

Just How Swampy Are U.S-Saudi Arms Deals?

Let's just say that Americans representing the kingdom are making a killing while pushing U.S. jobs overseas.

By [Andrew Cockburn](#)

Global Research, September 27, 2019

[The American Conservative](#)

Region: [Middle East & North Africa, USA](#)

Theme: [Intelligence, Militarization and WMD](#)

The old maxim that “the U.S. government exists to buy arms at home and sell arms abroad” was never truer than today. Our defense budget is soaring to previously undreamed-of heights and overseas weapons deals are setting new records.

Indeed, the arms sales industry has become so multi-faceted that while some American corporations push weapons, other U.S. firms are making money by acting on behalf of the buyers. Thus a Lockheed Martin-Raytheon team recently dispatched to Riyadh [to negotiate the finer points](#) of the ongoing \$15 billion deal for seven Terminal High Altitude Area Defense (THAAD) batteries jointly manufactured by the two companies, found themselves facing not Saudis across the table, but a team of executives from the Boston Consulting Group. This behemoth, which has \$7.5 billion in global revenues, is just one of the firms servicing Mohammed “Bone Saw” Bin Salman’s vicious and spendthrift consolidation of power in the kingdom.

Among other lucrative revenue streams, BCG enjoys a contract [to overhaul the defense ministry’s arms buying practices](#), a challenging task given the hundreds of billions of dollars worth of weapons MBS has on order.

For arms dealers doing business in the kingdom, the most visible overhaul to date has been the consolidation of control over Saudi weapons purchases, and all branches of the armed forces, in the hands of MBS himself.

Previously, [control in this area had been distributed](#) among different factions of the ruling family, thus enabling each to enjoy the financial rewards (read: kickbacks) traditionally attendant to such deals. But MBS has made it his business, in every sense of the word, to cut out potentially rival middlemen by centralizing all Saudi defense business under the umbrella of the [General Authority of Military Industries](#), with management in the trustworthy (he hopes) hands of close relatives and henchmen such as Mutlaq bin Hamad Al Murashid, the Princeton-trained nuclear engineer charged with developing the Saudi nuclear program.

The Boston Group has cultivated a market in advising foreign governments on arms buying, promoting the fostering of their own military-industrial complexes, or, as BCG executives demurely expressed the strategy in a [2018 paper](#): “Unlike the way business was done in the past, today’s buyers want the defense contractor to invest in their country’s infrastructure, help develop their local defense capabilities, and diversify their economies.”

So-called [“offset” agreements](#) have long been a feature of major weapons export deals in which the exporter undertakes to award sub-contracts for the weapon system in the

purchasing country, or else offer some other quid quo pro in the form of business or technology transfer. Their massive expansion in recent times, as highlighted in the BCG paper, brings an additional benefit for all parties involved. But it comes at a risk of sending U.S. defense jobs overseas, and opens up security vulnerabilities, since sensitive technology is now being shared with foreign arms manufacturers abroad.

But the promise of a lucrative offset contract to a company in which an influential figure on the buy side has an interest could be a powerful inducement to swing the decision in a favorable direction, an elegant solution to pesky prohibitions against bribery, including the hated 1977 [Foreign Corrupt Practices Act](#) that was inspired in part by revelations of arms-deals bribes by Lockheed and others.

As the well-informed Paris-based security news service Intelligence Online [delicately puts it](#): “One of the reasons for [the success of such arrangements] is that they are not totally covered by the transparency criteria governing commission payments [AKA bribes] which were brought into force by [OECD convention in 1997](#).” (Not, of course, to suggest that BCG itself has base motivations in facilitating offset deals today.)

Of course, if the Riyadh based BCG office (“always buzzing with a motivating and inspiring vibe,” according to the corporate website) had the true interests of Saudi Arabia at heart, they would have thrown the THAAD sales force out on their ears. THAAD is a system distinguished not only by its enormous cost ([\\$1 billion](#) plus per six-launcher battery), but also by its total uselessness for the Saudis. Presumably, the Saudis have been sold on the THAAD as a defense against Iranian ballistic missiles like the old Soviet Scud and its various Iranian upgrades.

As its name suggests, the THAAD aims to intercept incoming short range or medium range ballistic missiles arcing down into the top of the atmosphere 25 to 90 miles up and no further away than 125 miles. The THAAD’s radar must therefore “acquire”-spot- the actual missile warhead, distinguishing it from nearby broken up pieces of its spent booster rocket or from decoys deliberately launched with it. The radar must then track and predict the future trajectory of the warhead itself, not confusing it with any of the accompanying bits and pieces. Relying on the radar’s predictions, the THAAD missile interceptor, once launched, must quickly accelerate to MACH 8 speed and guide with absolute precision to hit the target warhead directly, like a bullet. Near misses won’t do.

After a series of [early, disastrous failures](#), the Pentagon is now touting a fifteen out of fifteen string of successful THAAD launchings. [Needless to say, not one of these tests](#) has been against a ballistic missile target accompanied by booster debris or decoys, much less against half a dozen of such missiles fired at once.

This alone should be reason enough for the Saudis to toss the deal, but even if the system could perform as advertised, it would have been entirely irrelevant as a defense against the September 14 Houthi attacks on Abqaiq and Kurais. The drones and cruise missiles employed clearly came in at low altitude, while THAAD is designed to operate against high altitude targets. The Patriot and Hawk batteries already in place are of course no better suited to confront low altitude threats, which are inevitably masked by ground clutter.

Even if the attackers had been obliging enough to send in ballistic missiles with a high-altitude trajectory, the THAAD would have offered little succor, since its infra-red seeker, as

noted, cannot distinguish between actual warheads and decoys. Nor would the Russian S-400 system cheekily offered by Putin in the aftermath of the attack have fared better, and for many of the same reasons.

Such realities have found little place in the outpouring of commentary on the attacks, with little or no attention paid to easily available evidence. For example, published pictures of the damage at Abqaiq clearly show a number of liquified natural gas storage tanks pierced in the same place on their western sides. As former Pentagon analyst Pierre Sprey pointed out to me, this clearly shows that the attacks came from the west, not the north, as claimed in numerous media reports.

The consistent accuracy demonstrated by these impact holes indicates that the terminal guidance was not GPS, [but rather human drone controllers](#), manually steering the slow flying drones, via the drones' video cameras, into the target. For control purposes they would have to have been in line of sight to the drones (the only alternative would be an easily detectable satellite link) so they could have been no further than 36 miles away at most, assuming the drones were flying at a likely 300 feet altitude.

Instead of such cogent analysis, we have been presented with unquestioning reports of Saudi "evidence" that the attacks came directly from Iran in the form of pictures of an alleged wrecked Iranian drone discovered somewhere close to the targeted area.

Motivated and inspired, presumably, by the enormous sums of money to be made, the Boston Consultants and others advising the Saudi regime must have little interest in drawing attention to such tiresome details. There are arms to be bought and sold, and that is the whole point, bringing that old maxim, "the U.S. government exists to buy arms at home and sell arms abroad," into a sharper, and yet more twisted, focus.

*

Note to readers: please click the share buttons above or below. Forward this article to your email lists. Crosspost on your blog site, internet forums. etc.

Andrew Cockburn is the Washington editor of Harper's Magazine and the author of five nonfiction books, including *Kill Chain: The Rise of the High-Tech Assassins* (2016). He has written for *The New York Times*, *The New Yorker*, *Playboy*, *Vanity Fair*, and *National Geographic*, among other publications.

The original source of this article is [The American Conservative](#)
Copyright © [Andrew Cockburn](#), [The American Conservative](#), 2019

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Andrew Cockburn](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca