

## The Bush administration's ties to Blackwater

By Ben Van Heuvelen Global Research, October 03, 2007 Salon.com 3 October 2007 Theme: <u>US NATO War Agenda</u> In-depth Report: <u>IRAQ REPORT</u>

Blamed in the deaths of Iraqi civilians, the private security firm has long ties to the White House and prominent Republicans, including Ken Starr.

Oct. 02, 2007 | When Blackwater contractors guarding a U.S. State Department convoy allegedly killed 11 unarmed Iraqi civilians on Sept. 16, it was only the latest in a series of controversial shooting incidents associated with the private security firm. Blackwater has a reputation for being quick on the draw. Since 2005, the North Carolina-based company, which has about 1,000 contractors in Iraq, has reported 195 "escalation of force incidents"; in 163 of those cases Blackwater guns fired first. According to the New York Times, Blackwater guards were twice as likely as employees of two other firms protecting State Department personnel in Iraq to be involved in shooting incidents.

On Tuesday morning, Rep. Henry Waxman, D-Calif., chairman of the House Oversight and Government Reform Committee, will hold a hearing on the U.S. military's use of private contractors. When Waxman announced plans for the hearing last week, the State Department directed Blackwater not to give any information or testimony without its signoff. After a public spat between Rep. Waxman and Secretary of State <u>Condoleezza Rice</u>, the State Department relented. Blackwater CEO and founder Erik Prince is now scheduled to testify at 10 a.m. Tuesday.

But the attempt to shield Prince was apparently not the first time State had protected Blackwater. A report issued by Waxman on Monday alleges that State helped Blackwater cover up Iraqi fatalities. In December 2006, State arranged for the company to pay \$15,000 to the family of an Iraqi guard who was shot and killed by a drunken Blackwater employee. In another shooting death, the payment was \$5,000. As CNN reported Monday, the State Department also allowed a Blackwater employee to write State's initial "spot report" on the Sept. 16 shooting incident — a report that did not mention civilian casualties and claimed contractors were responding to an insurgent attack on a convoy.

The ties between State and Blackwater are only part of a web of relationships that Blackwater has maintained with the Bush administration and with prominent Republicans. From 2001 to 2007, the firm has increased its annual federal contracts from less than \$1 million to more than \$500 million, all while employees passed through a turnstile between Blackwater and the administration, several leaving important posts in the Pentagon and the CIA to take jobs at the security company. Below is a list of some of Blackwater's luminaries with their professional — and political — résumés.

**Erik Prince, founder and CEO:** How did Blackwater go from a small corporation training local SWAT teams to a seemingly inseparable part of U.S. operations in Iraq? Good timing, and the connections of its CEO, may be the answer.

Prince, who founded Blackwater in 1996 but reportedly took a behind-the-scenes role in the company until after 9/11, has connections to the Republican Party in his blood. His late father, auto-parts magnate Edgar Prince, was instrumental in the creation of the Family Research Council, one of the right-wing Christian groups most influential with the George W. Bush administration. At his funeral in 1995, he was eulogized by two stalwarts of the Christian conservative movement, James Dobson and Gary Bauer. Edgar Prince's widow, Elsa, who remarried after her husband's death, has served on the boards of the FRC and another influential Christian-right organization, Dobson's Focus on the Family. She currently runs the Edgar and Elsa Prince Foundation, where, according to IRS filings, her son Erik is a vice president. The foundation has given lavishly to some of the marquee names of the Christian right. Between July 2003 and July 2006, the foundation gave at least \$670,000 to the FRC and \$531,000 to Focus on the Family.

Both Edgar and Elsa have been affiliated with the Council for National Policy, the secretive Christian conservative organization whose <u>meetings</u> have been attended by Dick Cheney, Donald Rumsfeld and Paul Bremer, and whose membership is rumored to include Jerry Falwell, Ralph Reed and Dobson. The Edgar and Elsa Prince Foundation gave the CNP \$80,000 between July 2003 and July 2006.

The former Betsy Prince — Edgar and Elsa's daughter, Erik's sister — married into the DeVos family, one of the country's biggest donors to Republican and conservative causes. ("I know a little something about soft money, as my family is the largest single contributor of soft money to the national Republican Party," Betsy DeVos wrote in a 1997 Op-Ed in the Capitol Hill newspaper Roll Call.) She chaired the Michigan Republican Party from 1996 to 2000 and again from 2003 to 2005, and her husband, Dick, ran as the Republican candidate for Michigan governor in 2006.

Erik Prince himself is no slouch when it comes to giving to Republicans and cultivating relationships with important conservatives. He and his first and second wives have donated roughly \$300,000 to Republican candidates and political action committees. Through his Freiheit Foundation, he also gave \$500,000 to Prison Fellowship Ministries, run by former Nixon official Charles Colson, in 2000. In the same year, he contributed \$30,000 to the American Enterprise Institute, a conservative think tank. During college, he interned in George H.W. Bush's White House, and also interned for Rep. Dana Rohrabacher, R-Calif. Rohrabacher and fellow California Republican Rep. John Doolittle have visited Blackwater's Moyock, N.C., compound, on a trip arranged by the Alexander Strategy Group, a lobbying firm founded by former aides of then House Majority Leader Tom Delay. ASG partner Paul Behrends is a longtime associate of Prince's.

Prince's connections seem to have paid off for Blackwater. Robert Young Pelton, author of "Licensed to Kill: Hired Guns in the War on Terror," has reported that one of Blackwater's earliest contracts in the national arena was a no-bid \$5.4 million deal to provide security guards in Afghanistan, which came after Prince made a call to then CIA executive director Buzzy Krongard. What's more, Harper's Ken Silverstein has reported that Prince has a security pass for CIA headquarters and "meets with senior people" inside the CIA. But Prince's most important benefactor was fellow conservative Roman Catholic convert L. Paul Bremer, former head of the Coalition Provisional Authority, the American occupation government in Iraq. In August 2003, Blackwater won a \$27.7 million contract to provide personal security for Bremer. In charge of the Blackwater team guarding Bremer was Frank Gallagher, who had provided personal security for former Secretary of State Henry Kissinger when Bremer was managing director of Kissinger's consulting firm, Kissinger and Associates, in the 1990s.

By 2005, Blackwater was earning \$353 million annually from federal contracts. Blackwater's benefits from government largess haven't ended with Iraq. The company was recently one of five awarded a Department of Defense counter-narcoterrorism contract that could reportedly be worth as much as <u>\$15 billion</u>. Blackwater also became involved in the aftermath of Hurricane Katrina, and profited handsomely. According to Jeremy Scahill, author of <u>"Blackwater: The Rise of the World's Most Powerful Mercenary Army,"</u> Blackwater had made roughly \$73 million for Katrina-related government work by June 2006, less than a year after the hurricane hit.

**Joseph Schmitz, chief operating officer and general counsel:** In 2002, President Bush nominated Schmitz to oversee and police the Pentagon's military contracts as the Defense Department's inspector general. Schmitz presided over the largest increase of military-contracting spending in history: As of 2005, 77 companies were awarded 149 "prime contracts" worth \$42.1 billion, with hundreds of millions going to Blackwater. Unlike previous I.G.s, Schmitz reported directly to the secretary of defense — a setup that both Democratic and Republican lawmakers objected to, given Schmitz's oversight responsibility. Schmitz even carried Rumsfeld's "12 principles" for the Pentagon in his lapel pocket. The first principle read, "Do nothing that could raise questions about the credibility of DoD."

Schmitz has many ties to the Republican Party establishment. His father, John G. Schmitz, was a two-term Republican congressman, and his brother, Patrick Schmitz, served as George H.W. Bush's deputy counsel from 1985 to 1993. Joseph himself worked as a special assistant to Reagan-era Attorney General Edwin Meese.

Schmitz resigned in 2005 under mounting pressure from both Democratic and Republican senators, who accused him of interfering with criminal investigations into inappropriately awarded contracts, turning a blind eye to conflicts of interest and other failures of oversight. According to an October 2005 article in Time magazine, Schmitz showed the White House the results of his staff's multiyear investigation into a contract in which the Air Force leased air-refueling tankers from Boeing for more than it would have cost to buy them, then agreed to redact the names of senior White House staffers involved in the decision before sending the final report to Congress. Schmitz informed his staff on Aug. 26, 2005, that he was leaving the Pentagon; in September of that year, he went to work for Blackwater.

**J. Cofer Black, vice chairman:** Black spent most of his 28-year CIA career running covert operations in the Directorate of Operations, where he worked with Rob Richer (below). At the time of the 9/11 attacks, he was director of the CIA's Counterterrorism Center. There he was former CIA Director George Tenet's ace in the hole when it came to convincing Bush that the CIA should lead initial U.S. combat operations in Afghanistan after 9/11. Black is, according to published accounts, a man with a flair for the dramatic, the kind of briefer President Bush likes. In one briefing, according to several reports, Black told the president, "When we're through with [terrorists in Afghanistan], they will have flies walking across their eyeballs." (Black also ordered CIA field officer Gary Schroen to bring back Osama bin Laden's head packed in dry ice so Black could show it to Bush.) Black's Afghanistan presentation earned him "special access" to the White House, the Washington Post's Dana Priest reported in December 2005.

Black is also one of the more prominent faces associated with the Bush administration's

interrogation and extraordinary rendition policies. In a famous moment, Black told Congress in 2002, "After 9/11, the gloves came off." And the group within the CIA responsible for extraordinary renditions — operations in which covert agents grab terror suspects and take them to secret prison facilities for interrogations that would normally be prohibited as torture — fell under Black at the CTC, Priest has reported.

Black later went to the State Department, where one of his roles was to begin coordinating security for the 2004 Olympics in Greece. In 2003, the State Department gave Blackwater a contract to train the Olympic security teams.

In 2004, Black left the State Department to join Blackwater, part of what Harper's Silverstein termed a <u>"revolving door to Blackwater"</u> from the CIA. In addition to his work with Blackwater and his own company, Total Intelligence Solutions, Black also recently joined the presidential campaign of former Massachusetts Gov. <u>Mitt Romney</u>, where he serves the Republican hopeful as senior advisor for counterterrorism and national security.

**Rob Richer, vice president for intelligence:** Richer was head of the CIA's Near East division — and the agency's liaison with King Abdullah of Jordan — from 1999 to 2004. In 2003, he briefed President Bush on the nascent Iraqi insurgency. In late 2004, he became the associate deputy director in the CIA's Directorate of Operations, making him the second-ranking official for clandestine operations. He left the agency for Blackwater in the fall of 2005, effectively taking the agency's relationship with Abdullah with him. The CIA had invested millions of dollars in training Jordan's intelligence services. There was an obvious quid pro quo: In exchange for the training, Jordan would share information. Jordan has now hired Blackwater's intelligence division — headed by Richer — to do its spy training instead. The CIA isn't happy, writes Silverstein: "People [at the agency] are pissed off," said Silverstein's source. "Abdullah still speaks with Richer regularly and he thinks that's the same thing as talking to us. He thinks Richer is still the man."

**Fred Fielding, former outside counsel:** After four Blackwater employees were tortured and killed in Fallujah, Iraq, in 2004, their families brought a wrongful-death lawsuit against Blackwater, charging that the company had not provided adequate arms, armor and backup. Blackwater feared that if it was found liable for its employees' deaths, a floodgate of future litigation could be opened. To fight the suit, Blackwater hired Fielding, the consummate Republican insider. Dan Callahan, a lawyer representing the families, told Salon he was shocked when he learned Fielding would be representing the company. "How the hell," Callahan says he wondered at the time, "did I draw Fred Fielding on this case?"

Fielding has had a long career as a lawyer to prominent Republicans. From 1970 to 1972, he was an associate White House counsel in the Nixon administration; from 1972 to 1974, he was present for the denouement of that administration as deputy White House counsel. Under President Reagan, he served as White House counsel from 1981 to 1986, where he was the boss of a young assistant counsel named John Roberts, now the chief justice of the United States. After the 2000 election, he served the current administration as transition counsel, and he also held a spot on the 9/11 Commission. In January 2007, Bush chose him as <u>White House counsel</u>.

**Ken Starr, outside counsel:** According to Callahan, Fielding represented Blackwater as outside counsel for about six months beginning in February 2005. After Fielding left the case, the law firm Greenberg Traurig, which was once home to Jack Abramoff and worked for George W. Bush in the Florida recount, represented Blackwater till October 2006. Blackwater

then hired another high-profile lawyer with impeccable Republican credentials — <u>Ken Starr</u>, now the dean of Pepperdine Law School in California. Starr was appointed to the federal bench by Reagan, was U.S. solicitor general under George H.W. Bush and was on Bush's shortlist to replace William Brennan on the Supreme Court. He is best known, however, as the independent counsel who investigated Bill Clinton. He revealed the intimate details of Clinton's affair with intern Monica Lewinsky in the infamous Starr Report and set in motion Clinton's impeachment by Congress.

Blackwater continues to assert that the state of North Carolina lacks jurisdiction in the wrongful-death lawsuit against the security firm. On Oct. 18, 2006, Starr petitioned Chief Justice Roberts on behalf of Blackwater, asserting that the company was "constitutionally immune" to the lawsuit. "If companies such as Blackwater must factor the defense costs of state tort lawsuits into [their] overall costs," argued Starr, "Blackwater will suffer irreparable harm." Roberts denied the petition on Oct. 24. In December, Starr filed a motion to bring the matter before the entire Supreme Court. The motion was denied in February.

Additional reporting by Tracee Herbaugh.

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