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Mercenary Jackpot

JEREMY SCAHILL

While the Bush Administration calls for the immediate disbanding of what it has labeled "private" and "illegal" militias in Lebanon and Iraq, it is pouring hundreds of millions of dollars into its own global private mercenary army tasked with protecting US officials and institutions overseas. The secretive program, which spans at least twenty-seven countries, has been an incredible jackpot for one heavily Republican-connected firm in particular: Blackwater USA. Government records recently obtained by *The Nation* reveal that the Bush Administration has paid Blackwater more than \$320 million since June 2004 to provide "diplomatic security" services globally. The massive contract is the largest known to have been awarded to Blackwater to date and reveals how the Administration has elevated a once-fledgling security firm into a major profiteer in the "war on terror."

Blackwater's highly lucrative "diplomatic security" contract was officially awarded under the State Department's little-known Worldwide Personal Protective Service (WPPS) program, described in State Department documents as a government initiative to protect US officials as well as "certain foreign government high level officials whenever the need arises."

A heavily redacted 2005 government audit of Blackwater's WPPS contract proposal, obtained by *The Nation*, reveals that Blackwater included profit in its overhead and its total costs, which would result "not only in a duplication of profit but a pyramiding of profit since in effect Blackwater is applying profit to profit." The audit also found that the company tried to inflate its profits by representing different Blackwater divisions as wholly separate companies.

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Researcher Garrett Ordower contributed to this story.

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The WPPS contract awarded in 2004 was divided among a handful of companies, among them DynCorp and Triple Canopy. Blackwater was originally slated to be paid \$229.5 million for five years, according to a State Department contract list. Yet as of June 30, just two years into the program, it had been paid a total of \$321,715,794. When confronted with this apparent \$100 million discrepancy, the State Department could not readily explain it. Blackwater's two years of WPPS earnings exceed many estimates of the company's total government contracts, which the *Virginian-Pilot* recently put at \$290 million combined since 2000. Six years ago the government paid Blackwater less than \$250,000.

"This underscores the need for Congress to exercise real oversight on the runaway use of secret companies that have strong connections to the Bush Administration, for clandestine services all over the world," says Illinois Democrat Jan Schakowsky, a leading Congressional critic of private military companies.

"This whole business of security is just insidious," says former Assistant Defense Secretary Philip Coyle, who worked at the Pentagon from 1994 to 2001. "The costs keep going up, and there is no end in sight to what you can spend. What happens is you keep raising the threat levels to require more actions and more contracts to overcome these imaginary threats. It's an endless spiral."

In soliciting bids for the 2004 global contract, the State Department cited a need born of "the continual turmoil in the Mid East, and the post-war stabilization efforts by the United States Government in Bosnia, Afghanistan and Iraq." It said the government "is unable to provide protective services on a long-term basis from its pool of special agents, thus, outside contractual support is required." Coyle, now with the Center for Defense Information, believes the privatization of security duties historically fulfilled by US Marines and other active-duty military is directly related to the Iraq occupation. "Obviously the military could do it, but indeed the Administration is looking for places to get more troops for Iraq," Coyle says.

While the WPPS program and the broader use of private security contractors is not new, it

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has escalated dramatically under the Bush Administration. According to the most recent Government Accountability Office report, some 48,000 private soldiers, working for 181 private military firms, are deployed in Iraq alone. Blackwater, now one of the most prominent and successful companies providing soldiers in Iraq, was relatively unknown until March 31, 2004, when four of its contractors were ambushed and killed in Falluja [see Scahill, "[Blood Is Thicker Than Blackwater](#)," May 8]. In the days and weeks that followed, company executives hired ultra-connected lobbyists and were welcomed by powerful government officials as heroes, allowing the firm to solidify its role in the Bush Administration's foreign policy apparatus.

Since 2003 Blackwater has held the high-profile job of guarding senior US officials in Iraq, including all three occupation-era ambassadors. The vaunted WPPS contract was awarded at the end of Paul Bremer's tenure in Baghdad. Blackwater, which did not respond to repeated requests for comment, refuses to divulge where its forces are deployed under the program. WPPS documents say contractors may be dispatched almost anywhere, including on US soil. The State Department says explicitly that there is a "long-term" need for these "protective services." Schakowsky says she will request a formal explanation from the department of the WPPS contract: "We need to know why the Bush Administration keeps writing blank checks to Blackwater and others, while it keeps Congress and the American people in the dark."

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