

British Mercenaries Shooting at Baghdad Motorists is Part of “the Rules of Engagement”

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Security contractors of the so-called “Victory” Group of the British mercenary Firm Aegis Defense Services have committed the ultimate war crime: the indiscriminate killing of civilians as part of a “game”, not a video game but a real game of shooting Iraqi civilians as a form of entertainment, as revealed in a “trophy video” posted on an Aegis employees website. There are in fact several video clips, which suggests that the practice is not an isolated event.

TO VIEW THE ORIGINAL VIDEO CLIP CLICK:

[WMV \(Windows\)](#)

or

[QT\(quick time\)](#)

The Video was taken by an Aegis employee from the back of a vehicle.

The CEO of Aegis is Tim Spicer, a former lieutenant colonel in the Scots Guards.

Spicer headed Sandline International, a mercenary outfit disbanded in April 2004 following controversy surrounding its role in Sierra Leone, as well as, more recently, in Papua New Guinea.

Sandline indicated on its website the reasons for the closure:

On 16 April 2004 Sandline International announced the closure of the company’s operations.

The general lack of governmental support for Private Military Companies willing to help end armed conflicts in places like Africa, in the absence of effective international intervention, is the reason for this decision. Without such support the ability of Sandline to make a positive difference in countries where there is widespread brutality and genocidal behaviour is materially diminished (<http://www.sandline.com>)

Barely a month following the closure of Sandline, in May 2004, Aegis Defense Services, which is essentially a continuation of Sandline under a different name, received a 293 million dollar contract. from the Pentagon to ensure public security in Iraq on behalf of the occupying forces.

Aegis had been put in charge of “providing armed bodyguards for the Army’s Project and Contracting Office, which oversees reconstruction projects, as well as coordinating security for 10 other prime contractors in Iraq.” (WP, 23 April 2005)

The Aegis Audit

The behavior of Aegis mercenaries was known to the Pentagon. Sandline had a well established track record.

Private defense contractors were involved in the Abu Ghraib torture scandal. Sandline’s track record under the helm of Tim Spicer was known and documented.

Moreover, [An audit of Aegis activities](#) (pdf) conducted in April 2005 had reported that several of Aegis recruits had not received appropriate training in the use of weapons. In fact, 11 out of 20 surveyed were considered to be inadequately trained with regard to the handling of an AK 47 (see audit report):

A controversial British firm responsible for a \$293 million U.S. Army security contract in Iraq could not prove that its armed employees received proper weapons training....

In addition to criticizing Aegis Defence Services Ltd., the audit took aim t the Army’s contracting office in Iraq for poor oversight. It reported that the official who was supposed to keep watch over Aegis’s contract had not been trained in either monitoring contracts or security. The office was also severely short-staffed: At the time of the audit, 41 officials were administering 6,500 contracts and task orders.

... A random survey of 20 Aegis employees who had been issued weapons — including AK-47 and M4 assault rifles — showed that the company did not have the needed weapons training documentation for 14 of them. As a result, auditors could not say whether “all contractor personnel are qualified on the weapons that they had been issued.”(WP, 23 April 2005)

Despite these shortcomings, Aegis was found to be in compliance with its contract.

Rules of Eengagement

Since the release of the controversial video, both the media and the Pentagon have remained mum on the subject. No apologies to the civilian victims.

While an internal investigation has been ordered by Aegis CEO Tim Spicer, a company statement has clarified that opening fire on civilian vehilces is “under certain circumstances” in conformity with the Rules of Engagement:

AEGIS’ personnel have substantial military and peacekeeping experience and all operate under strict and accountable Rules of Engagement of the Coalition Military (CENTCOM), and the US Department of State, as well as Coalition Provisional Authority Order - Memo 17.

These Rules of Engagement allow for a structured escalation of force to include opening fire on civilian vehicles under certain circumstances. All incidents of the use of such escalation of force which includes the use of firearms are logged and investigated to ensure that there has been strict adherence to the

Rules of Engagement. Should any incident recorded on the video footage have involved AEGIS personnel, this too will be subject to scrutiny by the Board of Enquiry.

(for full statement see http://www.aegisworld.com/latest_news.lasso)

Document

1. [The complete Audit in pdf of the Office of The Inspector General for Iraq Reconstruction. April 20, 2005.](#)

Press Reports

U.S. Took Eyes Off Mercenaries,

9 May 2005

\$96M in Iraq, New Audits Find

by Chris Shumway and Brian Dominick

New Standard

The government office charged with investigating misconduct in the reconstruction of Iraq just revealed dozens of new allegations that Western contractors and their overseers mismanaged Iraqi reconstruction funds.

United States authorities failed to ensure that a British mercenary company was in full compliance with the terms of its security contract in Iraq, according to an audit by the office set up to investigate mismanagement of reconstruction funds. Aegis Defense Services, which received the largest contract of all the private armies operating in Iraq despite a highly questionable background, failed to comply with regulations established to ensure a basic order within mercenary outfits.

Additional audits prepared by the Special Inspector General for Iraq Reconstruction (SIGIR) and delivered to Congress last week additionally show that American officials poorly maintained dozens of relatively small reconstruction contracts collectively worth more than \$184 million. They also reveal that American managers of the Development Fund for Iraq (DFI), an account consisting primarily of Iraqi oil revenues, failed to keep track of at least \$96.6 million in funds earmarked for reconstruction and relief projects in south-central Iraq.

This fresh evidence of mismanagement was all discovered on top of the \$9 billion in unaccounted-for funds discovered earlier this year. And the troubles with Aegis arrive as concern over fraud allegedly committed by another private military company, Custer Battles, still simmers.

More Shady Mercenaries Run Amok Investigators found that the US Army hired Aegis last year to provide armed bodyguards for US government employees and contractors managing reconstruction of the oil and gas fields and repairing the electricity and water services in Iraq. The UK-based company failed to comply with requirements in five key areas of its \$293 million "cost-plus" contract, the auditors' report conveys.

Cost-plus contracts cover all of a company's expenses, plus a pre-determined percentage of whatever they spend, ensuring that the contractor makes a significant profit.

Among the findings, auditors reported that Aegis bodyguards did not have proper experience and qualifications for hostage rescue and chemical and biological warfare; that Aegis did not provide suitable documentation showing that its weapons toting employees were trained and qualified to use those weapons; and that the company did not have sufficient proof that its Iraqi employees had been properly vetted. In many cases, Aegis had no records showing that it performed police background checks on Iraqi workers, or that it even conducted interviews with workers before hiring them.

Auditors reported that the Project and Contracting Office (PCO) in Iraq, which handles all financial and programmatic matters related to the reconstruction effort, did not adequately monitor the Aegis deal - the largest single security contract in Iraq. "As a result" of both Aegis' and the PCO's failures, the audit concluded, "there is no assurance that Aegis is providing the best possible safety and security" for government and reconstruction personnel in Iraq.

As much evidence of mismanagement as the inspector general's office found, watchdogs point out there was reason for grave concern just based on the past dealings of the mercenary outfit's founder. Aegis was launched by Tim Spicer, a former British commando, in 2003, a little more than a year before it won the lucrative contract in Iraq. Spicer has long been involved in using private forces to intervene in civil wars on behalf of mining, oil and gas interests, according to a report by CorpWatch, a web site that monitors corporate fraud and abuse.

In 1998, a company called Sandline, also operated by Spicer, was reportedly contracted to sell 30 tons of arms to the forces of the then- leader of Sierra Leone, in violation of a UN arms embargo. Subsequently, Spicer's firm became the subject of multiple British investigations. Spicer maintained at the time that he did not know the company's actions were illegal, CorpWatch reports.

One year earlier, Spicer was involved in a civil war in Papua New Guinea during which Sandline was reportedly paid \$36 million to battle local citizens who had shut down a profitable copper mine to protest environmental damage it had caused and to assert their case for independence. At a Papua New Guinea court hearing, Spicer reportedly said that part of his project involved a psychological campaign waged against citizens with the aid of attack helicopters. Charges against Spicer were eventually dismissed, CorpWatch reported.

Spicer's past, reported by The NewStandard last June, was outside the scope of the inspector general's audit, which focused on the conduct of the company and the contracting process rather than the wisdom of the contract itself.

The Aegis story is in some ways reminiscent of a similar situation involving former US contractor Custer Battles. That firm, itself co-founded in 2003 by a former commando looking to take advantage of the burgeoning mercenary industry and its practically open-ended contracts, currently faces a lawsuit brought by former associates on behalf of the US government, charging massive fraud and theft. Custer Battles also received lucrative contracts despite its limited history as a corporation and the questionable backgrounds of its founders.

Fraud, Theft Suspected in Up to 37 Cases In a report to Congress last week that summarized the Aegis audit, the special inspector general also stated that the US contracting office “did not adequately maintain” 37 of its contracts and associated files for projects worth more than \$184 million. Officials additionally failed to produce 21 percent of the files that auditors requested for their review. As a result of mismanagement, “there was no assurance that fraud, waste and abuse did not occur in the management and administration” of Iraqi reconstruction contracts, the report said.

Government auditors also found “indicators of potential fraud” on the part of the Development Fund for Iraq’s (DFI) Account Manager’s office, which failed to “properly account for or support” more than \$96.6 million in cash that employees were supposed to hand out in shrink-wrapped bricks of hundred-dollar bills. Auditors have referred several cases to a special office for criminal investigation.

Most of the funds US contractors are suspected to have defrauded was Iraqi money to begin with.

In an examination of financial records between June 2003 and October 2004, reviewers found poor bookkeeping on the part of managers handling the DFI for the former Coalition Provisional Authority and, more recently, the US Embassy’s Joint Area Support Group for Central Iraq. Money from the cash disbursement program was intended to pay local citizens and contractors for rebuilding and relief projects in South Central Iraq.

On several occasions, employees handed out large bundles of cash without properly counting the money.

In another case, two US “field paying agents” left Iraq without telling their bosses what happened to \$1.49 million in cash they were supposed to hand out. The inspector general’s office found that the two workers did not sign the required forms to take on personal liability for any lost cash.

The audit further found that the DFI account manager was aware that the two field agents had outstanding balances “but did not take action to resolve the issue.” Instead of trying to determine exactly what happened to the money, the manager prepared a worksheet that made it appear as though the workers transferred the cash to another, higher ranking agent. Such an act “appears to be an attempt to remove outstanding balances by simply washing accounts,” the audit said.

Corruption and Inspection Continue The SIGIR office just began its second year of oversight and inspections concerning the management of US, Iraqi and international funds in occupied Iraq. In a report slated for release today, Special Inspector General Stuart W. Bowen Jr. notes that the rebellion operating across much of Iraq remains “a major barrier to the reconstruction and rehabilitation” process. But during a year of audits, the SIGIR has uncovered numerous cases of fraud and misallocation.

The SIGIR says it is currently conducting an audit of DFI cash disbursement in the southern region of Iraq.

Expecting to more than quadruple its original Iraq-based staff to 30 personnel by month’s end, the office currently has a total of 34 cases under investigation on the ground, six of which are categorized as “procurement fraud” and another six suspecting theft.

Between January 1 and March 31, a corruption hotline set up by the special inspector general received 57 new complaints of corruption related to Iraq reconstruction projects. Fourteen of those have been classified as abuse, while ten each are listed as fraud and waste.

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Contractor, Army Office Fell Short, Audit Finds Report Examines Reconstruction in Iraq

By Griff Witte Washington Post Staff Writer Saturday, April 23, 2005; Page E01

The findings mean “there is no assurance that Aegis is providing the best possible safety and security for government and reconstruction contractor personnel and facilities,” according to auditors with the Office of the Special Inspector General for Iraq Reconstruction.

Aegis, an almost three-year-old London-based firm whose chief executive provided military assistance to warring factions in Asian and African conflicts in the late 1990s, received its Iraqi security contract last May. With the award, Aegis was put in charge of providing armed bodyguards for the Army’s Project and Contracting Office, which oversees reconstruction projects, as well as coordinating security for 10 other prime contractors in Iraq.

An Aegis spokeswoman responded to the audit with a statement noting that “the auditors found that Aegis was generally in compliance with the terms of the contract,” and, “As a result of our performance to date our contract has been formally extended for a further year.” The original contract was for one year, with options to extend it for two more.

Yesterday’s report came in the midst of other reminders of the security challenges that Iraq continues to pose. On Thursday, six Blackwater USA contractors were killed when the helicopter in which they were riding went down north of Baghdad. And yesterday, Halliburton Co., the single biggest U.S. contractor in Iraq, said it may have to pull out of work restoring Iraqi oil fields because of insurgent attacks.

While Aegis generally met its requirements in providing security to U.S. officials and other contractors, the auditors reported, the company fell short in several key areas. A random survey of 20 Aegis employees who had been issued weapons — including AK-47 and M4 assault rifles — showed that the company did not have the needed weapons training documentation for 14 of them. As a result, auditors could not say whether “all contractor personnel are qualified on the weapons that they had been issued.”

The inspector general’s report also faulted the company for not adequately documenting background checks on its 125 Iraqi employees. While the company was supposed to conduct interviews and other checks on the employees to make sure they did not pose “an internal security threat,” auditors found documentary evidence that the vetting process was often lacking.

Maj. Gen. Daniel E. Long Jr., director of the Project and Contracting Office, wrote in a letter responding to the audit that his office generally concurred with the criticisms and was working to correct them.

The special inspector general’s office, which was created by Congress, provides oversight of the billions of dollars in U.S. government funds being spent to rebuild Iraq following the

United States-led invasion in 2003. It has issued 16 reports and has at least 10 others in progress, a spokesman said.

Sen. Russell Feingold (D-Wis.), who helped create the inspector general's office and has pushed to keep it funded, said in a statement that the Aegis audit is "deeply troubling, and only reaffirms the desperate need for vigorous, independent oversight of the way taxpayer dollars are being spent in Iraq."

The Aegis contract, the largest postwar security contract in Iraq, has been controversial from the beginning. The company's chief executive, Tim Spicer, is a former lieutenant colonel in the Scots Guards who used to lead the private military firm Sandline International.

Sandline was tapped in 1997 to end a rebellion on an island in Papua New Guinea, but the government there was soon toppled. The year after, Sandline became embroiled in war in Sierra Leone. A parliamentary inquiry in 1999 found that the firm had been involved in shipping arms into Sierra Leone, despite a United Nations embargo. The company said it was acting with the British government's blessing, but government ministers were cleared of wrongdoing.

Spicer left Sandline in 2000, and the company ended operations in 2004. Aegis — which bills itself as a defense assistance, risk management and security company — was created in September 2002. After Aegis won the security contract in Iraq, several Irish American groups protested, citing a 1992 case in which two soldiers under Spicer's command shot and killed a Belfast teenager. Spicer has maintained that the soldiers were innocent.

Texas-based DynCorp, which lost a bid for the Iraq security contract, unsuccessfully protested the award to Aegis, citing allegations against Spicer, among other issues.

Doug Brooks, an acquaintance of Spicer's who heads the International Peace Operations Association, a trade group of security firms, said that the problems identified in the Aegis audit seemed "fairly minor" and that the firm deserves credit overall for difficult work in a dangerous place.

Peter W. Singer, a Brookings Institution fellow who has written a book on private military firms, said the audit is more troubling for what it says about the contracting process than for what it says about Aegis. Auditors reported that contracting officials were unaware of many of the problems with the contract and that until auditors brought them to light, they had been unable to correct the ones they did know about. Contracting officials blamed a heavy workload and a high staff-turnover rate.

"The fact that you have 41 people doing oversight for 6,500 contracts is just stunning," Singer said. "It's only getting worse, and it just points to the fact that the government is behind the curve when it comes to being a smart client."

Government oversight of contractors in Iraq was also at issue yesterday in a lawsuit brought by whistle-blowers against a firm called Custer Battles LLC, which had provided security at Baghdad International Airport in the aftermath of Saddam Hussein's fall from power. Two whistle-blowers have sued Custer Battles, claiming it defrauded the U.S. government of tens of millions of dollars.

The firm's lawyers have argued that the case doesn't belong in U.S. courts, however, because Custer Battles allegedly stole from the Coalition Provisional Authority, which they

claim was an international institution, not an arm of the U.S. government. Yesterday, Justice Department lawyers disagreed, writing in a brief that for the purposes of this case, “the CPA is an instrumentality of the United States.”

A federal judge in Alexandria still has to rule on the matter.

<http://www.washingtonpost.com/wp-dyn/articles/A10772-2005Apr22>

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