was reported to be billing the federal government for Blackwater's security services. In the primary contract between Blackwater/Regency and ESS, ESS reserved "the right to terminate this Agreement or any portion hereof, upon thirty (30) days prior written notice in the event that ESS's is given written notice by Kellogg, Brown & Root of cancellation of ESS's contracts, for any reason, or in the event that ESS receives written notice from Kellogg, Brown & Root that ESS is no longer allowed to use any private form of private security services [*sic*]." After the Fallujah ambush, KBR/Halliburton would not confirm any relationship with ESS, despite the clear reference to KBR in the contract.

The story became even more complicated in July 2006, when the Secretary of the Army, Francis Harvey, wrote a letter to Republican Congressman Christopher Shays of the House Committee on Government Reform, stating, "Based on information provided to the Army by Kellogg, Brown and Root (KBR), KBR has never directly hired a private security contractor in support of the execution of a statement of work under any LOGCAP III Task Order. Additionally, KBR has queried ESS and they are unaware of any services under the LOGCAP contract that were provided by Blackwater USA . . . the U.S. military provides all armed force protection for KBR unless otherwise directed." Harvey wrote that the theater commander had not "authorized KBR or any LOGCAP subcontractor to carry weapons. KBR has stated they have no knowledge of any subcontractor utilizing private armed security under the LOGCAP contract." Testifying in front of the House Committee on Government Reform in September 2006, Tina Ballard, an undersecretary of the Army, said it was the Army's contention that Blackwater provided no services to KBR.

For its part, KBR told the producers of PBS's *Frontline* program, "[W]e can tell you that it is KBR's position that any efforts being undertaken by [ESS or Blackwater] when the March 31, 2004, attack occurred were not in support of KBR or its work in Iraq . . . this was not a KBR-directed mission." KBR also said it was not responsible for supplying kitchen equipment to Camp Ridgeway, the Blackwater contractors' ultimate destination when they were killed in Fallujah. KBR's assertions had to be viewed in the context of what the Pentagon's own auditors found regarding the company's practices in Iraq. "KBR routinely marks almost all of the information it provides to the government as KBR proprietary data . . . [which] is an abuse of [Federal Acquisition Regulations] procedures, inhibits transparency of government

activities and the use of taxpayer funds," according to an October 2006 report by the Special Inspector General for Iraq Reconstruction. "In effect, KBR has turned FAR provisions . . . into a mechanism to prevent the government from releasing normally transparent information, thus potentially hindering competition and oversight." In Iraq, Halliburton/KBR has been secretive to the point of not naming its subcontractors. "All information available to KBR confirms that Blackwater's work for ESS was not in support of KBR and not under a KBR subcontract," said Halliburton spokesperson Melissa Norcross in December 2006. "Blackwater provided services for the Middle East Regional Office of KBR. This office is not associated with any government contract. . . . These services were provided outside of the Green Zone and were not directly billed to any government contract." This all raised crucial questions: Whom was Blackwater ultimately working for when it sent those four men on that fateful Fallujah mission? And what was that mission's official, documented connection to the U.S. military?

These were questions California Representative Henry Waxman, Congress's lead investigator, had been looking into since November 2004, when reports first emerged on the layers of subcontracts involved with the Fallujah mission. On December 7, 2006, the story took yet another twist when Waxman revealed that he had obtained a November 30, 2006, legal memo from Compass Group, ESS's British parent company, that asserted ESS had a subcontract under Halliburton's LOGCAP contract and used Blackwater "to provide security services" under that subcontract. "If the ESS memo is accurate, it appears that Halliburton entered into a subcontracting arrangement that is expressly prohibited by the contract itself," Waxman asserted in a letter to Rumsfeld, adding that the memo appeared to contradict what Army Secretary Harvey had presented in his July 2006 letter, as well as Undersecretary Ballard's subsequent sworn testimony. The memo also appeared to introduce another major war contractor into the mix. "The ESS memo also discloses that Blackwater was operating under a subcontract with [KBR competitor] Fluor when four Blackwater employees were killed in Fallujah in March 2004," according to Waxman. He charged that Blackwater appeared to be "providing security services under the LOGCAP contract in violation of the terms of the contract and without the knowledge or approval of the Pentagon."

### **"Whores of War"**

Regardless of the controversy that later erupted over the alleged connection with KBR, Fluor, and the U.S. military, the original contract between Blackwater/Regency and ESS, signed March 8, 2004, called for "a minimum of two *armored* vehicles to support ESS movements" [emphasis added] with at least three men in each vehicle because "the current threat in the Iraqi theater of operations" would remain "consistent and dangerous." But on March 12, 2004, Blackwater and Regency signed a subcontract, which specified security provisions identical to the original except for one word: "armored." It was deleted from the contract. "When they took that word 'armored' out, Blackwater was able to save \$1.5 million in not buying armored vehicles, which they could then put in their pocket," alleged another lawyer for the families, Marc Miles. "These men were told that they'd be operating in armored vehicles. Had they been, I sincerely believe that they'd be alive today. They were killed by insurgents literally walking up and shooting them with small-arms fire. This was not a roadside bomb, it was not any other explosive device. It was merely small-arms fire, which could have been repelled by armored vehicles."

Before Helvenston, Teague, Zovko, and Batalona were sent into Fallujah, the omission of the

word "armored" was brought to the attention of Blackwater management by Helvenston's friend John Potter, who was supervising the ESS contract, according to the lawsuit. Potter "insisted that the sub-contract include armored vehicles, not only to comply with the primary contract, but more importantly to protect the security contractors who would be working in the area. However, obtaining armored vehicles would not only be an expense to Blackwater, but would also cause a delay in commencing operations. Thus, on March 24, 2004, Blackwater fired Potter as Program Manager and replaced him with another Blackwater employee, Justin McQuown," the man Scott Helvenston identified as "Shrek," with whom he had allegedly clashed in both North Carolina and Kuwait.

The suit alleged that there were six guards available for the Fallujah mission but that Blackwater managers ordered only the four to be sent "in direct violation of all of Blackwater's policies and agreements." The other two contractors were allegedly kept behind at Blackwater's Baghdad facility to perform clerical duties. A Blackwater official later boasted that the company saved two lives by not sending all six men, the suit alleged.

The lawsuit also alleged that the men were not provided with a detailed map of the Fallujah area. A Blackwater official told Helvenston "it was too late for maps and to just do his job with what he had," the suit alleged. "The team had no knowledge of where they were going, no maps to review, and had nothing to guide them to their destination." According to Callahan, there was a safer alternative route that went around the city, which the men were unaware of because of Blackwater's alleged failure to conduct a "risk assessment" before the trip, as mandated by the contract. The suit alleged that the four men should have had a chance to gather intelligence and familiarize themselves with the dangerous routes they would be traveling. This was not done, attorney Miles alleged, "so as to pad Blackwater's bottom line" and to impress ESS with Blackwater's efficiency in order to win more contracts." The suit also charged that Blackwater "intentionally refused to allow the Blackwater security contractors to conduct" ride-alongs with the teams they were replacing from Control Risks Group. The suit contended that Blackwater "fabricated critical documents" and "created" a pre-trip risk assessment "after this deadly ambush occurred" to "cover-up this incident."

Attorney Dan Callahan said that if Blackwater had done in the United States what it is alleged to have done in Iraq, "There would be criminal charges against them." Blackwater refused to comment on the case, but company vice president Chris Taylor said in July 2006, "We don't cut corners. We try to prepare our people the best we can for the environment in which they're going to find themselves." Justin McQuown's lawyer, William Crenshaw, alleged that there are "numerous serious factual errors" in the lawsuit, asserting that McQuown lacked "involvement in the planning or implementation of that mission." In an e-mail, Crenshaw wrote: "Let there be no mistake that the murders of the Blackwater team members in Fallujah were tragic. On behalf of Mr. McQuown, we extend our sincerest sympathies to the families of the deceased. It is regrettable and inaccurate to suggest that Mr. McQuown contributed in any way to this terrible tragedy."

In one of its few public statements on the suit, Blackwater spokesperson Chris Bertelli said, "Our thoughts and prayers were with them and their families then and are with them now. . . . Blackwater hopes that the honor and dignity of our fallen comrades are not diminished by the use of the legal process." Katy Helvenston-Wettengel called that "total BS in my opinion," and said that the families decided to sue only after being stonewalled, misled, and lied to by the company. "Blackwater seems to understand money. That's the only thing they understand," she said. "They have no values, they have no morals. They're whores. They're



the whores of war."

After its filing in January 2005, the case moved slowly through the legal system and sparked various battles over jurisdiction. From the start, Blackwater was represented by some of the most influential and well-connected lawyers and firms in the U.S. Its original lawyer on the Fallujah case was Fred Fielding, President Reagan's former counsel (among Fielding's assistants in that post was future Chief Justice John Roberts). Fielding had also served as a top lawyer under President Nixon and was a member of the 9/11 Commission. In an indication of how deep Fielding's connections ran, in early 2007 President Bush named him as his White House counsel, replacing Harriet Miers. Blackwater has also been represented in the case by Greenberg Traurig, the influential D.C. law firm that once employed disgraced lobbyist Jack Abramoff. The lawyers for the families charged that after the suit was filed, Blackwater attempted to stonewall the process. While some of that may have been legitimate defense tactics, the lawyers alleged that Blackwater prevented court-ordered depositions from taking place, including taking steps to prevent a key witness from testifying: John Potter, the man who allegedly blew the whistle on the removal of the word "armored" from the subcontract, whom the suit alleged was subsequently removed from his position.

Attorney Marc Miles said that shortly after the suit was filed, he asked the court in North Carolina for an expedited order to depose John Potter. The deposition was set for January 28, 2005, and Miles was to fly to Alaska, where he said the Potters were living. But three days before the deposition, Miles alleged, "Blackwater hired Potter up, flew him to Washington, where it's my understanding he met with Blackwater representatives and their lawyers. [Blackwater] then flew him to Jordan for ultimate deployment in the Middle East." Miles charged that Blackwater "concealed a material witness by hiring him and sending him out of the country." Miles said Blackwater subsequently attempted to have Potter's deposition order dissolved, but a federal court said no. In testimony before Congress in June 2006, Blackwater's Chris Taylor said, "I don't believe John Potter is in our employ right now."

The Potter saga took another twist in November 2006 when Miles discovered Potter was back in the United States. After reaching Potter on the phone in his hometown in Alaska, Miles filed papers with the court seeking once again to depose him, sparking a rapid and forceful response from Blackwater. In its filing opposing the deposition, Blackwater argued that the "case involves issues of national security and classified information involving the United States military operations in Iraq" and that "any testimony [Potter] would give would necessarily involve the disclosure of classified information." Miles and his colleagues responded that Blackwater's filing "reads like a good spy novel" with "claims of 'classified' information, state secrets and threats to national security." In reality, they argued, the "Blackwater contractors were not acting as covert operatives for the CIA, but instead were working under a contract with a foreign hotel company to guard kitchen equipment." National security and espionage, they asserted, "have nothing to do with this case." In an indication of the significance of the lawsuit and, more significant, Blackwater's pull with the government, the U.S. Attorney General's office filed an opposition to the deposition of Potter, asking that—at a minimum—it be delayed so the government could review Potter's alleged possession of classified information or documents. The U.S. attorney cited a need to "protect the National Security interests of the United States." The U.S. Army's chief litigator also filed a sworn declaration to "protect from improper disclosure any sensitive and properly classified information to which Mr. Potter may have been given access as a Government contractor." What was remarkable

was how quickly Blackwater was able to mobilize the government and military to go to bat for it—the day after Christmas—and help stop, at least for the moment, the deposition of a potentially crucial witness from going ahead.

The families have all maintained that their interest in suing Blackwater was not money but accountability. "There's not enough money in the world that can pay for my Jerry. There's not enough money that anyone can give me," said Danica Zovko. "If they made some rules and if they were obligated and if they treated those lives of those people the same way that I have to treat metal on the cars when I work for the city of Cleveland. It seems that there's more laws and rules made about how to fix a car than there is about a life. There's no amount of money that can do anything. It doesn't exist to pay for the death of my son. They're very, very foolish if they think that's an answer."

In the months after the suit was filed, Blackwater did not offer a rebuttal to the specific allegations made by the families, though the company denied in general that they were valid. Instead, Blackwater has argued that what is at stake in this case is nothing less than the ability of the President of the United States to conduct foreign policy as Commander in Chief of the armed forces. The company's lawyers argued that Blackwater's private soldiers have been recognized by the Pentagon as an essential part of the U.S. "Total Force," constituting the nation's "warfighting capability and capacity . . . in thousands of locations around the world, performing a vast array of duties to accomplish critical missions"—and allowing Blackwater to be sued for deaths in the war zone would be to attack the sovereignty of the Commander in Chief. "[T]he constitutional separation of powers . . . preclude[s] judicial intrusion into the manner in which the contractor component of the American military deployment in Iraq is trained, armed, and, deployed" by the President, Blackwater argued in one of its court filings. This argument, if successful, could have the added benefit of preemptively immunizing Blackwater from any liability when deploying its forces in U.S. war zones.

The company fought to have the case dismissed on grounds that because Blackwater is servicing U.S. military operations, it cannot be sued for workers' deaths or injuries, and that all liability lies with the government. In its motion to dismiss the case in federal court, Blackwater argued that the families of the four men killed in Fallujah were entitled only to government insurance payments. Indeed, after the ambush, the families' lawyers alleged, the company moved swiftly to help the families apply for benefits under the federal Defense Base Act (DBA), government insurance that covers some contractors working in support of U.S. military operations. In its court filings in the Fallujah case, Blackwater asked the courts to recognize the DBA as the sole source of compensation for the men killed at Fallujah. Under the DBA, the maximum death benefits available to the families of the contractors was limited to \$4,123.12 a month. "What Blackwater is trying to do is to sweep all of their wrongful conduct into the Defense Base Act," said attorney Miles. "What they're trying to do is to say, 'Look—we can do anything we want and not be held accountable. We can send our men out to die so that we can pad our bottom line, and if anybody comes back at us, we have insurance: It's essentially insurance to kill.'"

Blackwater's primary argument, however, centered around what it portrayed as the bigger-picture ramifications for the future of U.S. war-fighting. "The question whether contractors may be sued, in any court, for war casualties while the military services may not . . . could determine whether the President, as Commander-in-Chief, will be able to deploy the Total Force decades into the future," Blackwater argued in an appellate brief filed October 31, 2005. In a subsequent filing two months later, Blackwater cited Paul Bremer's Order 17—

which officially immunized contractors in Iraq—arguing that since the order "reflects a foreign policy decision made or at least supported by the United States," Blackwater should be "immune from the claims stated" in the lawsuit. The company's lawyers asserted that allowing the case to proceed against Blackwater could threaten the nation's war-fighting capacity: "In order for responsible federal contractors to accompany the U.S. Armed Forces on the battlefield, it is essential that their immunity from liability for casualties be federally protected and uniformly upheld by federal courts. Nothing could be more destructive of the all-volunteer, Total Force concept underlying U.S. military manpower doctrine than to expose the private components to the tort liability systems of fifty states, transported overseas to foreign battlefields. . . . How the President oversees and commands these military operations, including his decisions through the chain of command concerning the training, deployment, armament, missions, composition, planning, analysis, management and supervision of private military contractors and their missions, falls outside the role of federal—and perforce state—Courts."

Blackwater argued that the courts could not interfere in its operations because they would be essentially interfering in the functioning of the military, something prohibited by the "political question doctrine," which "is one of the sets of principles that safeguard from judicial inquiry decisions made by civilian political leaders through the military chain of command, including, in this case, decisions to hire contractors to protect military supply lines from enemy attack." In Fallujah, Blackwater argued, its men "were performing a classic military function—providing an armed escort for a supply convoy under orders to reach an Army base—with an authorization from the Office of the Secretary of Defense." Because of this, Blackwater argued, it should be immune from any liability: "Any other result would amount to judicial intrusion into the President's ability to deploy a Total Force that includes contractors."

In an indication of how great other war contractors viewed the stakes in the Fallujah lawsuit, KBR—the Pentagon's largest contractor in Iraq, with revenues from its work there totaling \$16.1 billion—filed an *amicus curiae* brief in support of Blackwater in September 2006. In filing the brief, KBR identified itself as "the Department of Defense's largest civilian provider of worldwide 'Stability Operations' logistical support services." KBR backed up Blackwater's Total Force argument, asserting that the purpose of the LOGCAP program "is to facilitate Stability Operations by integrating military logistical support contractors like KBR into the US military's Total Force. KBR functions as a 'force multiplier' by performing mission-critical services, such as the driving of military supply convoys. Such services formerly were provided only by uniformed military personnel, but in every respect continue to operate under the direction and control of U.S. military commanders."

From the start, the Blackwater lawsuit was viewed as a precedent-setting case on the role of and legal framework governing private forces in U.S. war zones. Blackwater enlisted no fewer than five powerhouse law firms to assist in its efforts to have the case dismissed or moved to federal court." Lawyers for the four families believed they would have a more favorable playing field in state court, where there was no cap on damages and the families would not need a unanimous decision to win. In October 2006, Blackwater hired one of the nation's heaviest-hitting lawyers to represent it—Kenneth Starr, the independent counsel in the 1999 impeachment of President Bill Clinton over the Monica Lewinsky sex scandal. Starr's name first appeared in connection with the case in Blackwater's October 18, 2006, petition to U.S. Chief Justice John Roberts, asking him to put the state case on hold while Blackwater prepared to file its petition for writ of certiorari, which if granted would have allowed

Blackwater to argue its case for dismissal before the U.S. Supreme Court, dominated by Republican appointees. Starr and his colleagues argued that Blackwater was "constitutionally immune" from such lawsuits and said that if the Fallujah case were allowed to proceed, "Blackwater will suffer irreparable harm." In the eighteen-page petition to the Supreme Court, Blackwater argued that there are no other such lawsuits against private military/security companies in state courts "because the comprehensive regulatory scheme enacted by Congress and the President grant military contractors like Blackwater immunity from state-court litigation." On October 24, Justice Roberts simply wrote "denied" on Blackwater's application, providing no reasoning for his decision. In late November 2006, over the objection of Blackwater's lawyers, Wake County Superior Court Judge Donald Stephens ordered the state case against Blackwater to proceed. A month later, Starr and his colleagues appealed to the U.S. Supreme Court to hear the case, arguing that allowing it to proceed in state court "exposed U.S. civilian contractors carrying on their Defense Department-mandated operations in hostile territory to the destabilizing reach of fifty state tort systems in this country. . . . relegat[ing] civilian contractors serving in profoundly dangerous circumstances to the vagaries of a Balkanized regime of conflicting legal systems among the several States." In December 2006, two years after the filing of the wrongful death lawsuit against it, Blackwater filed a claim against the estates of the four men killed in Fallujah seeking \$10 million, charging that the families had breached their loved ones' contracts with Blackwater, which stated the men could not sue the company. Attorney Callahan called the action "a meritless claim aimed at disrupting the families' pursuit of justice."

Given the uncounted tens of thousands of Iraqis who have died since the invasion and the multiple U.S. sieges in Fallujah that followed the Blackwater incident, some might say this lawsuit was just warmongers bickering. In the bigger picture, the real scandal wasn't that these men were sent into Fallujah with only a four-person detail when there should have been six or that they didn't have a powerful enough machine gun to kill their attackers. It was that the United States had opened Iraq's door to mercenary firms whose forces roamed the country with apparent impunity. The consequences of this policy were not lost on the families of the four slain Blackwater contractors. "Over a thousand people died because of what happened to Scotty that day," said Katy Helvenston-Wettengel. "There's a lot of innocent people that have died." While the lawsuit didn't mention the retaliatory U.S. attack on Fallujah that followed the Blackwater killings, the case sent shockwaves through the corporate community that has reaped huge profits in Iraq and other war zones. At the time the lawsuit was filed, more than 428 private contractors had been killed in Iraq with U.S. taxpayers footing almost the entire compensation bill to their families. By September 2006, the U.S. Department of Labor adjusted the figure to 647 contractors killed. "This is a precedent-setting case," said attorney Miles. "Just like with tobacco litigation or gun litigation, once they lose that first case, they'd be fearful there would be other lawsuits to follow."

## THE CRASH OF BLACKWATER 61

U.S. ARMY Spc. Harley Miller made his way out of the mangled wreckage of Blackwater 61, a turboprop plane that minutes earlier had slammed into Baba Mountain, 14,650 feet high in Afghanistan's Hindu Kush mountain range. He passed the two other soldiers who had been on the flight with him, both dead from the impact and still strapped into their seats. The twenty-one-year-old Miller was suffering from injuries just a shade less severe than those that had killed them. Miller was all alone on the snow-covered mountain, 2,000 feet below its peak. The two pilots—Blackwater contractors—had been ejected 150 feet in front of the plane after its 400-foot skid and had died from the impact. The body of the aircraft's engineer rested just outside the plane's bulkhead.

Specialist Miller smoked a cigarette; urinated twice, once near the rear of the aircraft and once near the front; and unrolled two sleeping bags. He propped a metal ladder up against the fuselage, possibly so he could climb on top of it to call for help or to gauge his location. He lay down on the makeshift bed, suffering from massive internal bleeding, a broken rib, lung and abdominal trauma, and minor head injuries. Miller's injuries would be compounded by the lack of oxygen and the frigid temperatures, and after more than eight hours alive and alone atop Baba Mountain, the crash claimed its final casualty. It would be three days before his body was recovered.

The November 27, 2004, crash of Blackwater 61, a privately owned plane on contract with the U.S. military, would attract scant media attention, mostly sugary obituaries in the hometown papers of those killed. While Blackwater had already become a familiar name because of the Fallujah ambush a few months earlier, the crash itself, a small speck of inaccessible wreckage in the rugged mountains of Afghanistan, was a nonstory. It could scarcely have created a more opposite impression than that of the iconic killings in Fallujah. There were no gruesome images broadcast internationally and no declarations from the White House. It was, for all practical purposes, a minor tragedy in what had become—at least in the eyes of the media—a secondary, if not forgotten, war in Afghanistan. But the crash would nonetheless become a serious legal problem for Blackwater, for this time, unlike in Fallujah, there was an official paper trail.

The U.S. Army's Collateral Investigations Board and the National Transportation Safety

Board generated hundreds of pages of documents as they investigated the crash. A black box captured the final moments of the flight. Unlike in Fallujah, some of the victims of the incident were active-duty U.S. soldiers, and those who caused the deaths, even if not intentionally, were private contractors. On the surface, it would seem that with the exception of Blackwater being involved in both incidents, the crash atop Baba Mountain and the Fallujah massacre had little in common.

The similarities, though, began to reveal themselves after the families of the three U.S. soldiers killed in the crash filed a wrongful death lawsuit on June 10, 2005. In fact, the issues surrounding the crash would prove to be much the same as those surrounding Fallujah, though they would draw far less attention. The families of the soldiers killed in the Blackwater 61 crash alleged that the company had cut corners, sidestepped basic safety procedures, and recklessly caused the deaths of their loved ones in the process. At the center of the case, as in that of the Fallujah lawsuit, was once again Blackwater's claim that its forces were immune from any lawsuits because the company was part of the U.S. "Total Force" in the war on terror.

Blackwater's aviation division, Presidential Airways, has largely operated off of the public radar, though its aircraft overseas have frequented the same airports as those used in the CIA's extraordinary rendition program. Blackwater's pilots are required to have the same security clearances as those involved in renditions. David P. Dalrymple, the Bagram site manager for Presidential, said, "I, and all other Presidential personnel serving in Afghanistan, possess or are in the process of obtaining 'secret' or higher security clearances from the United States Government." The company also asserted that it "holds a US DoD Secret Facility Clearance."

The contract that Blackwater 61 operated under in Afghanistan had been inked in September 2004, just two months before the crash. After three months of negotiations, the Air Force agreed to a \$34.8 million contract for Presidential Airways to provide "short take-off and landing" (STOL) flights in Afghanistan, Uzbekistan, and Pakistan. Presidential agreed to fly six regularly scheduled daily routes to small airfields throughout Afghanistan, and other flights as needed. It was estimated that Presidential's three aircraft would fly about 8,760 hours per year under the contract. "With this contract, [Blackwater Aviation] has extended its reach out of Iraq and is providing much needed assistance to US Service men and women in Afghanistan and further into the southern countries of the former Soviet Union," Blackwater boasted in October 2004 in its *Tactical Weekly* newsletter.

John Hight, Presidential's director of operations, explained that the company based its bid on its "experience operating in and out of unimproved landing strips and work for the military carrying sky divers." Once the company got word that its bid was successful, Hight said he started recruiting "experienced CASA pilots" for the Afghanistan missions. Five days after the contract was signed, "we arrived in Afghanistan with our first aircraft," Hight recalled.

But, experienced or not, flying in Afghanistan is substantially different from flying in most of the United States. Afghanistan is crisscrossed with mountain ranges that tower above even the highest point in the continental United States, which is California's Mt. Whitney at 14,495 feet. By contrast, Afghanistan's highest point is nearly 25,000 feet. Pilots also faced an additional hurdle in that there was limited communication with other aircraft and no air-traffic control to guide planes should they encounter a thick patch of clouds or other bad weather, which experts said could be incredibly variable in Afghanistan. This could cause serious problems very quickly because flights were often piloted using "visual flight

rules"—in other words, pilots were on their own with little more than instinct and common sense to guide them. As one Blackwater pilot put it, "The flight crews know that if you can't get over it or under it, then you turn around and come home. There's no pressure to get the flight complete."

While some bases in Afghanistan—like those at Kabul, Bagram, and Shindad—had ground control towers, others did not. Basically, according to Presidential's pilots, "once the aircraft are twenty miles out of radar coverage, they are on their own." Flying in Afghanistan was low-tech to the point where pilots often had to use satellite phones to report their locations when they landed anywhere but the most frequented areas, and even the satellite phones often proved unreliable. Aside from the impracticality of flying set routes, pilots also "don't want to fly set routes for force protection reasons"—fear of being targeted by antioccupation or "enemy" forces.

Taken together, the weather, visual flight rules, threat of enemy fire, light turboprop aircraft with varying cargo and passenger loads, and extreme elevations made for a difficult combination even for experienced pilots. In essence, the Afghan skies were an unpredictable frontier. Indeed, all of Blackwater's flights in the country were piloted using visual flight rules.

"Therefore there were no prescribed routes of flight to and from Bagram or any of the other locations which we supported other than the sound aviation practice of flying as direct a route as possible while avoiding terrain and weather," said Paul Hooper, the site manager for Presidential. "Common practice was to fly the most direct route possible. Terrain, weather and a desire to avoid establishing a flight pattern in an environment with hostile ground forces, were some reasons our flight crews varied the specific ground track of each flight."

Among those hired by Blackwater to fly under these unusual and dangerous circumstances were two experienced CASA pilots, thirty-seven-year-old Noel English and thirty-five-year-old Loren "Butch" Hammer. Both men had experience flying under unorthodox circumstances with little ground support in variable weather and terrain, as well as landing in nontraditional locations. English had logged nearly nine hundred hours in a CASA 212—most of it as a "bush pilot" in Alaska—while Hammer had spent years piloting and copiloting "smokejumpers" during the summer fire seasons in the United States, "dropping smoke divers and para-cargo on forest fires," according to Kevin McBride, another Blackwater pilot who had previously worked with Hammer. "He was a knowledgeable and skilled First Officer, with lots of experience in mountain flying and low level missions."

After several weeks of training for the Afghanistan mission in Melbourne, Florida, Hammer and English arrived in Afghanistan on November 14, 2004. According to the U.S. Army, Presidential had a policy of not pairing any two pilots with less than a month "in the theater." Presidential, however, paired Hammer and English, both of whom had been in the country for only two weeks, because they were the only crew the company had who, in addition to the CASA planes, could fly an SA-227 DC, or Metro plane, which could be used for flights to Uzbekistan. Presidential had two CASAs and one Metro plane in the theater. During their brief time in Afghanistan, Hammer and English had each logged thirty-three hours of flight time.

On November 27, the pilots woke up at 4:30 a.m. to a crisp and clear forty-degree day at Bagram airport—the main prison facility for people detained by U.S. forces in Afghanistan and an alleged site of prisoner torture. The Presidential crew would be leaving

the base in a little less than three hours on a mission to transport a couple of U.S. soldiers and four hundred pounds of 81 mm mortar illumination rounds. The route would take them first to Farah, 450 miles southwest of Bagram, then to Shindad to refuel, and then back to Bagram, where they were scheduled to return at 1:30 p.m. Neither Hammer nor English had flown the route before.

Bunking with the men at Bagram the night before were two other Presidential pilots who would be leaving at about the same time as Blackwater 61 and traveling on a similar route. Like Hammer and English, pilots Lance Carey and Robert Gamanche would fly a Blackwater CASA westward that morning, stopping at Shindad to refuel. Carey, who shared a room at Bagram with both English and Hammer for the three days prior to the flight, said, "They were both looking forward to [it]." Gamanche ate breakfast with English on the morning of the flight. Both crews reviewed that day's weather forecast. "Since our flights would eventually take us to the same place [Shindad] and the forecast was marginal due to visibility, we decided to make a group go-no go decision," Gamanche recalled. "If the current weather at [Shindad] was not favorable, we would stay on the ground." There were no weather problems reported at either of the crews' initial destinations. "The current weather was favorable so we all decided to go," said Gamanche. Though there were indications that at Farah and Shindad gusting winds and blowing dust could make landing difficult, at Bagram "the weather was forecasted as clear with unlimited visibility."

The flight was a go. Melvin Rowe, a forty-three-year-old flight mechanic, joined the crew of Blackwater 61. Two passengers were slated to come on the flight, Spc. Harley Miller and Chief Warrant Officer Travis Grogan. They had loaded up the four hundred pounds of ammunition and begun to taxi when a soldier ran along the runway toward their plane. A third passenger would be joining them: Lt. Col. Michael McMahon, commander of the twenty-five-thousand-soldier Task Force Saber, which was responsible for the entire western region of Afghanistan—where Blackwater 61 was headed."

McMahon, a Desert Storm veteran and West Point graduate, "was just an extra guy that showed up and [asked] if he could get on the flight," one Blackwater employee explained. If they "ask us to do it and it's not out of the common sense category, then they'll do it." There were now six people on board the plane.

At 7:38 a.m., Blackwater 61 took off from Bagram and headed northwest. The last thing the six of them would hear from anyone outside the flight was the Bagram tower telling them they would "talk to you later." Five minutes after that, the plane dropped off Bagram's radar, about nine miles out from the airport. Hammer, Blackwater 61's copilot, quickly commented on the visibility, saying, "can't ask for a whole lot better than this." But it was apparent, even early in the flight, that the pilots didn't quite know exactly where to go, as evidenced from the flight's black box recording:

Pilot English: "I hope I'm goin' in the right valley."

Copilot Hammer: "That one or this one."

English: "I'm just going to go up this one."

Hammer: "Well we've never or at least I've never done this Farah ... from Bagram so it would be a valley up here."

The novice Afghanistan pilots clearly didn't have a command of the route they would be



covering, and English ultimately said, "We'll just see where this leads." The pilots and Rowe spent the next several minutes fumbling through maps trying to determine their location and route. Hammer said that he hadn't brought a handheld global positioning system with them that would have issued a warning when the plane came close to the ground. About eight minutes into the flight, English expressed some concern about the weather in western Afghanistan, saying, "normally . . . on a short day like this we'd have time to play a little bit, do some explorin', but with those winds comin' up I want to [expletive] get there as fast as we can."

Despite the early indications of some complications, the pilots spent some time during the flight chatting with each other, making small talk. "I swear to God, they wouldn't pay me if they knew how much fun this was," English said. The pilots had been riding through the Bamian Valley, although from the transcript of their in-flight conversations, it seemed they were somewhat uncertain and unconcerned as to exactly where they were. "I don't see anythin' over about thirteen three is the highest peak in the whole route I think," said Rowe, the flight's engineer. "Plenty of individual valleys," English replied, "Yeah, so we'll be able to pick our way around it. Yeah, with this good visibility [expletive] it's as easy as pie. You run into somethin' big and you just parallel it until you find a way through. Yeah, like I said, this is the first good visibility day I've had in the CASA. It's not just good, it's outstanding."

At one point, the passengers asked the pilots what they'd be passing by on their way to Farah. Rowe, the man with the maps, replied, "I don't know what we're gonna see, we don't normally go this route." Seconds later, English said, "All we want to avoid is seeing rock at twelve o'clock." Then Hammer—the copilot—turned his attention to pilot English's apparent maneuvering of the plane: "Yeah, you're an X-wing fighter *Star Wars* man."

"You're [expletive] right," English shot back. "This is fun."

As the pilots started encountering some mountains and apparently swerving to avoid getting boxed in, they continued with their friendly, casual banter. They talked about getting an MP3 player wired into their headphones; English said he wanted to listen to "Phillip Glass or somethin' suitable New Age-y." No, Hammer shot back, "we gotta have butt rock—that's the only way to go. Quiet Riot, Twisted Sister."

But four minutes later, roughly twenty-five minutes into the flight, things started to go terribly wrong for Blackwater 61. When they emerged from the Bamian Valley, they found themselves flying along the Baba Mountain range. "Well, this, ah, row of mountains off to our left—I mean, it doesn't get much lower than about 14,000, the whole length of it, at least not till the edge of my map," Hammer informed English, as they discussed how to get past the mountain. "Well, let's kind of look and see if we've got anywhere we can pick our way through," English responded. "Doesn't really matter. It's gonna spit us out down at the bottom, anyway. Let's see, find a notch over here. Yeah, if we have to go to fourteen for just a second, it won't be too bad."

They soon decided to attempt a 180-degree turn. "Come on, baby. Come on, baby, you can make it," English said, as though willing the plane upwards. Nervously, the engineer Rowe asked the pilots, "OK, you guys are gonna make this, right?"

"Yeah, I'm hopin'," English replied.

The National Transportation Safety Board report said that at this point a sound similar to a "stall warning tone" could be heard on the black box recording. Inside the plane, chaotic conversation ensued before Rowe declared to the pilot, "Yeah, you need to, ah, make a decision." Heavy breathing could be heard inside the plane, as English exclaimed, "God

[expletive deleted]." Rowe called out, "Hundred, ninety knots, call off his airspeed for him." At this point, the stall warning tone became constant, as the dialogue grew frantic, desperate.

"Ah [expletive] [expletive]," English called out.

Rowe said, "Call it off. Help him, or call off his airspeed for him ... Butch."

Copilot Hammer: "You got ninety-five. Ninety-five."

Pilot English: "Oh, God. Oh [expletive]."

Engineer Rowe: "We're goin' down."

"God."

"God."

In the midst of attempting a 180-degree turn after it became clear that Blackwater 61 would not be able to clear the 16,580-foot Baba Mountain, the plane's right wing struck the mountain and was sheared off, causing the plane to tumble and skid for hundreds of feet, breaking apart the fuselage and crumpling the left wing under it. The pilots had been ejected 150 feet in front of the wreckage, and all of the passengers died on impact, except for Army Specialist Miller.

Though the terrain on the route from Bagram to Farah was mountainous, Blackwater 61 had almost made it through the worst stretch of the flight. The plane cleared almost the entire Bamian Valley before the pilots decided to turn almost directly into Baba Mountain. As Blackwater pilot Kevin McBride later put it, "I really don't know how the pilots . . . got to the location where they were found. . . . The ridgeline where [Blackwater 61] crashed is the highest point in the highest ridgeline on our route."

But the missteps involved in the accident were far from over. It wouldn't be until six hours after the plane reached Farah—and one hour after it was due back at Bagram—that any sort of rescue/recovery mission would even begin. The search for Blackwater 61 was immediately hampered by the lack of any tracking devices on the plane and an apparent absence of information about its intended route, as well as confusion over who was even responsible for finding the aircraft. "Lacking any coordinated rescue effort, and taking into account the probability that the aircraft flew to the south, my unit developed large search sectors, essentially covering the majority of Afghanistan," said Maj. David J. Francis, the operations officer for Task Force Wings, which was part of the Combined Joint Task Force 76. "There was some confusion as to who was going to run the rescue operation. At one point, the question was asked: 'Who owns this mission?' Francis added, "There was no coordinated rescue plan until [eleven hours after the flight was due back at Bagram] on the day of the crash."

It would be seventy-four hours before the wreckage was spotted and conditions allowed for CH-47 helicopters to reach the site and recover the remains, black box recorder, and the ammunition on board. Though Specialist Miller had survived the initial impact, he didn't stand a chance of surviving the three days that passed before rescuers arrived. At the time of the crash, it was described in news reports as a basic accident—the kind of incident that ends up a small news item, if at all, in the papers. In fact, two weeks after Blackwater 61 went down, engineer Rowe's wife described it as "a plain- old regular plane crash."

But as more details began to emerge and the military began to investigate, the families of the U.S. soldiers killed in the crash didn't view it as a fluke accident. On June 10, 2005, the families of Michael McMahon, Travis Grogan, and Harley Miller sued Blackwater's aviation subsidiaries, alleging negligence on the part of the flight crew and accusing the company

of causing the soldiers' deaths. Blackwater's "gross and flagrant violations of safety regulations evince a reckless and conscious disregard of human life and for the rights and safety of their passengers," the lawsuit alleged, saying the actions of the company "evinced reckless and wanton corporate policies, procedures, planning, and flight operations." Robert Spohrer, the attorney for the families, alleged the company was "cutting corners" in its service to the armed forces. "If they're going to outsource to corporations services like flying personnel around Afghanistan, they must do it with corporations that put the safety of our men and women in uniform ahead of corporate profits. Sadly, that wasn't done here."

Bolstering the families' case was the fact that the U.S. Army Collateral Investigations Board found Blackwater at fault for the crash, determining after a lengthy investigation that the crew suffered from "degraded situational awareness" and "inattention and complacency" as well as "poor judgment and willingness to take unacceptable risks." The investigation also determined it was possible that the pilots were suffering from visual illusions and hypoxia, whose symptoms can include hallucinations, inattentiveness, and decreased motor skills. Further, the Army said there was demonstrated evidence of "inadequate cross-checking and crew coordination." Presidential Airways said the report "was concluded in only two weeks and contains numerous errors, misstatements, and unfounded assumptions."

In December 2006, nearly two years after Army investigators concluded their report, the National Transportation Safety Board issued a report of its own. The NTSB concluded that Blackwater's pilots "were behaving unprofessionally and were deliberately flying the nonstandard route low through the valley for 'fun.'" The board also found that the pilots' vision and judgment might have been impaired because they were not using oxygen, potentially in violation of federal regulations. "According to studies . . . a person without supplemental oxygen will exhibit few or no signs, have virtually no symptoms, and will likely be unaware of the effect," the board said.

But perhaps the most significant finding, as a result of autopsies not mentioned in the earlier Army report, was that Specialist Miller had "an absolute minimum survival time of approximately eight hours" after the accident, and that if Miller "had received medical assistance within that time frame, followed by appropriate surgical intervention, he most likely would have survived." But, the board found, because Presidential Airways allegedly did not have procedures required by federal law to track flights, "by the time air searches were initiated, [Miller] had been stranded at the downed airplane for about seven hours," and "his rescue was further delayed when the subsequent five hours of aerial searches were focused in areas where the airplane had not flown."

Joseph Schmitz, general counsel for Blackwater's parent company, The Prince Group, (who will be discussed in detail in a later chapter) described the report as "erroneous and politically motivated," according to the *Raleigh News & Observer*, and "said the report was intended to cover for the military's failures, but declined to elaborate on those failures. It was clear, he said, that the NTSB hadn't completed the rudiments of a proper accident investigation, which he called a disgrace to the victims and U.S. taxpayers," and added that the company would ask the NTSB to reconsider its findings.

In fact, though the NTSB did blame the pilots and Presidential, it also blamed both the FAA and Pentagon for not providing "adequate oversight," and one NTSB member wrote a concurring opinion that highlighted the jurisdictional confusion in investigating "a civilian accident that occurred in a theater of war while the operator was conducting operations on behalf of the Department of Defense." The NTSB's Deborah Hersman called it "perplexing" that

the Defense Department and FAA had not sorted out responsibility for "these types of flights" and added that even though the FAA was faulted for oversight, neither it nor the NTSB had personnel assigned to Afghanistan. Those issues, combined with Hersman's description of Blackwater 61 as "clearly a military operation subject to DoD control," spoke directly to the tack Blackwater took in defending itself against the wrongful death lawsuit.

Blackwater's response strategy to the Afghanistan lawsuit closely paralleled that of its Fallujah defense: Blackwater and its subsidiaries are part of the Defense Department's "Total Force" and are therefore immunized against tort claims. Blackwater stiffly resisted acknowledging that the courts had any jurisdiction in the case and moved to stop the trial's discovery process at every turn, arguing that even allowing its employees to be deposed would interfere with its immunity. Blackwater's lawyers argued, "Immunity from suit does not mean just that a party may not be found liable, but rather that it cannot be sued at all and need not be burdened with even participating in the lawsuit. To require Presidential to engage in discovery thus would eviscerate the immunity that Presidential has."

In fighting the lawsuit, Blackwater adopted a three-pronged approach to argue that it should be immune from such litigation: that its operations fall under the realm of a "political question" that must be addressed by either the executive or legislative branches, but not the judiciary; that Blackwater is essentially an extension of the military and thus should enjoy the same immunity from lawsuits that the government does when members of the military are killed or injured; and that Blackwater should be immune from lawsuits under an exception to the Federal Tort Claims Act that has in the past been granted to contractors responsible for the design and manufacturing of complex pieces of military equipment. Other military contractors closely monitored Blackwater's arguments in the Fallujah and Afghanistan cases, believing that the outcomes would have far-reaching implications for the entire war industry.

### **The Political Question Doctrine**

In its court filings, Blackwater/Presidential cited the "political question doctrine," which relies on the idea that "the judiciary properly refrains from deciding controversies that the Constitution textually commits to another political branch and cases that are beyond the competence of the courts to resolve because of the lack of judicially manageable standards." Referencing its contention that it was a recognized part of the U.S. "Total Force" and part of the Defense Department's "warfighting capability and capacity," Blackwater argued that "allowing civilian courts to consider questions of liability to soldiers who are killed or injured in operations involving contractors on the battlefield would insert those civilian courts directly into the regulation of military operations."

This argument was not warmly received by the district court judge in the case. In rejecting Blackwater's argument, Judge John Antoon cited the 2006 ruling in *Smith v. Halliburton Co.* That lawsuit accused Halliburton of negligence for failing to secure a dining hall in Mosul, Iraq, that was hit by a suicide bomber on December 21, 2004, killing twenty-two people. Judge Antoon found:

The proper inquiry, according to the court, was whether the claim would require the court to question the military's mission and response to an attack. If the military was responsible for securing the facility, resolving the matter would require "second-guessing military decision-making" and evaluating the conduct of the military—a political question.

However, if the contractor was primarily responsible for securing the dining hall under its contract, the suit would be justiciable. Concluding that "there is a basic difference between questioning the military's execution of a mission and questioning the manner in which a contractor carries out its contractual duties," the court foreshadowed the conclusion drawn here: the former situation presents a political question, while the latter does not.

Judge Antoon determined that because Blackwater 61 was "required to fly as [it] normally would, according to commercial, civilian standards, in a foreign, albeit treacherous, terrain" and could refuse to fly any mission they felt was too dangerous, "it does not appear . . . this Court will be called on to question any tactical military orders."

The court ultimately rejected Blackwater's "political question" argument, saying it was "not a proper basis for dismissing this case." Antoon also questioned Blackwater's contention that it was essentially part of the military, pointing out that the federal government could have filed a brief supporting Blackwater in this case but had not. "Notably, the United States has not chosen to intervene on behalf of Defendants in this case," the judge wrote. "It has declined an opportunity to intervene and explain how its interests might be affected by this lawsuit."

While rebuking Blackwater, the judge did seem to indicate that these situations could change for contractors in the future. "The extent to which for-profit corporations, performing traditional military functions, are entitled to protection from tort liability is an area of interest to the political branches."

### **The Feres Doctrine**

In arguing that it is immune from tort litigation, Blackwater cited the Feres Doctrine, which holds that the government has sovereign immunity from tort suits for "injuries to servicemen where the injuries arise out of or are in the course of activity incident to service." Blackwater argued that "it is inconsequential here that the decedents died in aircraft hired by the Air Force, rather than in an aircraft operated by the Air Force—what matters is that they were military personnel who died while on war duty." Blackwater alleged that even the families of the dead soldiers admitted their loved ones "(1) were deployed to Afghanistan, (2) died in a combat zone, and (3) did so while being transported on a DoD mission between two airfields in Afghanistan."

Judge Antoon clearly took issue with Blackwater's interpretation of a fairly straightforward immunity granted to the military, pointing out that Blackwater's lawyers "cite no case in which the Feres doctrine has been held applicable to private contractors." He said Blackwater/Presidential "essentially mask their request for this Court to stretch Feres beyond its established and logical bounds by citing cases which emphasize that it is the plaintiffs status as a member of the military and not the status of [Blackwater] that is significant." The judge concluded, "Clearly, Defendants in this case are not entitled to protection under the Feres doctrine because they are private commercial entities. . . . Defendants entered into the contract as a commercial endeavor. They provided a service for a price. Simply because the service was provided in the mountains of Afghanistan during armed conflict does not render the Defendants, or their personnel, members of the military or employees of the Government." In other words, Antoon determined that though the Pentagon might have referred to private military contractors as part of its "Total Force," that did not change Blackwater's status as a for-profit private company responsible for its actions.

### **Exception to Federal Tort Claims Act**

Blackwater's third major argument for immunity from tort lawsuits was that, as a military contractor, it is immune from such litigation in the same way that certain producers of complex military equipment have been found immune. In one case, the family of a dead Marine sued a manufacturer for defects in its design of a helicopter escape system. The court concluded that "state tort law was preempted by the government's profound interest in procuring complex military equipment" and that the government had the "discretion to prioritize combat effectiveness over safety when designing military equipment."

Judge Antoon decided that although that defense exists and it has been extended in some instances, there is no "authority for bestowing a private actor with the shield of sovereign immunity. Until Congress directs otherwise, private, non-employee contractors are limited" to exceptions like that involving the design of complex equipment. "This Court is skeptical that the combatant activities exception to the [Federal Tort Claims Act], which preserves the Government's traditional sovereign immunity from liability, has any application to suits against private defense contractors," Antoon wrote. "To the extent that it does apply, however, at most it only shields private defense contractors for products liability claims involving complex, sophisticated equipment used during times of war. It has never been extended to bar suits alleging active negligence by contractors in the provision of services, and it shall not be so extended by this Court."

### **Blackwater's Curious Aviation Division**

In late September 2006, Judge Antoon denied every single motion made by Blackwater to stop discovery and dismiss the case, and, as expected, Blackwater immediately began the appellate process. While Antoon decisively rejected Blackwater's claim that it is in effect an extension of the U.S. military because of its claimed status as part of the Pentagon's "Total Force," Blackwater may actually have been far more intertwined with the workings of the military and intelligence agencies than it would ever let on.

While what little attention that has been paid to Blackwater's aviation division has focused on the Afghanistan lawsuit, the company has multiple contracts with the U.S. government to provide pilots and aircraft. Information on the use of Blackwater's planes by the government is difficult to obtain, but it has been well documented that U.S. intelligence agencies and the military have used private aviation companies to "render" prisoners across the globe, particularly under the Bush administration's "war on terror." Under this clandestine program, prisoners are sometimes flown to countries with questionable or terrible human rights records, where they are interrogated far from any oversight or due process. To avoid oversight, the government has used small private aviation companies—many with flimsy ownership documentation—to transport the prisoners. "Terrorism suspects in Europe, Africa, Asia, and the Middle East have often been abducted by hooded or masked American agents, then forced onto a Gulf-stream V jet," wrote investigative journalist Jane Mayer in *The New Yorker* magazine. The plane "has clearance to land at U.S. military bases. Upon arriving in foreign countries, rendered suspects often vanish. Detainees are not provided with lawyers, and many families are not informed of their whereabouts." While there is nothing directly linking Blackwater to extraordinary renditions, there is an abundance of circumstantial evidence that bears closer scrutiny and investigation.

The rendition program was not born under the Bush administration but rather during the Clinton administration in the mid-1990s. The CIA, with the approval of the Clinton White

House and a presidential directive, began sending terror suspects to Egypt, where, far removed from U.S. law and due process, they could be interrogated by *muhhabarat* agents. In 1998, the U.S. Congress passed legislation declaring that it is "the policy of the United States not to expel, extradite, or otherwise effect the involuntary return of any person to a country in which there are substantial grounds for believing the person would be in danger of being subjected to torture, regardless of whether the person is physically present in the United States." After 9/11, this legislation was sidestepped under the Bush administration's "New Paradigm," which stripped alleged terror suspects of basic rights. This thinking was best articulated by Vice President Dick Cheney five days after 9/11, when he argued on NBC's *Meet the Press* that the government should "work through, sort of, the dark side." Cheney declared, "A lot of what needs to be done here will have to be done quietly, without any discussion, using sources and methods that are available to our intelligence agencies, if we're going to be successful. That's the world these folks operate in. And so it's going to be vital for us to use any means at our disposal, basically, to achieve our objective." These sentiments were echoed by the CIA's number-three man at the time, Buzzy Krongard—the man allegedly responsible for Blackwater's first security contract in Afghanistan—who declared the war on terror would be "won in large measure by forces you do not know about, in actions you will not see and in ways you may not want to know about."

The U.S. use of clandestine aviation companies dates back to at least the Vietnam War. From 1962 to 1975, the CIA used its secretly owned airline Air America (which simultaneously functioned as a commercial airline) to conduct covert or secretive operations that would have sparked even more investigation and outrage if made public. "Air America, an airline secretly owned by the CIA, was a vital component in the Agency's operations in Laos," according to a paper on the CIA Web site written by University of Georgia history professor William M. Leary. "By the summer of 1970, the airline had some two dozen twin-engine transports, another two dozen shorttakeoff-and-landing (STOL) aircraft, and some 30 helicopters dedicated to operations in Laos. There were more than 300 pilots, copilots, flight mechanics, and air-freight specialists flying out of Laos and Thailand. . . . Air America crews transported tens of thousands of troops and refugees, flew emergency medevac missions and rescued downed airmen throughout Laos, inserted and extracted road-watch teams, flew nighttime airdrop missions over the Ho Chi Minh Trail, monitored sensors along infiltration routes, conducted a highly successful photoreconnaissance program, and engaged in numerous clandestine missions using night-vision glasses and state-of-the-art electronic equipment. Without Air America's presence, the CIA's effort in Laos could not have been sustained."

In 1975, the Church Committee began investigating the legality of U.S. intelligence-gathering practices. The CIA's chief of cover and commercial staff told the Senate committee that if an operational requirement like the Vietnam War should again arise, "I would assume that the Agency would consider setting up a large-scale air proprietary with one proviso—that we have a chance of keeping it secret that it is CIA."

Decades later, the Bush administration, waging a war many compared to Vietnam, clearly saw the need for a clandestine fleet of planes. Shortly after 9/11, the administration started a program using a network of private planes some began referring to as the "new Air America." The rendition program kicked into high gear, as the United States began operating a sophisticated network of secret prisons and detention centers across the globe, using the private aircraft to transport prisoners. Most of the planes alleged to have been involved in renditions

under the Bush administration's war on terror were owned by shell companies. In contrast, Blackwater directly owns its aviation division and has been public and proud in promoting its military involvement.

Blackwater Aviation was born in April 2003, as the Iraq occupation was getting under way, when the Prince Group acquired Aviation Worldwide Services (AWS) and its subsidiaries, including Presidential Airways. The AWS consortium had been brought together in early 2001 under the ownership of Tim Childrey and Richard Pere, who "focused on military training operations and aviation transport for the U.S. Government." Presidential Airways was the licensed air carrier, and in addition to the Afghanistan contract, it has provided CASA 212 and Metro 23 aircraft for military training contracts, including some for the U.S. Special Operations Command STI Aviation was the maintenance company for the Blackwater fleet. And Air Quest Inc. provided Cessna Caravan planes equipped with aerial surveillance—it provided surveillance planes in 2000 and 2001 to U.S. Southern Command for operations in South America.

"In addition to offering solutions for firearms training, steel targets and range construction and security needs, Blackwater now offers aviation and logistical solutions for its customers," Blackwater president Gary Jackson said in announcing the acquisition. The new aviation division "complements our strategic goal of providing a 'one stop' solution for all of our customer's security and tactical training needs."

Blackwater also began developing a surveillance blimp that could be used to spy on "enemy" forces abroad or by the Department of Homeland Security to monitor the border. In 2004, Blackwater announced plans to move the operations of its aviation division to North Carolina and in 2006 sought approval to build a private airstrip with two runways for its fleet of more than twenty planes. "We have a fleet of aircraft that all have customers," Jackson said. "Every single aircraft has a contract." While the role these planes have played in the war on terror is not clear, Blackwater's aviation wing fits the patterns of those companies that have been documented to be involved with renditions.

Blackwater aircraft have made stopovers at Pinal Airpark in Arizona, which used to be home to the Air America fleet. After public scrutiny forced the CIA to dismantle its fleet and sell the airpark, a company called Evergreen International Aviation, whose board included the former head of the CIA's air operations, subsequently purchased it. As of 2006, Evergreen still owned and operated the airpark primarily as a storage facility for unused aircraft, largely because the desert climate allowed planes to survive longer with less maintenance. Not surprisingly, the company boasted in April 2006 of "four years of consecutive growth."

Aside from their stops at Pinal Airpark, Blackwater-owned planes frequented many airports alleged to be implicated in the rendition program. Aero Contractors, which has received much attention recently for its connections to the CIA, was headquartered in Johnston County, North Carolina, which "was deliberately located near Pope Air Force Base, where the CIA pilots could pick up paramilitary operatives who were based at Fort Bragg [home of the Special Forces]. The proximity to such an important military base was convenient for other reasons, too. 'That supported our principal cover,' one former pilot [said], 'which was, we were doing government contracts for the military, for the folks at Fort Bragg.'" Former chief Air America pilot Jim Rhyne founded Aero Contractors for the CIA, and according to one pilot, he "had chosen the rural airfield [Johnston County] because it was close to Fort Bragg and many Special Forces veterans. There was also no control tower that could be used to spy on



the company's operations." Johnston County is just one of the airports frequented by CIA flights, according to experts. "Typically, the CIA planes will fly out of these rural airfields in North Carolina to Dulles," according to the authors of *Torture Taxi*.

A glimpse of the flight records of planes registered to Blackwater subsidiaries Aviation Worldwide Services and Presidential Airways revealed numerous flights that follow these patterns and frequent CIA-linked airports:

- Since February 2006, N964BW, a CASA 212, has flown the route from Johnston County to Dulles; been to Pinal Airpark three times; been to Pope Air Force Base twice; been to the Phillips Air Force Base and Mackall Army Air Field; and has also twice landed at the Camp Peary Landing Strip, home to the nine-thousand-acre CIA training facility known as "the Farm."
- N962BW, a CASA 212, has made numerous trips between Johnston County and Dulles and has been to Camp Peary Simmons Army Airfield at Fort Bragg, and Blackstone Army Airfield near Fort Pickett. Its last reported flight was in September 2006, when it was headed from Goose Bay, Newfoundland, a NATO and Canadian Air Force Base, to Narsarsuaq, Greenland.
- N955BW, a SA227-DC Metro, is registered with Aviation Worldwide but has no recent flights. Nor does N961BW or N963BW, both CASA 212s. All of these planes have serial numbers that have not been assigned different N-numbers.
- N956BW fell off the radar in January 2006 just after beginning a flight from Louisiana to North Carolina.
- N965BW, a CASA 212, has traveled regularly to Pinal Airpark, the Southern California Logistics Airport, which is used by the military, and has made stops in Turks & Caicos, the Dominican Republic, Bahamas, St. Croix, and Trinidad and Tobago.
- N966BW, a CASA 212, has been to Pinal Airpark, many of the same Caribbean stops as N965BW, Pope Air Force Base, and has made several Dulles-Johnston trips.
- N967BW, a CASA 212, was last recorded heading from Goose Bay to Narsarsuaq two weeks after N962BW.
- N968BW, a CASA 212, which regularly stops at Johnston County, Dulles, Phillips Airfield, and Camp Peary, has been to Pope Air Force Base, Pinal Airpark, and Oceana Naval Air Station.

In addition, though Blackwater's aircraft in Afghanistan flew normal circuits, the company was also charged with flying out of the country, including to Uzbekistan. Air Force Capt. Edwin R. Byrnes was quoted in the FAA report on the crash of Blackwater 61 as saying that one of the aircraft English and Hammer were trained to use, "[t]he Metro was going to be used like a private jet to fly to Uzbekistan." Uzbekistan has been one of the "key destinations" for both U.S. military and CIA renditions. Prisoners are alleged to have been brought there both for interrogation and repatriation from Afghanistan. Also, as it happens, Blackwater's planes

in Afghanistan operate out of Bagram, a known U.S.-run detention and torture facility. According to Blackwater/Presidential's Afghanistan contract, all personnel "are required to possess a Secret security clearance." The contract also outlined "operations security" requirements: "Information such as flight schedules, hotels where crews are staying, return trips, and other facts about the international mission shall be kept close hold and only communicated to persons who have a need to know this information. Flight crews should be aware of persons who are seeking information about the contractor, flights, etc. They should seek to maintain a low profile while operating DoD missions."

It would take a far-reaching investigation to determine what, if any, involvement Blackwater has had in the government's secret rendition programs. Company president Gary Jackson has been bold in bragging of Blackwater's "black" and "secret" contracts, which are not publicly available or traceable; he claimed these contracts were so secret he could not tell one federal agency about Blackwater's work with another. Under the war on terror, Blackwater's first security contract was a "black" contract with the CIA, an agency with which it has deep ties. And then there was this development: In early 2005, Blackwater hired the career CIA spy many believe was responsible for jump-starting the Bush administration's post-9/11 rendition program: J. Cofer Black, the former chief of the CIA's counterterrorism center. In November 2001, when U.S. forces captured Ibn al-Shayk al-Libi, believed to have run the Al Qaeda training camp in Khalden, Afghanistan, Black allegedly requested and got permission, through CIA Director George Tenet, from the White House to render Libi, reportedly over the objections of FBI officials who said they wanted to see him dealt with more transparently. "They duct-taped his mouth, cinched him up and sent him to Cairo," a former FBI official told *Newsweek*. "At the airport the CIA case officer goes up to him and says, 'You're going to Cairo, you know. Before you get there I'm going to find your mother and I'm going to fuck her.'"

## CHAPTER FIFTEEN

# COFER BLACK: THE GLOVES COME OFF

SINCE 9/11, few people have had the kind of access to President Bush and covert "war on terror" planning as Ambassador J. Cofer Black. A thirty-year CIA veteran, Black was a legendary figure in the shadowy world of international espionage, having been personally marked for death by Osama bin Laden in the 1990s. He rose to prominence in the spy world following the central role he played in Sudan in catching the famed international terrorist Ilich Ramirez Sanchez, known as "Carlos the Jackal." Black had spent his career in Africa and the Middle East, and when the 9/11 attacks happened, he enthusiastically seized a key role in plotting out the immediate U.S. response.

On September 13, 2001—two days after the planes crashed into the World Trade Center and the Pentagon—Black was sitting in the White House Situation Room. The career CIA veteran was there to brief the President on the kind of campaign he had prepared for since joining the agency in 1974 but had been barred from carrying out. After clandestine operations training, Black had been sent to Africa, where he spent the bulk of his CIA career. He worked in Zambia during the Rhodesian War, then Somalia and South Africa during the apartheid regime's brutal war against the black majority. During his time in Zaire, Black worked on the Reagan administration's covert weapons program to arm anticommunist forces in Angola. After two decades in the CIA and a stint in London, Black arrived under diplomatic cover at the U.S. Embassy in Khartoum, Sudan, where he served as CIA Station Chief from 1993 to 1995. There, he watched as a wealthy Saudi named Osama bin Laden built up his international network into what the CIA would describe at the end of Black's tour as "the Ford Foundation of Sunni Islamic terrorism."

During much of the 1990s, agents tracking bin Laden worked under an "Operating Directive" that restricted them to intelligence collection on bin Laden and his network; they did not yet have authorization from the Clinton administration to conduct covert actions. In bin Laden, Black saw a man who was a threat and who needed to be taken out. The administration, however, refused to authorize the type of lethal action against bin Laden and his cronies favored by Black. Some of Black's men were enthusiastic about killing the wealthy Saudi but were rebuffed. "Unfortunately, at that time permissions to kill—officially called Lethal Findings—were taboo in the outfit," according to CIA operative Billy Waugh, who worked closely with Black in Sudan. "In the early 1990s we were forced to adhere to the sanctimonious legal counsel and the do-gooders." Among Waugh's rejected ideas was an alleged plot to kill bin Laden in Khartoum and dump his body at the Iranian Embassy in an effort to pin the blame on Tehran, an idea Waugh said Cofer Black "loved."

But while Black and the CIA watched bin Laden, they, too, were under surveillance. In 1994, bin Laden's group in Khartoum had reportedly determined that Black, who maintained cover as a simple embassy diplomat, was indeed

CIA. In his definitive book on the secret history of the CIA and bin Laden, *Ghost Wars*, Steve Coll wrote that bin Laden's men began to track Black's routes to and from the U.S. Embassy "Black and his case officers picked up this surveillance and started to watch those who were watching them," Coll wrote. "The CIA officers saw that bin Laden's men were setting up a 'kill zone' near the US embassy. They couldn't tell whether the attack was going to be a kidnapping, a car bombing, or an ambush with assault rifles, but they were able to watch bin Laden's group practice the operation on a Khartoum street. As the weeks passed, the surveillance and counter-surveillance grew more and more intense. On one occasion they found themselves in a high-speed chase. On another the CIA officers leveled loaded shotguns at the Arabs who were following them. Eventually Black dispatched the US ambassador to complain to the Sudanese government. Exposed, the plotters retreated." When Black left Khartoum, bin Laden was more powerful than when the veteran spy had arrived; a fact that would help fuel what would become Black's professional obsession for years to come.

Black's greatest triumph in Sudan, therefore, resulted from the capture of an international fugitive whose notoriety long predated bin Laden's. Billy Waugh described how, in Sudan, he was pulled off surveillance of someone who "wasn't much of a big fish at the time"—Osama bin Laden—for "the biggest fish" in December 1993. Waugh described a meeting at the Khartoum Embassy where Black announced their new target: "In this city of one million souls, we would be responsible for finding and fixing none other than Ilich Ramirez Sanchez, the man known far and wide as Carlos the Jackal, the world's most famous terrorist." After the meeting, Waugh recalled, "Cofer Black pulled me aside and said, 'Billy, this is the man. You've got to get this guy.' At that moment, given the gravity evident in his voice, I knew the agency was making this a top priority. . . . I wanted to be the guy who caught this asshole." Carlos was accused of a series of political killings and bombings throughout the 1970s and '80s and, while Cofer Black was in Sudan, was perhaps the most famous wanted man in the world.

Black, Waugh, and the Jackal team caught a break when Carlos called a trusted bodyguard from overseas to keep him out of trouble, after Carlos's guard had been thrown in a Khartoum jail for drunkenly waving a pistol at a local shopkeeper. They were able to ID the new bodyguard and his vehicle when he arrived in Khartoum and eventually traced the Toyota Cressida to the Jackal's home. After months of careful and detailed surveillance from

a rented apartment with a view of his home, the move was made in August 1994. Waugh wrote of entering the CIA station that day, unsure of Carlos's fate: "Immediately, Cofer and the fine lady station manager handed me a glass of champagne. Cofer bellowed, 'Toast, Billy, you sweet son of a bitch. Carlos is in prison in France.'" The arrest of the Jackal secured Cofer Black's legendary status in CIA circles and remains one of his top career bragging points. After Khartoum, Black was named in 1995 as CIA Task Force Chief in the Near East and South Asia Division, continuing his monitoring of bin Laden's network, before a brief stint in 1998 as Deputy Chief of the Agency's Latin America Division. In 1999, Black was awarded a significant promotion, heading up the CIA's Counter-Terrorism Center (CTC).

By the time Black officially took over at CTC, his nemesis, bin Laden, was a household name, publicly accused of masterminding and ordering the 1998 bombings of the U.S. Embassies in Kenya and Tanzania, which killed more than two hundred people, among them twelve U.S. citizens. Bin Laden left Sudan shortly after Black did, allegedly relocating to Afghanistan. Once a name known only in intelligence circles and in the Arab and Muslim world, bin Laden was now on FBI most-wanted posters. Among Black's duties beginning in 1999 was overseeing the special bin Laden unit of the CTC, known as Alec Station—internally referred to as the "Manson family," for its cultlike obsession with "the rising al Qaeda threat." Black dove enthusiastically into planning and overseeing covert operations. "He would make pronouncements that were meant to be dramatic and tough-guy colloquial—to make you think, Oh, my God, this guy's got brass balls, and he knows the score," said Daniel Benjamin, head of the National Security

Council's counterterrorism team in the Clinton administration, in an interview with *Vanity Fair*. "He'd say things like, 'No more screwing around. This is going to get rough, and people are gonna come home in body bags. That's all there is to it. You guys gotta know that: He'd talk about body bags all the time.'"

Shortly after Black officially took over the CTC, the CIA made a damning admission to the White House in early December 1999. "After four years and hundreds of millions of dollars, Alec Station had yet to recruit a single source within bin Laden's growing Afghanistan operation," asserted investigative author James Bamford. "It was more than embarrassing—it was a scandal. . . . It was a dangerous time to be without intelligence. Within days, the 9/11 plotters began their operation." While Black was technically in charge, he had only recently been named to that position, and he would later complain that he and his colleagues within the CTC were not given adequate support to take out bin Laden. "When I started this job in 1999, I thought there was a good chance I was going to be sitting right here in front of you," Black told the 9/11 Commission in April 2004. "The bottom line here, and I have to tell you, and I'll take part of the blame on this, I kind of failed my people despite doing everything I could. We didn't have enough people to do the job. And we didn't have enough money by magnitudes." Black asserted that the CTC "had as many people as three infantry companies [that] can be expected to cover a front of a few kilometers" even though "our counterterrorism center has worldwide responsibilities." Black said that before 9/11, when it came to "numbers of people, finances, and operational flexibility," these were "choices made for us. Made for the CIA and made for my counterterrorism center."

There were indeed budget cuts happening during Black's tenure—in 1999, he faced a 30 percent reduction in the CTC's cash operating budget, including in the bin Laden unit. Some analysts, though, said lack of resources was not the heart of the problem. Rather, they say,

it stemmed from Black and his allies' strong emphasis on paramilitary covert operations over the more tedious work of infiltrating Al Qaeda or bin Laden's circle. In 1999, briefing documents Black's office had prepared for the Clinton White House acknowledged that "without penetrations of [the] UBL organization," the CIA was in trouble. Black's brief said that there was a need "to recruit sources" but added that "recruiting terrorist sources is difficult." What was done (or not) about this problem would be the source of a substantial amount of finger-pointing after 9/11.

In the two years before 9/11, Black's strategy to fight Al Qaeda focused on using Afghanistan's neighbor, Uzbekistan, as a launching pad into Afghanistan. Black clandestinely traveled to the capital of Tashkent and oversaw U.S. funding and training of an Uzbek paramilitary force that would supposedly try to kidnap bin Laden or his deputies through "covert snatch operations." Uzbekistan's dictator, Islam Karimov, was fighting his own war against Islamic groups in the country and was adept at using threats of Islamic rebellion to justify wide-ranging repressive domestic policies, including arresting prodemocracy activists. When the CIA came knocking, Karimov was happy to use the veneer of a war against bin Laden to justify covert military aid from Washington. While the CIA was able to use the country's air bases for some operations and install communications and eavesdropping equipment inside Uzbekistan, the end result of Black's covert U.S. support was that the brutal leader, Karimov, received millions of dollars of CIA money, which he used "to keep his torture chambers running," according to Bamford. "And the commando training would be useful to continue the repression of women and ethnic minorities." Karimov was also known to have political enemies boiled to death; a practice the British ambassador in the country said was "not an isolated incident."

Black also kicked up U.S. covert support for Ahmed Shah Massoud, the "Lion of Panjshir" and his Northern Alliance, which regarded bin Laden and Al Qaeda as enemies. On at least one occasion as CTC director, Black met face to face with Massoud—in Tajikistan in the summer of 2000. Black and his units' heavy reliance on Massoud in confronting Al Qaeda was controversial—even within the intelligence world. Massoud's forces represented an ethnic minority in Afghanistan's complicated landscape and were based in the north, far from bin Laden's main operations. There were also broader concerns. "While one part of the CIA was bankrolling Massoud's group, another part, the CIA's Counter-Narcotics Center, was warning that he posed a great danger," according to Bamford. "His people, they warned, were continuing to smuggle large amounts of opium and heroin into Europe. The British came to the same conclusion." White House counterterrorism expert Richard Clarke opposed the military alliance with Massoud, describing the Northern Alliance as "drug runners" and "human rights abusers." Black, though, told his colleagues that this support was about "preparing the battlefield for World War Three." Massoud would not live to see it, though. He was assassinated, allegedly by Al Qaeda operatives posing as journalists, on September 9, 2001. During this time, Black was also pressing the Air Force to accelerate its production of an unmanned Predator spy drone that could be equipped with Hellfire missiles to launch at bin Laden and his lieutenants.

Some former counterterrorism officials have alleged that during Black's time at CTC, there was more interest in using Al Qaeda to justify building up the bureaucracy of the CIA's covert actions hub, the Directorate of Operations, than the specific task of stopping bin Laden. "Cofer Black, he arrived, and he was the man, he was the pro from the D.O.," said veteran CIA official Michael Scheuer, who headed the bin Laden unit from 1995 to 1999

before Black's appointment. Former counterterrorism czar Richard Clarke told *Vanity Fair*, "There's some truth to the fact that they didn't have enough money, but the interesting thing is that they didn't put any of the money they had into going after al-Qaeda." Clarke alleged, "They would say 'Al-Qaeda, al-Qaeda, al-Qaeda' when they were trying to get money, and then when you gave them money it didn't go to al-Qaeda. They were trying to rebuild the D.O. [Directorate of Operations], and so a lot of it went to D.O. infrastructure, and they would say, 'Well, you can't start by going after al-Qaeda, you have to repair the whole D.O: . . . And what I would say to them is 'Surely there must be a dollar somewhere in C.I.A. that you could re-program into going after al-Qaeda; and they would say 'No.' The other way of saying that is everything else they're doing is more important."

The public blame war over who in the U.S. intelligence community and the Clinton and Bush administrations was responsible for the failure to prevent 9/11 intensified when Bob Woodward's book *State of Denial* was published in September 2006. In it, Woodward detailed a meeting that reportedly took place on July 10, 2001, two months before the 9/11 attacks. Then-CIA Director George J. Tenet met with Black, then head of the CTC, at CIA headquarters. The two men reviewed current U.S. intelligence on bin Laden and Al Qaeda. Black, Woodward reported, "laid out the case, consisting of communications intercepts and other top-secret intelligence showing the increasing likelihood that al-Qaeda would soon attack the United States. It was a mass of fragments and dots that nonetheless made a compelling case, so compelling to Tenet that he decided he and Black should go to the White House immediately." At the time, "Tenet had been having difficulty getting traction on an immediate bin Laden action plan, in part because Defense Secretary Donald H. Rumsfeld had questioned all the National Security Agency intercepts and other intelligence. Could all this be a grand deception? Rumsfeld had asked. Perhaps it was a plan to measure U.S. reactions and defenses." After reviewing the intelligence with Black, Tenet called National Security Adviser Condoleezza Rice from the car en route to the White House. When Black and Tenet met with Rice that day, according to Woodward, they "felt they were not getting through to Rice. She was polite, but they felt the brush-off." Black later said, "The only thing we didn't do was pull the trigger to the gun we were holding to her head."

On August 6, 2001, President Bush was at his Crawford Ranch, where he was delivered a Presidential Daily Brief titled "Bin Ladin Determined to Strike in US." It twice mentioned the possibility that Al Qaeda operatives may try to hijack airplanes, saying FBI information "indicates patterns of suspicious activity in [the U.S.] consistent with preparations for hijackings or other types of attacks, including recent surveillance of federal buildings in New York." Nine days later, Black addressed a secret Pentagon counterterrorism conference. "We're going to be struck soon," Black said. "Many Americans are going to die, and it could be in the U.S."

While the debate on responsibility for 9/11 would continue for years—with Clinton and Bush administration officials hurling stones at one another—it was irrelevant to Cofer Black in the immediate aftermath of the attacks. Black found himself in the driver's seat with a Commander in Chief ready and eager to make Black's covert action dreams a reality. Black had long been frustrated by the restraints and prohibitions governing U.S. covert actions—namely a prohibition against assassinations—and the war on terror had changed the rules of the game overnight. "My personal emotion was, It is now officially started," Black said. "The analogy would be the junkyard dog that had been chained to the ground was now going to be let go. And I just couldn't wait."

In his initial meeting with President Bush after the 9/11 attacks, Black came prepared with a PowerPoint presentation, and he threw papers on the floor as he spoke of deploying forces inside Afghanistan. On September 13, he told Bush point-blank that his men would aim to kill Al Qaeda operatives. "When we're through with them, they will have flies walking across their eyeballs," Black promised, in a performance that would earn him a designation in the inner circle of the administration as "the flies-on-theeyeballs guy." The President reportedly loved Black's style; when he told Bush the operation would not be bloodless, the President said, "Let's go. That's war. That's what we're here to win."

That September, President Bush gave the green light to Black and the CIA to begin inserting special operations forces into Afghanistan. Before the core CIA team, Jawbreaker, deployed on September 27, 2001, Black gave his men direct and macabre directions. "Gentlemen, I want to give you your marching orders, and I want to make them very clear. I have discussed this with the President, and he is in full agreement," Black told covert CIA operative Gary Schroen. "I don't want bin Laden and his thugs captured, I want them dead. . . . They must be killed. I want to see photos of their heads on pikes. I want bin Laden's head shipped back in a box filled with dry ice. I want to be able to show bin Laden's head to the President. I promised him I would do that." Schroen said it was the first time in his thirty-year career he had been ordered to assassinate an adversary rather than attempting a capture. Black asked if he had made himself clear. "Perfectly clear, Cofer," Schroen told him. "I don't know where we'll find dry ice out there in Afghanistan, but I think we can certainly manufacture pikes in the field." Black later explained why this would be necessary. "You'd need some DNA," Black said. "There's a good way to do it. Take a machete, and whack off his head, and you'll get a bucketful of DNA, so you can see it and test it.

It beats lugging the whole body back! "

As the United States plotted its invasion of Afghanistan, Black continued with his apparent fixation with corporal mutilation when he accompanied Colin Powell's deputy, Richard Armitage, to Moscow for meetings with Russian officials. When the Russians, speaking from experience, warned Black of the prospect for a U.S. defeat at the hands of mujahedeen, Black shot back. "We're going to kill them," he said. "We're going to put their heads on sticks. We're going to rock their world." Interestingly, the covert operations Black organized immediately after 9/11 relied heavily on private contractors, answering directly to him, rather than active-duty military forces. Black's men used their contacts to recruit about sixty former Delta Force, exSEALs, and other Special Forces operators as independent contractors for the initial mission, making up the majority of the first Americans into Afghanistan after 9/11.

In late 2001, Black was exactly where he had wanted to be his entire career, playing an essential role in crafting and implementing the Bush administration's counterterror policies. "There was this enormous sense among the officers that had lived in this campaign before Sept. 11 that . . . finally, these lawyers and these cautious decision makers who had gotten in our way before can be overcome, and we can be given the license that we deserve to have had previously," said Steve Coll, author of *Ghost Wars*. Black's CTC rapidly expanded from three hundred staffers to twelve hundred. "It was the Camelot of counterterrorism," a former counterterrorism official told the *Washington Post*. "We didn't have to mess with others—and it was fun." People were abducted from Afghanistan, Pakistan, and other hot spots and flown to the U.S. prison camp at Guantanamo Bay, Cuba—most held without charge for years, designated as enemy combatants and denied



access to any legal system. Others were kept at hellish prison camps inside Afghanistan and other countries. In 2002, Black testified to Congress about the new "operational flexibility" employed in the war on terror. "This is a very highly classified area, but I have to say that all you need to know: There was a before 9/11, and there was an after 9/11," Black said. "After 9/11 the gloves come off."

Black would later brag, in 2004, that "over 70 percent" of Al Qaeda's leadership had been arrested, detained, or killed, and "more than 3,400 of their operatives and supporters have also been detained and put out of an action." As part of this new "operational flexibility," the CIA carried out "extraordinary renditions" of prisoners—shipping them to countries with questionable or blatantly horrible human rights records, where they were sometimes psychologically or physically tortured. The *Washington Post* reported that Black's CTC heavily utilized its "Rendition Group, made up of case officers, paramilitaries, analysts and psychologists. Their job is to figure out how to snatch someone off a city street, or a remote hillside, or a secluded corner of an airport where local authorities wait." According to the *Post's* Dana Priest:

Members of the Rendition Group follow a simple but standard procedure: Dressed head to toe in black, including masks, they blindfold and cut the clothes off their new captives, then administer an enema and sleeping drugs. They outfit detainees in a diaper and jumpsuit for what can be a day-long trip. Their destinations: either a detention facility operated by cooperative countries in the Middle East and Central Asia, including Afghanistan, or one of the CIA's own covert prisons—referred to in classified documents as "black sites," which at various times have been operated in eight countries, including several in Eastern Europe.

The CIA would provide the host countries with questions it wanted answered by the prisoners. One anonymous U.S. official directly involved in rendering captives told the *Post*, "We don't kick the [expletive] out of them. We send them to other countries so they can kick the [expletive] out of them." Another official who supervised the capture and transfer of prisoners told the paper, "If you don't violate someone's human rights some of the time, you probably aren't doing your job," adding, "I don't think we want to be promoting a view of zero tolerance on this. That was the whole problem for a long time with the CIA."

Black played an integral role from the very beginning in the use of "extraordinary renditions" in the war on terror, beginning in November 2001 when the United States captured alleged Al Qaeda trainer Ibn al-Shayk al-Libi. New York-based FBI agent Jack Cloonan felt that Libi could be a valuable witness against Zacarias Moussaoui and alleged would-be shoe bomber Richard Reid, both of whom had trained at the Khalden camp Libi allegedly ran. Cloonan told FBI agents to "handle this like it was being done right here, in my office in New York." He said, "I remember talking on a secure line to them. I told them, 'Do yourself a favor, read the guy his rights. It may be old-fashioned, but this will come out if we don't. It may take ten years, but it will hurt you, and the bureau's reputation, if you don't. Have it stand as a shining example of what we feel is right.'" But that didn't sit well with the CIA, which felt it could get more information out of Libi using other methods. Invoking promises of wider post-9/11 latitude in questioning suspects, the CIA Afghanistan station chief asked Black, then counterterrorism chief, to arrange for the agency to take control of Libi. Black in turn asked CIA Director George Tenet, who got permission for the rendition from the White House over the objections of FBI Director Robert Mueller.

The White House, meanwhile, had its lawyers feverishly working to develop legal

justifications for these ultraviolent policies. It "formally" told the CIA it couldn't be prosecuted for "torture lite" techniques that did not result in "organ failure" or "death." Black had quickly earned an insider's pass to the White House after 9/11, and his former colleagues said he would return from meetings at 1600 Pennsylvania Ave. "inspired and talking in missionary terms."

A year later, with Osama bin Laden still at large, releasing videotaped messages and praising anti-U.S. resistance, Cofer Black abruptly left the CIA. Some charged that Defense Secretary Donald Rumsfeld had him fired after Black allegedly served as a "deep background" source for a *Washington Post* story published on April 17, 2002, that described how the Pentagon allegedly allowed bin Laden to escape after being injured at Tora Bora in Afghanistan. In its lead paragraph, the paper called it the administration's "gravest error in the war against al Qaeda." A month later, buried within another *Post* story on May 19, came this announcement: "In other developments yesterday, CIA officials said Cofer Black, head of the agency's Counterterrorism Center for the past three years, has been assigned to another position. They described the move as part of normal turnover at the agency." The UPI news agency later interviewed former CIA officials, one of whom said, "Black was fired. He was kicked out." The news agency also reported, "Not only was Black fired, but he was barred from entering CIA headquarters. That's standard procedure if you've been fired, former CIA Iraq analyst Judith Yaphe told UPI. Humiliated, Black was restricted to an agency satellite location at Tysons Corner, which separated him from old, trusted colleagues and the comfort of familiar surroundings." Black, however, was not yet finished in government and clearly retained friends in high places. On October 10, 2002, President Bush appointed him as his coordinator for counterterrorism, with the rank of at-large ambassador at the State Department.

Shortly after assuming his new post, Black spoke to a group of Egyptian journalists via satellite from Cairo, where he was pressed on several of the administration's new "war on terror" policies. "I have been to Guantanamo," Black told them. "I must say that I have been very well pleased. I mean, you know, you and I would be very lucky to be housed that way by our enemies." It wouldn't take long for controversy to hit him.

During the 2003 State of the Union address, President Bush declared, "Tonight, I am instructing the leaders of the FBI, the CIA, the Homeland Security, and the Department of Defense to develop a Terrorist Threat Integration Center, to merge and analyze all threat information in a single location. Our government must have the very best information possible." As part of this mission, Black was to coordinate the government's annual report on "Patterns of Global Terrorism," which would serve as a report card of sorts for how the administration's "war on terror" was progressing. A few months later, on April 30, 2003, Black released the report and claimed that 2002 had seen "the lowest level of terrorism in more than 30 years." While there was little public scrutiny of the statement at the time, that would not be the case when Black released the report a year later and made an almost identical claim.

On April 29, 2004, with anti-U.S. resistance in Iraq exploding, Black and Deputy Secretary of State Armitage unveiled "Patterns of Global Terrorism 2003," boldly claiming it showed that the United States was winning its loosely defined war on terror. "You will find in these pages clear evidence that we are prevailing in the fight," said Armitage. The report, he said, was prepared "so that all Americans will know just what we are doing to keep them safe." For his part, Black said that 2003 "saw the lowest number of international

terrorist attacks since 1969. That's a 34-year low. There were 190 acts of international terrorism in 2003. That's a slight decrease from the 198 attacks that occurred the previous year, and a drop of 45 percent from the 2001 level of 346 attacks." For the White House, the report was held up as clear evidence of a successful strategy; after all, the Congressional Research Service called the State Department's annual report "the most authoritative unclassified U.S. government document that assesses terrorist attacks."

The trouble was, it was a fraud. Congressional investigators and independent scientists soon revealed the truth. "The data that the report highlights are ill-defined and subject to manipulation—and give disproportionate weight to the least important terrorist acts," wrote Alan Krueger and David Laitin, two independent experts, from Princeton and Stanford, in the *Washington Post* shortly after the report was released. "The only verifiable information in the annual reports indicates that the number of terrorist events has risen each year since 2001, and in 2003 reached its highest level in more than 20 years. ... The alleged decline in terrorism in 2003 was entirely a result of a decline in nonsignificant events." Instead of a 4 percent decrease in terrorist acts, as Black's report claimed, there had actually been a 5 percent *increase*. Attacks classified as "significant," meanwhile, hit the highest level since 1982. What's more, the report stopped its tally on November 11, 2003, even though there were a number of major terrorist incidents after that date. Despite the fact that in speeches, U.S. officials routinely referred to resistance fighters in Iraq and Afghanistan as "terrorists," in Black's report attacks on forces in Iraq were classified as combat, not terrorism. Black said they "do not meet the longstanding U.S. definition of international terrorism because they were directed at [combatants], essentially American and coalition forces on duty." California Democratic Representative Ellen Tauscher later said this was evidence that the administration "continues to deny the true cost of the war and refuses to be honest with the American people."

On May 17, 2004, in a letter to Black's direct supervisor, Secretary of State Colin Powell, California Democratic Representative Henry Waxman, the ranking member of the House Government Reform Committee, blasted the report, saying its conclusions were based on a "manipulation of the data" that "serve the Administration's political interests. . . . Simply put, it is deplorable that the State Department report would claim that terrorism attacks are decreasing when in fact significant terrorist activity is at a 20-year high."

"The erroneous good news on terrorism also came at a very convenient moment," wrote *New York Times* columnist Paul Krugman. "The White House was still reeling from the revelations of the former counterterrorism chief Richard Clarke, who finally gave public voice to the view of many intelligence insiders that the Bush administration is doing a terrible job of fighting Al Qaeda. Meanwhile, Bush was on a 'Winning the War on Terror' campaign bus tour in the Midwest." By June, the White House was forced to issue a major correction of the report, acknowledging there had actually been a significant *increase* in terror attacks since the launch of Bush's "war on terror." The revised report said that 3,646 people were wounded by terror attacks in 2003, more than double the number in Black's original report, while 625 were killed, dwarfing the report's original count of 307. As Krugman observed, Black and other officials blamed the errors on inattention, personnel shortages and [a] database that is awkward and antiquated. Remember: we're talking about the government's central clearinghouse for terrorism information, whose creation was touted as part of a 'dramatic enhancement' of counterterrorism efforts more than a year before this report was produced. And it still can't input data into its own computers? It should be no surprise, in this age of Halliburton, that the job of data input was given to and botched by private contractors."

Bush's Democratic challenger in the 2004 presidential election, John Kerry, charged through a spokesperson that Bush was "playing fast and loose with the truth when it comes to the war on terror," adding that the White House "has now been caught trying to inflate its success on terrorism." There was talk of heads rolling at the State Department over the report, but not Black's. "It was an honest mistake," Black claimed, "not a deliberate deception."

Despite the controversy, the State Department post allowed Black to remain at the center of United States counterterror policy. Black worked directly under Colin Powell, with whom he reportedly shared a common adversary within the administration—Donald Rumsfeld. As the Pentagon attempted to change U.S. policy after 9/11 to allow the military to insert Special Operations forces into countries without approval from the U.S. ambassador or CIA mission chief, Black became the point person in thwarting Rumsfeld's plan. "I gave Cofer specific instructions to dismount, kill the horses and fight on foot—this is not going to happen," Powell's deputy Richard Armitage, told the *Washington Post*, describing how he and others had stopped a half dozen Pentagon attempts to weaken chief-of-mission authority. (Interestingly, Black, Armitage, and Powell all resigned within two weeks of one another in November 2004 after Bush's reelection, while Rumsfeld continued on for another two years.)

Among Black's other duties in his new post was coordinating security for the 2004 Olympics in Greece. He traveled to Athens and oversaw the training of more than thirteen hundred Greek security personnel under the U.S. Anti-Terrorism Assistance (ATA) program. More than two hundred of those trained were instructed in handling underwater explosives and responding to possible WMD attacks. Blackwater was awarded a contract for an undisclosed amount of money in 2003 to train "special security teams" in advance of the international games. The company denied there was anything untoward about that contract and that Black's subsequent hiring was unrelated.

On April 1, 2004, a day after the Blackwater Fallujah ambush, Black was testifying before the House Committee on International Relations in a hearing on "The Al Qaeda Threat" when he made his first public comments about Blackwater. "I can't tell you how sad we all are to see that. And this takes me back; I have seen these things before," he said. "I think since it specifically happened in the Fallujah area, which is very Saddam Hussein-oriented, tribally oriented, they do see us as the enemy, and their natural inclination, until we prove them otherwise, is to vent their frustration, what they see as their humiliation and defeat against an outside force, against representatives of that entity. It's not that uncommon." Black continued, "The people that did this were not, you know, three guys, you know, on an excellent adventure. You know, these are people that have had the training, have a vested interest." Asked about "any relationship you see between Al Qaeda and that kind of Islamic terrorism" evidenced in Fallujah, Black responded, "I think it is, from our perspective, it's associated, it's in proximity. There's not, specifically, a direct tie between that crowd and Al Qaeda as we know it. They just find themselves with the enemy of my enemy is my friend..

The next month, Black was giving a keynote dinner address at Blackwater's World SWAT Challenge. In a mass e-mail announcing the speech, Blackwater president Gary Jackson wrote, "Dinner on Thursday night at Waterside has a fantastic guest speaker in Ambassador Cofer Black. Ambassador Black's responsibilities include coordinating U.S. Government efforts to improve counterterrorism cooperation with foreign governments, including the policy and planning of the Department's Antiterrorism Training Assistance Program."

In late 2004, two months before the U.S. presidential election, Black grabbed headlines after claiming on Pakistani television that the United States was near to capturing bin Laden. "If he has a watch, he should be looking at it because the clock is ticking," Black declared. "He will be caught." These bold declarations were controversial and quickly put senior White House and Pakistani officials on the defensive in the media. In November 2004, Black resigned his State Department post, he said, to explore new professional opportunities. "He thought it would be a good time between administrations to go," said State Department spokesperson Adam Ereli. "He has a number of offers in the private sector, and he's going to take some time to think about them."

For a brief moment after 9/11, Cofer Black had helped run an unprecedented covert war that some officials had salivated for their entire careers. That now was history as human rights groups and lawyers worked feverishly to dismantle the shadowy system Black had worked so diligently to build. In 2005, he was targeted for sanction, along with George Tenet and another CIA official, by the agency's Inspector General (IG) for bearing responsibility in the 9/11 intelligence failure. The Bush Administration, however, worried that Tenet would retaliate and embarrass the White House by revealing damning information, buried the IG's report, saving Black in the process.

Congressional Democrats would later use Black's covert program as evidence that the Administration had "outsourced" the job of hunting bin Laden. But while his work as a government official may have ended, Black found a gold mine of opportunity in the dramatically expanding world of private military, intelligence, and security contracting—where human rights oversight was optional at best. On February 4, 2005, Blackwater USA officially announced that it had hired Black as the company's vice chairman.

"Ambassador Black brings with him thirty years of experience in combating terrorism around the globe and absolute devotion to freedom and democracy and the United States of America," said Erik Prince. "We are honored to have him as part of our great team."

For Blackwater, hiring Cofer Black was an unbelievable score. In marketing terms, it would be almost impossible to rival. The company moved swiftly to use him as a brand in and of himself. In August 2005, Black incorporated his own "consulting" practice, The Black Group, which would specialize in executive protection and security. "The 9/11 attacks were designed to damage the economy of the United States," Black said in a statement on his Web site. "To successfully inflict the greatest possible harm, terrorists will target the lifeblood of a nation: its economy. For that reason, Fortune 500 companies are especially attractive targets as governments continue to emphasize Homeland Security. We seek to anticipate and defeat the next terrorist tactic—disruptions of supply chains, coordinated attacks on key assets or customers, or even assassinations of top executives. Corporations are the most vulnerable targets. It's our job to keep them safe." The Black Group boasted, "With leadership drawn from the Executive Branch of the United States Government, The Black Group has the practical experience and the network to mitigate any security issue. Ensure the security of your people and your assets."

On The Black Group's Web site, various images of potential targets flash on the screen: a crowd gathered at the Mall in Washington, D.C., a power plant, a man in a suit using a device to inspect the bottom of a car in an underground garage, a Wall Street sign. On the contact page, the other main figure listed on the site is Francis McLennand, another career CIA officer, who worked alongside Black at the agency. The contact phone number for the company was the same number used by Erik Prince's "Prince Group" in McLean, Virginia, not

far from the CIA Counterterrorism Center Black once headed.

Few other Americans had their hands as deeply into the inner workings of U.S. covert operations in the post-9/11 world as Cofer Black. He soon would begin acting as a godfather of sorts to the mercenary community as it refined its rebranding campaign. Potential Blackwater clients could now assume they were getting direct access to the resources of the CIA and intelligence world from "a leadership team drawn from senior levels of the United States government"—something few other private firms could boast or imply. Black was a heavy hitter among the heaviest of them, the man who caught Carlos the Jackal and brought down the Taliban. He would soon take the lead in promoting Blackwater as a privatized peacekeeping force that could deploy at a moment's notice in places like Darfur, Sudan, or domestically in U.S. Homeland Security operations. Other influential ex-government officials would soon join him at Blackwater as the company turned its sights on lucrative disaster contracting in the United States in the wake of Hurricane Katrina in late 2005. But just as Black was rolling up his sleeves in his fancy new digs, more Blackwater men were dying in Iraq in what would be the deadliest days to date for the company.

## DEATH SQUADS, MERCENARIES AND THE "SALVADOR OPTION"

**WHEN PAUL** Bremer skulked out of Iraq on June 28, 2004, he left behind a violent, chaotic mess that the White House called "a free and sovereign" Iraq. Just how unstable the country was when Bremer departed was evident in the fact that he actually had to stage an exit in one plane for the press and then fly out of Baghdad in another to "get me out of here . . . preferably in one piece." In real terms, this "sovereignty," which President Bush described as "the Iraqi people hav[ing] their country back," was a way to set the stage for U.S. officials to blame the puppet government in Baghdad for the worsening American-made disaster. When Bremer's secret flight fled Iraq, anti-U.S. attacks were increasing by the day as more mercenaries poured into the country—now officially operating with immunity. In the meantime, more Iraqi factions began arming militias, and talk of civil war began drowning out that of a united resistance to the U.S. occupation. It was in the midst of these developments that Bremer's successor arrived on the ground in Baghdad.

Ambassador John Negroponte was certainly no stranger to wanton bloodletting and death-squad-style operations, having cut his teeth working under Henry Kissinger during the Vietnam War. Beginning in 1981, Negroponte was the Reagan administration's point man in fueling death squads in Central America. As ambassador to Honduras, Negroponte had presided over the second largest embassy in Latin America at the time and the largest CIA station in the world. From that post, Negroponte had coordinated Washington's covert support for the Contra death squads in Nicaragua and for the Honduran junta, covering up the crimes of its murderous Battalion 316. During Negroponte's tenure in Honduras, U.S. officials who worked under him said the State Department human rights reports on the country were drafted to read more like Norway's than anything reflecting the actual reality in Honduras. Negroponte's predecessor in Honduras, Ambassador Jack R. Binns, told the *New*

*York Times* that Negroponte had discouraged reporting to Washington of abductions, torture, and killings by notorious Honduran military units. "I think [Negroponte] was complicit in abuses, I think he tried to put a lid on reporting abuses and I think he was untruthful to Congress about those activities," Binns said. The *Wall Street Journal* reported that in Honduras, "Negroponte's influence, backed by huge amounts of U.S. aid, was so great that it was said he far outweighed the country's president and that his only real rival was Honduras's military chief." He was "such a powerful ambassador in Honduras in the early 1980s that he was known as 'the proconsul; a title given to powerful administrators in colonial times,'" the *Journal* noted in a story published shortly after Negroponte's nomination to the Iraq post. "Now President Bush has chosen him to reprise that role in Iraq."

Perhaps there was little irony, then, that shortly after Negroponte's appointment as ambassador to Iraq, in April 2004, the Honduran government announced it was pulling its 370 troops out of the "coalition of the willing." Despite Negroponte's well-documented record of involvement with a policy of horrible human rights abuses and killings, his confirmation as ambassador to Iraq went smoothly—he was approved by the Senate in a 95-3 vote on May 6, 2004. Senator Tom Harkin, who as a Congressman in the 1980s had investigated Negroponte's activities in Central America, said he wished he had done more to stop Negroponte's appointment. "I've been amazed at how this individual—from what he did in Central America, where under his watch hundreds of people disappeared—has moved up. He falsified reports and ignored what was happening," Harkin said. "This is going to be our ambassador to Iraq at this time?"

Negroponte was guarded by Blackwater's forces upon his arrival in Baghdad in June and as he stepped up the development of the largest U.S. Embassy in the world—overseeing an estimated staff of thirty-seven hundred, including twenty-five hundred security personnel, "a unit only slightly smaller than a full Marine Corps regiment." In an echo of his time in Honduras, the Baghdad Embassy would house some five hundred CIA operatives. At the same time, Blackwater had just been awarded a vaunted diplomatic security contract worth hundreds of millions of dollars. But it wasn't just American private armies that were making their mark in Iraq. In addition to the mercenary companies increasingly being employed by the occupation forces and reconstruction industry, there was also a sharp rise in death-squad-style activities in the country in the months directly following the brief joint uprising of Shiites and Sunnis in March/April 2004.

Six months after Negroponte arrived, on January 8, 2005, *Newsweek* reported that the United States was employing a new approach to defeating the insurgency in Iraq, one that harkened back to Negroponte's previous dirty work two decades earlier. It was called "the Salvador option," which "dates back to a still-secret strategy in the Reagan administration's battle against the leftist guerrilla insurgency in El Salvador in the early 1980s. Then, faced with a losing war against Salvadoran rebels, the U.S. government funded or supported 'nationalist' forces that allegedly included so-called death squads directed to hunt down and kill rebel leaders and sympathizers." The idea seemed to be that the United States would seek to use Iraqi death squads to hunt anti-occupation insurgents, while at the same time siphoning resources from the resistance and encouraging sectarian fighting. While Rumsfeld called the *Newsweek* report (which he admitted to not having read) "nonsense," the situation on the ground painted a different picture.

By February 2005, the *Wall Street Journal* reported from Baghdad that about fifty-seven thousand Iraqi soldiers were operating in "planned units" that were "the result of careful



preparation this summer between the U.S. and Iraqi commanders." At the same time, the country saw the emergence of militias "commanded by friends and relatives of [Iraqi] cabinet officers and tribal sheiks—[they] go by names like the Defenders of Baghdad, the Special Police Commandos, the Defenders of Khadamiya and the Amarah Brigade. The new units generally have the backing of the Iraqi government and receive government funding. . . . Some Americans consider them a welcome addition to the fight against the insurgency—though others worry about the risks." U.S. commanders referred to them as "pop-up" units and estimated they numbered fifteen thousand fighters. "I've begun calling them 'Irregular Iraqi ministry-directed brigades,'" said Maj. Chris Wales, who was tasked in January 2005 with identifying the units. The *Wall Street Journal* identified at least six of these militias, one with "several thousand soldiers" lavishly armed with "rocket-propelled-grenade launchers, mortar tubes and lots of ammunition." One militia, the "Special Police Commandos," was founded by Gen. Adnan Thabit, who took part in the failed 1996 coup plot against Saddam Hussein. Lt. Gen. David Petraeus, who in 2005 was "overseeing the massive U.S. effort to help train and equip Iraqi military units," told the *Journal* he gave Thabit's unit funding to fix up its base and buy vehicles, ammunition, radios, and more weapons. "I decided this was a horse to back," Petraeus said.

Upon his arrival in Baghdad, Negroponte joined up with other U.S. officials who were veterans of the U.S. "dirty wars" in Central America—among them Bremer's ex-deputy, James Steele, who had been one of the key U.S. military officials managing Washington's brutal "counterinsurgency" campaign in El Salvador in the 1980s. "The template for Iraq today is not Vietnam, to which it has often been compared, but El Salvador, where a right-wing government backed by the United States fought a leftist insurgency in a 12-year war beginning in 1980," wrote journalist Peter Maass at the time in *The New York Times Magazine*:

The cost was high—more than 70,000 people were killed, most of them civilians, in a country with a population of just six million. Most of the killing and torturing was done by the army and the right-wing death squads affiliated with it. According to an Amnesty International report in 2001, violations committed by the army and its associated paramilitaries included "extrajudicial executions, other unlawful killings, 'disappearances' and torture. . . . Whole villages were targeted by the armed forces and their inhabitants massacred." As part of President Reagan's policy of supporting anti-Communist forces, hundreds of millions of dollars in United States aid was funneled to the Salvadoran Army, and a team of 55 Special Forces advisers, led for several years by Jim Steele, trained front-line battalions that were accused of significant human rights abuses. There are far more Americans in Iraq today—some 140,000 troops in all—than there were in El Salvador, but U.S. soldiers and officers are increasingly moving to a Salvador-style advisory role. In the process, they are backing up local forces that, like the military in El Salvador, do not shy away from violence. It is no coincidence that this new strategy is most visible in a paramilitary unit that has Steele as its main adviser; having been a key participant in the Salvador conflict, Steele knows how to organize a counterinsurgency campaign that is led by local forces. He is not the only American in Iraq with such experience: the senior U.S. adviser in the Ministry of Interior, which has operational control over the commandos, is Steve Casteel, a former top official in the Drug Enforcement Administration who spent much of his professional life immersed in the drug wars of Latin America. Casteel worked alongside local forces in Peru, Bolivia and Colombia.

*Newsweek* described the "Salvador option" in Iraq as the United States using "Special Forces teams to advise, support and possibly train Iraqi squads, most likely hand-picked Kurdish Peshmerga fighters and Shiite militiamen, to target Sunni insurgents and their sympathizers." The magazine also reported that then-interim Prime Minister Ayad Allawi "is said to be among the most forthright proponents of the Salvador option." This was interesting, given that the *New York Times* reported, "Negroponte had taken a low-key approach, choosing to remain in the shadows in deference to Ayad Allawi."

Though allegations that the United States was engaged in Salvador-type operations in Iraq predate Negroponte's tenure in Baghdad, they did seem to intensify significantly once he arrived. As early as January 2004, journalist Robert Dreyfuss reported on the existence of a covert U.S. program in Iraq that resembled "the CIA's Phoenix assassination program in Vietnam, Latin America's death squads or Israel's official policy of targeted murders of Palestinian activists." The United States, Dreyfuss reported, had established a \$3 billion "black" fund hidden within the \$87 billion Iraq appropriation approved by Congress in November 2003. The money would be used to create "a paramilitary unit manned by militiamen associated with former Iraqi exile groups. Experts say it could lead to a wave of extrajudicial killings, not only of armed rebels but of nationalists, other opponents of the U.S. occupation and thousands of civilian Baathists." The former CIA chief of counterterrorism, Vincent Cannistraro, said U.S. forces in Iraq were working with key members of Saddam Hussein's defunct intelligence apparatus. "They're setting up little teams of Seals and Special Forces with teams of Iraqis, working with people who were former senior Iraqi intelligence people, to do these things," Cannistraro said. "The big money would be for standing up an Iraqi secret police to liquidate the resistance," said John Pike, an expert on covert military budgets. "And it has to be politically loyal to the United States."

Veteran journalist Allan Nairn, who exposed U.S.-backed death squads in Central America in the 1980s, said whether Negroponte was involved with the "Salvador option" in Iraq or not, "These programs, which backed the killing of foreign civilians, it's a regular part of U.S. policy. It's ingrained in U.S. policy in dozens upon dozens of countries." Duane Clarridge, who ran the CIA's "covert war against communism in Central America from Honduras," visited his old colleague Negroponte in Baghdad in the summer of 2004. In Iraq, "[Negroponte] was told to play a low-key role and let the Iraqis be out front," Clarridge told the *New York Times*. "And that's what he likes to do, anyway." According to the *Times*, "Negroponte shifted more than \$1 billion to build up the Iraqi Army from reconstruction projects, a move prompted by his experience with the frailty of the South Vietnamese Army."

Negroponte called the connection of his name to the "Salvador option" in Iraq "utterly gratuitous." But human rights advocates who closely monitored his career said the rise in death-squad-type activity in Iraq during Negroponte's tenure in Baghdad was impossible to overlook. "What we're seeing is that the U.S. military is losing the war [in Iraq], and so the Salvador option was really a policy of death squads," said Andres Contreras, Latin American program director of the human rights group Non-violence International. "It's no coincidence that Negroponte, having been the Ambassador in Honduras, where he was very much engaged in this kind of support for death squads, was the Ambassador in Iraq, and this is the kind of policy that was starting to be implemented there, which is not just going after the resistance itself but targeting for repression and torture and assassination the

underlying support base, the family members, and those in the communities where the resistance is. These kinds of policies are war crimes."

Negroponte's time in Iraq was short-lived—on February 17, 2005, President Bush nominated him as the first Director of National Intelligence. Some would say Negroponte had a job to do in Iraq, he did it, and then left. By May of that year, he was back in the United States, while reports increasingly appeared describing an increase in death-squad-style activity in Iraq. "Shiite and Kurdish militias, often operating as part of Iraqi government security forces, have carried out a wave of abductions, assassinations and other acts of intimidation, consolidating their control over territory across northern and southern Iraq and deepening the country's divide along ethnic and sectarian lines," the *Washington Post* reported a few months after Negroponte left Iraq. "In 2005, we saw numerous instances where the behavior of death squads was very similar, uncannily similar to that we had observed in other countries, including El Salvador," said John Pace, a forty-year United Nations diplomat who served as the Human Rights Chief for the UN Assistance Mission in Iraq during Negroponte's time in the country. "They first started as a kind of militia, sort of organized armed groups, which were the military wing of various factions." Eventually, he said, "Many of them [were] actually acting as official police agents as a part of the Ministry of Interior. . . . You have these militias now with police gear and under police insignia basically carrying out an agenda which really is not in the interest of the country as a whole. They have roadblocks in Baghdad and other areas, they would kidnap other people. They have been very closely linked with numerous mass executions."

Shortly before Negroponte left Iraq, former chief UN weapons inspector Scott Ritter predicted that "the Salvador Option will serve as the impetus for all-out civil war. In the same manner that the CPA-backed assassination of Baathists prompted the restructuring and strengthening of the Sunni-led resistance, any effort by US-backed Kurdish and Shia assassination teams to target Sunni resistance leaders will remove all impediments for a general outbreak of ethnic and religious warfare in Iraq. It is hard as an American to support the failure of American military operations in Iraq. Such failure will bring with it the death and wounding of many American service members, and many more Iraqis." Ritter's vision would appear prophetic in the ensuing months, as Iraq was hit with an unprecedented and sustained level of violence many began describing as an all-out civil war.

In October 2005, correspondent Tom Lasseter from the Knight Ridder news agency spent a week on patrol with "a crack unit of the Iraqi army—the 4,500-member 1st Brigade of the 6th Iraqi Division." He reported, "Instead of rising above the ethnic tension that's tearing their nation apart, the mostly Shiite troops are preparing for, if not already fighting, a civil war against the minority Sunni population." The unit was responsible for security in Sunni areas of Baghdad, and Lasseter reported that "they're seeking revenge against the Sunnis who oppressed them during Saddam Hussein's rule." He quoted Shiite Army Maj. Swadi Ghilan saying he wanted to kill most Sunnis in Iraq. "There are two Iraqs; it's something that we can no longer deny," Ghilan said. "The army should execute the Sunnis in their neighborhoods so that all of them can see what happens, so that all of them learn their lesson."

Lasseter reported that many of the Shiite officers and soldiers said they "want a permanent, Shiite-dominated government that will finally allow them to steamroll much of the Sunni minority, some 20 percent of the nation and the backbone of the insurgency." Lasseter described the First Brigade, which was held up by U.S. commanders as a

template for the future of Iraq's military, like this: "They look and operate less like an Iraqi national army unit and more like a Shiite militia." Another officer, Sgt. Ahmed Sabri, said, "Just let us have our constitution and elections . . . and then we will do what Saddam did—start with five people from each neighborhood and kill them in the streets and then go from there." By November 2006 an estimated one thousand Iraqis were being killed every week", and the Iraqi death toll had passed an estimated six hundred thousand people since the March 2003 invasion.

In retrospect, if one stepped back from the various substories playing out on the ground in Iraq in 2005, the big-picture reality was that the country was quickly becoming the global epicenter of privatized warfare with scores of heavily armed groups of various loyalties and agendas roaming Iraq. In addition to the U.S.-backed death squads, operating with some claim to legitimacy within the U.S.-installed system in Baghdad, there were the private antioccupation militias of various Shiite leaders, such as Muqtada alSadr, and the resistance movements of Sunni factions, largely comprised of ex-military officials and soldiers, as well as Al Qaeda-backed militias. The Bush administration made it a policy to denounce *certain* militias. "In a free Iraq, former militia members must shift their loyalty to the national government, and learn to operate under the rule of law," Bush declared. Yet at the top of this militia pyramid were the official mercenaries Washington had imported to Iraq—the private military companies, of which Blackwater was the industry leader. While calling for the dismantling of some *Iraqi* militias, the United States openly permitted its own pro-occupation mercenaries to operate above the law in Iraq.

### **"There Continues to Be the Need for This Kind of Security"**

At the end of Negroponte's time in Baghdad, with militia violence on the rise, Blackwater's forces once again grabbed headlines in what would beat the time—the deadliest incident the company acknowledged publicly in Iraq. On April 21, 2005, the day Negroponte was confirmed to his new position as Director of National Intelligence in Washington, some of his former bodyguards were dying in Iraq. That day, a Bulgarian-operated Mi-8 helicopter on contract with Blackwater was flying from the Green Zone to Saddam Hussein's hometown of Tikrit. On board were six American Blackwater troops on contract with the U.S. government's Bureau of Diplomatic Security. With them were three Bulgarian crew members and two Fijian mercenaries. A day before they left, one of the Blackwater men, twenty-nine-year-old Jason Obert of Colorado, had called his wife, Jessica. He "told me that he was going to be sent on a mission. He had a bad feeling about it," she recalled. "I begged him not to go. I just told him just to come home. But he would never quit; that's not him." Jessica Obert said her husband did not tell her the nature of the mission. Like many who signed up for work with Blackwater in Iraq, Jason Obert viewed it as a chance to build a nest egg for his wife and their two young sons. In February 2005, he quit his job as a police officer and signed up with Blackwater. "The financial gain was incredible," said Lt. Robert King, Obert's former boss at the El Paso County Sheriffs Department. "He had communicated to me and several other people that he would do one year, and his children and his wife would be taken care of. Their college education would be funded, houses paid off." The day after he told his wife about his "bad feelings," he boarded the Mi-8 helicopter with his Blackwater colleagues, the Fijians, and the Bulgarian crew.

At about 1:45 in the afternoon, as the helicopter buzzed toward Tikrit, it passed near the Tigris River town of Tarmiya, a small community of Sunni Muslims twelve miles north of

Baghdad. The pilots were flying the craft low to the ground, a common military tactic to thwart potential attackers. On an elevated plain nearby stood an Iraqi who reportedly had been waiting three days for an occupation aircraft to come close enough so that he could carry out his mission. When the chopper whizzed within range, the Iraqi fired off a Soviet-made Strela heat-seeking missile and directly hit the helicopter, setting it ablaze as it crashed into the flat desert. The attacker and his comrades filmed the attack and kept the cameras rolling as they jogged toward the crash site. On their video, they can be heard out of breath repeating the chant "Allah-u-Akbar! Allah-u-Akbar!" When they arrive at the site, helicopter parts are spread across the open field and several small fires continue to burn. A badly charred body of one of the dead men lies on the ground with one arm raised in an L shape as though cowering from some form of attack. "Look at this filth," says one of the attackers. "See if there are any Americans left."

The attackers continue to explore the remains of the helicopter when they come across the Bulgarian pilot, Lyubomir Kostov, in a dark blue flight suit lying in a patch of tall grass. One of the men, realizing Kostov is still alive, shouts in Arabic and English, "Any weapons?" The camera pans to the pilot as he winces in pain. "Stand up! Stand up!" one of the attackers shouts in accented English. "I can't," replies the pilot. Motioning to his right leg, Kostov tells them, "I can't, it's broken. Give me a hand." One of the attackers replies, "Come here, come here," as he helps Kostov to his feet. "Go! Go!" someone shouts at the pilot. Kostov turns around and begins to limp away with his back to the camera. As he hobbles forward, Kostov turns his head around and puts his hand up as though to say, "Stop!" when someone suddenly yells, "Carry out God's judgment." The attackers, shouting "Allah-u-Akbar," open fire on Kostov, filming the execution as they pump eighteen bullets into his body, continuing to shoot the pilot even after he has fallen.

Within two hours, a group identifying itself as the Islamic Army in Iraq provided the video to Al Jazeera, which broadcast it. "Heroes of the Islamic Army downed a transport aircraft belonging to the army of the infidels and killed its crew and those on board," the group said in a written statement that accompanied the video. "One of the crew members was captured and killed." The group said it had executed the surviving pilot "in revenge for the Muslims who have been killed in cold blood in the mosques of tireless Fallujah before the eyes of the world and on television screens, without anyone condemning them." The statement was interpreted as a reference to the apparent execution by a U.S. soldier of a wounded Iraqi in a Fallujah mosque in November 2004 (which was caught on tape) during the second U.S. assault on the city.

In a statement released shortly after the helicopter was shot down, Blackwater said the "Six were passengers in a commercial helicopter operated by Sky Link under contract to Blackwater in support of a Department of Defense contract." Despite its obvious military use, media reports overwhelmingly referred to the helicopter as a "civilian" or "commercial" aircraft. Reporters at the Pentagon, meanwhile, began reporting that "these commercial aircraft fly without the type of air protective measures that military aircraft fly with." Shortly after the helicopter was downed, retired U.S. Air Force Maj. Gen. Don Shepperd, who once headed the Air National Guard, told CNN, "All of the airplanes over there, if possible, should have infrared countermeasures and flares to protect themselves against shoulder-fired missiles, which are the biggest threat to low-flying helicopters. . . . Once an infrared shoulder-fired missile is fired at you, you can confuse it and divert either with flares or with sophisticated maneuvers." Shepperd added, "All those protect you." At the

Pentagon press briefing after the shoot-down, a reporter asked spokesman Larry Di Rita about the apparent lack of these "countermeasures" on the Blackwater-contracted helicopter:

REPORTER: The Department of Defense is contracting these folks. Are there any sort of restrictions that you have to force these contractors to make sure that the private individuals who are doing work on behalf of DOD have the same sort of protections that uniformed service members are getting? And shouldn't somebody who is doing the work of the Department of Defense, same mission, just because they're getting their paycheck from somewhere else, have the same— enjoy the same protections that somebody in a uniform would be?

DI RITA: I'm not sure that that premise is the basis on which people operate over there. In other words, there are contractors who assume a certain amount of risk. Everybody over there is—no, I don't say everybody—there are a number of contractors to the U.S. military, to the Department of Defense, some to the Department of State, and they assume a certain risk by being over there. And I wouldn't want to characterize exactly what status this particular—obviously we mourn the loss of life, and I'm sure that the contractor would have taken all of the appropriate precautions. I mean, I think that's what—they have the same regard for their employees as we do for our forces. But I can't say that that necessarily means they're going to be on the same status. I just don't think that's the case.

REPORTER: They have the same countermeasures. Shouldn't they have the same protective gear, shouldn't they have the same kind of ballistic gear, shouldn't they have the same—

DI RITA: As I said, I think contractors recognize the environment that they're operating in. It's like they're around the world, and they make appropriate adjustments on their own determination.

Unlike the Pentagon—which was limited by budget constraints—Blackwater was limited in its ability to defend its personnel only by its own spending decisions and by how much it was willing to shell out for defensive countermeasures. "I have concerns for many of the contractors who are still over there," said Katy Helvenston-Wettengel, who already was suing Blackwater for her son's death in Fallujah. "Our government seems to be subcontracting out this war, and these companies have no accountability."

The same day the helicopter was shot down, forty-two-year-old Curtis Hundley was working a Blackwater security detail outside the city of Ramadi, not far from the site of the helicopter shoot-down. He was just a few days away from a return trip home to his wife in Winston-Salem, North Carolina. "When the war in Iraq started, he wanted to fight for our country," according to his father, Steve Hundley, a former helicopter pilot who fought in Vietnam. "Too old to rejoin the Army, he joined Blackwater Security. That put him on the roads in Iraq almost daily, the most dangerous place to be. I've never seen him more proud. He enjoyed throwing candy to kids along the road. Like me in Vietnam, at first, he thought progress was pretty good. But civilian miscalculations—such as not sending over enough troops to

secure ammo dumps and borders, and then deactivating the entire Iraq army, which instantly created thousands of potential terrorists—began to take effect. I saw my happy-go-lucky son start to harden. His eyes, which always had had a twinkle, were different in the pictures he sent. When I could get him to talk about his job, he began to sound disgusted at the worsening situation. The last several weeks of his life, disgust had turned to anger." Curtis Hundley died in Ramadi on April 21, when a bomb exploded near a company armored personnel carrier. Hundley's death meant that with the helicopter crash, Blackwater had lost seven men in Iraq that day, its deadliest to date in the war. "Blackwater's Black Day," proclaimed one news headline!"

Back in Moyock, company executives quickly mobilized their response. "This is a very sad day for the Blackwater family," said president Gary Jackson. "We lost seven of our friends to attacks by terrorists in Iraq and our thoughts and prayers go out to their family members." A company press release said, "Blackwater has a 15-member team of crisis counselors working with those family members to assist them in coping with the loss of their loved ones." At the State Department, meanwhile, the seven men were eulogized as heroes. "These Blackwater contractors were supporting the State Department mission in Iraq, and were critical to our efforts to protect American diplomats there," said Assistant Secretary of State Joe Morton. "These brave men gave their lives so that Iraqis may someday enjoy the freedom and democracy we enjoy here in America."

Once again, the killing of Blackwater forces in Iraq had cast the spotlight back on the secretive world of mercenary companies. "The fact of the matter is that private security firms have been involved in Iraq from the very beginning, so this is nothing new," said State Department spokesperson Adam Ereli, responding to questions from the press. "There's a need for security that goes beyond what employees of the U.S. Government can provide, and we go to private companies to offer that. That's a common practice. It's not unique to Iraq. We do it around the world." In Iraq, Ereli said, "I think it's a statement of the obvious to say that the conditions . . . are such that it's not completely safe to go throughout the country at all parts, at all times, so there continues to be the need for security—for this kind of security protection."

Those words must have been music to Blackwater's ears: *There continues to be the need for this kind of security*. Once again, the death of Blackwater contractors translated into more support for the mercenary cause. The day after the seven Blackwater mercenaries died in Iraq, the U.S. Senate approved a controversial \$81 billion spending bill for the occupations of Iraq and Afghanistan, pushing the total cost of the wars to more than \$300 billion. More money was being allocated for "security" in Iraq. Some 1,564 U.S. soldiers had died since the invasion, along with an uncounted number of mercenaries. It was a year after the Blackwater ambush in Fallujah, and business had never been better for Erik Prince and his colleagues, despite the confirmed deaths of eighteen Blackwater contractors in Iraq. Back in the U.S., the Blackwater Empire was about to add another powerful former Bush administration official to its roster.

## CHAPTER SEVENTEEN

# JOSEPH SCHMITZ: CHRISTIAN SOLDIER

**JOSEPH E. SCHMITZ** had long been an ideological soldier for right-wing causes before he was appointed by President Bush to be the Pentagon's Inspector General, the top U.S. official in charge of directly overseeing military contractors in Iraq and Afghanistan. And he proved himself a loyal servant of the administration during his scandal-plagued tenure in that post from 2002 to 2005. By the time he resigned, Schmitz stood accused by Republicans and Democrats alike of protecting the very war contractors he was tasked with overseeing and of allowing rampant corruption and cronyism to go virtually unchecked. On Schmitz's watch, well-connected companies like Halliburton, KBR, Bechtel, Fluor, Titan, CACI, Triple Canopy, DynCorp, and Blackwater made a killing serving the occupations of Iraq and Afghanistan. By June 2005, the Defense Department had 149 "prime contracts" with seventy-seven contractors in Iraq worth approximately \$42.1 billion. According to Pentagon auditors, Halliburton "alone represent[ed] 52% of the total contract value."

Allegations of contract fraud and war profiteering during this period could fill volumes, and lawmakers denounced the lack of transparency and open bidding. "It's been like Dodge City before the marshals showed up," declared Senator Ron Wyden. In the midst of the brewing scandal over Halliburton's profiteering and corruption in Iraq, Schmitz said in July 2004, "I haven't seen any real deliberate gouging of the American taxpayer, but we are looking." While there were many layers in the government system that facilitated such



corporate misconduct, it was Schmitz whose singular task was overseeing the 1,250-person office with a \$200 million budget charged with policing these lucrative U.S.-taxpayer-funded defense contracts.

After three years of playing a key role in the system that indemnified well-oiled corporate profiteers, during which Schmitz went out of his way to demonstrate his loyalty to the Bush administration, the Pentagon's top cop found himself under investigation. The powerful Republican Senator Charles Grassley launched a Congressional probe into whether Schmitz "quashed or redirected two ongoing criminal investigations" into senior Bush administration officials. Grassley also "accused Schmitz of fabricating an official Pentagon news release, planning an expensive junket to Germany, and hiding information from Congress."

Finally, under fire from both Democrats and Republicans, Schmitz resigned as Inspector General, though his office denied it was a result of the investigations. Just before he resigned, Schmitz revealed his intention to pursue a career working for Erik Prince at Blackwater. In a letter stamped June 15, 2005, he officially informed the Defense Department and the White House that "I am disqualified from participating in any official matter that will have a direct and predictable effect on the financial interests" of Blackwater USA. Schmitz wrote that he had "financial interests" in Blackwater "because I intend to discuss possible employment with them." During Schmitz's time at the Pentagon overseeing contractors, Blackwater had grown from a small private military and law-enforcement training facility to a global mercenary provider with hundreds of millions of dollars in U.S. government contracts.

But Schmitz's interest in Blackwater (or Blackwater's in Schmitz) was not simply about his dedication to the wars of the Bush administration, the fact that he worked for the Reagan administration, that he represented then-House Speaker Newt Gingrich, or his involvement in the murky, corrupt world of military contractors. All of these were certainly factors, but the connection ran deeper. Joseph Schmitz, like Erik Prince and other executives at Blackwater, was a Catholic and a Christian fundamentalist. Some would go so far as to say he was a religious fanatic obsessed with implementing "the rule of law under God." In numerous speeches given during his time as Pentagon Inspector General, Schmitz articulated his vision and understanding of the global war on terror, employing the rhetoric of Christian supremacy. "No American today should ever doubt that we hold ourselves accountable to the rule of law under God. Here lies the fundamental difference between us and the terrorists," Schmitz said in a June 2004 speech, just after returning from trips to Iraq and Afghanistan. "It all comes down to this—we pride ourselves on our strict adherence to the rule of law under God." On his official biography, Schmitz proudly listed his membership in the Sovereign Military Order of Malta, "a Christian militia formed in the eleventh century, before the first Crusades, with the mission of defending 'territories that the Crusaders had conquered from the Moslems.'" The Order today boasts of being "a sovereign subject of international law, with its own constitution, passports, stamps, and public institutions" and "diplomatic relations with 94 countries." In addition to his Christian zealotry, Schmitz was a fierce devotee and an awestruck admirer of one of the famed foreign mercenaries who fought on the side of Gen. George Washington during the American Revolutionary War: the Prussian militarist Baron Friedrich Wilhelm Von Steuben, whom Schmitz referred to as "our first Effective Inspector General." Von Steuben is one of four men often cited by Blackwater officials as founding mercenaries of the United States, the others being Generals Lafayette, Rochambeau, and Kosciuszko, whose monuments stand across from the White House in what some Blackwater officials have taken to

calling "Contractor Park." All of this made Schmitz an ideal candidate to join the ranks of Prince and his cohorts at Blackwater, where Schmitz would sit directly at Prince's right hand as the Prince Group's chief operating officer and general counsel. In a press release announcing the hire, Erik Prince referred to him as "General Schmitz."

Joseph Schmitz comes from one of the most bizarre, scandal-plagued, right-wing political families in U.S. history. For decades they have operated on the fringes of a landscape dominated by the likes of the Kennedys, Clintons, and Bushes. The patriarch of the family, John G. Schmitz, was an ultraconservative California state politician who raised his family in a strict Catholic household. As a state lawmaker, he railed against sex education in schools, abortion, and income tax, and he was a fierce supporter of states' rights. He regularly introduced measures supporting the "Liberty Amendment," which would have required the federal government to get out of businesses that would have competed with private industry." At one point, he proposed selling the University of California. In the late 1960s, he accused then-California Governor Ronald Reagan, a conservative Republican, of wanting to "run socialism more efficiently" after a tax increase. A year after Martin Luther King Jr.'s 1968 assassination, John Schmitz led the opposition in the California State Senate to commemorating the slain civil rights leader. After winning a Congressional seat as a Republican from Orange County in the early 1970s, he soon "established himself as one of the country's most right-wing and outspoken congressmen." He ran for President against Richard Nixon in 1972 as the candidate of the American Independent Party, founded in 1968 by segregationist politician George Wallace. The elder Schmitz also served as national director of the anticommunist John Birch Society before being kicked out for being too extreme. He made comments like, "Jews are like everybody else, only more so," "Martin Luther King is a notorious liar," "I may not be Hispanic, but I'm close. I'm Catholic with a mustache" and described the Watts riot as "a communist operation." After President Richard Nixon announced he would visit "Red China" in 1971, Schmitz—who represented Nixon's home district—called Nixon "pro-communist," saying the visit was "surrendering to international communism. It wipes out any chance of overthrowing the [Peking] government." Schmitz also said he had "disestablished diplomatic relations with the White House" and declared, "I have no objection to President Nixon going to China. I just object to his coming back." Schmitz ultimately lost his seat in Congress and, after his failed presidential bid, returned to state politics. In 1981, he chaired a California State Senate committee hearing on abortion and described the audience as "hard, Jewish, and (arguably) female faces." He also called feminist attorney Gloria Allred a "slick, butch lawyeress" during an attack on Allred's support for abortion rights. Allred sued Schmitz, resulting in a \$20,000 judgment against him and a public apology. His political career, spent preaching about family values, came to a crashing end after he acknowledged fathering at least two children out of wedlock. Eventually John G. Schmitz retired in the Washington, D.C., area, where he purchased the home of his hero, the anticommunist fanatic Senator Joseph McCarthy. Schmitz wrote two books, *Stranger in the Arena: The Anatomy of an Amoral Decade 1964-1974* and *The Viet Cong Front in the United States*. He died in 2001 and was buried in Arlington National Cemetery with full military honors.

Joseph Schmitz's older brother, John Patrick, also a lawyer, was deputy counsel to George H. W. Bush from 1985 to 1993, during Bush's time as both Vice President and President, and he played a key role in protecting Bush from the Iran-Contra investigation. In 1987, Bush received a request from the Office of the Independent Counsel to produce all documents that might be

related to the investigation, including "all personal and official records of [Office of the Vice President] staff members." Bush delegated the responsibility for this to his counsel, C. Boyden Gray, and deputy counsel John P. Schmitz. It wasn't until five years later—a month after Bush was elected President—that Gray and Schmitz disclosed that Bush had kept a personal diary during the scandal that was clearly covered under the earlier document request. While they turned over the diary, Gray and Schmitz stalled in handing over documents related to the diary and failed to explain why it was not produced during the five crucial years of the investigation. Investigators interviewed all those who had something to do with producing documents from Bush's office except Gray and Schmitz, who refused to comply. Schmitz refused to turn over his own diary, which covered 1987 to 1992, claiming it was a privileged work product, employing an obfuscatory tactic that would become *de rigueur* in George W. Bush's executive branch. Even after Gray and Schmitz were both essentially offered immunity, they still refused to be interviewed; Schmitz left the administration in 1993. Joseph Schmitz had his own link to the Iran-Contra scandal, serving in 1987 as special assistant attorney general to Edwin Meese, who served under Reagan as Attorney General and, in Meese's own words, tried "to limit the damage." Prior to his time at the White House, John Patrick had clerked for then-U.S. Court of Appeals Judge Antonin Scalia. John Patrick went on to become a lobbyist/attorney with the Washington, D.C., firm Mayer, Brown, Rowe & Maw. Among his clients: the U.S. Chamber of Commerce, Lockheed Martin, Enron, General Electric, Pfizer, and Bayer. He was also a "Major League Pioneer" funder of George W. Bush, donating thousands to his campaign coffers.

Perhaps the most famous member of the Schmitz family, though, is the least political: Joseph Schmitz's sister, Mary Kay LeTourneau. In 1997, the married schoolteacher and mother of four grabbed headlines after being charged with the child rape of Vili Fualaau, her thirteen-year-old student. Four months later, she gave birth to Fualaau's daughter. The case was a tabloid obsession for years. After serving a seven-year prison term, during which time she gave birth to another child fathered by Fualaau, LeTourneau married her former sixth-grade student in 2004. While her father—the hysterical family-values politician who railed against feminists, homosexuals, and abortion—vigorously defended her, other family members kept a much lower profile about the case, which ran parallel to Joseph Schmitz's ascension to a position in the Bush administration.

Joseph Schmitz was a graduate of the U.S. Naval Academy who had served in the Navy, mostly in the reserves, for twenty-seven years at the time of his nomination in the summer of 2001 to be the Pentagon Inspector General. His limited government work included the stint with Meese and as deputy senior inspector for the Naval Reserve intelligence program. Directly prior to his nomination, Schmitz was a partner at the high-powered and well-connected lobbying and law firm Patton Boggs, where he specialized in aviation law and international trade in high-tech goods, in militarily sensitive areas. During Schmitz's time at the Pentagon, Patton Boggs launched its own "Iraq Reconstruction" practice, in June 2003. "An insider's perspective is crucial . . . for companies seeking one of the many contracts to reconstruct Iraq," read the copy on Patton Boggs's reconstruction page, while the firm boasted of "an exceptionally high number of attorneys with extensive Hill experience and contacts, augmented by strong knowledge of key federal agencies involved in Iraq reconstruction" to help corporate clients procure lucrative contracts. Like many Bush officials, Schmitz was a well-connected loyalist and a crony appointment. A glimpse into his extreme, at times bizarre, politics can be found in a series of antiabortion letters he wrote to various D.C.-area newspapers,

beginning in 1989. In one letter, Schmitz wrote, "As a man, the plight of pregnant rape and incest victims may be hypothetical but as a former fetus, the plight of aborted innocent human life is as real to me as rape is to most women." In another, Schmitz calls *Roe v. Wade* "illegitimate federal legislation by unelected judges," saying politicians should "leave political issues not addressed in the Constitution to the states and the people." In yet another, Schmitz declared, "Most pro-lifers are not averse to taking an 'unpopular position' in the defense of human life, whether the life be that of a frozen embryo, a fetus, a vegetative old woman or a teen-age rape victim. After all, the God of most pro-lifers once said: 'Blessed are they who suffer persecution for justice's sake, for theirs is the kingdom of heaven.'"

President Bush nominated Schmitz for the Pentagon IG position in June 2001, where he would be "responsible for conducting independent and objective audits and investigations of defense programs and impartial investigations of the allegations of misconduct by senior officers and civilian department employees." The confirmation did not go smoothly, however. Schmitz's appointment was held up by Democratic Senator Carl Levin, chair of the Senate Armed Services Committee. During an October 2001 committee hearing, Levin questioned Schmitz about a letter he wrote to the right-wing *Washington Times* newspaper in 1992—three days before the presidential election between George H. W. Bush and Bill Clinton. "Clinton practically confessed to being a security risk during the Vietnam War," Schmitz wrote. "Now the same Bill Clinton wants to be commander in chief, but he won't even talk about his organizing anti-war activities in England and then traveling to Moscow at the height of the Vietnam War. The KGB apparently knows more about the shady side of Bill Clinton than the American people ever will. The American people deserve better."<sup>61</sup> Schmitz signed the letter with his official rank of lieutenant commander, U.S. Naval Reserve. "Now, that was signed with your rank in the Reserves, which is the issue here," Levin said to Schmitz during the hearing. "It's not the views, whatever one thinks of those, but the fact that you signed it as a lieutenant commander in the US Navy Reserve." Schmitz responded, telling Levin, "The letter was merely a venting exercise. It was not a reflection of my judgment at the time and it certainly is not a reflection of my judgment today." Careful with his words, Schmitz said, "The way the newspaper published my letter and highlighted my military rank obviously raises issues. I regretted it at the time and I regret it today. I learned a very good lesson for which I am now a better man. And, more importantly, I will be a much better inspector general for having learned that lesson if I am confirmed." Levin also took issue with Schmitz's stated desire to remain on the board of a group called US English, Inc., while serving as Inspector General. "This is an organization that believes no government business should be done in any language other than English," Levin said. "Why would you think it would be appropriate for you as inspector general to remain on the board of an advocacy group that is—obviously takes positions that would be an anathema to at least some members of the military?" After a lengthy defense of the organization, during which he accused Levin of holding a "common misconception," Schmitz said, "It's just a practical issue. If you want to succeed in the United States, you ought to learn English." Schmitz was required to resign from US English (which he had done just prior to the hearing) to be confirmed as Inspector General, which he was in March 2002.

Joseph Schmitz would be the top U.S. official in charge of policing the biggest corporate war bonanza in history during its most explosive period. His job description identified his mission as the "prevention of fraud, waste, and abuse in the programs and operations" of the Pentagon. But unlike other IGs, the Pentagon's reported directly to Rumsfeld, creating

what some critics say was an inherent conflict of interest—one that was compounded by Rumsfeld's ultracontrolling style. The Inspector General position should ideally be filled by an official determined to comb through the system looking for impropriety, corruption, and cronyism. Instead, what the Administration got in Schmitz was an official who seemingly admired the very parties he was supposed to be monitoring, not the least of whom was Rumsfeld himself. During his time at the Pentagon, Schmitz offered the following remarkable exaltation of his boss at the National Wrestling Coaches Association Coaches Clinic in St. Louis, during a speech entitled "Wrestling with Discipline: Life Lessons in Leadership:"

Secretary of Defense Donald Rumsfeld—my boss—is another former wrestler. He was famous for his grit and discipline on the mat. People still tell stories about the time when Don Rumsfeld dislocated his shoulder during a wrestling match. He was behind on points but he refused to quit. With one arm, he managed to take down his opponent—three more times—and emerge victorious from the contest. Secretary Rumsfeld's iron discipline is legendary within the five walls of the Pentagon. He never allows distractions, changing public opinion, or wishful thinking to mar his focus. He is so totally focused at the task at hand that he leaves others in awe at how much he can achieve on a given day. This former wrestler too, it can be said, reigns over himself. Reigning over ourselves—and answering only to God—is the key to living a virtuous, honorable, and purpose-driven life.

Schmitz carried around Rumsfeld's famed twelve principles in his lapel pocket, of which the first sentence was, "Do nothing that could raise questions about the credibility of DoD." Under Schmitz's watch, corporate profiteers, many with close ties to the administration, thrived as they burned through resources ostensibly allocated for the rebuilding of Iraq and Afghanistan. "Schmitz slowed or blocked investigations of senior Bush administration officials, spent taxpayer money on pet projects and accepted gifts that may have violated ethics guidelines," according to an investigation by T. Christian Miller of the *Los Angeles Times*. Miller reported that investigators working under Schmitz were so concerned about his loyalties that, at times, they stopped telling him whom they were investigating—substituting letter codes for individual names during weekly briefings—in fear that Schmitz would tip off Pentagon superiors. "He became very involved in political investigations that he had no business getting involved in," a senior official in Schmitz's office told the *Times*. "I've seen this office become involved in many questionable projects despite strong and persistent opposition from senior staff," said Iowa Republican Senator Charles E. Grassley at the end of Schmitz's tenure. "It appears to me that this has created a lack of respect and trust, and has resulted in an ineffective Office of the Inspector General."

In March 2003, a year after Schmitz took over as the Pentagon IG, and just as the Iraq invasion was beginning, he found himself responsible for investigating a scandal that rocked one of the key architects of the administration's Iraq policy: Richard Perle, a leading neoconservative activist, founder of the Project for a New American Century and chair of the Defense Policy Board. Perle was close to Deputy Defense Secretary Paul Wolfowitz and had an office right next to Rumsfeld's at the Pentagon.<sup>73</sup> As the Iraq invasion was getting under way, the *New York Times* and *The New Yorker* magazine revealed that Perle was using his position to lobby for corporate clients in their dealings with the Defense Department. "Even as he advises the Pentagon on war matters, Richard N. Perle, chairman of the influential Defense Policy Board, has been retained by the telecommunications company Global

Crossing to help overcome Defense Department resistance to its proposed sale to a foreign firm," the *Times* reported. Noting that Perle was "close to many senior officials, including Defense Secretary Donald H. Rumsfeld, who appointed him to lead the policy board," the *Times* revealed that Perle stood to make \$725,000 from Global Crossing if the government approved the sale. The Pentagon and FBI opposed the sale because it would "put Global Crossing's worldwide fiber optics network—one used by the United States government—under Chinese ownership." In legal documents obtained by the *Times*, Perle blatantly peddled his Pentagon position to explain why he was uniquely qualified to help Global Crossing. "As the chairman of the Defense Policy Board, I have a unique perspective on and intimate knowledge of the national defense and security issues that will be raised" in the review process, Perle wrote.

When the news broke, Perle quickly resigned his chairmanship of the advisory board, while maintaining his innocence. In resigning, Perle told Rumsfeld he didn't want the scandal to distract from "the urgent challenge in which you are now engaged" in Iraq. Rumsfeld asked Perle to remain on the board, which he did. Representative John Conyers called for an investigation of Perle, and the case was sent to Joseph Schmitz. After a six-month investigation, Schmitz exonerated Perle of any wrongdoing, saying "We have completed our inquiry regarding the conduct of Mr. Perle and did not substantiate allegations of misconduct." Despite exposés in almost every leading news outlet in the country about Perle's multiple conflicts of interest, the Inspector General's report "found insufficient basis to conclude that Mr. Perle created the appearance of impropriety from the perspective of a reasonable person." Perle said he was "very pleased" with Schmitz's conclusion, while Rumsfeld declared, "The Inspector General's report confirms the integrity of the Defense Policy Board and Mr. Perle's participation."

Not long after the revelations about Richard Perle's business dealings, another controversy erupted about a powerful senior official in Rumsfeld's inner circle, Army Lt. Gen. William Boykin, the Deputy Undersecretary of Defense for Intelligence. In October 2003, Boykin was revealed to have gone on several anti-Muslim rants, in public speeches, many of which he delivered in military uniform. Since January 2002, Boykin had spoken at twenty-three religious-oriented events, wearing his uniform at all but two. Among Boykin's statements, he said he knew the United States would prevail over a Muslim adversary in Somalia because "I knew that my God was bigger than his. I knew that my God was a real God and his was an idol." Boykin also charged that Islamic radicals want to destroy America "because we're a Christian nation" that "will never abandon Israel." Our "spiritual enemy," Boykin declared, "will only be defeated if we come against them in the name of Jesus." As for President Bush, Boykin said, "Why is this man in the White House? The majority of Americans did not vote for him. Why is he there? And I tell you this morning that he's in the White House because God put him there for a time such as this." In another speech, Boykin said other countries "have lost their morals, lost their values. But America is still a Christian nation." He told a church group in Oregon that special operations forces were victorious in Iraq because of their faith in God. "Ladies and gentlemen, I want to impress upon you that the battle that we're in is a spiritual battle," he said. "Satan wants to destroy this nation, he wants to destroy us as a nation, and he wants to destroy us as a Christian army."

Boykin was a career military officer, one of the first Delta Force commandos who rose through the ranks to become head of the top-secret Joint Special Operations Command. He

had served in the Central Intelligence Agency, and during the war on terror, he had been in charge of Army Special Forces before joining Rumsfeld's close-knit leadership team, where he was placed in charge of hunting "high-value targets." Boykin was one of the key U.S. officials in establishing what critics alleged was death-squadtype activity in Iraq. Asked in a Congressional inquiry about the similarities between the U.S. Phoenix program in Vietnam and special operations in the war on terror, Boykin said: "I think we're running that kind of program. We're going after these people. Killing or capturing these people is a legitimate mission for the department. I think we're doing what the Phoenix program was designed to do, without all of the secrecy." Military analyst William Arkin, who first revealed Boykin's comments, wrote, "When Boykin publicly spews this intolerant message while wearing the uniform of the U.S. Army, he strongly suggests that this is an official and sanctioned view—and that the U.S. Army is indeed a Christian army. But that's only part of the problem. Boykin is also in a senior Pentagon policymaking position, and it's a serious mistake to allow a man who believes in a Christian 'jihad' to hold such a job. . . . Boykin has made it clear that he takes his orders not from his Army superiors but from God—which is a worrisome line of command. For another, it is both imprudent and dangerous to have a senior officer guiding the war on terrorism in Iraq and Afghanistan who believes that Islam is an idolatrous, sacrilegious religion against which we are waging a holy war." When Boykin came under fire for his anti-Muslim comments, Rumsfeld and other Pentagon brass vigorously defended him. "Boykin was not removed or transferred. At that moment, he was at the heart of a secret operation to 'Gitmoize' . . . the Abu Ghraib prison," wrote former Clinton senior adviser Sidney Blumenthal. "He had flown to Guantanamo, where he met Major General Geoffrey Miller, in charge of Camp X-Ray. Boykin ordered Miller to fly to Iraq and extend X-Ray methods to the prison system there, on Rumsfeld's orders."

Amid outcry from human rights groups and Arab and Muslim organizations, Boykin personally requested that Schmitz's department at the Pentagon conduct an investigation into any potential wrongdoing on his part. Gen. Peter Pace, vice chairman of the Joint Chiefs of Staff, said Boykin "is anxious to have the investigator do the investigator's job." After a ten-month review, Schmitz's office essentially cleared Boykin, concluding the general had violated three internal Pentagon regulations. "Although it was the substance of Boykin's remarks and not his regard for Pentagon rules that aroused controversy, the report pointedly steered clear of comment on the appropriateness of Boykin's injection of religion into his depiction of the military's counterterrorism efforts, including his claims that a 'demonic presence' lay behind the actions of radical Muslims," reported the *Washington Post*. The paper quoted a senior Defense official who "said the report is seen as a 'complete exoneration' that ultimately found Boykin responsible for a few 'relatively minor offenses' related to technical and bureaucratic issues."

In June 2004, Schmitz traveled to Iraq and Afghanistan and upon his return gave a major address titled "American Principles as Potent Weapons and Potential Casualties in the Global War on Terror." At the time, the scandal over prisoner torture and abuse at Abu Ghraib was still fresh in the United States, and Schmitz, who was in charge of investigating the abuse, did his best to whitewash the scandal. He blamed Abu Ghraib on a few "bad eggs," too saying, "I'm not aware of any illegal orders that came from any leaders." He told an audience at the City Club of Cleveland, "The few systemic breakdowns, and the reprehensible actions of a few of our own people—who are even now being brought to justice—should not overshadow the sacrifices and accomplishments of the thousands of courageous Americans who

continue to serve honorably in the best tradition of the United States Armed Forces." Schmitz said that he had been to Abu Ghraib and "another detainee collection point" in Afghanistan "to learn more about the rules, standards, and procedures we use to collect intelligence and otherwise to deal with the known and potential terrorists we capture in the course of our ongoing military operations. The more time I spend with our forward-deployed troops, listening to their stories and watching them perform their duties, the more I understand why the terrorists hate us so much. Beyond any doubt, we owe our American men and women now serving overseas a debt of gratitude. I cannot begin to tell you what an awesome and honorable job American troops are doing in both Iraq and Afghanistan. The terrorists, Schmitz said, "refuse to recognize the very standards of behavior that distinguish civilization from barbarism."

Even after the revelations of systematic torture at Abu Ghraib, he said, "We are still, by the grace of God, the beacon of hope to the world." While speaking at length about the "rule of law" that governs the United States, Schmitz told the audience, "We ought not let the bad news coming out of Abu Ghraib eclipse the fact that we've got some great American sons and daughters of regular Americans, farmers and whatever, and they're over there doing great work for you and for me." In Afghanistan and Iraq, Schmitz said, "I saw American soldiers doing what we 'Yanks' have always done, being affable liberators, befriending the local people when they can, and chafing at the lack of contact when prevented from doing so by threats of violence from a shadowy and cowardly enemy."

Like General Boykin, Schmitz often gave speeches during his tenure at the Pentagon that were overtly soaked in religious and Christian rhetoric and demeaning of other cultures and traditions. "The rule of law can scarcely be said to exist in tribal cultures, such as, for example, parts of Iraq and Afghanistan, where loyalty to one's own often trumps everything— honesty, the law, fairness, and even common sense," Schmitz said in a March 2004 speech. In another, he declared, "The men and women of our armed forces today do not doubt the enduring principles that make America great—the same principles President Reagan mentioned in the midst of the Cold War: 'individual responsibility, representative government, and the rule of law under God.' Schmitz ended his address by quoting Donald Rumsfeld's "admonition" in the aftermath of 9/11: "We pray this day, Heavenly Father, the prayer our nation learned at another time of righteous struggle and noble cause—America's enduring prayer: Not that God will be on our side, but always, O Lord, that America will be on Your side." Schmitz then told the audience, "If we want to remain one nation, under the rule of law and under God, we must always hold ourselves to a higher standard."

So prevalent was the religious rhetoric in Schmitz's speeches that after one, he was told by an audience member, "The flavor of your speech has kind of troubled me because I always believed that the Constitution is a secular document, and I thought government is supposed to be a secular organization. I find that the church/state separation has been blurred by this Administration."no Schmitz proceeded to ignore the question, babbling on about chaplains in the military, before the questioner said, "That wasn't the tenor that I had. I thought I was talking about—" At that point, Schmitz interrupted the man and declared, "The American people, unlike other people around the world, are profoundly religious. That's a historical and a current fact. So for us to pretend, somehow, that we shouldn't be acknowledging the existence of Almighty God is just—it ignores reality, Sir. I'm sorry to have to say that. But that's how I see it."



Some of the most bizarre stories about Schmitz's time at the Pentagon stem from what colleagues described as his "obsession" with Baron Von Steuben, the mercenary who fought in the Revolutionary War. Von Steuben reportedly fled Germany after learning that he was going to be tried for homosexual activities and was welcomed by George Washington in America as a key military trainer—one of several mercenaries who fought the British. Soon after Schmitz was appointed to his post at the Pentagon, according to the *Los Angeles Times*:

He spent three months personally redesigning the inspector general's seal to include the Von Steuben family motto, "Always under the protection of the Almighty." He dictated the number of stars, laurel leaves and colors of the seal. He also asked for a new eagle, saying that the one featured on the old seal "looked like a chicken," current and former officials said. In July 2004, he escorted Henning Von Steuben, a German journalist and head of the Von Steuben Family Assn., to a U.S. Marine Corps event. He also feted Von Steuben at an \$800 meal allegedly paid for by public funds, according to [Sen.] Grassley, and hired Von Steuben's son to work as an unpaid intern in the inspector general's office, a former Defense official said. He also called off a \$200,000 trip to attend a ceremony at a Von Steuben statue .. in Germany after Grassley questioned it.

"[Schmitz] was consumed with all things German and all things Von Steuben," a former Defense official told the *Los Angeles Times*'s T. Christian Miller. "He was obsessed." Schmitz also peppered many of his official speeches as Inspector General with references to Von Steuben, referring to him in almost messianic ways. "We all rely on his precedent and his wisdom to provide a compass for leadership within the Pentagon—to help find our way when things appear convoluted and distorted, as often is the case in large bureaucratic organizations, particularly in the heat of battle," Schmitz said in a May 2004 speech at a dedication ceremony for a Von Steuben monument in New Jersey. In Iraq, Schmitz said in June 2004, "We must stay the course and stand behind our troops. For my part, I have deployed my very best 'Von Steubens' on the ground in Iraq to help train their new Inspectors General as champions of integrity and engines of positive change in each of the new Iraqi ministries.

It didn't take long for Schmitz to be called to accounts by lawmakers of various political stripes and the critical in-depth investigative reporting of Miller in the *Los Angeles Times*. Perhaps the most serious heat Schmitz faced for his role in several scandals came from a powerful Republican—Senator Grassley. One centered on Rumsfeld aide John "Jack" Shaw, Deputy Undersecretary of Defense. A diehard, highly partisan Republican operative who had worked in every GOP administration going back to Gerald Ford, Shaw was put in charge of Iraq's telecommunications system by the White House once the occupation got under way, despite the fact that "he had no background in either defense contracting or telecommunications," wrote Miller. Whistleblowers from the U.S.-led Coalition Provisional Authority in Iraq charged that Shaw attempted to use his position to steer lucrative contracts to corporate cronies, according to the *Los Angeles Times*." Shaw worked behind the scenes with powerful Republican lawmakers in an effort to redirect lucrative mobile phone network contracts in Iraq to businesses run by people with whom Shaw had a personal relationship, according to Miller.

In 2003, Schmitz, in his capacity as Inspector General, signed an agreement with Shaw that gave him investigative authority, which Shaw allegedly used to press for the redirection of the telecommunications contracts to his friends. "In one case, Shaw disguised himself as an

employee of Halliburton Co. and gained access to a port in southern Iraq after he was denied entry by the U.S. military," Miller reported, citing Pentagon officials. "In another, he criticized a competition sponsored by the U.S.-led Coalition Provisional Authority to award cell phone licenses in Iraq. In both cases, Shaw urged government officials to fix the alleged problems by directing multimillion-dollar contracts to companies linked to his friends, without competitive bidding, according to the Pentagon sources and documents. In the case of the port, the clients of a lobbyist friend won a no-bid contract for dredging."

When the whistleblowers' allegations about Shaw came before Schmitz, rather than investigating the case himself, he sent it to the FBI, citing a potential conflict of interest because Schmitz had deputized Shaw. "It's a safe bet you can bury something at the FBI, because they won't have time to look at it," a Pentagon official told Miller. "The [FBI] was far more interested in terrorism than in official corruption," Miller observed in his book *Blood Money*. "Schmitz's own senior investigators objected to the transfer, seeing the decision as a calculated move to help a fellow political appointee. Predictably, the FBI investigation never went anywhere, and it was eventually dropped."

After Shaw's suspected corruption was revealed by the *LA Times*, Schmitz personally helped draft a Pentagon press release that sought to exonerate Shaw. "The allegations were examined by DoD IG criminal investigators in Baghdad and a criminal investigation was never opened," the Pentagon release, dated August 10, 2004, read. "Shaw is not now, nor has he ever been, under investigation by the DoD IG." The press release referred journalists to the FBI for further information. According to Miller's reporting, Schmitz deputy Chuck Beardall e-mailed his boss, saying the press release was "dead wrong and needs to be removed ASAP. Failure to do so reflects poorly on the DOD's and our integrity."

Schmitz, according to Miller, "told an assistant, Gregg Bauer, that he was inclined to 'let the sleeping dog lie: 'We did the right thing by recommending a less-inclined-to-misinterpretation' version of the press release, Schmitz wrote in an e-mail response." In a subsequent letter to Rumsfeld, Senator Grassley wrote, "What I find most disturbing about this situation is the alleged involvement of the IG, Mr. Schmitz, in this matter. First there is a paper trail that appears to show that Mr. Schmitz was personally and directly involved in crafting the language in this press release. And second, I understand that Mr. Schmitz was repeatedly warned by his own staff 'to take it down' because it was 'patently false: Even the FBI weighed in on that score, I am told." Grassley told Rumsfeld that after he informed Schmitz of his intention to investigate him and requested access to Schmitz's files on the matter, "I have been informed unofficially by sources within the IG's office that 'all papers related to Shaw and the other matter were stamped law enforcement sensitive to prevent my access." Grassley also accused Schmitz of thwarting an investigation of a senior military official who Grassley believed may have lied under oath.

During his time at the Pentagon, Schmitz spoke publicly and passionately about the scourge of human trafficking, focusing in particular on sex trafficking—a pet issue of the Christian right and the Bush administration. In September 2004, Schmitz presented to the House Armed Services Committee a paper he wrote called "Inspecting Sex Slavery through the Fog of Moral Relativism." In it, he declared, "Moral relativism is an enemy of the United States Constitution" and "The President of the United States has identified 21st Century sex slavery as 'a special evil' under 'a moral law that stands above men and nations.'" Schmitz said, "Ostensible consent by the parties to immoral practices such as prostitution and sex slavery ought never to be an excuse for turning a blind eye," concluding, "Even as we confront the new

asymmetric enemies of the 21st Century, those of us who take an oath to defend the Constitution of the United States (and similar principle-based legal authorities) should recognize, confront, and suppress sexual slavery and other 'dissolute and immoral practices' whenever and wherever they raise their ugly heads through the fog of moral relativism— 'so help [us] God.'

But while Schmitz railed against moral relativism and sex slavery, he simultaneously was accused of failing to investigate serious allegations of human trafficking by Iraq contractors, including KBR, which had thirty-five thousand "third country nationals" working in Iraq. In a groundbreaking investigation, "Pipeline to Peril," Cam Simpson of the *Chicago Tribune* documented how twelve Nepalese citizens were sent into Iraq in August 2004 and subsequently abducted and executed. The paper revealed how "some subcontractors and a chain of human brokers allegedly engaged in the same kinds of abuses routinely condemned by the State Department as human trafficking." The *Tribune* also "found evidence that subcontractors and brokers routinely seized workers' passports, deceived them about their safety or contract terms and, in at least one case, allegedly tried to force terrified men into Iraq under the threat of cutting off their food and water," and that KBR and the military "allowed subcontractors to employ workers from countries that had banned the deployment of their citizens to Iraq, meaning thousands were trafficked through illicit channels."

According to the *Chicago Tribune*: "Separate records also show that similar allegations had been raised in September 2004 with Joseph Schmitz, who was then the Department of Defense inspector general. Schmitz did not respond in any detail until nearly a year later, saying in an Aug. 25, 2005, letter to Rep. Christopher Smith, R-N.J., that there was a 'list of corrective measures' ordered by coalition military officials in Iraq following 'a preliminary inquiry' into the allegations. The letter did not mention passport seizures or violations of U.S. laws against human trafficking, but said living conditions 'required further attention' and that officials were 'monitoring the status of corrections' purportedly under way." Hardly the "moral relativist," "special evil" condemnation, apparently reserved by Schmitz and his allies for more "immoral" crimes.

One of the greatest scandals involving Schmitz began in May 2003, when the Pentagon agreed to lease one hundred military tanker planes in a controversial deal with Boeing worth a whopping \$30 billion. Almost immediately, the unusual arrangement—the largest such lease in U.S. history—was blasted by government watchdog groups as "wasteful corporate welfare," as it boosted the struggling aerospace business. Republican Senator John McCain slammed the deal as "a textbook case of bad procurement policy and favoritism to a single defense contractor. McCain alleged that analyses by the General Accounting Office showed that it would be exponentially cheaper for the government to modernize existing tankers, rather than leasing additional ones from Boeing at several times the cost. "I have never seen the security and fiduciary responsibilities of the federal government quite so nakedly subordinated to the interests of one defense manufacturer," McCain said. In winning the controversial deal, Boeing reportedly had a string of powerful backers, among them House Speaker Dennis Hastert, a key ally of the White House and of senior White House aides Karl Rove and Andy Card. "What was unusual about Boeing's lobbying was that it gained complete access to all divisions of government from the president down, to having the key leadership of the House and Senate and dozens of lawmakers pushing their wares on the deal," said Keith Ashdown, director of Taxpayers for Common Sense. According to the

*Financial Times*, "Boeing also invested \$20 million last year in a defence- related venture capital fund run by Richard Perle . . . [who] co-authored an editorial in *The Wall Street Journal* in August supporting the deal. He did not disclose the Boeing investment."

The contract was approved by President Bush's chief weapons buyer at the Pentagon, Edward C. "Pete" Aldridge Jr., who just happened to be the former president of McDonnell Douglas Electronic Systems, which later became part of Boeing. Aldridge approved the deal on his last day at the Pentagon before taking a job with weapons manufacturer Lockheed Martin. The deal would soon go down as "the most significant defense procurement mismanagement in contemporary history," in the words of the Senate Armed Services Committee Chair, Republican John Warner," resulting in a cancellation of the contract, amid widespread allegations of cronyism. Former Air Force procurement officer Darleen Druyun went to prison, as did a Boeing representative, while Air Force Secretary James Roche resigned.

Ultimately, the case ended up on Joseph Schmitz's desk at the Pentagon for investigation. In June 2005, Schmitz released a 257-page report on the scandal, which critics charged concealed the possible role of senior White House officials in the deal—the report contained forty-five deletions of references to White House officials. In fact, Schmitz had actually given the report to the White House for review before its release, where it appeared to have been scrubbed of possibly damning information. In a letter to Schmitz, Republican Senator Grassley wrote, "By excluding pertinent evidence from the final report, certain potential targets were shielded from possible accountability." Grassley added that Pentagon officials "may have been acting in response to guidance and advice from the senior White House officials, whose names were redacted from the final report on your orders; those officials are not held accountable."

Schmitz did not include the comments of Rumsfeld or Wolfowitz because, Schmitz said, they hadn't said anything "relevant." If so, asserted the *Washington Post* editorial board, "investigators must not have asked the right questions. To offer just one example: Mr. Roche recounted that Mr. Rumsfeld called him in July 2003 to discuss his then-pending nomination to be secretary of the Army and 'specifically stated that he did not want me to budge on the tanker lease proposal. In a transcript of Schmitz's office's interview with Rumsfeld, obtained by the *Washington Post*, investigators asked the Defense Secretary whether he had approved the Boeing tanker lease despite widespread violations of Pentagon and government-wide procurement rules. "I don't remember approving it," Rumsfeld said. "But I certainly don't remember not approving it, if you will." Investigators then asked Rumsfeld about the fact that in 2002 President Bush asked his Chief of Staff, Andy Card, to intervene in the Pentagon negotiations with Boeing (a major Bush contributor). "I have been told," Rumsfeld said, "that discussions with the President are privileged, and with his immediate staff." The *Post* said much of the rest of the discussion was blacked out on the transcript. None of Rumsfeld's comments were included in Schmitz's report.

What's more, Schmitz's team did not interview anyone outside the Defense Department, despite the well-documented involvement of several high-profile lawmakers, administration officials, and the President himself. Schmitz also failed to interview Edward Aldridge, the Pentagon official who approved the deal. His report noted that Aldridge failed to get proper approvals before moving forward with the deal, but said the approvals were in place anyway. In a Senate hearing on the scandal after the report was released, McCain said to Schmitz, "So, Mr. Aldridge basically lied," to which Schmitz replied, "We know generally that . . . he and others within the Air Force and [the Office of the Secretary of Defense] were trying to treat the

appropriations language as if it had waived a whole bunch of legal requirements." McCain was incredulous. "Don't you think it would have been important to have his testimony?" he asked Schmitz. "My staff couldn't reach him," Schmitz eventually asserted, saying he had sent him a registered letter and left him some voice mails. "You couldn't get a hold of him through Lockheed Martin?" asked a stunned McCain. Despite his subpoena power, Schmitz never used it to compel Aldridge to be interviewed. "I don't think it's a mystery" Senator John Warner told Schmitz. "He's on the board of a major defense contractor, it seems to me he's locatable." In fact, it is very difficult to imagine Schmitz could not reach him at Lockheed Martin. Schmitz's brother, John P. Schmitz, former deputy counsel for George H. W. Bush, served as a registered lobbyist for Lockheed Martin from July 2002 until January 2005, overlapping the Boeing deal and probe. He served on a team of two to three lobbyists from Mayer, Brown, Rowe & Maw, which was paid at least \$445,000 during that time. There is nothing, however, to suggest that John P. Schmitz had any direct connection to the tanker deal or to Aldridge.

In the end, Senator Grassley told Joseph Schmitz that his handling of the scandal "raises questions about your independence" as Inspector General. Ashdown of Taxpayers for Common Sense said, "We now know that at the highest levels of the Pentagon and the White House, the wheels were greased to direct billions in corporate welfare to the Boeing Company." But, he added, because of "the inspector general's reluctance to grill the secretary of defense" and "overzealous redactions . . . we are now left with more questions than answers."

With his office embroiled in multiple scandals, Schmitz served his official notice in June 2005 that he was recusing himself from Blackwater-related issues because he was in talks with the company about possible employment. The brief memo did not reveal what led to the disclosure or his dealings with Blackwater, but it came exactly a year after Schmitz returned from a nine-day trip to Baghdad, where he worked with Blackwater's prized client Paul Bremer on establishing a network of twenty-nine inspectors general (with Schmitz's "very best Von Steubens") for Iraqi ministries ahead of the "handover" of sovereignty. To some observers, having these two officials develop a system of oversight for a "new" Iraqi government would be like asking two foxes to decide how the chicken coop should be protected.

In November 2004, Schmitz gave Bremer the Joseph H. Sherick Award, given to an individual "who contributes to the mission of the inspector general." Schmitz said he gave Bremer the award because he was "a man of vision and a man of principle." In accepting the award, Bremer said, "I felt from the time I got [to Iraq] how important it was, given the history of corruption under Saddam Hussein . . . to try to get this concept of trust in government established right from the beginning." In early 2005, Schmitz delivered a lecture to the Order of Malta Federal Association at Bremer's church in Bethesda, Maryland, during which he told a story from Frances Bremer's (Paul's wife) novel *Running to Paradise*. A few months later, in November 2005, Schmitz and Paul Bremer would be united again, as Blackwater hosted Bremer at a "fundraiser" for victims of Hurricane Katrina.

On August 26, 2005, Schmitz officially informed his staff that he was leaving the Pentagon to work with Blackwater. In an e-mail he sent out, he signed off, saying, "May the Creator acknowledged in our Declaration of Independence who has endowed each of us with those unalienable rights that we as Americans consider 'first things, continue to bless each of you." Just as Schmitz began his work at Blackwater, in September 2005, the company reeled in lucrative government contracts, deploying heavily armed Blackwater forces on U.S. soil, in the wake of the worst "natural disaster" in U.S. history.

## **BLACKWATER DOWN: BAGHDAD ON THE BAYOU**

**THE MEN** from Blackwater USA arrived in New Orleans right after Hurricane Katrina hit on August 29, 2005. The company beat the federal government and most aid organizations to the scene as 150 heavily armed Blackwater troops dressed in full battle gear spread out into the chaos of New Orleans. Officially, the company boasted of its forces "join[ing] the hurricane relief effort." But its men on the ground told a different story. Some patrolled the streets in SUVs with tinted windows and the Blackwater logo splashed on the back; others sped around the French Quarter in an unmarked car with no license plates. They wore khaki uniforms, wraparound sunglasses, beige or black military boots, and had Blackwater company IDs strapped to their bulging arms. All of them were heavily armed—some with M-4 automatic weapons, capable of firing nine hundred rounds per minute, or shotguns. This despite police commissioner Eddie Compass's claim that "Only law enforcement are allowed to have weapons."

The Blackwater men congregated on the corner of St. Peter and Bourbon in front of a bar called 711. From the balcony above the bar, several Blackwater troops cleared out what had apparently been someone's apartment. They threw mattresses, clothes, shoes, and other household items from the balcony to the street below. They draped an American flag from the balcony's railing. More than a dozen troops from the Eighty-second Airborne Division stood in formation on the street watching the action.

Armed men shuffled in and out of the building as a handful told stories of their past experiences in Iraq. "I worked the security detail of both Bremer and Negroponte," said one of the Blackwater men, referring to the former head of the U.S. occupation, L. Paul Bremer, and former U.S. Ambassador to Iraq John Negroponte. Another complained, while talking on his cell phone, that he was getting only \$350 a day plus his per diem. "When they told me New Orleans, I said, 'What country is that in?'" he said. He wore his company ID around his neck in a case with the phrase "Operation Iraqi Freedom" printed on it. After bragging about how he drives around Iraq in a "State Department-issued" "explosion-proof BMW," he said he was "just trying to get back to [Iraq], where the real action is."

In an hour-long conversation in the French Quarter, four Blackwater troops characterized their work in New Orleans as "securing neighborhoods" and "confronting criminals." They all carried automatic assault weapons and had guns strapped to their legs. Their flak jackets were covered with pouches for extra ammunition. "This is a totally new thing to have guys like us working CONUS [Continental United States]," another Blackwater contractor said.

"We're much better equipped to deal with the situation in Iraq." Blackwater president Gary Jackson told the *Virginian-Pilot* that his men were heavily armed "because of the intel that we received," adding, "We did a risk assessment and decided we're going to send guys in there for real." Jackson claimed Blackwater "basically secured" the French Quarter—a claim hotly disputed by local law enforcement agents, one of whom said, "There may be some braggadocio involved" in Jackson's claim. Maj. Ed Bush of the Louisiana National Guard told the *Pilot*, "Every group wants to kind of thump their chest a little bit, but just think about it. We live here. Seems kind of naive to think Blackwater beat us to the French Quarter."

Former Kentwood, Michigan, police officer Dan Boelens, another Blackwater contractor who had been to Iraq before deploying to New Orleans, was assigned by Blackwater to guard Bell South workers in New Orleans. He said that for several days after he arrived, he and other Blackwater contractors had patrolled the streets in SUVs and armed with assault rifles. "The only difference between here and Iraq is there are no roadside bombs," he said. "It's like a Third World country. You just can't believe this is America." Boelens added, "We keep having this little flashback, like what we were doing in Iraq." The only kill Boelens claimed in New Orleans was a pit bull he shot before it could attack him.

Blackwater was among a handful of well-connected firms that immediately seized the business opportunity not just in the rubble and devastation in the Gulf but also in the media hysteria. As the federal, state, and local government abandoned hundreds of thousands of hurricane victims, the images that dominated the television coverage of the hurricane were of looting, lawlessness, and chaos. These reports were exaggerated and, without question, racist and inflammatory. If you were watching from, say, Kennebunkport, Maine, you might imagine New Orleans as one big riot—a festival of criminals whose glory day had finally come. In reality, it was a city of internally displaced and abandoned people desperate for food, water, transportation, rescue, and help. What was desperately needed was food, water, and housing. Instead what poured in fastest were guns. Lots of guns.

Frank Borelli, a former military policeman who worked for Blackwater in the early days of the operation, recalled that when he arrived at the Blackwater camp in Louisiana, "I was issued a Glock 17 and a Mossberg M590A shotgun. I was also issued a shotshell pouch with ten rounds of slug and ten rounds of 00 Buck. There was (at that time) no 9mm ammo available, but I was blessed to be in a camp full of trigger-pullers. Before I racked out I had fifty-one rounds of 9mm ammo loaded into three magazines for the G17." Clearly well armed, Borelli observed, "The logistics effort to support the operation is awesome, and I *know* ammo was just flown in on Monday. More came in on Wednesday. It is a comment on the spirit of the American cop/warrior that Blackwater can put *so many* men on the ground *so fast*. Supporting them is a daunting challenge."

In the early days of the hurricane, even with heavily armed Blackwater men openly patrolling the streets of New Orleans, a spokesperson for the Homeland Security Department, Russ Knocke, told the *Washington Post* he knew of no federal plans to hire Blackwater or other private security. "We believe we've got the right mix of personnel in law enforcement for the federal government to meet the demands of public safety," Knocke said on September 8. But the very next day, the Blackwater troops on the ground put forward a very different narrative. When asked what authority they were operating under, one Blackwater contractor said, "We're on contract with the Department of Homeland Security." Then, pointing to one of his comrades, he said, "He was even deputized by the governor of the state of Louisiana. We can make arrests and use lethal force if we deem it necessary." The man then held up the

gold Louisiana law enforcement badge he wore around his neck. Blackwater spokesperson Anne Duke also said the company had a letter from Louisiana officials authorizing its forces to carry loaded weapons. Some of the men said they were sleeping in camps set up by Homeland Security.

"This vigilantism demonstrates the utter breakdown of the government," said Michael Ratner, president of the Center for Constitutional Rights, upon learning Blackwater forces were deployed in the hurricane zone. "These private security forces have behaved brutally, with impunity, in Iraq. To have them now on the streets of New Orleans is frightening and possibly illegal." A statement on Blackwater's Web site, dated September 1, 2005, advertised airlift services, security services, and crowd control and said the company was deploying its SA-330 Puma helicopter "to help assist in evacuating citizens from flooded areas." The press release claimed "Blackwater's aerial support services" were being "donated" to the relief effort. "At this time, all Americans should band together and assist our countrymen who have been struck by this natural disaster," said founder Erik Prince. "Blackwater is proud to serve the people of New Orleans," said Blackwater's executive vice president Bill Mathews on September 13. "First and foremost, this is about Americans helping Americans in a time of desperation." Cofer Black spun Blackwater's operations in Katrina as strictly humanitarian-motivated. "I think it's important to underscore that companies like ours are in servitude," Black later said, adding that when Katrina hit, "Our company launched a helicopter and crew with no contract, no one paying us, that went down to New Orleans. We were able to find out how to put ourselves under Coast Guard command—we got a Coast Guard call sign and we saved some 150 people that otherwise wouldn't have been saved. And as a result of that, we've had a very positive experience." "We're always anxious to help our fellow citizens," Black said, "whether we get paid or not." But the fact is that Blackwater was indeed getting paid in New Orleans—big time.

On September 18, Blackwater estimated that it had 250 troops deployed in the region; a number Mathews said would continue to grow. "We are people who want to make a difference and help," he said. "It's time to set the record straight: We are not . . . skull-crushing mercenaries. We don't believe we will make a profit here. We ran to the fire because it was burning." In another interview Mathews said that because Blackwater had donated more than \$1 million in aviation services, "If we break even on the security services, our company will have done a great job." By then, the company was aggressively recruiting for its New Orleans operations. It required applicants to have at least four years of military experience "with duties involving carrying a weapon." A Blackwater advertisement said, "This opportunity is for immediate deployment. Earning potential up to \$9,000 a month." Meanwhile, Blackwater floated a proposal to the Department of Homeland Security (DHS) that it set up a training facility to prepare local workers for security-industry jobs in New Orleans, either with Blackwater or other firms. "Security is going to be an issue during the entire reconstruction," said Mathews.

While Blackwater may indeed have donated some "services" in New Orleans, its claims about rescuing people with its helicopter have been called into serious question by the U.S. Coast Guard, under whose direction Blackwater boasted it was operating. In early 2006, Erik Prince bragged that "after Hurricane Katrina hit, we sent one of our Puma helicopters. . . . I said, 'Start flying.' We got ourselves attached to the Coast Guard, actually became a Coast Guard call sign, and we flew, rescued 128 people." That story doesn't appear to add up. "[Blackwater] offered to do rescues, but there were legal concerns. What



if someone got hurt? So we asked them not to engage in pulling people out," said Coast Guard Cmdr. Todd Campbell, who directed a large part of the rescue operations. He told the *Virginian-Pilot* that Blackwater "debriefed me at the end of every day, and no one ever mentioned doing any rescues. If they were out there doing them, it was solely on their own."

Moreover, despite its moralistic boasts, Blackwater hardly ran a pro-bono humanitarian operation in New Orleans. In addition to its work guarding private companies, banks, hotels, industrial sites, and rich individuals, Blackwater was quietly handed a major no-bid contract with the Department of Homeland Security's Federal Protective Service, ostensibly to protect federal reconstruction projects for FEMA. According to Blackwater's government contracts, from September 8 to September 30, 2005—just three weeks—Blackwater was paid \$409,000 for providing fourteen guards and four vehicles to "protect the temporary morgue in Baton Rouge, LA." Documents show that the government paid Blackwater \$950 a day for each of its guards in the area—some \$600 more per man per day than the company was allegedly paying its men on the ground. That contract kicked off a hurricane boon for Blackwater; by the end of 2005, in just three months, the government had paid Blackwater at least \$33.3 million for its Katrina work for DHS. All of these services were justified by the government's claim of not having enough personnel to deploy quickly in the hurricane zone, though spokespeople carefully avoided drawing a connection to the various U.S. occupations internationally. "We saw the costs, in terms of accountability and dollars, for this practice in Iraq, and now we are seeing it in New Orleans," said Illinois Democrat Jan Schakowsky, one of Blackwater's few critics in Congress. "They have again given a sweetheart contract—without an open bidding process—to a company with close ties to the Administration." By June 2006, the company had raked in some \$73 million from its Katrina work for the government—about \$243,000 a day.

Instead of a serious government relief operation in New Orleans, the forces that most rapidly mobilized were the Republican-connected corporations—many of the very companies making a killing off the Iraq occupation. To further aid these companies, President Bush repealed the 1931 Davis-Bacon Act, which required federal contractors to pay a prevailing wage to its workers (he was later forced to restore it). This enabled the companies to pay bottom dollar to workers while reaping massive corporate profits. In the immediate aftermath of the hurricane, Vice President Dick Cheney's "former" company Halliburton/KBR (the greatest corporate beneficiary of the Iraq War) was given \$30 million to "assess pumps and infrastructure in the city and construct a facility to support recovery efforts," while the Shaw Group (which was paid more than \$135 million in Iraq) was given more than \$700 million in Katrina contracts. Both companies were represented by a lobbyist named Joseph Allbaugh, who just happened to be President Bush's former campaign manager and the former head of FEMA. Eventually, the government significantly raised the ceilings of its contracts to Republican-connected firms: \$950 million for Shaw, \$1.4 billion for Fluor, and \$575 million for Bechtel. Fluor's Katrina project was run by Alan Boeckmann, the same manager who was in charge of the company's Iraq contracts. "Our rebuilding work in Iraq is slowing down," he told Reuters. "And this has made some people available to respond to our work in Louisiana."

Some began referring to New Orleans and the surrounding disaster area as "Baghdad on the Bayou." As *The Nation's* Christian Parenti reported in a dispatch from New Orleans, "It seems the rescue effort is turning into an urban war game: An imaginary domestic version of the total victory that eludes America in Baghdad will be imposed here, on New Orleans. It's

almost as if the Tigris—rather than the Mississippi—had flooded the city. The place feels like a sick theme park—Macho World—where cops, mercenaries, journalists and weird volunteers of all sorts are playing out a relatively safe version of their militaristic fantasies about Armageddon and the cleansing iron fist." With U.S. forces spread thinly across multiple war zones, the landscape was ripe for some major-league disaster profiteering by the rapidly expanding world of private security and military companies.

Blackwater was hardly the only mercenary firm to take advantage of the tremendous profit opportunity in the great disaster. As business leaders and government officials talked openly of changing the demographics of one of America's most culturally vibrant cities, mercenaries from companies like DynCorp, American Security Group, Wackenhut, Kroll, and an Israeli company called Instinctive Shooting International (ISI) fanned out to guard private businesses and homes, as well as government projects and institutions. Within two weeks of the hurricane, the number of private security companies registered in Louisiana jumped from 185 to 235 and would continue to climb as the weeks passed. Some, like Blackwater, were under federal contract. Others were hired by the wealthy elite, like E Patrick Quinn III, who brought in private security to guard his \$3 million private estate and his luxury hotels, which were under consideration for a lucrative federal contract to house FEMA workers.

A possibly deadly incident involving hired guns underscored the dangers of private forces policing American streets. One private security guard said that on his second night in New Orleans, where he was on contract with a wealthy business owner, he was traveling with a heavily armed security detail en route to pick up one of his boss's associates and escort him through the chaotic city. The security guard said their convoy came under fire from "black gangbangers" on an overpass near the poor Ninth Ward neighborhood. "At the time, I was on the phone with my business partner," he recalled. "I dropped the phone and returned fire." The guard said he and his men were armed with AR-15s and Glocks and that they unleashed a barrage of bullets in the general direction of the alleged shooters on the overpass. "After that, all I heard was moaning and screaming, and the shooting stopped. That was it. Enough said."

Then, he said, "the Army showed up, yelling at us and thinking we were the enemy. We explained to them that we were security. I told them what had happened and they didn't even care. They just left." Five minutes later, the guard said, Louisiana state troopers arrived on the scene, inquired about the incident, and then asked him for directions on "how they could get out of the city." The guard said that no one ever asked him for any details of the incident and no report was ever made. "One thing about security," he said, "is that we all coordinate with each other—one family." That coordination apparently did not include the offices of the Secretaries of State in Louisiana and Alabama, which said they had no record of his company.

A few miles away from the French Quarter, another wealthy New Orleans businessman, James Reiss, who served in Mayor Ray Nagin's administration as chairman of the city's Regional Transit Authority, brought in some heavy guns to guard the elite gated community of Audubon Place: Israeli mercenaries dressed in black and armed with M-16s. Reiss, who flew the men in by helicopter, told the *Wall Street Journal*, "Those who want to see this city rebuilt want to see it done in a completely different way: demographically, geographically and politically. The way we've been living is not going to happen again, or we're out." Two Israelis patrolling the gates outside Audubon said they had served as professional soldiers in the Israeli military, and one boasted of having participated

in the invasion of Lebanon. "We have been fighting the Palestinians all day, every day, our whole lives," one of them declared. "Here in New Orleans, we are not guarding from terrorists." Then, tapping on his machine gun, he said, "Most Americans, when they see these things, that's enough to scare them."

The men said they worked for Instinctive Shooting International, which described its employees as "veterans of the Israeli special task forces from the following Israeli government bodies: Israel Defense Force (IDF), Israel National Police Counter Terrorism units, Instructors of Israel National Police Counter Terrorism units, General Security Service (GSS or 'Shin Beit'), Other restricted intelligence agencies." The company was formed in 1993. Its Web site profile said: "Our up-to-date services meet the challenging needs for Homeland Security preparedness and overseas combat procedures and readiness. ISI is currently an approved vendor by the US Government to supply Homeland Security services."

As countless guns poured into New Orleans, there was a distinct absence of relief operations, food, and water distribution. The presence of the mercenaries raised another important question: given the enormous presence in New Orleans of National Guard, U.S. Army, U.S. Border Patrol, local police from around the country, and practically every other government agency with badges, why were private security companies needed, particularly to guard federal projects? "I don't know that there are any terrorist attacks being planned against FEMA offices in the Gulf Coast," said Illinois Senator Barack Obama. "It strikes me, with all the National Guardsmen that we've got down there, with a bunch of local law enforcement that are back on the job and putting their lives back together again, that that may not be the best use of money." Shortly after *The Nation* exposed Blackwater's operations in New Orleans, Representative Schakowsky and a handful of other Congress members raised questions about the scandal. They entered the reporting into the Congressional Record during hearings on Katrina in late September 2005 and cited it in letters to DHS Inspector General Richard Skinner, who then began an inquiry. In letters to Congressional offices in February 2006, Skinner defended the Blackwater deal, asserting that it was "appropriate" for the government to contract with the company. Skinner admitted that "the ongoing cost of the contract . . . is clearly very high" and then quietly dropped a bombshell: "It is expected that FEMA will require guard services on a relatively long-term basis (two to five years)."

The hurricane's aftermath ushered in the homecoming of the "war on terror," a contract bonanza whereby companies reaped massive Iraq-like profits without leaving the country and at a minuscule fraction of the risk. To critics of the government's handling of the hurricane, the message was clear. "That's what happens when the victims are black folks vilified before and after the storm—instead of aid, they get contained," said Chris Kromm, executive director of the Institute for Southern Studies and an editor of Gulf Coast Reconstruction Watch. Kromm alleged that while seemingly endless amounts of money were doled out to scandal-ridden contractors, vital projects had "gotten zero or little money" in New Orleans in the same period, including: job creation, hospital and school reconstruction, affordable housing, and wetlands restoration. Even in this context, DHS continued to defend the Blackwater contract. In a March 1, 2006, memo to FEMA, Matt Jadacki, the DHS Special Inspector General for Gulf Coast Hurricane Recovery, wrote that the Federal Protective Service considered Blackwater "the best value to the government."

A month after Katrina hit, Blackwater's guards were also working the Hurricane Rita gravy train. At its high point the company had about six hundred contractors deployed from

Texas to Mississippi. By the summer of 2006, Blackwater's operations in New Orleans were staffed more by police types than the commandos of the early deployment. The paramilitary gear was eventually replaced by black polo shirts with the company logo, khaki pants, and pistols as Blackwater men patrolled the parking lot of a Wal-Mart that had been converted into a FEMA outpost. In late August 2006, Blackwater was still guarding such vital public institutions as the city library—which was being used by FEMA—where one patron, after allegedly being refused entry by a Blackwater guard and finding himself unable to get an explanation as to why, said the "brazen representative declined to give his name and called a supervisor who declined to give his name or the name of the representative who denied [the man] access to the library.

"In Baton Rouge, Blackwater set up a Katrina zone headquarters, renting space at the World Evangelism Bible College and Seminary, run by disgraced Christian televangelist Jimmy Swaggart (whose public career went up in flames in 1988 when he was caught with a prostitute in a motel).

For Blackwater, Katrina was a momentous occasion—its first official deployment on U.S. soil. While it raked in a hefty sum for the domestic disaster operations, the greatest benefit to the company was in breaking into a new, lucrative market for its mercenary services—far from the bloodletting of Iraq. As the *Virginian-Pilot*, which is right in Blackwater's backyard, observed, the hurricanes of 2005 represented "a potential plug for a hole in Blackwater's business model. Private military companies thrive on war—an icy fact that could gut the now-booming industry when or if Iraq settles down. Katrina offered Blackwater a chance to diversify into natural disasters." Erik Prince has said that prior to Katrina, "We had no plans to be in the domestic security business at all." In the aftermath of the hurricane, though, Blackwater launched a new domestic operations division. "Look, none of us loves the idea that devastation became a business opportunity," said the new division's deputy, Seamus Flatley, a retired Navy fighter pilot. "It's a distasteful fact, but it is what it is. Doctors, lawyers, funeral directors, even newspapers—they all make a living off of bad things happening. So do we, because somebody's got to handle it."

But critics saw the deployment of Blackwater's forces domestically as a dangerous precedent that could undermine U.S. democracy. "Their actions may not be subject to constitutional limitations that apply to both federal and state officials and employees—including First Amendment and Fourth Amendment rights to be free from illegal searches and seizures. Unlike police officers, they are not trained in protecting constitutional rights," said CCR's Ratner. "These kind of paramilitary groups bring to mind Nazi Party brownshirts, functioning as an extrajudicial enforcement mechanism that can and does operate outside the law. The use of these paramilitary groups is an extremely dangerous threat to our rights."

### **Blackwater and the Border**

One quality Blackwater USA has consistently put on display is its uncanny ability to be in the right place at the right moment—especially when it comes to scooping up lucrative government contracts. Far from being a matter of simple luck, the company has dedicated substantial resources to monitoring trends in the world of law enforcement and military actions and has hired many well-connected ex-spooks, former federal officials, and military brass. Like the best entrepreneurs, Blackwater is always looking to provide what it refers to as "turnkey" solutions for problems ailing the government bureaucracy or to fill the seemingly endless "national security" holes appearing in the wake of the "war on terror." In the years

following 9/11, Blackwater proved remarkably adept at placing itself in the middle of many of the prized battles the administration (and the right in general) was waging: rapid privatization of government, the occupations of Iraq and Afghanistan, and bolstering Christian/Republican friendly businesses.

While the hurricanes expedited Blackwater's domestic program, it was by no means the first time the company had considered the major profits to be made on the home front. In fact, in mid-2005, three months before Katrina hit—and with its forces firmly entrenched in Iraq and a taxpayer-funded I.V. running directly from Washington, D.C., to Moyock—Blackwater quietly threw its hat into the ring of another major front: immigration and "border security." After the launch of the "war on terror," anti-immigrant groups used the fear of further attacks to push for greater militarization of the U.S. borders—with some calling for a massive fence stretching hundreds of miles along the U.S./Mexico border—and to "crack down" on people they characterized as "illegal aliens."

In April 2005, the anti-immigrant/pro-militarized-border cause got a huge boost as the Minuteman Project Civil Defense Corps exploded onto the scene. The overwhelmingly white movement organized anti-immigrant militias to patrol the U.S. border with Mexico. The Minutemen, named after the militias that fought in the American Revolution, billed themselves as "Americans doing the jobs our Government won't do." They claimed to have hundreds of volunteers from thirty-seven states, among them many former military and law enforcement officers as well as pilots who would do aerial surveillance.

One of Blackwater's key Congressional allies, Representative Duncan Hunter, began stepping up his campaign for a massive "border fence," while Erik Prince's old boss, Representative Dana Rohrabacher endorsed the Minutemen, saying the militias "demonstrated the positive effects of an increased presence on the southwest border. There's no denying that more border patrol agents would help create a stronger border and decrease illegal crossings that may include international terrorists." T. J. Bonner, president of the National Border Patrol Council—a lobbying organization—echoed those sentiments, invoking the 9/11 attacks. "Even if a terrorist is a one-in-a-million occurrence, with several million people coming into the country every year, very soon they reach that critical mass necessary to carry out another attack on the magnitude of September 11," he said. "This is totally unacceptable from the standpoint of homeland security and national security. We have to gain control of our borders."

On Capitol Hill, Republican operatives seized the opportunity to escalate their anti-immigrant, proprivatization, promilitarization campaign and push forward with an agenda that would have been difficult to popularize before 9/11. Now, the new national hysteria provided the ideal turf to wage the battle. In the midst of this, on May 18, 2005, the House of Representatives passed the first Department of Homeland Security Authorization Bill, which approved the hiring of some two thousand new border patrol agents. On May 24, the House Homeland Security Committee's management integration and oversight subcommittee held a hearing on the training of these new agents. One of the central purposes of the hearing seemed to be to promote outsourcing the border-training program to the private sector.

The first panel of the hearings consisted of two U.S. government immigration officials. The second panel represented the private industry. For this panel, there were just two speakers: T. J. Bonner and Gary Jackson. "We need reinforcements desperately, and we need them yesterday," Bonner told the hearing. "There's a crying need for agents clearly, which is borne out by the call for citizen patrol groups, military on the border. Clearly we're not

doing our job. But the reason we need more border patrol agents is to secure our borders. We need to spend whatever it takes, not try and do it on the cheap, not try and figure out how we can cut corners to hire as many border patrol agents as possible, but to spend whatever it takes to support these men and women so that they can go out there." Jackson began his testimony by running through a brief, selective history of Blackwater. The company, he said, was founded "from a clear vision of the need for innovative, flexible training and security solutions in support of national and global security challenges. Both the military and law enforcement agencies needed additional capacity to fully train their personnel to the standards required to keep our country secure. Because these constraints on training venues continued to increase, Blackwater believed that the U.S. government would embrace outsourcing of quality training. We built Blackwater's facility in North Carolina to provide the capacity that we thought our government would need to meet its future training requirements. Over the years, Blackwater has not only become an industry leader in training but at the cutting edge." Jackson said that as the company grew, "We quickly realized the value to the government of one-stop shopping. While there were other companies who offered one or two distinct training services, none of them offer all of our services and certainly not at one location." The importance of this, Jackson said, "cannot be overstated. Being able to conduct training at a centralized locality is the most cost-effective, efficient way of ensuring that new federal law enforcement agents are trained to the level demanded by today's national and homeland security challenges."

Alabama Republican Mike Rogers, who chaired the Congressional hearing, blasted the costs of government training programs for border agents, saying, "It's going to cost more to train a border patrol officer in a ten-month program than it is to get a four-year degree at Harvard University." Rogers asked: if Blackwater was given \$100,000 per agent, did Jackson believe the company "would give them equal or better training than they're receiving" from the federal government's training program? "I could assure you of that," Jackson shot back. He told the lawmakers that Blackwater could train all two thousand new border patrol agents in one year. "Blackwater successfully conducts a similar public-private partnership with the Department of State to recruit, train, deploy, and manage diplomatic security specialists in Iraq and other areas of interest. Securing our borders will continue to be a challenge for our nation," Jackson said. "The urgency is clear. History repeatedly demonstrates that innovation and efficiency are what alter the strategic balance, and Blackwater offers both in support of training new border patrol agents. Just as the private sector has responded in moving mail and packages around the world in a more efficient manner, so too can Blackwater respond to the CBP (Customs and Border Patrol) emerging and compelling training needs."

A few days later, Blackwater's *Tactical Weekly* newsletter carried the news headline "Border Patrol Should Consider Outsourcing Its Training Lawmaker Says." The article, from the *Federal Times*, reported that "[Congressman] Rogers said the government may need to turn to Blackwater USA or other contractor if they can do the job cheaper. We have a fiduciary obligation to taxpayers to look at other options, Rogers said. 'It's irresponsible to go forward with that in the absence of supporting documentation.'"

In November 2005, Blackwater and the American Red Cross held a joint "Gulf Region Relief" fundraiser that symbolically brought Blackwater's diverse federal contracts full circle. The keynote speaker, welcomed with a standing ovation, was Blackwater's once-prized client, L. Paul Bremer, whose book on Iraq had just been published. Blackwater claimed to

have raised \$138,000 that night—about \$100,000 shy of the company's estimated daily take from the Katrina contracting jackpot. "Tonight was a success because it was about Americans helping Americans," said Gary Jackson, repeating what had become Blackwater's new mantra. "Our great employees and our special relationship with Ambassador Bremer and the Red Cross made it possible to pull off this event." It was reminiscent of the tobacco industry cheering its own meager contributions to antismoking campaigns, while at the same time aggressively marketing cigarettes with exponentially more resources. In reality, Blackwater gained far more from the hurricane than New Orleans's victims did from Blackwater's services.

President Bush used the Katrina disaster to try to repeal the Posse Comitatus Act (the ban on using U.S. troops in domestic law enforcement), and Blackwater and other security firms initiated a push to install their paramilitaries on U.S. soil, bringing the war home in yet another ominous way. "This is a trend," said one Blackwater mercenary in New Orleans. "You're going to see a lot more guys like us in these situations." Blackwater had now solidified its position not only as one of the great beneficiaries of the "war on terror" but as a major player in several of the key arenas of the neoconservative agenda. On the one-year anniversary of Katrina, Gary Jackson used the opportunity to showcase Blackwater's services. "When the Department of Homeland Security called with an emergent and compelling requirement for a turnkey security solution for multiple federal assets, we responded," he wrote. "Our Rapid Response Enterprise has global reach and can make a positive difference in the lives of those who are affected by natural disasters and terrorist events."

Shortly after Blackwater's Katrina profits started rolling in, Erik Prince sent out a memo on Prince Group letterhead to "all Blackwater USA officers, employees, and independent contractors." Its subject: "Blackwater USA National Security Oath and Leadership Standards." It required Blackwater workers to swear the same oath to the Constitution as Blackwater's "National Security-related clients" to "support and defend the Constitution of the United States against all enemies, foreign and domestic.... So help me God."

### **K Street Collapse**

In January 2006, as Blackwater continued to enjoy the great windfall from Hurricane Katrina, its powerful lobbying firm, the Alexander Strategy Group, was brought down in the flames of the Jack Abramoff lobbying scandal. Abramoff was a member of President Bush's 2001 Transition Team, a powerful Republican lobbyist, and a close associate of many of the most powerful political players in the United States. In March 2006, after months of sustained revelations about Abramoff's influence-peddling activities, he ended up pleading guilty to five felony counts in one of the greatest corruption scandals in Washington in recent history. ASG was one of several Abramoff-related casualties. The well-connected Republican lobbying firm, founded and run by former senior staffers of ex-House majority leader Tom DeLay, was also deeply entangled in several other scandals rocking Washington at the time. As Abramoff was going down, ASG's lobbyists feverishly scrambled to dissociate themselves from the sinking ship.

A few months earlier, it would have been difficult to predict ASG's downfall. The firm enjoyed a prosperous 2005, ranked as a Top 25 lobbying outfit by *National Journal*, with revenues on a steady rise—up 34 percent in one year, to \$8 million from what the *Washington Post* termed "an A-list of about 70 companies and organizations." In addition to powerhouses like PhRMA, Enron, TimeWarner, Microsoft, and Eli Lilly, ASG counted among its clients

over the years several evangelical Christian causes and organizations—among them right-wing media operations like Salem Communications, the National Religious Broadcasters, and Grace News. ASG was also a quiet workhorse in procuring lucrative military contracts for some of its clients. At the time of its downfall, ASG was on the cutting edge of one of the fastest-growing industries within the military world—private security. That was thanks in large part to the long-term relationship between ASG partner Paul Behrends and Blackwater owner Erik Prince.

While Behrends had been lobbying for Prince and Blackwater almost from the moment the business began, the key assistance Behrends provided came in the immediate aftermath of the Fallujah ambush in 2004. In November 2005, when Blackwater and other private security firms began a push to recast their mercenary image under the banner of the International Peace Operations Association, the mercenary trade association, it was Behrends and ASG they enlisted to help them do it. Among those registered by ASG as lobbyists for IPOA were several former DeLay staffers, including Ed Buckham and Karl Gallant, former head of DeLay's ARMPAC, and Tony Rudy, DeLay's former counsel, who pleaded guilty in March 2006 to conspiracy to corrupt public officials and defraud clients. Interestingly, Rudy had also worked alongside Behrends in Representative Dana Rohrabacher's office in the early 1990s—the same time Erik Prince claimed to have worked there as a defense analyst.

According to Rohrabacher's office, Prince was actually an unpaid intern. Rohrabacher remained an ardent defender of Jack Abramoff, whom he first met when Abramoff was a leading College Republican and Rohrabacher was an aide to President Reagan. When Abramoff was sentenced in 2006, Rohrabacher was the only sitting Congress member to write the sentencing judge asking for leniency. "Jack was a selfless patriot most of the time I knew him. His first and foremost consideration was protecting America from its enemies," Rohrabacher wrote. "Only later did he cash in on the contacts he made from his idealistic endeavors."

Prince himself managed to escape scrutiny, despite his ties to Rudy and his connection to Abramoff. The Edgar and Elsa Prince Foundation, of which Erik Prince is a vice president and his mother is president, gave at least \$130,000 to Toward Tradition, an organization that described itself as a "national coalition of Jews and Christians devoted to fighting the secular institutions that foster anti-religious bigotry, harm families, and jeopardize the future of America." Abramoff served as chairman of the organization, run by his longtime friend Rabbi Daniel Lapin, until 2000, and remained on the board until 2004. Toward Tradition surfaced in Abramoff's plea agreement as a "nonprofit entity" through which "Abramoff provided things of value . . . [w]ith the intent to influence . . . official acts." Abramoff clients eLottery, an Internet gambling company, and the Magazine Publishers of America each donated \$25,000 to Toward Tradition. The \$50,000 was then paid to Tony Rudy's wife, Lisa, in ten \$5,000 installments for consulting services. At the time, Rudy was DeLay's deputy chief of staff and was helping eLottery to fight a bill that would outlaw Internet gambling and helping the MPA to fight a postal rate increase.

Despite the ASG scandal in early 2006, the head of the IPOA, Doug Brooks, told *Roll Call* that the association with Behrends would continue, saying IPOA found him "helpful in terms of what we were working on." While the ASG lobbyists scrambled to set up new shops with different names and clients tried to distance themselves from the scandal, Behrends began working for powerhouse law firm Crowell & Moring's lobbying arm, C&M Capitol Link—a company he had previously worked with on behalf of Blackwater in 2004. Still, some questioned the hiring of a DeLay-linked lobbyist. "We did our homework. We did all the right



due diligence, as you might guess," said John Thorne, head of C&M Capitol Link. "[Behrends's] reputation is solid. Everyone we talked to said he was completely out of that other business." But Behrends was not out of the mercenary business in general nor Blackwater's stake in it specifically. The bond between the influential lobbyist and Erik Prince was far too strong not to weather a mere political scandal. Besides, major projects were on the horizon.

The company would soon begin expanding its global reach and its appetite for international contracts, putting its forces forward as possible peacekeepers in places like Darfur—a crisis zone located in Cofer Black's old stomping ground, Sudan. Eight years after Blackwater's quiet beginnings, the company had become a major player in the neoconservative revolution and would enthusiastically act as the Pied Piper of the neo-mercenary rebranding movement.

## "THE KNIGHTS OF THE ROUND TABLE"

**BY THE** time Defense Secretary Donald Rumsfeld resigned in late 2006, he had indeed, as President Bush declared, overseen the "most sweeping transformation of America's global force posture since the end of World War II." By Rumsfeld's last day in office, the ratio of active-duty U.S. soldiers to private contractors deployed in Iraq had almost reached one to one, a statistic unprecedented in modern warfare. Vice President Dick Cheney called Rumsfeld "the finest Secretary of Defense this nation has ever had." The praise was understandable coming from Cheney. The dramatic military privatization scheme launched during Cheney's time as Secretary of Defense during the 1991 Gulf War had grown beyond his wildest expectations under Rumsfeld and has forever altered the way the United States wages its wars. And yet despite the unprecedented level of private sector involvement on the battlefield, the U.S. military has seldom been stretched more thinly or faced more perilous times. The Bush administration's occupations of Iraq and Afghanistan taxed U.S. forces to the point where former Secretary of State Colin Powell declared in late 2006 that "the active Army is about broken." In the midst of such striking commentary from one of the country's most celebrated military figures, President Bush announced his intent to increase the size of the American armed forces to "position our military so that it is ready and able to stay engaged in a long war." In his 2007 State of the Union address, Bush called for an increase of ninety-two thousand active duty troops within five years and proposed a Civilian Reserve Corps to supplement official U.S. forces.

While the "bleeding" of the U.S. military was without question the result of the administration's aggressive policies and unpopular occupations, the new Democratic Congressional leadership, which swept to power in November 2006, seemed more than willing to go along with Bush's aspirations for an even larger military, rather than questioning the insatiable appetite for conquest that made it a necessity. Among the few forces

that could take comfort in this situation are those that have benefited the most from the war on terror—the companies of the war industry. Few have gained as much in the Bush years and few stand to benefit more from the projected U.S. course in the future than Blackwater USA. Erik Prince knows this. In fact, he has offered up a remedy of his own for the numbers crisis in the military—the creation of a "contractor brigade." As for the official Army plan to increase its size by thirty thousand troops, Prince asserted, "We could certainly do it cheaper." Those are the words of a man empowered by success and confident in his future. They are the words of a man with his own army, hailed by the neoconservative *Weekly Standard* as "the alpha and omega of military outsourcing."

In the years since Blackwater began in 1997 as a firing range and lodge near the Great Dismal Swamp of North Carolina, it has grown to become one of the most powerful private military actors on the international scene. Blackwater in 2006 had some twenty-three hundred private soldiers deployed in nine countries around the world and boasted of a database of another twenty-one thousand additional contractors on whom it could call should the need arise. In 2006, one U.S. Congressperson observed that, in terms of military might, the company could single-handedly take down many of the world's governments. Its seven-thousand-acre facility in Moyock, North Carolina, has now become the most sophisticated private military center on the planet, while the company possesses one of the world's largest privately held stockpiles of heavy-duty weaponry. It is a major training center for federal and local security and military forces in the United States, as well as foreign forces and private individuals. It sells its own line of target systems and armored vehicles. Blackwater's state-of-the-art sixty-thousand-square-foot corporate headquarters welcomes visitors with door handles made from the muzzles of automatic weapons. It is developing surveillance blimps and private airstrips for its fleet of aircraft, which include helicopter gunships.

Blackwater is building facilities in both Illinois ("Blackwater North") and California ("Blackwater West"), as well as a jungle-training center in the Philippines housed at the former U.S. naval base at Subic Bay, once the largest U.S. military base in Asia. The company holds hundreds of millions of dollars in U.S. government contracts, among them "black" contracts kept from public oversight, and has begun marketing aggressively to corporations. It has deep connections to the U.S. intelligence and defense apparatus and has become nothing short of the administration's Praetorian Guard in the war on terror. While Blackwater executives may have initially set their sights high in aiming to be a wing of the military—like the Marines or the Army—now, reeling from its successes, the company is no longer content to be subordinate to the United States. While it still maintains its pledge of loyalty and patriotism, Blackwater strives to be an independent army, deploying to conflict zones as an alternative to a NATO or UN force, albeit one accountable to Blackwater's owners rather than member nations.

### **Darfur Dreams**

In late March 2006, Cofer Black flew to Amman, Jordan, where he represented Blackwater at one of the world's premier war bazaars, the Special Operations Forces Exhibition and Conference (SOFEX). More than 220 companies ranging from weapons manufacturers and arms dealers to military consultants and trainers to full-blown mercenary outfits were on hand to peddle their goods and services to wealthy governments from across the Middle East, North Africa, and the world. The organizers boasted that SOFEX is "the world's leading special operations forces, homeland security, counter terrorism and security forces

exhibition and conference serving the global defense market. After the Cold War, the Middle East quickly became one of the world's hungriest markets for military equipment and training services, and the biennial conference was a valued chance for military commanders and planners to examine and purchase the latest wares international war contractors and military merchants had to offer. In attendance were military delegations from forty-two countries and more than seventy-five hundred visitors from across the globe. As the conference's promotional materials boasted, "In the last decade, the Middle East has emerged as the largest importing region for security and military defence equipment, representing approximately 60% of the global defence expenditure." As though to give the affair an extra air of legitimacy, the managing director of the conference, Amer Tabbah, touted the fact that SOFEX had been "accredited by the US Department of Commerce . . . showing the global trust and belief held by many."

The SOFEX conference was sponsored by one of President Bush's closest Arab allies, King Abdullah of Jordan. Unlike his father, the late King Hussein, who opposed the 1991 Gulf War, the U.S./U.K.-educated Abdullah provided key support to the Bush administration in the build-up and execution of the Iraq invasion. Jordan has also served as a major transit point and staging ground for war-servicing corporations supporting the occupation in neighboring Iraq. Blackwater, like the White House, developed a special relationship with Jordan, opening an office in Amman early on in the Iraq occupation. Since King Abdullah took over from his deceased father in 1999, he has worked assiduously to modernize and Westernize Jordan's military capabilities and to bolster its prominence as a force in the region. When

King Abdullah—himself a former Special Operations commander—decided in 2004 to create a five-hundred-man special operations counterterrorism aviation unit, Jordan hired Blackwater to conduct the training for the elite force. The contract, however, was held up by the State Department because of export-control regulations governing the sensitive nature of training foreign military forces. In early December 2004, King Abdullah visited Washington and reportedly raised the issue of the stalled Blackwater contract with almost every U.S. official he met. Soon thereafter the contract was given the go-ahead by the Bush administration. The Jordanian unit would receive training in operating various militarized assault helicopters, such as Blackhawks and Hughes MD500s, for use in counterterror operations, quick-air assaults, and forward reconnaissance. Jordan said it would pay for the training with part of its approximately \$1 billion in annual U.S. military assistance. "The Jordanians came to us," said Erik Prince. "They hired us to help build their squadrons, to teach them how to fly at night on goggles, to mount operations out of a helicopter."

As an exclamation point to King Abdullah's drive to remake the Jordanian military, just ahead of the SOFEX conference, officials of the kingdom confirmed they had completed plans for what they called the King Abdullah Special Operations Training Center in Jordan, a \$100 million project also funded by the U.S. government. King Abdullah said the training center project was being supervised by the U.S. Army Corps of Engineers, and the monarch's description sounded as though he was constructing a facility modeled after Blackwater's Moyock training compound. Abdullah said the facility would be used for the "training of both national and regional special operations forces, counterterrorism forces, security and emergency service units, and to act as the premier live-fire training center for the Middle East." Indeed, members of Jordan's elite antiterror unit, Battalion 71, had participated in Blackwater's 2004 SWAT Challenge in Moyock and had seen the company's vaunted U.S. training facility firsthand.

Blackwater's special relationship with Jordan and its king made the company a mini-phenomenon at the international war bazaar in Amman in March 2006. Blackwater chose the SOFEX conference to unveil its newly formed parachute team, which performed publicly for the first time at the conference opening at King Abdullah I air base. But while Blackwater's parachute team may have wowed spectators on the ground, it was Cofer Black who stole the show on the opening day. Black "astonished" international Special Forces representatives when he declared that Blackwater was prepared to deploy a private brigade-sized force to conflict or crisis zones worldwide. "It's an intriguing, good idea from a practical standpoint because we're low-cost and fast," Black said. "The issue is, who's going to let us play on their team?" As an example, Black suggested that Blackwater could deploy its force in the Darfur region of Sudan, adding that Blackwater had already pitched the idea to unnamed U.S. and NATO officials. "About a year ago, we realized we could do it," Black said. "There is clear potential to conduct security operations at a fraction of the cost of NATO operations." Black was mobbed after his remarks by throngs of defense suppliers excited about the prospect of new markets being described by one of the industry's star players, not to mention one of America's most legendary spies. Black explained that Blackwater is a self-sustained operation. "We've war-gamed this with professionals," he said. "We can do this." He was quick to add that the company would not contradict U.S. policy by renting its services to enemies of the government. "We're an American company," Black declared. "We would get the approval of the U.S. government for anything we did for our friends overseas."

After Black's remarks in Jordan, Blackwater vice president Chris Taylor expanded on his firm's vision for a Sudan deployment. "Of course we could provide security at refugee camps, defensive security," Taylor said. "What we seek to do first is to be the best deterrent that we can possibly be." He boasted that Blackwater could mobilize faster than the UN or NATO. "In the time that it takes to put an internationally recognized body unit on the ground, I can be there in a third of that time and I will be 60 percent cheaper," Taylor told National Public Radio. But independent experts disputed

Blackwater's claims. "It's comparing real apples with fictional oranges," said P. W. Singer of the Brookings Institution. "NATO or UN operations represent a full array of political commitment and activities, not simply a small set of guys with guns and a CASA 212. That's why they are expensive and completely different."

Blackwater wasn't just talking about Darfur. Taylor also broadened the private-army-for-hire theme, floating the idea of the Iraqi government hiring Blackwater's men to quell attacks by resistance groups. "We clearly couldn't go into the whole country of Iraq," Taylor told the *Virginian-Pilot*. "But we might be able to go into a region or a city." Cofer Black and other company officials spun their vision for "peacekeeping," "stabilization," and "humanitarian" operations as being born of moralistic outrage over human suffering. The international community, they argued, is slow to respond and ineffective, while, as Black said in Jordan, "Blackwater spends a lot of time thinking, How can we contribute to the common good?" What Blackwater executives rarely, if ever, discuss in public is the tremendous profit to be made in servicing disasters, crises, and wars. In Jordan Blackwater and other mercenary firms aggressively promoted an internationalization of the rapid privatization of military and security the benefits of which they now enjoy in the United States. Under the soft banner of "humanitarianism," these companies hoped to take "business" away from international governmental bodies like the UN, NATO, and the African

and European Unions. For Blackwater, such a transformation would mean permanent profit opportunity, limited only by the number of international crises, disasters, and conflicts. "World stability and peacemaking/-keeping operations have been criminally cost-ineffective and operationally failed," said Blackwater's Taylor. "Send 10,000 UN troops to Darfur? A colossal waste of money. You do not create security and peace by throwing more mediocre, uncommitted people into the fray."

Singer, who has extensively studied the role of private military firms in international conflicts, observed the following about Blackwater's Sudan pitch:

The firms go about talking about how they would save kittens in trees if only the big bad international community would let them, but the situation is just far more complex than that. This kind of lobbying often attempts to confuse folks. . . . The issue preventing effective action in Darfur is not simply a matter of financial costs. That is, there is not some imaginary price point that only if such firms could come in under, it would solve things. The real problem is that it is a political mess on the ground, there is no effective UN mandate, no outside political will to engage for real, plus a Sudanese government that is obstructionist and effectively one of the sides (meaning if you go in without a mandate, you gotta be willing to kick the doors down, destroy air bases, etc. which no firm has the capacity to do, and sends the issue back to US/NATO/UN), thus far preventing a useful deployment. So even if you got firms willing, you still have to solve those problems.

But Sudan's value to Blackwater stretched beyond a single peacekeeping contract or purported humanitarian concerns for the victims in Darfur. It was Blackwater's ticket into a whole new world of potential growth—Darfur became the rallying cry for a rebranding operation aimed at winning massive international contracts for mercenary firms. Unlike the invasion and occupation of Iraq, which was overwhelmingly opposed by a majority of the world, calls for intervention in Darfur are much more widespread and, therefore, an easier sell for Blackwater and its allies for increasing the use of private soldiers. Indeed, even at antiwar rallies, scores of protesters held signs reading, "Out of Iraq, Into Darfur."

A quick survey of Sudan's vast natural resources dispels any notion that U.S./corporate desires to move into Sudan derive from purely humanitarian motives. First off, because of Sudan's designation by the State Department as a sponsor of terrorism, U.S. corporations are prohibited from investing in Sudan. As a result, China has become the major player in exploiting Sudan's tremendous oil supplies. While Sudan is not a member of the Organization of Petroleum Exporting Countries, it was granted observer status in August 2001, a distinction reserved for significant global oil producers. Four years later, its proven oil reserves had expanded sixfold to 1.6 billion barrels, the thirty-fifth-largest in the world—all inaccessible to U.S. oil corporations. The China National Petroleum Corporation owns 40 percent—the largest single share—of the Greater Nile Petroleum Operating Company, the consortium that dominates Sudan's oilfields. Sudan also has a significant natural gas reserve, one of the three largest deposits of high-purity uranium in the world, and the fourth-largest deposits of copper. Regime change in Sudan would open up extremely lucrative investment opportunities to U.S. corporations, potentially capturing them from Chinese companies. It would also mean the end of a strong Islamic government that has continued to modernize, despite tough U.S.-led sanctions. Sending in private U.S. forces, under the guise of an international humanitarian mission, could give Washington a major foothold in Sudan for future action.

At the time of Cofer Black's trip to Jordan, Darfur was very much in the headlines. Black himself had spent a significant amount of time in the country as part of his work for the CIA. "Cofer and I have been speaking about our ability to help in Darfur ad infinitum, and that just pisses off the humanitarian world," said Chris Taylor. "They have problems with private security companies, not because of performance but because they think that in some cases it removes their ability to cross borders, to talk to both sides, to be neutral. And that's great, but the age-old question—is neutrality greater than saving one more life? What's the marginal utility on one more life?" In February 2005, the month Black joined Blackwater, Erik Prince publicly raised for the first time the prospect of private peacekeepers at a symposium of the National Defense Industrial Association. "In areas where the UN is, where there's a lot of instability, sending a big, large-footprint conventional force is politically unpalatable; it's expensive, diplomatically difficult as well," Prince told the military gathering. "We could put together a multinational, professional force, supply it, manage it, lead it, put it under UN or NATO or U.S. control, however it would best be done. We can help stabilize the situation." Prince suggested that Blackwater could deploy a "Quick Reaction Force" to protect nongovernmental organizations in Darfur or other conflict areas. "You talk about Darfur: I don't think you need an 8,000-peacekeeper force," he said. "If there's an atrocity in progress, it's the Janjaweed [militia] that has to be stopped, and we have to move and stop the problem, and solve the immediate threat. Not bring an 8,000 or 10,000 man force."

Similar to the company's use of the Columbine "massacre" to win new business, Blackwater was taking advantage of a global crisis that found parties spanning the political spectrum calling for intervention and decrying the perceived indifference of the UN and other international bodies. Sudan has become a pet cause of many of the right-wing Christian forces Blackwater is in bed with, not the least of which is Christian Freedom International—on whose small nine-member board both Erik Prince and his lobbyist Paul Behrends sit. Christian Freedom, founded by a consortium of well-connected Republican evangelicals, has been accused of using its "humanitarian aid" designation as a cover for missionary activities. Despite operating largely in Muslim countries, the group publicly states, "We believe the Bible to be the inspired, the only infallible, authoritative Word of God."

The leadership of Christian Freedom has had a long relationship with the crisis in Sudan because of the Christian/Muslim conflict. Early on in its work there, CFI engaged in the practice of "slave redemptions"—purchasing Christians it believed to be enslaved—but later denounced the practice, saying the "redemptions" had become a source of funding for rebel groups and that people were "faking their stories of enslavement in an attempt to make money." For years, CFI has cast its vision for Sudan in the very economic terms that have fueled the Bush administration's global policies and Blackwater's corporate strategy. "Many Christians in Southern Sudan desire to break free from international handouts and learn free-market principles, useful skills and technologies that will move them from dependence to independence," wrote Christian Freedom founder Jim Jacobson, the former Reagan official, in a 1999 column. "It's time to help the Christians of Sudan begin to walk. When this day comes—and it will come—slavery in Sudan will end." Like Blackwater executives, Jacobson has disparaged the work of the United Nations, charging that the UN has a vested interest in keeping refugees impoverished. "I consider a lot of the [UN] organizations to be merchants of misery," Jacobson said. "The UN welfare organizations need people in

miserable conditions to justify their own existence. The more people they have depending on them, the more money they get. We are trying to promote self-sufficiency to get people off handouts."

As Blackwater continued to aggressively push its Sudan campaign, Behrends—the company's top lobbyist—hit the airwaves of conservative radio to push for support. "We can be a huge help and catalyst and enabler to save those people," said Behrends in a 2006 interview on *The Danger Zone*, the syndicated radio program of the neoconservative Foundation for Defense of Democracies. On the program, Behrends was simply identified as a representative of Blackwater. "I'd like to make a point that any money that we made, we would pour back into the community there, clinics, schools, roads, whatever, because this is not a place that we want to make any money, this is just a place that we feel very strongly about helping," he said.

As with many of Blackwater's deployments under the Bush administration, the company could rake in profits while serving the political and religious agenda of the administration and Erik Prince's theoconservative allies. But aside from the political and religious motivations for Blackwater's push to deploy in Sudan, the proposal provided a vivid glimpse into the corporate strategy Blackwater sees as a key to its future—repackaging mercenaries as peacekeepers. "There's a lot of crises in the world," said Singer, author of *Corporate Warriors*. "If they could get their foot in the door in them, it potentially opens up an entire new business sector for them." While media reports at the time of the Jordan military conference suggested that Cofer Black's "peacekeeping" proposal was a new development in Blackwater's strategic vision, it had actually been in the works for at least a year. Author Robert Young Pelton said the company developed a detailed proposal for Blackwater deploying in Sudan soon after then-Secretary of State Colin Powell visited Darfur in June 2004. "If you look at the presentation, it includes not only men with guns. They're offering helicopter gunships, a fighter bomber that has the capacity to drop cluster bombs, and [satellite-guided weapons], armored vehicles," Pelton said. "You say: Wait a minute. That's a lot of offensive force. What does that have to do with peacekeeping?"

In January 2006, three months before Cofer Black was dispatched to Jordan, Prince spoke to yet another military conference attended by scores of U.S. military officials. "One of the areas we could help is peacekeeping, perhaps. In Haiti you have a 9,000-man peacekeeping brigade at a cost of \$496 million a year, the garrison commander just committed suicide, it's in total disarray," Prince said. "List for me—if you could—any really successful UN peacekeeping operations. I mean, I see the movie *Hotel Rwanda* and I get sick, and I say, Why did we let that happen? We can do something about that next time without a huge U.S. footprint. We can build a multinational brigade of professionals vetted to the same kind of State Department standards that they use for guarding embassies so we know we're not employing war criminals and bad guys, train them, vet them, equip them, and now you have a multinational capability to do something with." But, as Singer pointed out, "there is simply no support for such an overall privatized operation at the UN. The official line from the spokesperson is that it is 'a nonstarter: I find it telling that two separate high-level panels of world leaders look at how to fix peacekeeping, and neither one even put privatizing peacekeeping as a point of discussion, let alone support it. They also didn't talk about Martians coming in and running the peacekeeping operations, but then again, I guess Martians don't have the same lobbying effort.'" In a highly promotional cover story about Blackwater in 2006 in the neoconservative *Weekly Standard*, Mark Hemingway wrote, "Currently the U.N. Department of Peacekeeping



Operations has an annual budget of \$7 billion, to say nothing of the billions in private charities and foreign aid pouring in to the world's worst places. Even those suspicious of Blackwater's motives must realize it makes good business sense that they would be interested in the work. Why chase after shady corporate clients when the mother lode is in helping people?" He called Blackwater "the alpha and omega of military outsourcing."

Not long after Black's Sudan proposal in Jordan, Blackwater received boosts for its cause from several prominent commentators. Max Boot, a senior fellow at the Council on Foreign Relations, penned a widely distributed column in the *Los Angeles Times* called "Darfur Solution: Send in the Mercenaries." Boot wrote:

If the so-called civilization nations of the world were serious about ending what the U.S. government has described as genocide, they would not fob off the job on the U.N. They would send their own troops. But of course they're not serious. At least not that serious. But perhaps there is a way to stop the killing even without sending an American or European army. Send a private army. A number of commercial security firms such as Blackwater USA are willing, for the right price, to send their own forces, made up in large part of veterans of Western militaries, to stop the genocide. We know from experience that such private units would be far more effective than any U.N. peacekeepers. In the 1990s, the South African firm Executive Outcomes and the British firm Sandline made quick work of rebel movements in Angola and Sierra Leone. Critics complain that these mercenaries offered only a temporary respite from the violence, but that was all they were hired to do. Presumably longer-term contracts could create longer-term security, and at a fraction of the cost of a U.N. mission. Yet this solution is deemed unacceptable by the moral giants who run the United Nations. They claim that it is objectionable to employ—mercenaries. More objectionable, it seems, than passing empty resolutions, sending ineffectual peacekeeping forces and letting genocide continue.

Boot subsequently suggested that Blackwater or another mercenary firm could be deployed in Sudan after being hired "by an ad hoc group of concerned nations, or even by philanthropists like Bill Gates or George Soros." But it wasn't just conservatives lining up to support Blackwater. One of the most venerable newsmen in U.S. history, Ted Koppel, wrote an op-ed for the *New York Times* published on May 22, 2006, called "These Guns for Hire," which opened with the line, "There is something terribly seductive about the notion of a mercenary army." Koppel went on to provide "only a partial list of factors that would make a force of latter-day Hessians seem attractive:"

Growing public disenchantment with the war in Iraq; The prospect of an endless campaign against global terrorism; An over-extended military backed by an exhausted, even depleted force of reservists and National Guardsmen; The unwillingness or inability of the United Nations or other multinational organizations to dispatch adequate forces to deal quickly with hideous, large-scale atrocities (see Darfur and Congo); The expansion of American corporations into more remote, fractious and potentially hostile settings.

After running through that list, which seemed to have been lifted from mercenary industry talking points, Koppel opined that "Just as the all-volunteer military relieved the government of much of the political pressure that had accompanied the draft, so a rent-a-force, harnessing the privilege of every putative warrior to hire himself out for more than he could ever make in the direct service of Uncle Sam, might relieve us of an array of current political pressures."

Koppel then spent a fair portion of his op-ed presenting a virtual advertisement for Blackwater:

So, what about the inevitable next step—a defensive military force paid for directly by the corporations that would most benefit from its protection? If, for example, an insurrection in Nigeria threatens that nation's ability to export oil (and it does), why not have Chevron or Exxon Mobil underwrite the dispatch of a battalion or two of mercenaries?

Chris Taylor, the vice president for strategic initiatives and corporate strategy for Blackwater USA, wanted to be sure I understood that such a thing could only happen with the approval of the Nigerian government and at least the tacit understanding of Washington. But could Blackwater provide a couple, of battalions under those circumstances? "600 people in a battalion," he answered. "I could source 1,200 people, yes. There are people all over the world who have honorably served in their military or police organizations. I can go find honorable, vetted people, recruit them, train them to the standard we require."

It could have the merit of stabilizing oil prices, thereby serving the American national interest, without even tapping into the federal budget. Meanwhile, oil companies could protect some of their more vulnerable overseas interests without the need to embroil Congress in the tiresome question of whether Americans should be militarily engaged in a sovereign third world nation.

What Koppel neglected to mention in his piece was the likelihood that the type of insurrection that Blackwater's forces could potentially be fighting off in Nigeria in defense of Chevron or ExxonMobil could be a popular one, seeking to reclaim Nigeria's vast petrol-resources from the U.S. government/oil corporation-backed kleptocracy that has brutally governed Africa's most-populous nation for decades. Nor did Koppel mention that transnational oil corporations already use brutal forces to defend their interests from indigenous Nigerians, particularly in the oil-rich Niger Delta. Nigerian playwright Ken Saro-Wiwa was executed—hanged—with eight others in 1995 for his resistance to the Shell Oil Corporation, and Chevron has been deeply implicated in the killing of protesters in the Niger Delta. What was most disturbing about Koppel's op-ed was that he appeared to be lending his credibility and reputation to the mercenary rebranding cause—at a crucial moment. In late 2006, Bush eased sanctions on Christian southern Sudan, paving the way for Black- water to train the region's forces.

While Blackwater's campaign intensified, one of the company's few Congressional critics saw the talk of deployment in Darfur as an ominous sign. Blackwater "has the power and the influence with the administration that [leads Blackwater] to believe that it could be a force stronger than NATO, for example, in a place like Darfur," said Representative Jan Schakowsky. "Which means that suddenly you've got a for-profit corporation going around the world that is more powerful than states; can effect regime change, possibly, where they may want to go; that seems to have all the support that it needs from this Administration (that is also pretty adventurous around the world and operating under the cover of darkness). It raises questions about democracies, about states, about who influences policy around the globe, about relationships among some countries." Maybe, Schakowsky said, it was Blackwater's goal "to render state coalitions like NATO irrelevant in the future, that they'll be the ones and open to the highest bidder. Who really does determine war and peace around the world?"

"It's really disturbing and has enormous consequences," Schakowsky said. "Who are they loyal to? And it also empowers, then, an administration like the Bush administration—if they can engage in this kind of private war-making or a private army, then what do they even need us for? They can operate in a totally separate arena and engage in conflicts all over the

world, and it seems they don't much need to consult with us about it."

### **Blackwater and the Sleeping Lion**

Cofer Black has advised others in the mercenary industry to "be opportunistic"—a quality that has come naturally to Blackwater. "We have a dynamic business plan that is twenty years long," bragged Blackwater president Gary Jackson in the summer of 2006. "We're not going anywhere." But while Blackwater has enjoyed almost unparalleled prosperity in the wake of 9/11, the rise of the Bush administration, and a Republican-controlled Congress, its executives know that such a moment, filled with such powerful backers in charge, may not present itself again soon, if ever. While the Bush administration enthusiastically encouraged the privatization of the military and the use of unsavory forces and tactics, future administrations may not be so thrilled about the idea of using mercenaries. An obvious part of that "dynamic business plan" Jackson spoke of is a sophisticated rebranding campaign aimed at shaking the mercenary image and solidifying the "legitimate" role of private soldiers in the fabric of U.S. foreign and domestic policy, as well as that of international bodies such as the UN and NATO. Though the Bush administration will govern for a finite period of time, Blackwater and its allies have taken full advantage of the overwhelming enthusiasm for their cause in the chambers of power during the Bush years to make swift headway in their long-term rebranding mission.

The rebranding is happening on many levels, and the terminology is already resonating in the broader discourse. Mercenary firms are now called "private military companies" or "private security companies." Rather than mercs, their men are now "private soldiers" or "civilian contractors." While there is fierce competition among the mercenaries, they clearly recognize the need to develop a common language to promote their cause. Many firms have their own lobbyists on contract. Blackwater was instrumental to the rapid growth of the mercenary trade association, the Orwellian-named International Peace Operations Association. Its logo is a cartoon sleeping lion that would fit perfectly in a Disney sequel to *The Lion King*. Under the auspices of the IPOA, Blackwater and its allies have become aggressive promoters of regulation of the "private security/military industry." IPOA boasts, "We are in the business of peace because peace matters," and spokespeople say the organization is made up of "the most professional forward-thinking and ethical companies in the industry." Among its members are many of the leading mercenary firms operating in the "war on terror": Blackwater, ArmorGroup, Erinys, Hart Security, and MPRI.

Though many corporations shun the idea of regulation and oversight, Blackwater assumed a leadership role in pushing for such policies—at least those that fit its agenda. Blackwater "has been a leading proponent of increased regulation, accountability and transparency, which undoubtedly is good for any industry," asserted IPOA spokesperson J. J. Messner. The reason was simple: in the long run, it is better for business. But, more important, it also allows the mercenary companies to favorably shape the rules that govern their deployments, as Blackwater did in the aftermath of the Fallujah ambush when it was reported to be "leading a lobbying effort by private security firms and other contractors to try to block congressional or Pentagon efforts to bring their companies and employees under the same justice code as [active-duty] servicemen."

Well aware of the severe image problems plaguing the mercenary industry, the IPOA has attempted to bring in representatives from Amnesty International and other respected human rights organizations as consultants. The IPOA boasts of a "code of conduct" written

with "the input of dozens of international and non-governmental organizations, human rights lawyers, and scholars." In Congressional testimony in 2006, Chris Taylor pointed to his company's membership in the IPOA as evidence that Blackwater is "committed to defining the standards by which our independent contractors are credentialed as qualified to work in the industry, improving the federal contracting and oversight process, providing increased transparency in business operations, and encouraging discussion of our industry so that it can become more fully integrated into the process of finding solutions to difficult challenges." Taylor has also suggested that "contracting agencies" use the IPOA as a "certification, somewhat like an ISO 9000 quality-management program."

The IPOA Code, which all member companies are required to sign, commits its members to "agree to follow all rules of international humanitarian law and human rights law that are applicable as well as all relevant international protocols and conventions." It has sections on transparency, ethics, and accountability, and IPOA warns: "Signatories who fail to uphold any provision contained in this Code may be subject to dismissal from IPOA at the discretion of the IPOA Board of Directors." But the IPOA Code is not a binding document with any legal weight whatsoever. Moreover, the chair of the IPOA board of directors as of 2006 was Chris Taylor—an unlikely candidate to oversee Blackwater's expulsion from the group in the event of a violation of human rights.

The crucial role the IPOA has played in the rebranding campaign has been to lobby lawmakers, journalists, and human rights groups to support greater privatization of military and peacekeeping operations by promoting the idea that society stands to benefit from a regulated mercenary industry. At the same time, its completely unenforceable, nonlegal code of conduct is used by the mercenary companies as a talking point to show how responsible and conscientious they are—voluntarily. The IPOA has functioned as the political wing of the organized mercenary industry, which it has renamed the "peace and stability industry."

Despite the fact that there were an estimated one hundred thousand contractors operating in Iraq as of December 2006, there remained no effective oversight system in place, nor was there a legal body with effective jurisdiction over the contractors. Paul Bremer's Order 17, which granted contractors immunity from prosecution in Iraq, remained the law of the land under successive puppet governments—from Iyad Allawi to Nouri al-Maliki—that ruled Iraq after Bremer departed and the CPA was dismantled. In theory, it is the responsibility of the home countries of contractors to police them. In reality, this has translated to impunity. That point was hit home in a dramatic way in one of the rare Congressional hearings on contractors in Iraq, which took place in June 2006. Representative Dennis Kucinich questioned Shay Assad, the Pentagon's director of Defense Procurement and Acquisition, the department in the DoD responsible for contractors. Kucinich pointed out that U.S. troops are subjected to enforceable rules of engagement and have been prosecuted for violations in Iraq, while contractors are not:

KUCINICH: Do you know what the statute of limitation is for murder in the United States?

ASSAD: No, I don't, Mr. Congressman.

KUCINICH: There isn't—there isn't one. Now, if someone connected with a private contracting company was involved in the murder of a civilian, would the Department be ready to recommend their prosecution?

ASSAD: Sir, I'm just not qualified to answer that question.

Incredulous, Kucinich asked Assad and the other government officials on the panel, "Anybody here qualified to answer that, and if they're not, why are you here, with all due respect?" Kucinich pointed out that as of the date of the hearing in June 2006, "no security contractor has been prosecuted" for crimes in Iraq. He then directly asked Assad, "Would the Department of Defense be prepared to see a prosecution proffered against any private contractor who is demonstrated to have unlawfully killed a civilian?"

"Sir, I can't answer that question," Assad replied.

"Wow," Kucinich shot back. "Think about what that means. These private contractors can get away with murder." Contractors, Kucinich said, "do not appear to be subject to any laws at all and so therefore they have more of a license to be able to take the law into their own hands." (In late 2006, Senator Lindsey Graham quietly inserted language into the 2007 defense authorization bill, which Bush subsequently signed, that sought to place contractors under the Pentagon's UCMJ, but what effective impact—if any—this could have remains unclear as of this writing, with experts predicting resistance from the private war industry.)

At that same hearing, Blackwater's Taylor and IPOA founder Doug Brooks were the two primary defenders of the mercenary firms. "This industry is highly responsible," Brooks told the Congressional hearing. "IPOA includes the most professional forward-thinking and ethical companies in the industry, and all members are always publicly committed to our code of conduct." But while Brooks was preaching from the accountability gospel in front of the U.S. Congress, he was simultaneously fighting attempts to rein in mercenaries on the African continent, where the industry stands to make substantial money if allowed to operate in Sudan and other crisis zones.

### **The South African Example**

Perhaps the most visible work the IPOA has done in recent years was not actually in the United States, though it has far-reaching implications for Blackwater and other U.S. companies—particularly when it comes to their aspirations for peacekeeping deployments on the African continent. Despite their rhetoric about supporting regulation of the industry, the IPOA and Brooks were deeply engaged in a coordinated effort to defeat South Africa's groundbreaking antimercenary legislation, supported by the overwhelming majority of the country's elected legislators.

South Africa—indeed, the African continent—has had a long, bloody history with white mercenaries. After the fall of the apartheid regime in the early 1990s, many white South African soldiers and police, who had spent the past years terrorizing black Africans, found themselves looking for new jobs. An unknown number of these soldiers farmed out their services to companies, governments, and counterrevolutionary causes, bringing yet more infamy to South Africa—this time as a base of operations for mercenaries. Among the most notorious South African companies, Executive Outcomes was founded in 1989 by a former apartheid-era commander and operated openly until it was shut down in 1998. Among its clients were the diamond giant DeBeers and the government of Angola, where EO was con-

tracted in 1993 to retake strategic oil-rich areas on behalf of government forces. But EO is perhaps best known for its operations in diamond-rich Sierra Leone, where its forces were contracted to defend the government from a rebellion by Foday Sankoh's Revolutionary United Front movement, which was committing widespread human rights abuses. The government paid EO approximately \$35 million—a third of its annual defense budget—in 1995 to crush the insurgency after the U.S. and British governments and the UN declined to intervene. It took EO just nine days to stop the rebellion and two days to retake the prized Kono diamond fields. Supporters of the mercenary industry have held up the work of EO and Sandline (Tim Spicer's old company) as evidence of the success of private forces.

But the ends do not always justify the means. EO's success was largely attributed to the fact that it was a descendant of elite South African apartheid forces from which it had inherited a vast system of corporate connections, underground networks, and counterinsurgency apparatuses throughout Africa that had been used to oppress black populations and dissidents. Despite the touting of the tactical "successes" of EO in Angola and Sierra Leone, there was a broader issue raised by the involvement of mercenaries in international conflicts: who determines international order? The UN? Nation-states? Rich people? Corporations? And to whom are these forces accountable? This issue assumed a higher profile with the wide privatization present in the Afghanistan and Iraq occupations. While the United States largely avoided the issue of accountability for private forces, that was not the case in South Africa, with its firsthand tumultuous and lengthy experience playing host to mercenaries. After the apartheid government fell and the Truth and Reconciliation process began, calls spread for shutting down mercenary firms, especially given how closely linked many of them were to the apartheid regime. This led to the enactment of antimerenary legislation in South Africa in 1998.

But just a few years later, with reports of South African mercenaries deployed in Iraq, lawmakers in Johannesburg alleged that the law was not being applied effectively. They asserted the legislation had resulted in "a small number of prosecutions and convictions," notwithstanding the clear evidence of mercenary activities by South Africans—and not just in Iraq. The Prohibition of Mercenary Activities Act, introduced in the South African Parliament in 2005, was sparked not only by Iraq but also by the alleged involvement of more than sixty South Africans in an alleged plot to overthrow the government of Equatorial Guinea in 2004. The incident grabbed international headlines because of the alleged involvement of Sir Mark Thatcher, son of former British Prime Minister Margaret Thatcher. The small country of five hundred thousand had recently discovered great oil reserves and at the time had become Africa's third-largest oil producer. The alleged leader of the coup attempt was Simon Mann, an ex-British SAS officer, a founder of both Executive Outcomes and Sandline, and a friend of Mark Thatcher's.

The sponsors of the South African bill said that the coup plot demonstrated that "mercenary activities are undertaken from within the borders" of South Africa and pointedly noted, "There is a continuation in the recruitment of South Africans by so-called private military companies from outside the Republic, to provide military and security services in areas of armed conflict (such as Iraq)." At the time, the South African government officially estimated that four thousand of its citizens were employed in conflict areas across the globe, including an estimated two thousand in Iraq. Most of these were members of the country's white minority. Other estimates put the number of South Africans deployed globally and in Iraq much higher.

The act sought to prevent any South African from participating "as a combatant for private gain in an armed conflict," or from involvement in "any act aimed at overthrowing a government or undermining the constitutional order, sovereignty or territorial integrity of a state." It required South Africans seeking employment with private security or military firms to obtain permission from the government and provided for fines and imprisonment for violators. It also banned South Africans from serving in foreign armies if the South African government opposed that country's involvement in a war or conflict. At the time, some eight hundred South Africans were active in the British military, along with an unknown number serving in the Israeli military. Interestingly, the act allowed South African participation in "legitimate armed struggles, including struggles waged, in accordance with international humanitarian law, for national liberation; self-determination; independence against colonialism, or resistance against occupation, aggression or domination by foreign nationals or foreign forces."

Among the most prominent forces to oppose South Africa's attempt to rein in mercenaries were Doug Brooks and the IPOA. Teamed with South African minority political parties and mercenary firms, Brooks and the IPOA worked feverishly to prevent its passage. In the year leading up to the vote on the legislation, Brooks wrote op-eds and policy papers and traveled to Johannesburg, where he met with members of Parliament. He expressed frustration that lawmakers had "eschewed" the participation of the mercenary industry in drafting the legislation and said its passage could prove "disastrous" for private firms operating in hot spots and could undermine peacekeeping operations. "Many international efforts will be at risk ... (some) will have to close their operations if they can't rely on South Africans," Brooks pleaded with lawmakers. "South Africans are more robust, able to live under more austere conditions, have increased flexibility and can adapt to changing conditions." Brooks found himself on the side of white South African politicians who complained the act targeted white former members of the armed forces who would now find it "virtually impossible to find work." While Brooks was mobilizing against South Africa's attempts to crack down on mercenaries, he was also showing his true agenda: aggressively promoting the use of mercenaries on the African continent, not just in Sudan, but also in the Congo and other crisis zones. "NATO is insanely expensive; it's not a cost-effective organization. Neither is the [African Union]. Private companies would be much, much cheaper," Brooks declared.

On August 29, 2006, the Prohibition of Mercenary Activities Act passed by a whopping 211-28 vote in South Africa's National Assembly." South Africa's Defense Minister Mosiuoa Lekota rejected the attempted rebranding of mercenaries, framing the debate by drawing on Africa's bloody history with mercenaries, which he said dated back to 1960 in the newly independent Congo. "No sooner than Congo achieved independence, the dogs of war were unleashed on the country," he said. "Mercenaries are the scourge of poor areas of the world, especially Africa," Lekota declared shortly before the act was passed. "These are killers for hire. They rent out their skills to the highest bidder. Anybody that has money can hire these human beings and turn them into killing machines or cannon fodder." South Africa had dealt a rare blow to the rapidly expanding world of mercenary firms, but it was just one setback in a story of progress for the industry as a whole—and Blackwater in particular.

### **Greystone**

Blackwater's plan wasn't just about breaking into the world of peacekeeping. Prince and his allies envisioned a total reshaping of the U.S. military, one that would fit perfectly into the

aggressive, offensive foreign policy that had emanated from the White House since 9/11. The main obstacles that prevented the Bush administration from expanding its wars of occupation and aggression were a lack of military manpower and the on-the-ground insurgencies its interventions provoked. Domestic opposition to wars of aggression results in fewer people volunteering to serve in the armed forces, which historically deflates the war drive or forces a military draft. At the same time, international opposition has made it harder for Washington to persuade other governments to support its wars and occupations. But with private mercenary companies, these dynamics change dramatically, as the pool of potential soldiers available to an aggressive administration is limited only by the number of men across the globe willing to kill for money. With the aid of mercenaries, you don't need a draft or even the support of your own public to wage wars of aggression, nor do you need a coalition of "willing" nations to aid you. If Washington cannot staff an occupation or invasion with its national forces, the mercenary firms offer a privatized alternative—including Blackwater's twenty-one-thousand-man contractor database. If the national armies of other states will not join a "coalition of the willing," Blackwater and its allies offer an alternative internationalization of the force by recruiting private soldiers from across the globe. If foreign governments are not on board, foreign soldiers can still be bought.

"The increasing use of contractors, private forces, or, as some would say, 'mercenaries' makes wars easier to begin and to fight—it just takes money and not the citizenry," said CCR's Michael Ratner. "To the extent a population is called upon to go to war, there is resistance, a necessary resistance to prevent wars of self-aggrandizement, foolish wars, and, in the case of the United States, hegemonic imperialist wars. Private forces are almost a necessity for a United States bent on retaining its declining empire."

With an adventurous President in the White House, mercenaries could enable an endless parade of invasions, covert operations, occupations, coups d'etat—all with the layers of bureaucratic protections, plausible deniability, and disregard for the will (or lack thereof) of the population. Moreover, private soldiers are not counted among the dead, providing yet another incentive for the government to utilize them. "These forces can be employed without a lot of publicity—and that's a very useful characteristic for any government. It's politically easier, and there is less red tape," said Thomas Pogue, a former Navy SEAL who enlisted in the Blackwater Academy. "We're expendable. If ten contractors die, it's not the same as if ten soldiers die. Because people will say that we were in it for the money. And that has a completely different connotation with the American public."

While Blackwater's operations in Iraq and New Orleans have garnered the most attention and controversy, they are temporary deployments and only part of the company's global reach and aspirations. Despite the firm's projection as an all-American business ready to fight genocide at the drop of a hat, Blackwater is deeply invested in a secretive project that has the company recruiting mercenaries in some of the shadiest human-rights-abusing locales on the planet, some of whom could be repackaged as privatized international peacekeepers or ground forces in another military action of the coalition of the willing. The project is called Greystone.

About a month after the infamous 2004 Fallujah ambush, Blackwater's quietly registered "Greystone Limited" in the U.S. government's Central Contracting office, which listed its "business start date" as May 13, 2004. But instead of incorporating it in North Carolina or Virginia or Delaware, like Blackwater's other divisions, Greystone was registered offshore in the Caribbean island-nation of Barbados. It was duly classified by the U.S. government as a



"tax-exempt" "corporate entity," listing as its services: "Security Guards and Patrol Services." But this description, which evokes images of shopping mall guards, is nothing like the picture that emerges in Greystone's promotional literature and videos for prospective clients. Blackwater's original Web site for Greystone opened with a flash presentation where the word

"Greystone" appeared on the screen over a large rock. Suddenly from the top of the screen, a fancy silver medieval sword came smashing into the rock forming the "T" in GreysTone a la King Arthur. After this little intro, the site then jumped to a page with the sword in the stone next to the motto "In Support of Peace and Security Everywhere!"

On February 19, 2005, Blackwater held an extravagant, VIP, invite-only Greystone "inauguration" at the swank Ritz-Carlton hotel in Washington, D.C. The guest list for the seven-hour event was a revealing mixture of foreign embassy diplomats, weapons manufacturers, oil companies, and representatives of the International Monetary Fund." The diplomats were from countries like Uzbekistan, Yemen, the Philippines, Romania, Indonesia, Tunisia, Algeria, Hungary, Poland, Croatia, Kenya, Angola, and Jordan. Several of those countries' defense or military attaches attended. "It is more difficult than ever for your country to successfully protect its interests against diverse and complicated threats in today's grey world where the solutions to your security concerns are no longer as simple as black and white," Greystone's promotional pamphlet told attendees. "Greystone is an international security services company that offers your country or organization a complete solution to your most pressing security needs. We have the personnel, logistical support, equipment, and expertise to solve your most critical security problems." The invitation promised guests "the opportunity to meet with recognized experts from the global security industry. You will have the opportunity to see cutting edge capabilities presentations, and view tactical displays showcasing innovative equipment, and technology solutions for the global war on terror." The keynote speaker was Cofer Black, who, on the invitation, was identified only as the "Former Ambassador for Counterterrorism Department of State and Former Director of CIA's Counterterrorism Center."

Materials distributed to prospective corporate and nation-state clients proclaimed, "Greystone is dedicated to providing the best physical security assets from around the world in support of freedom, peacemaking, and the maintenance of peace. Our international focus enables us to develop unique and creative solutions to match each client's individual needs." Greystone said its forces were prepared for "Ready Deployment in Support of National Security Objectives as well as Private Interests." Among the "services" offered were Mobile Security Teams, which, among other functions, could be employed for personal security operations, surveillance, and countersurveillance. Greystone's Proactive Engagement Teams could be hired "to meet emergent or existing security requirements for client needs overseas. Our teams are ready to conduct stabilization efforts, asset protection and recovery, and emergency personnel withdrawal." It also offered a wide range of training services, including in "defensive and offensive small group operations." Greystone boasted that it "maintains and trains a workforce drawn from a diverse base of former special operations, defense, intelligence, and law enforcement professionals ready on a moment's notice for global deployment."

A Greystone two-minute promotional video opens with the sword-in-the-stone graphic and quickly fades to a scene of a Blackwater helicopter delivering supplies to its troops on a rooftop. Next it cuts to a scene of mercenaries in civilian clothes distributing aid by hand to a desperate crowd of people, perhaps Iraqis or Afghans. A cheesy Casio keyboard beat plays in the background. The video then runs through a montage of images: heavily armed commandos in camouflage and ski masks storming a room, paramilitaries patrolling a smoky street,

troops busting down a door and throwing a smoke grenade inside. Then the words "Providing Protection" flash on the screen, and mercenaries are shown securing a perimeter with a K-9 unit before escorting a "principal" from his SUV to a building. The words "International Security" appear before dissolving into a smoke-filled corridor through which black-clad commandos storm forward, weapons raised. More images of VIP escorts, then a helicopter zooming over a body of water. The video cuts to scenes of jungle warfare, then to paratroopers jumping from planes, and back to the jungle. "Vulnerability Assessment" flashes on the screen. A camouflaged face appears, followed by white men in black T-shirts, khaki vests, and sunglasses wielding automatic weapons as they escort another VIP from her vehicle. The video cuts to a car aggressively cutting off another vehicle before the Greystone sword-in-stone logo reappears.

While Blackwater portrays itself as an all-American operation, even Greystone's name is a play on the moral and legal ambiguity of its mission and modern warfare, one backed up by its recruitment efforts. Greystone's application asked prospective mercenaries for their "recruitment source"—listing agencies with names like Beowulf, Spartan, and AVI. The countries from which Greystone claimed to draw recruits were: the Philippines, Chile, Nepal, Colombia, Ecuador, El Salvador, Honduras, Panama, and Peru. It asked applicants to check off their qualifications in weapons: AK-47 rifle, Glock 19, M-16 series rifle, M-4 carbine rifle, machine gun, mortar, and shoulder-fired weapons (RPG, LAAW). Among the qualifications the application sought: Sniper, Marksman, Door Gunner, Explosive Ordnance, Counter Assault Team.

Outside of its targeted marketing to prospective clients, Blackwater was quiet about Greystone. Not long after launching the project, Blackwater took down the original Web site, replacing it with a softer image and a new brand. The sword in the stone was gone, and so, too, was the overt combat imagery, replaced by a camouflaged soldier in a beret holding a small child on his lap with the phrase "Humanitarian Aid" above the photo. Another picture was of a man in a fancy suit speaking into a walkie-talkie—this picture was labeled "Security." The new slogan, "Fostering Stability, Promoting Peace," was splashed across the top of the page, and the services offered were security, training, logistics, and humanitarian aid/peacekeeping. Greystone's mission statement too had been revamped. "Greystone focuses on providing stability to locations experiencing turmoil whether caused by armed conflict, epidemics or natural or man-made disasters. Greystone has the ability to quickly and efficiently deploy anywhere in the world to create a more secure environment for our customers," the new statement read. Greystone could support "large scale stability operations requiring large numbers of people to assist in securing a region. Our goal is to foster a positive environment that promotes civilian security allowing commerce to flourish."

### **"The Knights of the Round Table"**

The same month Blackwater launched Greystone, Erik Prince began, at least publicly, raising the prospect of creating what he called a "contractor brigade" to supplement the conventional U.S. military. "There's consternation in the DoD about increasing the permanent size of the Army," Prince told a military symposium in Washington, D.C., in early 2005. "We want to add 30,000 people, and they talked about costs of anywhere from \$3.6 billion to \$4 billion to do that. Well, by my math, that comes out to about \$135,000 per soldier." Prince confidently asserted Blackwater could do it cheaper. For Prince it was a rare public appearance, and like most of his speeches, it was based on the free-market gospel and delivered in front of a military audience.

That was the case in January 2006, when Prince addressed "West 2006," a massive conference of military commanders, weapons manufacturers and dealers, contractors, and other militarist entities. It was sponsored by the biggest names in war technology: Raytheon, Boeing, General Dynamics, Lockheed Martin, and Northrop Grumman. Prince was the lone mercenary representative on a panel of senior military commanders including Dennis Hejlik, commander of the Marine Corps Special Operations Command; Sean Pybus, commander of the Naval Special Warfare Group; and Col. Edward Reeder, Commander of the Seventh Special Forces Group. "Why us? Why a private organization? Why am I even here?" Prince asked rhetorically. "This idea of private organizations doing things that used to be the sole realm of the U.S. government." In his presentation, Prince outlined the rapid rise of Blackwater, speaking proudly of building his "field of dreams," Blackwater's massive compound in Moyock, North Carolina. "We now have 7,300 acres, it's a large private military facility," he said as he gave an overview of some of the company's operations, saying it trains about thirty-five thousand military and "law enforcement" representatives a year, including active-duty military, special operations forces, and personnel from the Department of Homeland Security as well as state, federal, and local governments. "We're vertically integrated up and down across the board," he said. "We have our own target business, we do full-on construction of tactical training facilities, we have our own aviation arm with twenty aircraft, canine operation with sixty dog teams deployed overseas, full-on construction, and a private intelligence service." At the time, Prince said Blackwater had eighteen hundred people deployed around the world, "all of them in dangerous places."

Prince also spoke with remarkable candor about his vision for the future of mercenaries. "When you ship overnight, do you use the postal service or do you use FedEx?" he asked the crowd and his fellow panelists. "It's kind of—our corporate goal is to do for the national security apparatus what FedEx did to the postal service—never going to replace it, but we want to make it run better, faster, smarter, make people think out of the box." The Department of Defense, Prince told the audience, consumes 48 percent of the world's military spending, "and it's very hard for an organization that large to transform itself. But if it has outside parties that are doing somewhat similar things, it gives people something to benchmark against." Comparing the military industry to the auto industry, Prince said, "General Motors can only get better if it looks at how Toyota and Honda do. It makes them think out of the box and it gives them a vehicle to perform against." Prince told a story of how in 1991, after the fall of the Berlin wall, he was driving down the Autobahn in Germany in a rented car. Suddenly, "a Mercedes S500 blew by me at about 140 mph. It was the latest and greatest Mercedes that was available, 300 horsepower, airbags, automatic transmissions, all the bells and whistles." But after the West German-manufactured Mercedes passed Prince, a slow-moving Tribant—the national car of communist East Germany—changed lanes in front of the Mercedes, almost causing an accident. "I thought, what a study in contrasts," Prince said. "You have the same two countries, the same language, same culture, same background, different command structure: one of them was central planning, one of them was much more free-market oriented, innovative, risk-taking, and efficient."

If you take Prince's message that day at face value, it all boils down to efficiency. At the end of his talk, Prince said he didn't want to "slight" the Pentagon. "The DoD has great numbers of fantastic people, but they get so trapped in so many bureaucratic layers that have been around for probably the last seventy years that it stifles a lot of innovation," he said. "We come with a different footprint." That "small footprint," which Prince loves to speak

about, is growing larger by the day. And it is growing because of the very concerted effort of a powerful clique of modern-day mercenaries who understand public relations, hire lobbyists, and engage in spin, and who have been very effective at riding the tide of privatization. As the size of the pool of official active-duty U.S. soldiers has plummeted over the past twenty years, from 2.1 million in the 1980s to 1.3 million at the time of the 2003 Iraq invasion, the payouts and contracting to mercenary firms have skyrocketed. Before the United States invaded Iraq, from 1994 to 2002, the Pentagon doled out more than three thousand contracts to U.S.-based firms worth more than \$300 billion. As P. W. Singer has observed, "While contractors have long accompanied U.S. armed forces, the wholesale outsourcing of U.S. military services since the 1990s is unprecedented." This certainly escalated under the Bush administration with Defense Secretary Donald Rumsfeld pledging early on in the war on terror to "pursue additional opportunities to outsource and privatize," in part because of his personal obsession that the modern military has a "small footprint." As *New York Times* columnist Paul Krugman observed, "Conservatives make a fetish out of privatization of government functions; after the 2002 elections, George Bush announced plans to privatize up to 850,000 federal jobs. At home, wary of a public backlash, he has moved slowly on that goal. But in Iraq, where there is little public or Congressional oversight, the administration has privatized everything in sight." Iraq was not the end of the trend but rather the model for the future. "Military are smaller than they were at the end of the Cold War," said IPOA's Doug Brooks. "So if anybody wants to do anything, essentially they have to go to the private sector now. And what they're finding is that it's faster, better, cheaper. Military are incredibly capable organizations, but they're not designed to be cost-effective."

There is no question that the Fallujah killings in March 2004 boosted Blackwater's corporate success. On the one hand—some would say the cynical way of seeing things—you could say that Erik Prince cashed in on the deaths and saw right away the benefits of the highly publicized killings. Another way of looking at it is that the fortuitously timed killings happened to provide Blackwater the perfect venue and audience to further its already-active campaign to blaze a path toward greater privatization—with it, of course, at the forefront. The mercenary rebranding campaign, aimed at accelerating the pace of privatization to maximize profits, has allowed companies like Blackwater to build a permanent institutionalized presence for themselves within the structures of the state. The rebranding provides great PR opportunities and recruitment rhetoric while rolling out a ready-made justification scheme for politicians and various bureaucracies to outsource and privatize more and more taxpayer-funded military and security operations leading to added legitimacy and ever-growing profits. And this brings it all full circle: at the end of the day, it still boils down to money—a lot of it.

Exactly how much money the U.S. government has paid mercenary firms is nearly impossible to pin down—a fact due in no small part to the apparent lack of transparent or comprehensive bookkeeping. A June 2006 Government Accountability Office report acknowledged "neither the Department of State, nor DOD, nor the USAID—the principal agencies responsible for Iraq reconstruction efforts—had complete data on the costs associated with using private security providers." But the report found that "as of December 2004, the agencies and contractors we reviewed had obligated more than \$766 million for security services and equipment" in Iraq. The GAO found that security often accounted for more than 15 percent of the cost of operating in Iraq, not including the security costs of subcontractors, and the State Department reported that security costs accounted for 16-22 percent of

reconstruction projects. Given estimates of the total reconstruction cost from 2004 to 2007 of \$56 billion, even a conservative 10 percent allocation for security would mean \$5.6 billion. The bottom line is that the U.S. government has not provided publicly verifiable information on many of the private military companies it is increasingly hiring with taxpayer dollars.

Blackwater alone has won more than \$500 million in publicly identifiable U.S. government contracts under the war on terror, not including much of its "black" or "urgent and compelling need" business or its work for private actors. And its rhetoric of saving taxpayer money through free-market efficiencies seems increasingly empty, given that its security division does not appear ever to have won a competitively bid contract. With the U.S. government unable or unwilling to effectively tabulate its own expenditures on private security/military services, a worldwide estimate proves even more elusive. In 2003, just as the Iraq War was getting under way, and before the major mercenary boom had begun, P. W. Singer estimated the value of the private military industry at more than \$100 billion globally." Homeland Security Research, an industry tracking company, estimated that governments and businesses globally spent \$59 billion in 2006 to fight terrorism, a figure that does not include many "passive" private security services and that represents a sixfold increase from 2000.

What this means in practical terms is that the rebranding campaign is enabling the mercenaries to affix a permanent sieve to the most lucrative feeding trough in the world—the national budgets of the United States and its war-making allies. These "services" are no longer reserved for unstable nations struggling to maintain power but are being welcomed by the great powers of the world as an integral part of their national forces. In talking about the "expanding role" of the mercenary industry, Cofer Black said, "I think it is something that we all need to think about. We need to talk about and sort of agree. I do not see us going back. I do not see the national forces being increased exponentially, and I see [using companies like Blackwater] as a useful cost-effective tool."

What is particularly disturbing about the "expanding role" of Blackwater specifically is the issue of the company's right-wing leadership, its proximity to a whole slew of conservative causes and politicians, its Christian fundamentalist agenda and secretive nature, and its deep and longstanding ties to the Republican Party, U.S. military, and intelligence agencies. Blackwater is quickly becoming one of the most powerful private armies in the world, and several of its top officials are extreme religious zealots, some of whom appear to believe they are engaged in an epic battle for the defense of Christendom. The deployment of forces under this kind of leadership in Arab or Muslim countries reinforces the worst fears of many in the Islamic world about a neo-Crusader agenda masquerading as a U.S. mission to "liberate" them from their oppressors. What Blackwater seemingly advocates and envisions is a private army of God-fearing patriots, well paid and devoted to the agenda of U.S. hegemony—supported by far lower paid cannon fodder, foot soldiers from Third World countries, many of which have legacies of brutal U.S.-sponsored regimes or death squads. For its vaunted American forces, Blackwater has expanded the mercenary motivating factor (or rationalization) beyond simple monetary gain (though that remains a major factor) to a duty-oriented, patriotic justification. "This is not about business and widgets and making money, at least not in our company it is not," said Cofer Black. "If you're not willing to drink the Blackwater Kool-aid and be committed to supporting humane democracy around the world, then there's probably a better place" to go work than Blackwater, "because that's all

we do," Taylor told *The Weekly Standard*.

In the bigger ideological picture, Blackwater executives fancy themselves part of a "just" mercenary tradition. "This is nothing new," asserted IPOA's Doug Brooks. "Even George Washington had contractors." It is a line that Blackwater executives love. Indeed, they often cite the statues in Lafayette Park across the street from the White House as monuments to their trade and tradition. In the middle of the park is a statue of President Andrew Jackson on horseback. Flanking the four corners of the park are statues of mercenaries who fought on the U.S. side in the Revolutionary War: France's Gen. Marquis Gilbert de Lafayette and Maj. Gen. Comte Jean de Rochambeau; Poland's Gen. Thaddeus Kosciuszko; Prussia's Maj. Gen. Baron Frederick Wilhelm Von Steuben (the object of Prince Group general counsel Joseph Schmitz's obsession). "The idea of contractors on the battlefield, contractors doing this sort of thing, that it's a new idea, is just wrong," Erik Prince told a military conference in 2006. Citing the statues at Lafayette Park, Prince said, "Those are four military officers, foreign officers, contractors if you will, that came here and built the capability of the continental army, the continental army was having a tough time until they showed up. On Von Steuben's statue it says he gave military training and discipline to the citizen-soldiers who achieved the independence of the United States. That's what we're doing in Iraq or Afghanistan, wherever we get hired and authorized to do so by the U.S. government, we're giving them the capability to defend themselves, and to clean out their own problems, so you don't have to send big conventional military to do that. You know, German mercenaries fought on behalf of the union in the civil war, even won the medal of honor." Cofer Black echoed the narrative: "There is nothing new in this. What we are really talking about is the management of this for the good of the country and to achieve the objective. Lafayette Park could be called Contractor Park for our heroes that came to this country that trained us, trained our forebears."

In February 2006, the mercenary industry won a major victory in its rebranding campaign when private contractors were officially recognized in the Pentagon's Quadrennial Defense Review as part of the U.S. military's "Total Force." In releasing the report Defense Secretary Rumsfeld said the review "sets out where the Department of Defense currently is and the direction we believe it needs to go," adding, "Now in the fifth year of this global war, the ideas and proposals in this document are provided as a roadmap for change, leading to victory." Cofer Black, was particularly pleased about the line in the report that explicitly recognized contractors like Blackwater. "The Department's Total Force—its active and reserve military components, its civil servants, and its contractors—constitutes its warfighting capability and capacity. Members of the Total Force serve in thousands of locations around the world, performing a vast array of duties to accomplish critical missions." Pentagon policy, according to the review, "now directs that performance of commercial activities by contractors ... shall be included in operational plans and orders. By factoring contractors into their planning, Combatant Commanders can better determine their mission needs." It was a momentous occasion for the mercenary industry—one that Blackwater and other firms recognized as a watershed moment in the drive for the kind of integration and legitimacy they viewed as central to their survival and profitability. Hiring mercenaries was no longer an option; it was U.S. policy. That it was issued as an edict from Rumsfeld, without public debate, was irrelevant. By 2007, Blackwater had its forces deployed in at least nine countries. Some twenty-three hundred private Blackwater troops were spread across the globe along with another twenty-one thousand contractors in its database should the need for their services arise. The rise of Blackwater's private army is

nothing short of the embodiment of the ominous scenario prophesied decades ago by President Eisenhower when he warned of the "grave implications" of the rise of "the military- industrial complex" and "misplaced power."

Riding high on the privatization caravan aggressively pushed forward by the Bush administration, the right-wing think tank the American Enterprise Institute, which has long been at the forefront of the movement to privatize the government and military, sponsored a mercenary conference in Washington, D.C., in the summer of 2007. They called it "Contractors on the Battlefield: A Briefing on the Future of the Defense Industry." It featured two former Pentagon officials who were instrumental to privatization schemes, as well as Blackwater's vice chairman, Cofer Black. The conference room was packed with representatives from various private military companies, as well as the State Department, Pentagon, and a variety of NGOs. The event felt very much like a reeducation camp for mercenaries, with the godfather, Black, presiding over lessons in rebranding and marketing the product: mercenary services. "We are in a state, as a planet, of disorder," Black told the crowd. "I'm rather personally upset about this because coming out of the Cold War, I indeed thought that we would have a period of calm and relaxation and goodwill among men. This disorder is subversive." Turning directly to the mercenary trade itself and with the room silent before him, Black spoke slowly, choppily, methodically, as though he were a hypnotist talking someone into a trance. "It may sound a little bit like the Knights of the Round Table, but this is what we believe," the veteran spy declared. "Focus on morals and ethics and integrity. This is important. We are not fly-by-night. We are not tricksters. We believe in these things. We believe in being represented. We believe in providing the support. We are ethical. We give training to our employees. This is something that will grow and grow. We want to be able to contribute for a significant period of time."

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