

# Soldiers of good fortune

***They fly helicopters, guard military bases and provide reconnaissance. They're private military companies--and they're replacing U.S. soldiers in the war on terrorism***

**BY BARRY YEOMAN**

At a remote tactical training camp in a North Carolina swamp, six U.S. sailors are gearing up for their part in President Bush's war on terrorism. Dressed in camouflage on a January afternoon, they wear protective masks and carry nine-millimeter Berettas that fire nonlethal bullets filled with colored soap. Their mission: recapture a ship--actually a three-story-high model constructed of gray steel cargo containers--from armed hijackers.

The men approach the front of the vessel in formation, weapons drawn, then silently walk the length of the ship. Suddenly, as they turn the corner, two "terrorists" spring out from behind a plywood barricade and storm the sailors, guns blazing. The trainees, who have instinctively crowded together, prove easy pickings: Though they outnumber their enemy 3-to-1, every one of them gets hit. They return from the ambush with heads hung, covered in pink dye.



Photo By Emily Schur

**A car blasted in a training exercise run by Blackwater USA, which trains soldiers and civilians who guard government buildings around the world.**



Photo By Emily Schur

**Training underway at a Blackwater USA shooting range.**



Photo By Emily Schur

**The entrance to Blackwater USA's 5,200-acre training facility in Moyock, N.C.**

"You had people hiding behind their teammates!" barks their instructor, Tony Torres, a compact man with freckles and salt-and-pepper hair. "That's as shameful a thing as I can think of. That's fucked up. That's just fucked up." When approaching a "bad guy," Torres reminds them, a unit must move aggressively, fanning out to divert the

terrorists' attention. "You guys need to get your shit together," he scolds. "There's not a lot of cover in this structure. The only thing to do is move toward your threat."

The men listen attentively. They know that Torres, a Navy vet, honed his skills during nine years in the service, performing search-and-rescue operations and providing nuclear-weapons security. But Torres no longer works for the military. These days he is an employee of Blackwater USA, a private company that contracts with the U.S. armed forces to train soldiers and guard government buildings around the world. Every day, the Navy sends chartered buses full of trainees 25 miles from Naval Station Norfolk, the world's largest naval base, to the company's 5,200-acre facility in Moyock, N.C. Last fall, Blackwater signed a \$35.7 million contract with the Pentagon to train more than 10,000 sailors from Virginia, Texas, and California each year in "force protection." Other contracts are so secret, says Blackwater president Gary Jackson, that he can't tell one federal agency about the business he's doing with another.

When Blackwater opened in 1998, the business of war didn't look like such a sure bet. "This was a roulette, a crapshoot," recalls Jackson, a former Navy seal. During the Gulf War, the Pentagon had begun replacing soldiers with private contractors, relying on civilian businesses to provide logistical support to troops on the front lines. Blackwater's founders were banking on predictions that the military was eager to speed up the process, privatizing many jobs traditionally reserved for uniformed troops. Their investment paid off: Since the attacks of September 11, the company has seen its business boom--enough to warrant a major expansion of its training facility this year. "To contemplate outsourcing tactical, strategic, firearms-type training--high-risk training--is thinking outside the box," Jackson says. "Is this happening? Yes, this is happening."

As the U.S. military wages the war on terrorism, it is increasingly relying on for-profit companies like Blackwater to do work normally performed by soldiers. Defense contractors now do more than simply build airplanes--they maintain those planes on the battlefield and even fly them in some of the world's most troubled conflict zones. Private military companies supply bodyguards for the president of Afghanistan, construct detention camps to hold suspected terrorists at Guantanamo Bay, and pilot armed reconnaissance planes and helicopter gunships to eradicate coca crops in Colombia. They operate the intelligence and communications systems at the U.S. Northern Command in Colorado, which is responsible for coordinating a response to any attack on the United States. And licensed by the State Department, they are contracting with foreign governments, training soldiers and reorganizing militaries in Nigeria, Bulgaria, Taiwan, and Equatorial Guinea.

This year, private military companies also played a key role preparing for the invasion of Iraq. They supply essential support to military bases throughout the Persian Gulf, from operating mess halls to furnishing security. They provide armed guards at a U.S. Army base in Qatar, and they use live ammunition to train soldiers at Camp Doha in Kuwait, where a contractor, whose company ran a computer system that tracks soldiers in the field, was killed by terrorists last January. They also maintain an array of weapons systems vital to the invasion, including the B-2 bomber, F-117 stealth fighter, Apache helicopter, KC-10 refueling tanker, U-2 reconnaissance plane, and the unmanned Global Hawk reconnaissance unit. In the war against Saddam Hussein, the military planned to use as many as 20,000 private contractors in the Persian Gulf. That's one civilian for every 10 soldiers--a 10-fold increase over the first Gulf War.

Indeed, the Bush administration's push to privatize war is swiftly turning the military-industrial complex of old into something even more far-reaching: a complex of military industries that do everything but fire weapons. For-profit military companies now enjoy an estimated \$100 billion in business worldwide each year, with much of the money going to Fortune 500 firms like Halliburton, DynCorp, Lockheed Martin, and Raytheon. Secretary of the Army Thomas White, a former vice chairman of Enron, "has really put a mark on the wall for getting government employees out of certain functions in the military," says retired Colonel Tom Sweeney, professor of strategic logistics at the U.S. Army War College. "It allows you to focus your manpower on the battlefield kinds of missions."

Private military companies, for their part, are focusing much of their manpower on Capitol Hill. Many are staffed with retired military officers who are well connected at the Pentagon--putting them in a prime position to influence government policy and drive more business to their firms. In one instance, private contractors successfully pressured the government to lift a ban on American companies providing military assistance to Equatorial Guinea, a West African nation accused of brutal human-rights violations. Because they operate with little oversight, using contractors also enables the military to skirt troop limits imposed by Congress and to carry out clandestine operations without committing U.S. troops or attracting public attention. "Private military corporations become a way to distance themselves and create what we used to call 'plausible deniability,'" says Daniel Nelson, a former professor of civil-military relations at the Defense Department's Marshall European Center for Security Studies. "It's disastrous for democracy."

The push to privatize war got its start during the administration of the elder President Bush. After the Gulf War ended, the Pentagon, then headed by Defense Secretary Dick Cheney, paid a Halliburton subsidiary called Brown & Root Services nearly \$9 million to study how private military companies could provide support for American soldiers in combat zones. Cheney went on to serve as CEO of Halliburton--and Brown & Root, now known as Halliburton KBR, has since been awarded at least \$2.5 billion to construct and run military bases, some in secret locations, as part of the Army's Logistics Civil Augmentation Program. In March, the Pentagon hired Cheney's former firm to fight fires in Iraq had Saddam Hussein sabotaged oil wells during the U.S. attack.

Pentagon officials say they rely on firms like Halliburton because the private sector works faster and cheaper than the military. When U.S. Marines distributed relief supplies in Somalia in 1992, for example, the military contracted with Brown & Root for logistical support. "They had laborers and vehicles at the Port of Mogadishu within 11 hours after we had given them notice," recalls Don Trautner, who runs the Army logistics program.

The use of private military companies, which gained considerable momentum under President Clinton, has escalated under the Bush administration. "There has been a dramatic increase in the military's reliance on contractor personnel to provide a wide range of support services for overseas operations," one Washington law firm advises its defense-company clients in a recent briefing paper. "In addition, the terrorist attacks of September 11, 2001, resulted in a rapid expansion of U.S. military activity in many areas of the globe, and President Bush's ongoing war on terrorism will likely require even greater contractor support for military operations in the future."

Because the Geneva Convention expressly bans the use of mercenaries--individual soldiers of fortune who fight solely for personal gain--private military companies are careful to distance themselves from any associations with such hired guns. To emphasize their experience and professionalism, many firms maintain websites brimming with colorful PR material; the industry even funds an advocacy group, the International Peace Operations Association, which portrays military firms as more capable and accountable than the Pentagon. "These companies want to run a professional operation," says the group's director, Doug Brooks. "Their incentive is to make money. How do you make money? You make sure you don't screw up."

When the companies do screw up, however, their status as private entities often shields them--and the government--from public scrutiny. In 2001, an Alabama-based firm called Aviation Development Corp. that provided reconnaissance for the CIA in South America misidentified an errant plane as possibly belonging to cocaine traffickers. Based on the company's information, the Peruvian air force shot down the aircraft, killing a U.S. missionary and her seven-month-old daughter. Afterward, when members of Congress tried to investigate, the State Department and the CIA refused to provide any information, citing privacy concerns. "We can't talk about it," administration officials told Congress, according to a source familiar with the incident. "It's a private entity. Call the company."

The lack of oversight alarms some members of Congress. "Under a shroud of secrecy, the United States is carrying out military missions with people who don't have the same level of accountability," says Rep. Jan Schakowsky (D-Ill.), a leading congressional critic of privatized war. "We have individuals who are not obligated to follow orders or follow the Military Code of Conduct. Their main obligation is to their employer, not to their country."

Private military companies emphasize their patriotism and expertise, positioning themselves as a sort of corporate battalion staffed by ex-soldiers who remain eager to serve their country. Military Professional Resources Inc., one of the largest and most prestigious firms, boasts that it can call on 12,500 veterans with expertise in everything from nuclear operations to submarine attacks. MPRI deploys its private troops to run Army recruitment centers across the country, train soldiers to serve as key staff officers in the field, beef up security at U.S. military bases in Korea, and train foreign armies from Kuwait to South Africa. At the highest echelons, the Virginia-based firm is led by retired General Carl Vuono, who served as Army chief of staff during the Gulf War and the U.S. invasion of Panama. Assisting him are General Crosbie Saint, former commander of the U.S. Army in Europe; Lt. General Harry Soyster, former head of the Defense Intelligence Agency; and General Ron Griffith, former Army vice chief of staff.

It is precisely this concentration of experience that makes military firms so politically formidable. Their executives have worked with--and sometimes commanded--officials in the U.S. military, diplomatic, and intelligence communities. (Secretary of State Colin Powell describes General Vuono, his one-time boss, as "one of my dearest friends.") "Someone at MPRI opens the Defense Department phone book and says, 'Oh, so-and-so, I served with him,'" explains Nelson, the former Marshall Center professor. "He picks up the phone: 'Joe, remember me? I'm working with MPRI now. Hey, listen, bud, we have a real opportunity to go to Equatorial Guinea.' Nothing more complex than that. It is a relationship based on years of camaraderie." (MPRI--along with Halliburton and DynCorp--declined requests for interviews.)

The companies don't rely on informal networking alone, though. They also pour plenty of money into the political system--especially into the re-election war chests of lawmakers who oversee their business. An analysis shows that 17 of the nation's leading private military firms have invested more than \$12.4 million in congressional and presidential campaigns since 1999.

DynCorp, a Virginia-based military and technology company that receives more than 96 percent of its \$2 billion in annual revenues from the federal government, wrote more than a dozen checks to the Republican National Committee over the past three years and made dozens of other contributions to key Capitol Hill lawmakers on committees that deal with defense issues.

The firms also maintain platoons of Washington lobbyists to help keep government contracts headed their way. In 2001, according to the most recent federal disclosure forms, 10 private military companies spent more than \$32 million on lobbying. DynCorp retained two lobbying firms that year to successfully block a bill that would have forced federal agencies to justify private contracts on cost-saving grounds. MPRI's parent company, L-3 Communications, had more than a dozen lobbyists working on its behalf, including Linda Daschle, wife of Senate Minority Leader Tom Daschle. Last year L-3 won \$1.7 billion in Defense Department contracts.

The campaign cash and personal connections give private military companies an unusual degree of influence, even by Washington standards. In at least one case, a company has successfully shifted U.S. foreign policy to bolster its bottom line. In 1998, the government of Equatorial Guinea asked MPRI to evaluate its defense systems, particularly its need for a coast guard to protect its oil reserves. To do so, MPRI needed a license from the U.S. State Department. But the Clinton administration flatly rejected the company's request, citing the West African nation's egregious record of torturing and murdering political dissidents.

MPRI launched a full-scale blitz to overturn the decision, quietly dispatching company officials to work the hallways of the Pentagon, State Department, and Capitol. "This is the kind of lobbying that's surgically executed," says Rep. Schakowsky. "This is not something they want a wide discussion on in Congress." MPRI's executives argued that the United States should be engaging Equatorial Guinea, both to improve its record on human rights and to ensure access to its oil reserves. It didn't hurt that the company could effectively pull rank, citing its extensive military experience. "Remember, these are high-level four-star generals, who can really make an argument that this is consistent with foreign policy," says Deborah Avant, an international-affairs expert at George Washington University.

In 2000, the State Department did an about-face and issued a license to MPRI. Bennett Freeman, a high-ranking State Department official who initially opposed the deal, says he changed his mind after meeting with Lt. General Harry Soyster of MPRI, who convinced him that the company would include human-rights training in its work. "These private military companies, if properly directed by U.S. government officials, can in fact play positive roles," Freeman says. MPRI refuses to reveal the terms of its contract with Equatorial Guinea.

The United States has a history of dispatching private military companies to handle the dirtiest foreign assignments. The Pentagon quietly hired for-profit firms to train Vietnamese troops before America officially entered the war, and the CIA secretly used private companies to transport weapons to the Nicaraguan contras during the 1980s after Congress had cut off aid. But as the Bush administration replaces record numbers of soldiers with contractors, it creates more opportunities for private firms to carry out clandestine operations banned by Congress or unpopular with the public. "We can see some merit in using an outside contractor," Charles Snyder, deputy assistant secretary of state for African affairs, recently told reporters, "because then we're not using U.S. uniforms and bodies."

Like the Clinton administration, the Bush administration is relying heavily on private military companies to wage the war on drugs in South America. Federal law bans U.S. soldiers from participating in Colombia's war against left-wing rebels and from training army units with ties to right-wing paramilitaries infamous for torture and political killings. There are no such restrictions on for-profit companies, though, and since the late 1990s, the United States has paid private military companies an estimated \$1.2 billion, both to eradicate coca crops and to help the Colombian army put down rebels who use the drug trade to finance their insurgency.

The largest beneficiary of this privatized war has been DynCorp, which is helping Colombia's national police destroy coca crops with aerial defoliants. But according to experts familiar with the war, the company's role goes well beyond spraying fields. DynCorp employees "are engaged in combatant roles, fighting in counterinsurgency operations against the Colombian rebel groups," says Peter Singer, a foreign-policy fellow at the Brookings Institution and author of *Corporate Warriors*. "Indeed, the DynCorp personnel have a local reputation for being both arrogant and far too willing to get 'wet,' going out on frequent combat missions and engaging in firefights." DynCorp has not responded to the allegation.

Relying on DynCorp and other private military companies has enabled Washington to circumvent Congress and avoid attention. "If the narcotraffickers shot American soldiers down, you could see the headlines: 'U.S. Troops Killed in Colombia,'" says Myles Frechette, the U.S. ambassador to Colombia during the Clinton administration. By contrast, the 1992 assassination of three DynCorp employees, whose helicopter was shot down during an anti-drug mission in Peru, merited exactly 113 words in *The New York Times*. (In February, when another air-craft crashed during a drug operation in Colombia, three employees of Northrop Grumman were taken hostage.)

Private military companies also played an unheralded role in the Balkans. After the breakup of the former Yugoslavia, the United Nations placed an embargo on providing military assistance to either Serbia or Croatia. Some in the State Department, however, wanted to counter the dominance of Serbian president Slobodan Milosevic by strengthening Croatian president Franjo Tudjman, a self-proclaimed Aryan supremacist. Private military companies once again provided the answer. In 1994, the State Department issued a license to MPRI to provide military training to the Croatian army. "It allowed the United States to exert a good deal of political heft while reserving its official stance of not being involved," says Avant, the international-affairs expert at George Washington University.

MPRI insists that it provided no combat training to Croatian troops, saying it merely instructed the country's military in how to operate in a Western-style democracy under civilian control. But according to independent reports, the company taught

basic infantry tactics to Croatian soldiers and explained how to coordinate assaults. In August 1995, after the training ended, the Croatian army launched Operation Storm, a U.S.-style military operation designed to take back the disputed Krajina region from the Serbs. The four-day assault was a bloody episode of ethnic cleansing. Croatian graduates of MPRI's training carried out summary executions and indiscriminately shelled civilians, leaving hundreds dead and more than 150,000 homeless. Afterward, the Croatians expressed their gratitude for MPRI's help. "They lecture us on tactics and big war operations," one officer told The Observer of London, "which is why we needed them for Operation Storm."

Such incidents point to the greatest danger underlying the increasing push to privatize war. Soldiers who disobey orders or violate standards of conduct can be court-martialed and incarcerated; their supervisors can be reassigned or forced to retire. Private companies, by contrast, are able to operate in almost complete secrecy, with little accountability to civilian or military authorities. Consider the case of two DynCorp employees who exposed a sex-trafficking scandal in Bosnia, where the company was assisting the American military with peacekeeping operations during the late 1990s. According to court documents, DynCorp employees bought and sold local Bosnian girls, some as young as 13, for use as sex slaves, often confiscating the passports of victims so they couldn't escape. The men were not subjected to local or U.S. criminal charges; DynCorp simply whisked them home--and fired the two whistleblowers.

The lack of accountability could have grave consequences in battle. The Pentagon has become so dependent on private military companies that it literally cannot wage war without them. Troops already rely on for-profit contractors to maintain 28 percent of all weapons systems, and the Bush administration wants to increase that figure to 50 percent. In most cases, private military companies can withdraw their employees with virtual impunity if faced with danger in a combat zone--an escape route that worries many military officials. If contractors flee when the shooting starts, it could sever supply lines, ground aircraft, and leave soldiers to run complex weapons systems they no longer have the skill or know-how to keep in working order. "There are some weapons systems that the U.S. military forces do not have the capability to do their own maintenance on," concedes David Young, a deputy commander at the Defense Contract Management Agency. "When you take these weapons systems into a combat zone, is contract support still reliable, especially if you are facing weapons of mass destruction? It's a source of worry when you're talking about chemical or biological weapons."

Military insiders, from the Defense Department's inspector general to the Army War College, echo that concern. "Will using contractors place our service personnel at greater risk of losing their lives in combat?" one Air Force military journal has asked. "Are we ultimately trading their blood to save a relatively insignificant amount in the national budget?"

Blackwater USA's Gary Jackson, whose company operates in hostile parts of Africa and southwestern Asia, insists that his employees would never bolt from a war zone. "They're paying us good money to go to places that are already ugly," he says. "If it gets real ugly, that's why they hired us in the first place." Pentagon officials also insist that private firms have proved reliable so far. "I've never seen any deficiencies, even

under fire," says the Army's Don Trautner. "I challenge anyone to come up with a situation where a contractor would run under harsh or hostile conditions."

Brian Boquist doesn't have to come up with a hypothetical scenario. Boquist is the founder of International Charter Inc., a small private military company based in Salem, Oregon, that has provided air transportation for peacekeeping operations in Africa and Haiti. In 1996, Boquist subcontracted with DynCorp to fly helicopters for international peacekeepers in Liberia. Four months into the contract, rebels from the countryside spilled into the capital city of Monrovia, shooting people and burning homes. While black smoke hung over the city, refugees trying to escape the violence poured into the U.S. Embassy compound. All around them, corpses lay in the street.

Boquist and his colleagues fled to the embassy from their downtown hotel--but when they got there, their superiors from DynCorp were nowhere to be found. "They had left the day before," Boquist says. "Just disappeared." Boquist tried to contact the company for several days and finally reached DynCorp's U.S. offices by telephone. "Do the best you can to get your personnel out," he recalls being told. By then, though, the airport in Monrovia was closed. Stranded in the burning city, Boquist and his colleagues armed themselves--buying weapons on the black market and picking up abandoned guns from the street--and defended the embassy and the refugees inside until U.S. military reinforcements arrived. "It's easy to be patriotic when you don't have anyplace to go," he says.

Boquist hasn't forgiven DynCorp ("it was hell on earth"), but notes that it's only natural for businesses to be concerned with their bottom line. "They're worried about liability and being sued, and that takes precedence," Boquist says. "That's the same problem you're going to face in any major conflict."

Despite such experiences in the field, the Bush administration is rapidly deploying private military companies in the Persian Gulf and other conflict zones. By March, DynCorp alone had 1,000 employees in the Middle East to assist in the invasion of Iraq. "The trend is growth," says Daniel Nelson, the former professor at the Pentagon's Marshall Center. "This current president and administration have--in part because of September 11, but also because of their fundamental ideology--taken off constraints that somewhat limited the prior administration." According to some estimates, private military companies will double their business by the end of the decade, to \$200 billion a year.

President Bush only has to look to his father's war to see what the consequences of this trend could be. In the Gulf War's single deadliest incident, an Iraqi missile hit a barracks far from the front, killing 28 Army reservists who were responsible for purifying drinking water. Other troops quickly jumped in to take their place. "Today, the military relies heavily on contractors for this support," Colonel Steven Zamparelli, a career contracting officer, notes in the Air Force Journal of Logistics. "If death becomes a real threat, there is no doubt that some contractors will exercise their legal rights to get out of the theater. Not so many years ago, that may have simply meant no hot food or reduced morale and welfare activity. Today, it could mean the only people a field commander has to accomplish a critical 'core competency' task such as weapons-system maintenance...have left and gone home."