

Maryland: A Government of, by, and for Lockheed Martin

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[War is a Crime](#)

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What's the world's biggest war profiteer to do if it already owns the federal government but is having trouble kicking around the local government of Montgomery County, Maryland, where it's headquartered? Why, hire the state of Maryland to step in, of course.

Lockheed Martin lives by killing, although nobody ever gives it a [background check](#) before allowing it another weapon. Such a background check would reveal Lockheed Martin to be the number one [top offender](#) among U.S. government contractors. When Congress was defunding ACORN for imaginary crimes alleged by a fraudster who is now having to [compensate](#) his victims, one Congresswoman proposed [a bill](#) to defund government contractors actually guilty of crimes. Passing such a bill would strip Lockheed Martin of some 80% of its income.

The [list of abuses](#) by Lockheed Martin includes contract fraud, unfair business practices, kickbacks, mischarges, inflated costs, defective pricing, improper pricing, unlicensed exporting to foreign nations (Lockheed Martin sells weapons to governments of all sorts around the world), air and water pollution, fraud, bribery, federal election law violations, overbilling, radiation exposure, age discrimination, illegal transfer of information to China, falsification of testing records, embezzlement, racial discrimination, retaliation against whistleblowers, bid-rigging, and much more.

Why, one might ask, does the federal government give such a company a dime, much less [\\$40 billion](#) per year? Why is it intent on dumping over a trillion dollars into Lockheed Martin for the most expensive and least functioning airplane in history, the [F-35](#)? Lockheed not only funds Republicans and Democrats alike with over [\\$3 million](#) per election cycle, [lobbies officials for another \\$30 million](#), hires former officials, and shapes corporate news, but Lockheed Martin also creates local panics by [threatening](#) to [notify](#) every one of its employees that they might be fired if U.S. war preparations spending doesn't continue to grow.

The pseudo-debate of recent years between those who want to cut healthcare and retirement spending and those who oppose all cuts is a debate that any news outlet interested in selling advertising to Lockheed Martin can accept without hesitation. A [debate](#) over what we actually should cut and what we should instead invest in more heavily would be a different matter.

Of course, we can all send emails to Congress. Lockheed Martin can too. But Lockheed Martin, unlike the rest of us, also owns the [email system](#) through which Congress receives our communications.

Lockheed Martin is based in suburban Washington, D.C., in Montgomery County, Md. For years, Lockheed Martin and its friends at the *Washington Post* have been trying to get the local government to excuse the patrons of Lockheed Martin's luxury hotel from paying taxes. Montgomery County is home to terrific [peace activists](#) who can, of course, get virtually nowhere with Congress, but who can make their voices heard locally. This has frustrated Lockheed Martin no end. I recommend reading [this article](#) by Jean Athey from a year ago, describing the work she and others have done. An excerpt:

"Let's put this tax exemption proposal in perspective by taking a quick look at Lockheed Martin's finances. In 2010 the company took home [\\$3.9 billion in profits](#) from the portion of its business that is paid directly by taxpayers (84 percent). Lockheed Martin's CEO, Robert Stevens, [received \\$21.9 million](#) in compensation in 2011. So this company is doing quite well for itself, thanks to the taxpayers, and our largesse will continue into the future. . . . When Lockheed Martin's own employees stay at the CLE, according to the Post, the corporation passes on the costs of the hotel tax to the appropriate federal contract. In other words, Lockheed Martin is already compensated by the federal government for any lodging costs the company incurs, and given federal procurement regulations, the company can charge indirect costs on top of the local taxes it pays. This means that Lockheed Martin gets its money back, with interest, on its employee lodging costs. Even if Lockheed Martin didn't get that money back, it would still make no sense to exempt this extremely wealthy company from paying a tax on employee lodging costs. The company also invites contractors and vendors to stay at the hotel. Why should these people not be required to pay a tax that they would pay if they instead chose to stay at the Marriott? In reality, Lockheed Martin rents rooms to more than its employees, contractors and vendors. It uses its world-class conference center for . . . conferences. . . . It is extraordinary that the company would make an issue of this tax. Although the amount of money—\$450,000 per year—is significant to Montgomery County, it is essentially a rounding error for Lockheed Martin. There's more: not only are Lockheed Martin and The Washington Post furious at the county council for questioning the wisdom of a special million-dollar gift to Lockheed Martin to compensate it for having to pay the tax. They are also still irate that in 2011 the council briefly considered a [non-binding resolution](#) asking Congress to support the needs of local communities and cut military spending. Lockheed Martin suddenly had a job for a few of its 91 lobbyists: kill the resolution, which they did."

Here's Jean Athey, speaking this Saturday about the latest developments:

"Lockheed Martin lost the battle in 2011 to convince Montgomery County's council to change the definition of 'hotel' so as to exempt guests at the company's luxury hotel from being subject to a 7% hotel tax that everyone else has to pay. Now, Maryland's state government is considering a bill to force the county to do so, and it looks very likely to pass. This is an unbelievable and outrageous example of corporate welfare, designed for one of the wealthiest companies in the nation. The bill is also an egregious example of state interference in a local issue and so further diminishes democracy."

This latest outrage has passed a state senate committee, and a companion bill is being considered by the Ways and Means Committee in the House of Delegates. Here's the [Washington Post](#). This bill ([PDF](#)) would force Montgomery County to exempt Lockheed Martin's conference hotel from the county's hotel tax. In addition, it requires the County to reimburse Lockheed Martin \$1.4 million for taxes it has paid the County to date for hotel

taxes.

The state legislature, in introducing this bill, did not go through the county delegation prior to presenting it, even though the bill will only affect Montgomery County. Senator Jamie Raskin, for example, only found out about the bill Saturday morning. He opposes it.

He should oppose it. We all should. There is still a glimmer of representative government in some of our localities. People are able to get involved in local issues, have some influence, and see majority opinion rule the day. This is, of course, why people concerned about national and international issues take resolutions to local governments. Unlike Congress, local governments sometimes listen. But sometimes when they listen too much, state governments or the federal government will step in and overrule them.

This is an assault on democracy, not just on the budget of Montgomery County and the balance of wealth in a nation that has created a Wall-Street-and-War-Making aristocracy. When I worked for ACORN we used to pass restrictions on predatory lending or increases in minimum wages at the local level. Then the banks or the hotels and restaurants would go to the state level and preempt them. This was an outrage, but what did ACORN members really count for after all? Some of them were probably on welfare!

Well, what should we call a tax break for one of the most profitable corporations in the nation, a tax break on expenses it's going to bill to the government anyway? I'd call it welfare for the undeserving rich, except that it's not really about their welfare. It's about their insatiable greed.

If you live in Maryland or even if you don't, please [contact](#) the legislature to oppose Senate Bill 631 and House Bill 815. Lockheed Martin is using national resources (ours, in fact, courtesy of the Pentagon and NASA) to turn the state of Maryland against the people of Maryland. Why shouldn't those of us who care speak up, too, and ask everyone we know in Maryland to do the same?

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