



Book Blackwater

The Rise of the World's Most Powerful Mercenary Army

Jeremy Scahill
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Recommendation

The Iraq war has seen a vast expansion in the use of private security contractors to complement the U.S. military. But who are these contractors? Who pays them? And how did one contractor, Blackwater, become so entrenched? Jeremy Scahill answers these questions and more in this provocative, thoroughly reported book about the world’s largest, private mercenary army. Scahill has done a masterful job of researching this secretive organization to disclose its origins, motives, leaders and activities. *BooksInShort* strongly recommends this compelling, disturbing story to anyone interested in the Iraq conflict, and in the larger picture of how private armies reshape warfare.

Take-Aways

- Blackwater, a defense contractor, has gotten \$1 billion in no-bid contracts from the U.S. State Department.
- It is owned by Erik Prince, a right-wing multimillionaire.
- Blackwater has been accused of indiscriminate use of force against Iraqi civilians.
- Defense Secretary Donald Rumsfeld expanded privatization of the U.S. military.
- By the time he left office, the ratio of active duty U.S. military to private mercenaries in Iraq was one-to-one.
- Privatization is so pervasive that the U.S government pays contractors the equivalent of all taxes paid by every taxpayer who makes less than \$100,000 annually.
- Vice President Dick Cheney advanced privatization while at the American Enterprise Institute; by 1995, he headed Halliburton, the U.S.’s largest defense contractor.
- By October 2006, Great Britain had 7,200 soldiers in Iraq versus 21,000 mercenaries working for British firms.
- In 2007, the U.S. had 160,000 soldiers there, and more than 180,000 contractors.
- In the 2003 Iraq invasion, one in three coalition members were contractors. Private security has become an estimated \$100-billion-a-year business.

Summary

Private Warriors

In September 2007, a convoy of armored vehicles belonging to the major defense contractor Blackwater entered Baghdad’s upscale Nisour Square. While accounts differ about how the fight started, Blackwater’s mercenaries started driving the wrong way down a one-way street. In minutes, the convoy opened fire on civilian cars, killing 17 people and wounding more than 20.

“Blackwater is a private army, and it is controlled by one person: Erik Prince, a radical right-wing Christian mega-millionaire.”

That June, Blackwater employees’ violent acts already had drawn the attention of U.S. and Iraqi military and intelligence officials. But as complaints escalated, the officials got word that Blackwater worked for the State Department, and the investigations stopped. A drunk Blackwater contractor killed an Iraqi official’s bodyguard and was never charged. He was taken out of the country and his security clearance was revoked. Within weeks, another contractor hired him and sent him back to the Middle East. With the Nisour killings, as with other attacks involving Blackwater personnel, no one was prosecuted. The day after the shootings, the State Department ordered noncombat personnel, including Blackwater employees, to stay in the “safe” Green Zone. But within four days, Blackwater was back in business.

“In Congress, privatized war was almost a nonissue despite the efforts of a few prescient legislators who realized the threat.”

Blackwater has gotten \$1 billion in no-bid contracts just from the State Department. The first was an August, 2003, \$27.7-million contract to protect Paul L. Bremer, U.S. Ambassador to Iraq. His guards earned \$600 per day, but the firm has been known to charge \$1, 500 to \$2,000 per day for its guards. Under Bremer’s orders, the 170 private contractors in Iraq enjoy immunity from prosecution. Iraqis cannot bring charges against them; in fact, Iraqi and U.S. authorities have never put a contractor on trial for a crime.

“Even though tens of thousands of mercenaries have been deployed in Iraq, private security forces faced no legal consequences for their deadly actions.”

When Congress investigated the Nisour killings, the State Department kept Blackwater from disclosing data about its contracts. President George Bush defended Blackwater. Secretary of State Condoleezza Rice concluded that under U.S. law, independent contractors are not accountable for their actions, so mercenaries could operate in Iraq outside of U.S. law, military law and Iraqi law. However, a subsequent FBI investigation found that at least 14 of the Nisour Square shootings were unjustified and the civilian victims had not participated in the attack. Blackwater’s unprovoked violence against civilians angered leaders in the U.S. military, who were trying to build local relationships. Officers worried about declining morale and retaliatory attacks.

“As mercenaries roamed the country freely, there was no official explanation given to Iraqis as to who these heavily armed, often non-uniformed forces were.”

To seek redress, in October 2007, relatives of the Nisour Square victims sued Blackwater in U.S. federal court for extra-judicial killings and war crimes. In response, Blackwater went on a PR offensive. It changed its name to Blackwater Worldwide, began calling its teams “global stabilization specialists” and marketed kids’ clothes emblazoned with its logo.

Halliburton, Rumsfeld and Prince

Blackwater’s growth was part of the privatization of the military, which gained momentum under the Bush administration though the first federal contracts were issued under Bill Clinton. During the 1991 Gulf War, then-Secretary of Defense Cheney pioneered using contractors on a large scale. He commissioned Halliburton, now the U.S.’s largest defense contractor, to do a feasibility study on privatizing the military. Cheney advanced the concept of privatization while working at the American Enterprise Institute. By 1995, he was head of Halliburton. Privatization is now so pervasive at the federal level that the government pays contractors the equivalent of all the taxes paid by every taxpayer who makes less than \$100,000 annually, that is, more than 90% of all taxpayers, according to *Vanity Fair*.

“Not a single Blackwater contractor had ever been charged with a crime under any legal system – U.S. civilian law, military law or Iraqi law.”

Militarily, the U.S. had 160,000 soldiers in Iraq in mid-2007 and 180,000 private employees working for 630 contractors from 100-plus nations. Using contractors helped dodge unpopular issues that might have arisen if the U.S. military had been involved. Many armed contractors were used as mercenaries. Secretary of Defense Rumsfeld expanded privatization as part of restructuring the Pentagon. It was implemented on a huge scale as American forces invaded Iraq in March 2003. In this invasion, one out of every three people who were part of the coalition were contractors, as opposed to one in 60 who were contractors in the 1991 Gulf War. For its part, Blackwater became synonymous with the private police and security business. In May 2004, it formed an offshore subsidiary, Greystone, to provide paramilitary support for overt and covert operations.

Blackwater’s Origins

Former Navy Seal Erik Prince founded Blackwater after he had to leave the Navy to care for his dying wife, Joan, and their four children. Using family money from the sale of his late father’s auto supply manufacturing company, Prince and other Navy Seals began to build Blackwater in the mid-1990s. They erected a private, advanced military training facility in Currituck County, N.C., near the “black waters of the Great Dismal Swamp” that gave the firm its name. Blackwater soon gained a reputation as a top-notch paramilitary training facility with the largest private arsenal in the U.S. Blackwater CEO Prince and his family also developed strong relationships with the extreme religious and political right wing. The family went on record as anti-abortion, anti-gay supporters of the “theoconservative” movement, which linked the roles of the church and government.

“Scores of U.S. soldiers had been court-martialed on murder-related charges in Iraq.”

Blackwater’s business expanded with every serious armed attack or disaster. Business grew as a result of the Columbine High School shootings, the attack on the *USS Cole* and, especially, the September 11 attacks. The firm trained police officers, FBI agents and personnel from throughout the federal government, from Treasury to the National Nuclear Security Administration. The volunteer military prompted the need to hire “force protection,” or private security for U.S. military bases, so volunteer soldiers could focus on their routine duties.

“Some began comparing the mercenary market in Iraq to the Alaskan Gold Rush and the O.K. Corral. As the Times of London put it...’In Iraq, the postwar business boom is not oil. It is security.’”

As Ambassador Bremer’s security force, Blackwater guards intimidated Iraqi civilians and U.S. military personnel alike, shooting at civilians and running people off the road in convoys that never stopped. One official said that if anything happened to Bremer, Blackwater would be out of business. Conversely, if the U.S. had been

protecting Bremer, any military mistakes would be subject to formal review. Immunity and money made private armies grow.

Danger Builds a Big Business

In March 2004, the U.S. announced that it would pay private security firms \$100 million to guard the four-square-mile Green Zone in Baghdad. That month in Fallujah, where civilians were already outraged over a battle where women and children had been killed, militants ambushed and killed four Blackwater contractors, and hung their “charred,” mutilated bodies off a bridge. This was a major setback for Blackwater, whose contractors were understaffed and ill-prepared to fight militants. U.S. officials initially downplayed the ambush and pointed out the productive building of roads and schools happening at the same time. Later they debated whether to treat it as a crime or as an attack. Though Marines in place opposed it, the federal government ordered a full attack on Fallujah.

“We’re expendable. If 10 contractors die, it’s not the same as if 10 soldiers die. Because people will say that we were in it for the money. And that has a completely different connotation with the American public.” [– Thomas Pogue, Blackwater contractor and former Navy Seal]

That April, Muqtada al-Sadr’s Mahdi Army attacked Blackwater contractors protecting the Coalition Provisional Authority headquarters in Najaf. Blackwater mercenaries outnumbered the Marines inside, who found themselves taking orders from contractors. And the contractors found themselves in full-fledged violent combat.

“Blackwater is the embodiment of the Bush administration’s ‘revolution in military affairs,’ which has entailed aggressive outsourcing of core military functions.”

Back in Washington, Blackwater executives met with top government officials. Prince hired the Alexander Strategy Group, a powerful Republican lobbying firm, where his long-time friend, Paul Behrends, was a partner. Alexander had helped Blackwater become the first contractor in Iraq after the September 11 attacks. Now, it helped Blackwater gain a role in shaping Defense Department standards for private contractors, especially concerning the jurisdiction of the Military Code of Justice. The State Department’s Worldwide Personal Protective Service gave Blackwater a lucrative \$750-million contract. The firm had grown 300% a year for three years.

“I refer to the mercenaries as our silent partner in this struggle.” [– Senator John Warner]

Two weeks after the Fallujah killings, Blackwater announced plans to build the world’s largest firearms and training facility, a 64,000-square-foot building with shooting ranges. It would include facilities for using explosives, incendiary devices and automatic assault weapons, as well as parachute landing zones. As Blackwater expanded, Iraqi insurgents were kidnapping and killing more contractors. While the U.S. officially never paid ransoms, a classified document said terrorist groups had extracted \$36 million in ransom payments annually from corporations. Meanwhile, the cost of buying private security from Blackwater, Halliburton and Bechtel sapped the U.S.’s Iraq reconstruction budget. Fluor, an engineering company, hired more security contractors than actual workers to fulfill its \$2 billion in service contracts. Private security contractors even were involved in the abuses at the Abu Ghraib prison.

New Assignments

Entrenched in the Bush circle, Blackwater gained a lucrative contract training paramilitaries to protect oil facilities near the Caspian Sea. Having the Baku area in friendly hands would disrupt Moscow’s local influence, and give the West better access to oil and gas facilities owned by British Petroleum, Chevron-Texaco, Unocal and ExxonMobil. To stabilize the area, the Bush administration overthrew a regime in Georgia and installed a new one that was pro-American. Blackwater was hired to maintain surveillance facilities on Iran’s border and to protect the oil facilities, including the BTC pipeline that circumvented Russia.

“War is business, and business has been very good.”

As the need for more mercenaries developed, Blackwater began recruiting from developing countries, such as Chile and Columbia. Since it offered large salaries, the recruiting went well. However, a group of Chileans it hired arrived in Iraq only to be told that they would be paid just \$34 a day. When they complained, the company confiscated their return tickets and told them that if they quit, they had to find their own way home from Iraq.

“Facing a slew of Congressional, military and Justice Department investigations over his company’s actions, Prince said, ‘How can I sleep? Because I’m comfortable and I know what we’re doing. We’re doing the right thing, so beyond that, I can’t worry. I sleep the sleep of the just. I’m not feeling guilty.’”

Blackwater also tried to derail a lawsuit filed by families of the four men killed in Fallujah. The families charged that the ambushed detail should have had a minimum of six men, not four. They claimed the men were denied armored vehicles and adequate training. Blackwater stymied the lawsuit, hid material witnesses and failed to cooperate voluntarily with Congressional investigators. The company told the families they were entitled to only the minimum government death benefit. Since Bremer had given Blackwater immunity, it asked for the suit to be dismissed. The company sued the families of the dead for \$10 million claiming they had violated their contracts. As of 2008, the lawsuit was still in court.

To expand its political power, Blackwater hired several top Bush appointees, including Cofer J. Black, a former CIA officer and ambassador, and Joseph E. Schmitz, the Pentagon’s Inspector General. Schmitz initially oversaw Pentagon-based private contractors, but he eventually became Blackwater’s CEO and General Counsel. By 2005, the Defense Department had granted \$42 billion in contracts to fund 77 firms working in Iraq.

Defending New Orleans

When Hurricane Katrina hit the Gulf Coast in August 2005, Blackwater got its first domestic job. It sent heavily armed men to defend New Orleans from criminals, despite the police chief’s insistence that the city allowed only cops to be armed. Initially, Prince said the company would donate its services. Yet, within a year Blackwater booked \$70 million in revenue for its hurricane-related work, apparently based on a no-bid contract from the Department of Homeland Security, which hired Blackwater people at \$950 a day each to supply security services. Other contractors – Halliburton, Fluor, Bechtel, The Shaw Group, Kroll – also got a piece of the pie.

The Bush administration expanded the privatization of domestic and international security. By the time Rumsfeld left office, active duty military stood at a one-to-one ratio with private mercenaries in Iraq. Blackwater had people working in nine countries, and sold security services to corporations and other nations. In 2006, the company said it could provide a private brigade-size force anywhere in the world, and its deployment would be faster and cheaper than NATO or U.N. forces. By October 2006, Great Britain had 7,200 soldiers in Iraq, plus 21,000 mercenaries working for British firms. Overall, private security had become an estimated \$100-billion-a-year business.

Looking forward, the U.S. military says it cannot do its job without private contractors. Both Barack Obama and Hillary Clinton have said they want American diplomats to be protected in Iraq – and that means using private security forces.

About the Author

Jeremy Scahill is a reporter for *The Nation* and *Democracy Now!*, and a Puffin Foundation Writing Fellow at The Nation Institute.
