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Tuesday, March 20th, 2007

**Blackwater: The Rise of the World's Most Powerful Mercenary Army**

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Investigative journalist Jeremy Scahill joins us to talk about his new book, "Blackwater: The Rise of the World's Most Powerful Mercenary Army." Scahill writes, "Blackwater is the elite Praetorian Guard for the 'global war on terror,' with its own military base, a fleet of twenty aircraft, and 20,000 private contractors at the ready. Run by a multimillionaire Christian conservative who bankrolls President Bush and his allies, its forces are capable of overthrowing governments." From Iraq to New Orleans, Blackwater has continued to pull in multi-million-dollar government contracts, mostly without accountability and in near-secrecy. [includes rush transcript]

Four years ago today, the US invasion of Iraq was in its opening hours. Hundreds of thousands of deaths and injuries later, another date marked later this month has taken on nearly as much significance. March 31st, 2004. Four employees of the private U.S. security firm Blackwater USA are ambushed as they drive through the center of Fallujah. In images broadcast around the world, their burnt corpses are dragged through the streets. Two of them are strung up from a bridge. This is an excerpt of the PBS documentary, "Private Warriors", going back to that day.

- "Private Warriors" - excerpt of PBS documentary.

The U.S. military followed with the first of two major attacks that ended up virtually destroying Fallujah -- and setting off a new wave of Iraqi resistance that continues to this day. Meanwhile, instead of curbing the reliance on contractors in Iraq, the Bush administration has expanded the privatization of war. Blackwater has been one of the biggest recipients. From Iraq to New Orleans, it has continued to pull in multi-million-dollar government contracts, mostly without accountability and in near-secrecy.

Today, an in-depth look at Blackwater with investigative journalist Jeremy Scahill. He's just come out with his first book: "Blackwater: The Rise of the World's Most Powerful Mercenary Army." Jeremy is a Democracy Now! correspondent and a Puffin Foundation Writing Fellow at The Nation Institute. He joins us in the firehouse studio.

- **Jeremy Scahill**, Democracy Now! correspondent and a Puffin Foundation Writing Fellow at The Nation Institute. He is the author of the new book, "Blackwater: The Rise of the World's Most Powerful Mercenary Army."  
**More information at [Blackwaterbook.com](http://Blackwaterbook.com)**

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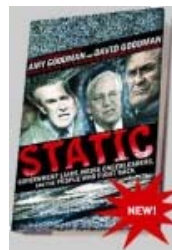
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**AMY GOODMAN:** Four years ago today, the US invasion of Iraq was in its opening hours. Hundreds of thousands of deaths and injuries later, another date marked later this month has taken on nearly as much significance. It was March 31, 2004. Four employees of the private US security firm Blackwater USA were ambushed as they drive through the center of Fallujah. In images broadcast around the world, their burnt corpses were dragged through the streets. Two of them were strung up from a bridge. This is an excerpt of the PBS documentary, *Private Warriors*, going back to that day.

**NARRATOR:** Contractually, Blackwater was to supply two SUVs with three guards per vehicle. Instead, the men set out at 8:30 in the morning with just two men per car, each short a rear gunner. They were escorting three empty trucks on their way to pick up some kitchen equipment at a base west of Fallujah. They were vulnerable and obvious. The commander responsible for Fallujah was Marine Colonel John Toolan.

**COL. JOHN TOOLAN:** Contractors were easily identified on the roads, because they were all in brand new SUVs, 2004 SUV, tinted windows, so they were easy to pick out. And the insurgents knew that it was a fairly easy mark.

**NARRATOR:** Around 9:30 a.m., they approached the center of town. Insurgents would ambush them from behind. All four guards were shot and killed. The insurgents made their own video of the aftermath.

**UNIDENTIFIED MAN:** The first thing that came up was the camera bouncing toward this SUV, and it went right into the car. It was -- I knew it was him from his looks, everything, clear as day. You know, at least I know he wasn't burned alive. He was dead.

**NARRATOR:** By the time the press arrived, a mob had set the cars on fire.

**COL. JOHN TOOLAN:** Unfortunately, it was going out on CNN, and we knew that this was a key component of the insurgents' strategy: get the pictures out, make it look like they're winning. It was clear.

**AMY GOODMAN:** An excerpt of the *Frontline* documentary, *Private Warriors*. The US military followed with the first of two major attacks that ended up virtually destroying Fallujah and setting off a new wave of Iraqi resistance that continues to this day.

Meanwhile, instead of curbing the reliance on contractors in Iraq, the Bush administration has expanded the privatization of war. Blackwater has been one of the biggest recipients. From Iraq to New Orleans, it's continued to pull in multimillion-dollar government contracts, mostly without accountability and in near secrecy. Today, an in-depth look at Blackwater with investigative journalist Jeremy Scahill. He has just come out with his first book, its title, *Blackwater: The Rise of the World's Most Powerful Mercenary Army*. Jeremy will join us after this break.

[break]

**AMY GOODMAN:** Our guest, Jeremy Scahill, *Democracy Now!* correspondent and Puffin Foundation Writing Fellow at the Nation Institute. His first book is now out. It is called *Blackwater: The Rise of the World's Most Powerful Mercenary Army*. Welcome to *Democracy Now!*, Jeremy.

**JEREMY SCAHILL:** Thanks, Amy.

**AMY GOODMAN:** Welcome back.

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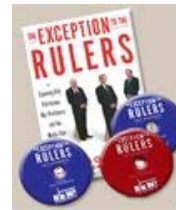
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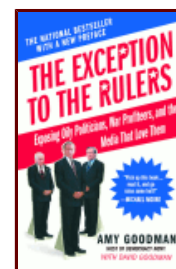
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**JEREMY SCAHILL:** Thanks.

**AMY GOODMAN:** We just saw this excerpt of what happened in Fallujah, the end of March 2004. Describe what happened and why you took this on and expanded it into a book.

**JEREMY SCAHILL:** Well, I first went to Iraq as a reporter for *Democracy Now!* in late 1998, when the Clinton administration was gearing up to bomb Iraq, and, in fact, Clinton did hammer Iraq for four days in December of 1998. And it was the first of what would be many trips that I would take to Iraq from 1998 until 2003, when the US occupation began. And I spent a fair bit of time going in and out of Fallujah, among the cities that I visited in Iraq.

In fact, in the summer of 2002, I camped out in the desert right near Fallujah and walked through the center of the city. And my recollection of conversations with people in Fallujah was always of a massacre. But this was before the Iraq war had officially begun in 2003. During the 1991 Gulf War, Allied war planes bombed a crowded marketplace and hit a residential complex and killed some seventy-eight people in Fallujah. And so, I always thought of that as the Fallujah massacre.

And you have to understand that when the US troops first rolled into Baghdad, Fallujans sort of organized themselves and sort of were taking stock of these earth-moving events that had happened in the country when the occupation began. And so, when US troops came to the outskirts of Fallujah in April of 2003, Fallujans essentially told the US military, "We're fine. We don't need you here." And there was some back-and-forthing going on with local officials, and Fallujans were really trying to organize their lives and have their kids going to school. And this was happening around Iraq. Despite the fact that there was an occupation underway, people were still trying to live somewhat normal lives.

And eventually the US came in and took Fallujah by force. They, in fact, took over a primary school called the Leader's School in April of 2003, and Iraqis began protesting, and that resulted in what Fallujans remember as a massacre. About a dozen people were killed, seventy people were injured one night as Fallujans protested. And that really sparked a series of conflicts between the people of Fallujah and the US military, in which scores of US soldiers were killed and many Fallujans were killed.

And then another event happened before the Fallujah ambush of the Blackwater contractors. On March 22, the Israeli military killed Sheikh Ahmed Yassin, who was a cleric bound in a wheelchair, as he was coming out of morning prayers, killed him and about a half a dozen people in his entourage. And in Fallujah, there was a massive protest against that. And already people believed that the Israelis and the US were working hand-in-hand during the occupation of Iraq. So that was the context leading up to the Fallujah ambush, and it's almost never talked about.

So the people of Fallujah -- I think, rightly -- were very outraged at their treatment at the hands of the US and its allies and saw this sort of relationship between the US and Israel as one of conquest in the Middle East and certainly in Iraq. In fact, many people in Iraq believed that private military contractors, like Blackwater, were either CIA or Mossad. So it's very likely that when those guys rolled into Fallujah that morning, that people thought they were attacking a CIA convoy or a Mossad convoy.

**AMY GOODMAN:** And so, four -- I was about to say soldiers, but they weren't -- four people, military contractors, were killed, brutally dragged through the streets of Fallujah and then hung up. Tell us who they were.

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**JEREMY SCAHILL:** Well, these guys were all Special Forces veterans. Scott Helvenston was one of the youngest people ever to serve in the US Navy Seals. He became a US Navy Seal trainer and served in the Navy Seals for twelve years and was a world-class athlete. He won, I think, a gold medal and several other medals at international competitions. Jerry Zovko also had served in the US Special Forces. Mike Teague was a veteran of several US wars, including Afghanistan, and was a highly decorated soldier. And Wes Batalona was a US Army Ranger who had served in Somalia. So these guys were all Special Forces veterans. They all considered themselves to be patriotic Americans.

And, you know, I've gotten to know their families very well over these years. All of them believed that their loved ones were doing what they had always done, serving their country. And the fact that they were working for Blackwater was no different than serving in the Navy Seals. They all thought their loved ones were going over there to protect Paul Bremer, because that's what Blackwater was doing in Iraq at the time. I don't think any of their families knew that their loved ones would end up dying for empty flatbed trucks going to pick up kitchen equipment.

**AMY GOODMAN:** And so, they've sued.

**JEREMY SCAHILL:** And so, after those guys were killed, I don't think any of the families immediately assumed any malice on the part of Blackwater, and they, I think, did what anyone would do. They started calling the company and saying, "What happened? What were they doing in Fallujah? Why were they escorting these trucks? Why were there only two men in each vehicle that day? Why weren't the vehicles armored?" And instead of getting answers, the families say that they got the runaround from Blackwater.

And so, Blackwater flies these families out in October of 2004, several months after the ambush happened, and while they're at the Blackwater compound in Moyock, North Carolina, the families say they felt like they were being monitored, that Blackwater officials were attempting to not have them speak about the incident. And, really, they got the impression that Blackwater didn't want them to really be talking to each other. And the event was billed sort of as a memorial for their loved ones, and there were some other people whose loved ones had died in Iraq, but also a moment for the families to ask questions of what happened.

And so, Donna Zovko, Jerry Zovko's mother, and her son and her husband were in a meeting with Blackwater executives, and she says that she asked to see the incident report on the ambush and to have her son's belongings returned to her. And she said that a Blackwater representative stood up from the table and said that "that's a classified document, and you'll have to sue us to get it." And so, the families got to know each other in the ensuing months, and Katy Helvenston, Scott Helvenston's mother, and Donna Zovko really sort of spearheaded it. And in January of 2005, those four families filed a groundbreaking wrongful death lawsuit against Blackwater, saying that the company had defrauded their loved ones by not providing them with their contractually obligated safeguards for their mission that day. And, yes, the men signed contracts saying that they would not hold Blackwater accountable if they died or were injured. But the families say that the contracts became null and void the moment that Blackwater sent them on that mission unprepared.

**AMY GOODMAN:** That's one of the suits against this company, Blackwater. Talk about this company, who founded it, how large it is.

**JEREMY SCAHILL:** Blackwater was founded -- it was

actually incorporated in late 1996 and really started to build up its operations in 1997. Originally, it was a 5,000-acre plot near the Great Dismal Swamp of North Carolina, and the personal private fortune of its founder, Erik Prince. He's believed to be, if not the wealthiest, one of the wealthiest people ever to serve in the elite US Navy Seals.

Maybe we should talk for a moment about who he is and his background, because it has everything to do with the success of the company. Erik Prince comes from a very wealthy rightwing Christian dynasty in the town of Holland, Michigan. His father was a man named Edgar Prince, who was a sort of pull-yourself-up-by-your-bootstraps capitalist. He built up an empire called the Prince Manufacturing Corp., and they manufactured auto parts, serviced the auto industry. And, in fact, what the company is perhaps best known for was for creating the now-ubiquitous lighted sun visor. So when you pull down the visor in your car and it lights up, that's the Prince family's invention. And it was a very profitable business.

And so, young Erik Prince grew up in this very heady atmosphere that mixed the sort of free-market gospel with the literal Christian gospel. His family, they were strict Calvinists. And Erik Prince was political at a very early age and watched as his father used his company as a cash-generating engine to fuel the rise of what we now know as the religious right in this country, as well as the Republican Revolution of 1994. His father gave the seed money to Gary Bauer to found the Family Research Council. Young Erik Prince was in the first crop of interns to serve at the Family Research Council. They gave significant funding to James Dobson and his group Focus on the Family, which is now sort of the premier evangelical organizing network in this country, the "prayer warriors."

And what's interesting is that Erik Prince's sister Betsy married into another powerhouse Michigan family, perhaps the single greatest bankroller of the Republican Revolution: Dick DeVos's Amway Corporation. Erik Prince's sister married Dick DeVos, the heir to the Amway fortune. And Amway was a company that sold home services products and sort of was accused of running the operation like a cult and using their marketers to not only sell their products, but to sell their political agenda, the rise of the sort of Christian right and Republican Revolution. And so, this marriage of these two families was sort of typical of the merging of the monarchist families in old Europe.

And so, Erik Prince grew up in this atmosphere, where his family was a real power player in what would become the Republican Revolution of 1994. Erik Prince interned in George H.W. Bush's White House, but he complained that it wasn't conservative enough for him on gay issues, on the balanced budget, on the environment. He also was an intern for the conservative California Congressman Dana Rohrabacher, a man who, after leaving Reagan's staff as an advisor and speechwriter, went over to join the Mujahideen in Afghanistan before beginning his congressional term. And so, Erik Prince --

**AMY GOODMAN:** To fight the Soviets.

**JEREMY SCAHILL:** To fight the Soviets, and he -- you know, he bragged of having gone over there to stand alongside the freedom fighters, those very freedom fighters now being the ones who have declared war on the Bush administration and, you know, that the Bush administration claims to be at the center of the so-called war on terror. So those were the early days of young Erik Prince.

And then he went on to join the US Navy Seals. And I don't think he wanted to leave the Navy Seals, but his father died in 1995, and his wife had cancer, and it became no longer an option to be a Navy Seal. Prince had been in Bosnia. He had been in Haiti. He had served in the Mediterranean. And so, he sort of came home in the mid-'90s to help the family sort

through its affairs and to also take care of his ailing wife.

And the family ended up, after much deliberation, selling Prince Manufacturing for a little less than \$1.5 billion in cash, and Erik Prince took his political experience, his religious commitment and the experience he gained from watching his father become a major operator in politics and business, and opened Blackwater. And he teamed up with several other former Special Forces guys, and Blackwater was founded on the principle of anticipating accelerated government outsourcing of training and firearms-related training, and so that's how Blackwater began. It was supposed to be like a sportsman's paradise/training center in the wilderness of North Carolina.

**AMY GOODMAN:** You begin your book about talking about a speech of Donald Rumsfeld's the day before the September 11 attacks.

**JEREMY SCAHILL:** Right. On September 10, 2001, Donald Rumsfeld gave one of his first major addresses as Defense Secretary, and gathered before him was the gaggle of corporate executives that had been tapped by the Bush administration to make up the senior civilian leadership at the Pentagon. There was a sort of mixture of people at the Pentagon. On the one hand, you had people from corporate America, from all the defense and weapons manufacturers that were brought in, and then you also had the neoconservative ideologues, people like Paul Wolfowitz. And so, Rumsfeld gives a speech in which he literally declared war on the Pentagon bureaucracy. And he said, "I've come not to destroy the Pentagon, but to liberate it. We need to save it from itself."

And then literally the next day the Pentagon would be attacked. But the vision that Rumsfeld sort of laid out that day would become known as the Rumsfeld Doctrine, where you use high technology, small footprint forces and an increased and accelerated use of private contractors in fighting the wars. It also, at the center of the Rumsfeld Doctrine, became regime change in central strategic nations. Rumsfeld and Cheney both had been signers of the Project for a New American Century, that envisioned a new Pearl Harbor as accelerating the agenda, the neoconservative agenda. And, indeed, the day after Rumsfeld laid out that plan, the Pentagon was attacked, and all of a sudden the world became a blank canvas on which Rumsfeld and Cheney and Bush could sort of paint their vision.

**AMY GOODMAN:** Jeremy Scahill, you devote a whole chapter to another official within Blackwater, Cofer Black.

**JEREMY SCAHILL:** Right. I mean, Blackwater is really stacked to the deck. The deck is really stacked in Blackwater's favor. In the times that we live in right now, they have several former senior officials from the Bush administration, not from like the Reagan administration, but from the current Bush administration.

Among the most prominent, perhaps the biggest power player in Blackwater's arsenal, is J. Cofer Black, who is a thirty-year veteran of the Central Intelligence Agency, began his career in the 1970s in Africa, as the US -- well, some would say supported the apartheid regime, others would say did nothing to stop it. So Cofer Black was one of the key CIA people in Africa throughout the '70s and '80s. And he arrived in Sudan in the early 1990s, and he came under diplomatic cover. As a sort of diplomat, he was there, but he actually was CIA.

And as Black was there, a young Saudi billionaire named Osama bin Laden was building up his international network. And by the time Black would leave Sudan a few years later, the CIA would refer to it as the Ford Foundation of Islamic terrorism. And so, Cofer Black and Osama bin Laden are both operating simultaneously in Khartoum in Sudan in the 1990s. And at one point, there was a plot to kill Cofer Black once bin

Laden's group had learned that he was actually CIA. And so, they were sort of monitoring each other. And one of Black's operatives in Sudan actually cooked up a plot to kill bin Laden and toss his body over the fence at the Iranian embassy to make it seem like the Iranians had killed bin Laden. But at the time, bin Laden wasn't considered a big fish. The big fish in Sudan was Carlos the Jackal, the famed international terrorist. And so, Cofer Black's claim to fame in the 1990s had nothing to do with Osama bin Laden, but had to do with the fact that he was seen as the man who caught Carlos the Jackal.

And Black would go on then to serve in Latin America, and just before 9/11 he was tapped to head up the CIA's counterterrorism center. And so when the 9/11 attacks happened, Cofer Black was called to the Situation Room in the White House on September 13, 2001, to lay out for President Bush the CIA plan to go after bin Laden. And he was said to be throwing papers on the ground as he described how they were going to insert Special Forces into Afghanistan. And he told President Bush that he would bring back Osama bin Laden's head in a box on dry ice. And, in fact, those were the orders he gave to his CIA operatives that went in with the Jawbreaker team into Afghanistan after 9/11. And one of them said to Cofer Black, you know, "I don't know what we're going to do about dry ice in the field, but we certainly can get a cardboard box."

Cofer Black became known in the administration as the flies-on-the-eyeballs guy, because he would talk in these sort of messianic terms about the mission that they were about to undertake and said, "When we're through with them, they'll have flies crawling across their eyeballs." He told Russian diplomats, "We're going to stick their heads on pikes in the field." So this is now the guy who went on after 9/11 to really accelerate the use of extraordinary renditions, the capturing of people, putting hoods on them, putting diapers on them, sending them on these long flights to third countries where they're asked a series of questions provided by US interrogators and where they're tortured and humiliated and broken down -- people like Maher Arar, who you've covered extensively on this show.

**AMY GOODMAN:** Cofer Black is now part of a new Blackwater effort, a new company called Total Intelligence Solutions.

**JEREMY SCAHILL:** Right. This is really the next sort of generation of privatization, is the privatization of intelligence. And they're marketing their services to Fortune 500 companies. And so, it's not just Cofer Black. It's another CIA guy who went on to work at Blackwater, Robert Richer, who was a Deputy Director of Operations at the CIA. So those two are really the sort of leaders behind this new initiative.

But, really, the man behind all of it is Erik Prince, the head of Blackwater. He's rapidly buying up, for instance, a think tank, the Terrorism Research Center, and other intelligence entities and sort of cobbling them together. Blackwater's big push now is not just for government contracts, but it's also for corporate contracts. And so, it's part of this radical privatization agenda. And to have a man heading this who told Congress openly, "There was a before 9/11 and an after 9/11, and after 9/11 the gloves come off" -- this is a guy who ran essentially the extraordinary rendition program, now is working as the vice chairman of Blackwater and starting his own private intelligence company.

Blackwater has a fleet of more than twenty aircraft, many of them sort of fit the patterns of planes used in extraordinary rendition. Now, we don't have any direct evidence to suggest that Blackwater's planes have been used in extraordinary renditions, but the types of planes that they have and the flight patterns that they engage in are very similar to some that have been documented to be engaged in extraordinary rendition. So this raises a lot of serious questions about the extent of

Blackwater's involvement.

**AMY GOODMAN:** When we come back from break, I want to ask you under whose laws do they operate, these, what you call, mercenaries, Blackwater. We're talking to Jeremy Scahill. He is author of the new book, *Blackwater*. Stay with us.

[break]

**AMY GOODMAN:** We're talking to Jeremy Scahill. He is a *Democracy Now!* correspondent. He's the Puffin Foundation Writing Fellow at the Nation Institute. And he has written his first book. It's called *Blackwater: The Rise of the World's Most Powerful Mercenary Army*.

Jeremy, as we speak, it's number two on the Amazon list for nonfiction bestsellers. This seems to be a problem, well, perhaps for Blackwater, who -- well, you have a website called [blackwaterbook.com](http://blackwaterbook.com)?

**JEREMY SCAHILL:** Yes.

**AMY GOODMAN:** What's happened with your website?

**JEREMY SCAHILL:** Well, I actually got a letter from Blackwater's -- one of Blackwater's many lawyers. They have an army of lawyers. Their counsel of record is Ken Starr, the man who led the impeachment charge against President Clinton. And their previous lawyer was Fred Fielding, who now is President Bush's White House counsel, defending him against the attorney purge scandal. So they have powerhouse law firms, many law firms working for them. We got a letter from their law firm saying that they respect my First Amendment rights to criticize Blackwater, but take down your website. And they said that I'm violating the Lanham Act, which has to do with like corporate competition and trademark. And, I mean, this is intimidation tactics. And we're not going to back down. The website is going to remain up.

**AMY GOODMAN:** Well, let's talk about the lawsuits against Blackwater. One is the lawsuit around the men who died in Fallujah, their families have brought it. Another one is for Afghanistan; what happened?

**JEREMY SCAHILL:** Right. This stems from a plane crash that happened in Afghanistan in November of 2004. I mean, this really sort of tells the story of the reach of Blackwater. Blackwater -- I was talking about its aviation division before. Blackwater has a contract in Afghanistan to provide a sort of ferry service for the US military, where Blackwater aircraft take personnel, in some cases active-duty US troops, from point A to point B inside of Afghanistan. They also transport supplies and equipment and other things.

And so, in November of 2004, Blackwater was operating an aircraft taking a number of US troops from one point to another. They were riding through a mountain range, and we were able to get the cockpit data recording transcripts, and the pilots sort of appeared to be messing around, saying, you know, "You're an x-wing fighter man, *Star Wars*," and they were kind of joking with each other. And the plane ends up crashing into the side of the mountain. And what's different from Fallujah is that in this case active-duty US soldiers were killed, one of them being a fairly senior military official. And so, the families, not of the Blackwater contractors, but of the soldiers, are suing Blackwater. And this could also be a precedent-setting case.

Now, Blackwater has argued in its legal briefings that it can't be sued in civilian courts and that it's entitled to the same immunity enjoyed by the military from civilian litigation inside of the United States. And the reason that Blackwater says this, or among the top reasons, is that Donald Rumsfeld in February of 2006 classified contractors as an official part of the US total force, making up an effective part of the US war machine. So

Blackwater has turned around and taken Rumsfeld's designation of their company as an official part of the US total force and said, "This means we're part of the US military, and you can't sue us." At the same time, Blackwater, since 2004, has been lobbying against having its forces placed under the Uniform Code of Military Justice, commonly known as the court-martial system. So Blackwater is essentially saying, "We're above the law. We can't be prosecuted in military courts. We can't be sued in civilian courts."

**AMY GOODMAN:** And what are the laws that congress members and senators are trying to pass now?

**JEREMY SCAHILL:** Well, it's interesting, because one of the reasons, I think, that the Bush administration uses companies like Blackwater is it provides an extraordinary amount of political cover. We know that at least 780 contractors have been killed in Iraq. I think the number is actually probably much higher, but those are people whose families have applied for death benefits under the federal insurance program provided to contractors.

**AMY GOODMAN:** Which would mean, by the way, that we're talking about more than 4,000 Americans who have died in Iraq.

**JEREMY SCAHILL:** There are 4,000, yes, people who are -- well, not all of those 780 are actually Americans, but they're working for American companies or on behalf of the occupation. But, again, these are only people who are eligible for federal death benefits in the United States. Over 7,600 of them have been injured in Iraq. There are 100,000 private contractors in Iraq. We know from the Government Accountability Office that there are 48,000 employees of private military firms, mercenary companies operating in Iraq. 180 separate firms are registered operating in Iraq, Blackwater sort of being the industry leader. And they operate in a climate of total impunity. There is no effective law that governs these mercenary forces in Iraq.

Technically, the law of the land is something called the Military Extraterritorial Jurisdiction Act -- it's a mouthful -- that was passed in 2000, that said that anyone, any contractor working for or accompanying the armed forces could be subjected to prosecution under US law for crimes committed on the battlefield. Now, one of the major flaws of that -- I mean, there's a much bigger flaw, which I'll explain in a second -- one of the major flaws of that is that Blackwater, for instance, isn't working for the military. It has a State Department contract in Iraq. So it's not technically working under the Department of Defense. So it could argue it's not really subjected to that law. Blackwater has been paid since June of 2004 \$750 million by the State Department alone. That's just one of Blackwater's contracts.

And so, what's happening right now is that Representative David Price, who happens to be from Blackwater's home state of North Carolina -- he's a Democrat -- is putting forth legislation to expand that act, that I referred to before, to include all contractors, so it technically would cover Blackwater.

But the bigger problem is not how good it looks on paper. The bigger problem is -- you have 100,000 private forces operating in Iraq right now -- who is going to go do the investigations? Because according to this law, it would be US prosecutors. So a US prosecutor would go from Virginia over to Baquba? And who's going to protect them? And who's going to interview the Iraqi victims? And how would any of this work? And when I put that question to Representative David Price, he said, "Well, that's a good question. I didn't say it was a simple matter." But the fact is that the mercenary industry is endorsing this legislation because it is not enforceable. And so, it looks great on paper. The mercenaries can go in front of Congress and say, "Well, there's this law. We can be prosecuted." But the fact is

only one person has been indicted, one contractor has been indicted, in these years of occupation in Iraq, and he wasn't even an armed military contractor.

**AMY GOODMAN:** And other laws that that congress members and senators are trying to put forward?

**JEREMY SCAHILL:** A very interesting thing happened late last year. The conservative South Carolina Senator Lindsey Graham, himself a former JAG officer in the Air Force and currently a reservist lawyer for the Air Force, slipped in language to the 2007 defense authorization that President Bush signed into law that said that contractors will be placed under the UCMJ, the Uniform Code of Military Justice, the court-martial system. They went bonkers with this. And it's actually one instance where --

**AMY GOODMAN:** This was passed.

**JEREMY SCAHILL:** It was passed. Bush signed it into law. So now, Barack Obama, for instance, put forth this sweeping legislation that also seeks to expand that domestic prosecution of contractors on the battlefield, but also calls for the Pentagon to clarify how it's going to implement Lindsey Graham's change, because the law of the land right now actually is that contractors could be put in the court-martial system. And I think that we're going to see serious constitutional challenges. This is going to play out for years and years. I mean, contractors are here to stay. I mean, they are not going anywhere. And they're only going to be on the rise with the surge and the British pulling out, you know, some of its troops.

**AMY GOODMAN:** Jeremy Scahill, who is Blackwater's man in Latin America?

**JEREMY SCAHILL:** Blackwater's man in Latin -- well, he's no longer their man in Latin America, but the man who has been working for Blackwater in Latin America is a guy named Jose Miguel Pizarro, and he's a dual citizen of the US and Chile. And I actually got him to go on record with me and interviewed him for several hours. And Mr. Pizarro grew up in Pinochet's Chile with dreams of serving in the Chilean military. And he's a major defender of Augusto Pinochet and a defender of Pinochet's record and says he lived in the military government for seventeen years and didn't see any dictatorship and, you know, goes on and on. And I explain it in detail in the book how much of a fan he is of Pinochet.

So he did fulfill his dreams. He served in the Chilean military and got to know -- because he was bilingual and also was a citizen of the US -- got to know people from the US military and really admired them and looked up to them. And so, he left the Chilean military, joined the US military and worked as a translator for US Southern Command. And he traveled all around Latin America and met all of these military officials.

And then he, in 1999, offered his services to General Dynamics, essentially marketing General Dynamics military products to Latin American governments. And he became so successful at it that in 2001 he left General Dynamics and started his own consulting firm and went around and introduced himself to all of the military attaches of Latin American nations and began selling them what he called "business intelligence." He says, "I wasn't an arms dealer." And so, what Pizarro would do is he would go to the military attaches of almost every Latin American nation and say, "I can put you in touch with people that can service your military with new equipment and weapons, etc." So he was going around and sort of was the middle man between US weapons manufacturers and Latin American governments. And he built up a very successful operation.

When the Iraq war began in 2003, Pizarro was hired on by CNN en Espanol to be a commentator on the war, and he struck up a

friendship with Wesley Clark, and he said that he would go down into the cafeteria -- both he and Clark were based in Atlanta -- and if he didn't know what to say about a particular question, he would ask Wesley Clark, "What should I say about this?" And General Clark would say, "Well, Jose, let me tell you," and then he would just say exactly in Spanish what Clark had told him in English. And so, Pizarro was working, still doing his military consultancy.

He met a Blackwater representative, who he described as an attractive woman, at a trade show in 2003. And he approached them. He had never really heard of Blackwater. And his initial idea was that he wanted to help Blackwater market their target systems in Latin America, as he had been doing for all of these other companies. And so, he ended up going to the Blackwater compound, and he said it was like walking onto a movie set, a private military base. He was absolutely blown away by the 7,000-acre property in Moyock, North Carolina. And, you know, he talked about it in these terms like a kid seeing his first movie on the big screen.

And so he immediately got this vision that "I'm not going to market their target systems. I want to get them some Chile troops." And so, he began lobbying Blackwater officials, and saying, you know, Chileans are really well trained, and, you know, there was the US system, and we have great special forces. And, of course, he's talking about the military built up with US support in Pinochet's Chile, you know, this murderous regime, this brutal regime in Chile. And so, Blackwater's president, Gary Jackson, Pizarro says, was not at all on board with it. And it took weeks and months of sort of building toward a real proposal.

Pizarro gets a meeting with Erik Prince and goes in and says, "You know, Mr. Prince, I'd like five minutes of your time." Prince, he says, told him, "You've got three minutes." It turns out, according to Pizarro, that Erik Prince had served with the Navy Seals in Chile and had this great respect for the Chilean forces. So he essentially says to Pizarro, "If you can get me just one Navy Seal from Chile, it's worth it for me. So go ahead, and you go down there, and you put your guys together. And give me a call when you're ready."

Pizarro goes down to Chile, begins talking to people, former military people, etc. He puts an ad in the paper, is inundated with applications from former special forces Chilean forces. And they set up a camp, where they begin evaluating. He says, "We weren't training. We were evaluating soldiers." And they used dummy rifles, etc., in rural Chile.

And to make a long story short, Blackwater sends evaluators down. Three evaluators come down in November of 2003 to Chile, and they look over Pizarro's forces. And eventually in February of 2004, Pizarro is up in Moyock, North Carolina, with his first batch of Chileans. And he says that he provided some 750 Chilean forces to Blackwater and other private military firms operating in Iraq. Those were the first international forces Blackwater admits to using. Gary Jackson, the guy who originally opposed it, was quoted then, after his Chileans arrived in Iraq, as saying, "We scoured the ends of the earth for professionals, and the Chileans fit well within the Blackwater system."

**AMY GOODMAN:** Other internationals who are now employed by Blackwater?

**JEREMY SCAHILL:** Well, there was a big scandal several months ago. Blackwater had hired up Colombian forces, but they were only paying them \$34 a day. And so, the Colombians that Blackwater had hired and brought over to Iraq staged a strike of sorts at the Blackwater compound and demanded to be paid what everyone else was being paid.

**AMY GOODMAN:** And you're also writing about Blackwater actually being in charge of US troops. We only have a minute to go, but talk about Najaf.

**JEREMY SCAHILL:** One of the most disturbing incidents that happened in Iraq with mercenaries was on April 4, 2004. 4/4/04. Muqtada al-Sadr's forces from the Mahdi Army were in an uprising, because Paul Bremer had ordered the arrest of one of his top deputies, and there was a massive protest that hit the city of Najaf. Blackwater was guarding the occupation office there. They also had some Salvadoran troops, part of the Coalition of the Willing, as well as some active-duty US Marines.

And one of those Marines, Corporal Lonnie Young -- I got the official Marine account of that day. As the protest was happening, Lonnie Young, this active-duty Marine, has his weapon aimed into the crowd at a guy he says was carrying an AK-47. And he's thinking to himself, you know, "I need to ask for orders to open fire," but there were no commanding officers on scene. So he asked permission from Blackwater to open fire. And he said, "Sir, I've acquired a target with your permission." And he says Blackwater gave the order.

So Blackwater took active command of an active-duty US Marine in a battle that Muqtada al-Sadr's forces recall as a massacre on April 4, 2004. Blackwater guys refer to it as their Alamo. It's unclear how many people were killed that day, but they were firing off so many rounds, the Blackwater guys and this Marine, that they had to stop every fifteen minutes to let their weapons cool. Lonnie Young, that Marine, says hundreds of people were killed that day. The US government would say that there were about twenty to thirty.

**AMY GOODMAN:** Back home, New Orleans.

**JEREMY SCAHILL:** Blackwater showed up in New Orleans without a contract right after Hurricane Katrina hit, beat most federal agencies to the hurricane zone, within days was hired up by the Department of Homeland Security. Blackwater paid its men, they told me, \$350 a day. They billed the federal government \$950 a day per Blackwater man. At one point, they had 600 men stretched from Texas all the way to Mississippi through the Gulf. Blackwater was raking in sometimes \$240,000 a day.

In an act of extraordinary cynicism, Blackwater in November of 2005 held a fundraiser, a Hurricane Katrina fundraiser. Paul Bremer was the keynote speaker, and they pulled in \$138,000 and gave it to the Red Cross. I didn't see the Red Cross at all when I was in New Orleans in the aftermath of Hurricane Katrina. But the point is they gave \$138,000, but they were pulling in \$240,000 a day.

**AMY GOODMAN:** Jeremy, we have to leave it there, but I want to ask if you can come back tomorrow and also join Naomi Klein, who will be joining us. Tomorrow night, you and Naomi Klein will be having a discussion -- I'll be moderating it -- at the Ethical Culture Society here in New York, about *Blackwater: The Rise of the World's Most Powerful Mercenary Army*, the name of your first book. And congratulations on this investigative masterpiece. We will talk tomorrow about New Orleans, about Blackwater expanding on the home front, and we'll go abroad to the Caspian Sea. What are their plans for the Caspian Basin?

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