

WAR Inc.
The Coalition of the Billing

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May 26, 2004

In partial completion of **POLITICAL SCIENCE 301**

The end of the Cold War saw a reduction in military spending by the world's superpowers. Military budgets were reduced and the armed forces were downsized. The world scene changed from one of competing superpowers to one of continuing and rising regional conflicts and what Huntington called the clash of civilizations.¹ Conflicts between competing ethnicities and religions replaced the fight for dominance of the world stage. Within the United States (US) career soldiers, officers and specialists found themselves with fewer opportunities and early retirements.² Many of these ex-military experts recognized the potential market for non-governmental contractors who could provide a range of military services and training to various clients. Some formed companies such as International Charter Incorporated (ICI)³ and the Vinnell Corporation.⁴ These companies soon found markets with the US and foreign governments. As conflicts arise throughout the world, the US military is unable both functionally and politically to be everywhere at once and protect US interests throughout the world. Beginning in the early 1990's the US government began hiring such private military companies (PMC's) to provide aid to military forces around the world. This trend continued during the US's involvement in the Balkan wars, expanded dramatically during the 1991 Gulf War and has today reached an unprecedented height.⁵ Today there are an estimated 20,000 private contractors working in Iraq.⁶

¹ Huntington, S. (1993). *The Clash of Civilizations?*. Foreign Affairs. The Council on Foreign Relations. Pp. 22-49.

² Borger, J. (2004, May 6). *The Danger of Market Forces*. Guardian, UK. published at: Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?id=4651. para. 5.

³Peterson, L. (2002, October 28). *Privatizing Combat, the New World Order*. The Center for Public Integrity. [online]. homepage: www.publicintegrity.org, search for *Privatizing Combat*, direct link: <http://www.publicintegrity.org/bow/report.aspx?aid=148&sid=100>

⁴ *ibid.* para. 50.

⁵ Peterson, L. (2002, October 28). *Privatizing Combat, the New World Order*. The Center for Public Integrity. [online]. homepage: www.publicintegrity.org, search for *Privatizing Combat*, direct link: <http://www.publicintegrity.org/bow/report.aspx?aid=148&sid=100> para. 12.

While the public has remained largely unaware or at least silent about the issues raised by the extensive use of civilians in Iraq, two recent incidences, not particularly new in their nature, but captured on film and published by the media, have captured the attention of the American public. The death of four contractors in Fallujah this past April and the gruesome treatment they received at the hands of the insurgents was shocking to the American public.⁷ The ongoing revelations of the abuse of Iraqi prisoners in the Abu Ghraib prison by American soldiers and the revelation that civilian contractors participated in and may have directed the abuse as hired interrogators⁸ has caused the Congress, the public and the media to turn its attention to the use of contractors in the war and the complicated issues the extensive use of PMC's raises.

As a side note, it is interesting that these incidences have captured the public's awareness, despite other similar events. For example, days before the Fallujah deaths, two other contractors were killed in a similar situation.⁹ As this discussion will show, the Abu Ghraib prison abuse is also not the first time contractors have been involved in shocking crimes. The difference is the existence of visual evidence, broadcast all over the world. It is easy to imagine what other tragedies may have been occurring without the attention of the public.

⁶ Singer, P.W. (2004, May 3). *Beyond the Law*. The Guardian UK. Published at: The Brookings Institution. [online]. homepage: www.brook.edu. search for Peter Singer. direct link: <http://www.brook.edu/views/op-ed/fellows/singer20040503.htm>. para. 4.

⁷ Borger, J. (2004, May 6). *The Danger of Market Forces*. Guardian, UK. published at: Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?&id=4651 para. 10.

⁸ Lilley, S. (2004, May 13). *Barren Justice*. CorpWatch. [online]. homepage: www.corpwatch.radicaldesigns.org/ direct link: <http://corpwatch.radicaldesigns.org/article.php?id=10828>

⁹ Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: [Salon.com](http://salon.com). para. 32.

The use of civilian contractors in conflict areas is not new and the problems it presents go beyond the possibility of immoral, illegal and unethical acts by individuals employed by PMC's. Many analysts have been studying this issue before these very public incidences. Scholars such Peter W. Singer¹⁰ of the Brookings Institution have raised questions about numerous issues raised by the use of PMC's in war zones. The health of the military culture, the economic realities of using PMC's, the lack of oversight and accountability, the business ethics of the companies, the lack of clear authority and relationship between PMC employees and soldiers, the increasing ties between government office holders and companies seeking contracts and profiting from the government and most disturbing of all, the lack of legal jurisdiction over individuals or groups working for PMC's who commit illegal acts on foreign soil are each important issues that require questioning by Congress and the public as the government's use of PMC's becomes so entrenched in military and foreign policy action that it becomes impossible to create objective foreign policy. This discussion attempts to address some of these issues relying on recent reports and investigations by analysts and journalists, with the intention of gaining a better understanding of the complexities involved with the increasing outsourcing of the military and reconstruction services and the implications it has on the conduct of war and American foreign policy.

When the US decides to intervene or aid a foreign country it traditionally does so through direct military action, many times in coalition with international organizations or allies. In 1975, the military construction company, Vinnell Corp. was awarded a \$77 million contract with the US government to train the Saudi Arabian National Guard to protect its oil fields. This is considered to be the first use of civilian contractors in providing military training to a foreign

¹⁰ Peter Singer is a National Security Fellow in Foreign Policy Studies at the Brookings Institution. He has done extensive research and writing on the subject of private contractors working in war zones including the book Corporate Warriors (2003) Cornell University Press.

government,¹¹ the beginning, arguably, of the use of PMC's in foreign policy, motivated by the protection of oil resources. The US sent ICI to Sierra Leone in 1998 to support the Nigerian army against rebel forces. It was feared that instability in the area would be a danger to Nigeria, the fifth largest supplier of crude oil to the US.¹²

During the crisis in the Balkans in the 1990's the ratio of civilian contractor to military personnel was around 10 to 1 and rose to as much as 1 to 1.¹³ Today, in Iraq the ratio is again estimated to be 10 to 1.¹⁴ The war in Iraq has created the largest market for PMC contracts in history.

Private contractors working in Iraq take several forms. Some are working on reconstruction. They are hired by the US government using the Congress-approved, \$18 billion allocated to post-war reconstruction.¹⁵ They include technicians, engineers, building constructors, infrastructure experts, oil technicians and many others. Others are ex-military and people from law enforcement hired either by the government directly or subcontracted by PMC's to train the Iraqi military and police force. Still others are hired to provide security to key personnel and officials such as Paul Bremer¹⁶ and Hamid Karzai¹⁷ in Afghanistan. They

¹¹ Borger, J. (2004, May 6). *The Danger of Market Forces*. Guardian, UK. published at: Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?&id=4651 para. 11.

¹² *ibid.* para. 6

¹³ *ibid.* para. 12

¹⁴ Singer, P.W. (2003, October 19). *The Enron Pentagon* The Boston Globe. published at The Brookings Institution. [online]. homepage: www.brookings.edu. search for Peter Singer. direct link: <http://www.brookings.edu/views/oped/fellows/singer20031019.htm>

¹⁵ Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>.originally published at: Salon.com. para. 35.

¹⁶ Barstow, D. (2004, April 19). *Security Companies: Shadow Soldiers in Iraq*. New York Times. [online]. homepage: www.nytimes.com search for David Barstow. direct link: <http://www.nytimes.com/2004/04/19/international/middleeast/19SECU.html>. para. 3.

¹⁷ Tucker, C. (2004, March 1). *Hired Guns*. Esquire. published at KeepMedia. [online]. homepage: www.keepmedia.com, search for *Hired Guns* under Esquire. direct link: <http://www.keepmedia.com/pubs/Esquire/2004/03/01/366991?from=search>

also provide security to convoys carrying people and supplies. Another type of contractor or subcontractor and the most worrisome and controversial are the security people hired by PMC's to provide safety for their workers, safety not guaranteed by the military. These people provide security to people who are trying to rebuild the country. In the current and continued state of chaos more and more companies and groups are hiring out their own security.¹⁸

People decide to sign up with these various companies and work in Iraq for a variety of reasons. Some have idealistic or altruistic motives. They have a genuine desire to help rebuild the country and help the Iraqi people.¹⁹ Others feel an obligation to give back to the soldiers who are doing their duty and serving their country in Iraq. However, it's fairly safe to say that most people who choose to go to Iraq as civilian contractors are motivated largely by the potential for financial gain. The flurry to sign on with a PMC has been called the Iraqi Gold Rush.²⁰ Contractors are reportedly earning as much as \$150,000 to \$250,000²¹ for an annual contract with expenses paid and the first \$80,000 tax-free.²² With the government's continued reliance of contractors the potential for earnings are tremendous, if one is willing to take some risks. The more risk associated with the job, the higher the pay is.

¹⁸ Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para 5.

¹⁹ Jacobs, A., Romero, S. (2004, April 14). *U.S. Workers, Lured by Money and Idealism, Face Iraqi Reality* New York Times. published at Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?id=4124. para 1.

²⁰ Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para 22.

²¹ Tucker, C. (2004, March 1). *Hired Guns*. Esquire. published at KeepMedia. [online]. homepage: www.keepmedia.com, search for *Hired Guns* under Esquire. direct link: <http://www.keepmedia.com/pubs/Esquire/2004/03/01/366991?from=search>. para 6 & 34

²² *The Iraq Gold Rush* (2004, May 14) Asia Times. published at Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?id=4785. para 8.

This large presence of a variety of types of contractors in a chaotic and violent setting brings up serious issues. The insurgents attacking Americans are not distinguishing between civilian and military personnel. Many civilians, both security and non-security are getting caught in real battles and are defending themselves with deadly force.²³ Practically everyone carries weapons, despite the Coalition Provisional Authority's (CPA) regulations against it. When the CPA enforces its regulations, many PMC workers are unarmed and left defenseless against attacks. Yet the military is under no obligation to either provide security for such people or defend them from insurgent attacks. Often PMC workers have been caught in deadly attacks with no defense.²⁴ Many resort to obtaining arms through the black market. One reporter claims that grenades are available on the street for \$1 each.²⁵ Civilian workers are not waiting for the rules and regulations to catch up. They're arming and defending themselves and are increasingly involved in combat situations.

In April of 2003 four Italian security contractors were kidnapped shortly after being disarmed by US military personnel. They were left with small arms, not enough to dispel their attackers. One of them was later executed and the whereabouts of the remaining three are unknown, as of a report filed in February of this year.²⁶

The dangerous situation in Iraq requires PMC's and the CPA to put more and more money into security. Some are estimating that as much as 25% of reconstruction funds are now

²³ Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para 4-8, 16.

²⁴ *ibid.* para. 7-16.

²⁵ *ibid.* para. 9.

²⁶ Freeman, C., Johnston, B. (2004, February 5). *Italian Hostages 'sitting ducks' after US Troops Disarmed Them*. Telegraph UK. [online]. homepage: www.telegraph.co.uk. News. search for *Italian hostages*. direct link: <http://portal.telegraph.co.uk/news/main.jhtml?xml=/news/2004/05/02.wduck02.xml>

being spent on security, diverting money from projects to improve infrastructure and restore basic utilities as well as building schools, hospitals, etc.²⁷

Armed contractors are working in Iraq as protectors with no clear and established rules of engagement or standardized training and hierarchy of authority. For many security civilians, the use of deadly force is at their own discretion and judgment. A common complaint of such people working in Iraq is that they are hampered by weapons restrictions yet not aided by military forces when open combat ensues.²⁸ Others contend that these private forces lack the skill, training and experience necessary for making sound judgments in the current situation in Iraq. They claim that inexperience is leading such forces into life threatening situations, such as the one in Fallujah.²⁹ The military doesn't have the time or resources to guard contractors and their security. That's one of the reasons so many contractors are there in the first place.

When contractors are working side by side with military personnel and crisis situations occur, contractors often help to fight off insurgents. Naturally, the civilians do what is necessary to help the military and stay alive without consideration for proper rules of engagement or the

²⁷ Barstow, D. (2004, April 19). *Security Companies: Shadow Soldiers in Iraq*. New York Times. [online]. homepage: www.nytimes.com search for David Barstow. direct link: <http://www.nytimes.com/2004/04/19/international/middleeast/19SECU.html>. para. 5.

²⁸ Freeman, C., Johnston, B. (2004, February 5). *Italian Hostages 'sitting ducks' after US Troops Disarmed Them*. Telegraph UK. [online]. homepage: www.telegraph.co.uk. News. search for *Italian hostages*. direct link: <http://portal.telegraph.co.uk/news/main.jhtml?xml=/news/2004/05/02.wduck02.xml>. para. 3 and

Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para. 7.

²⁹ Freeman, C., Johnston, B. (2004, February 5). *Italian Hostages 'sitting ducks' after US Troops Disarmed Them*. Telegraph UK. [online]. homepage: www.telegraph.co.uk. News. search for *Italian hostages*. direct link: <http://portal.telegraph.co.uk/news/main.jhtml?xml=/news/2004/05/02.wduck02.xml>. para. 17 and

Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para. 29.

proper roles of civilians.³⁰ However, they are still functioning as employees working for money. When they insist on getting paid the customary high-risk-salary for work done under the authority of the military, they are sometimes refused, as the work was not part of their contract. In addition, the lines of authority are not clear in this situations and confusion and chaos is often the result.

This unclear line of authority both within the contractor's hierarchy and between the civilians and the military in addition to a situation in which soldiers and civilians are both armed, creates ambiguities and confusion. Soldiers trained by the military work within clear rules of engagement and clearly defined lines of authority.³¹ Command and control are essential elements of all military directives and actions. Additionally, soldiers are indoctrinated with concepts like honor, duty, obligation, self-sacrifice and most of all, discipline, the cornerstone of military functionality. Soldiers function by doing what they are told, a duty reinforced with consequences for not doing so. While this is the ideal of military life and not always the reality, especially during the stress of war, the structure is in place, a structure established through the long history of the US military.

Civilian contractors are not so trained. Even those who are ex-military are now working in a commercial environment outside of military culture. Civilian Contractors are employees. They behave like employees. They are motivated by salary first and often make individual risk analysis based on risk versus monetary gain. They answer to supervisors and employers. They can chose when and how to follow orders with the risk of getting fired. If they want to leave,

³⁰ Barstow, D. (2004, April 19). *Security Companies: Shadow Soldiers in Iraq*. New York Times. [online]. homepage: www.nytimes.com search for David Barstow. direct link: <http://www.nytimes.com/2004/04/19/international/middleeast/19SECU.html>. para. 43-57.

³¹ Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para. 14-17.

they can quit. If family needs require their return, they can give up the financial opportunity and go home.³² Soldiers don't have that option. Most importantly, if a soldier does something against orders, unethical or illegal, he faces consequences of the military justice as clearly and thoroughly spelled out in military code and doctrine. Soldiers are held to the standards of the Military Code of Justice.³³ They face trial, loss of rank, court martial, expulsion or jail time if convicted of wrongdoing. Civilian contractors are fighting in the same environment without the same structure and training.

The emergence of PMC's as tools of American foreign policy has shown both in the past and with contemporary scandals that jurisdiction over civilian contractors, both as individuals and as companies, is practically non-existent. Not only are civilians not trained to uphold the same level of standards but also in many cases they operate in a lawless no man's land where their actions have no legal consequences. PMC's who operate for profit are ruled by the market.³⁴ The market doesn't punish the bad behavior of individuals or the bad behavior of these companies.

The jurisdiction over PMC's and individuals working for them has its history in regional and international law regarding mercenaries. Mercenaries were defined as individual's fighting for material gain in a foreign country. Early in development of international law, the use of mercenaries was allowed and they were considered part of the state force with which they were fighting. Difficulties arose when mercenaries were being hired by non-state actors and by forces

³² Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para. 17, 30-31.

³³ Singer, P.W. (2004, May 3). *Beyond the Law*. The Guardian UK. published at The Brookings Institution. [online]. homepage: www.brook.edu. search for Peter Singer. direct link: <http://www.brook.edu/views/op-ed/fellows/singer20040503.htm>. para. 9.

³⁴ Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para. 17-19.

working to topple established governments and engaging in revolution. Eventually, international and regional law attempted to outlaw mercenaries, rather unsuccessfully. The jurisdiction for the regulation or prosecution of individuals fighting in a foreign country is basically left to the local or national governments.

PMC's are different than mercenaries. The individuals working for them are not hired directly by any government or group but part of a larger, private, business. International law has not caught up with the formation and extensive use of such companies. It is ineffectual when it comes to investigating or prosecuting crimes or unethical acts by either PMC's or their employees. In addition, immunity for PMC's and their employees is often negotiated by the governments sending them to foreign countries. Since the market and environment in which most PMC's work is that of failed states or war, national or local governments are almost always equally ineffectual or unwilling to prosecute such people.³⁵ When war is your market, law is not a very strong deterrent against bad behavior. What remains is a legal vacuum where PMC employees operate with virtual immunity from criminal prosecution, their only deterrent the fear of being fired.³⁶ The companies themselves fear no such deterrent, as some who have been investigated for criminal behavior go on to have million dollar contracts with the US government.

As part of the Dayton Peace Accords that negotiated an end to the war in the Balkans, the US government hired DynCorp, a PMC to work in Bosnia on equipment maintenance and

³⁵ Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para 19.

³⁶ The previous two paragraphs are summarized from information found in: Singer, P.W. (2004, January 22). *War, Profits, and the Vacuum of Law: Privatized Military Firms and the International Law*. an essay published for The Brookings Institution. [online]. homepage: www.brook.edu. search for Peter Singer, pg. 4. direct link: <http://www.brook.edu/views/articles/fellows/singer20040122.htm>

other military services. While there, some DynCorp employees began buying young girls whom they raped and kept as sex slaves. Included in this scandal was a supervisor who videotaped himself raping two young girls. A whistleblower, disgusted with this behavior, turned the men in to military justice authorities. The military case was eventually turned over to the local Bosnian authorities. The men involved were whisked out of the country by DynCorp before they could be arrested and prosecuted. US law had no jurisdiction over their actions. International law couldn't touch them and they left before the war-weary Bosnian government could do anything. The men never faced any criminal charges or prosecution for their despicable crimes, this, despite the taped confession of the supervisor and the existence of a videotape of the crime. The whistleblowers (there were two, in two separate incidences) were fired. They then sued DynCorp, who lost one suit and settled the other.³⁷

While it can be argued that DynCorp, the corporation, shouldn't be condemned for the actions of a few of its employees, the company's reaction to the incidence is troubling. DynCorp fired the employees who did the right thing and moved to protect the criminals in its employ instead of helping in their prosecution. After the incidence in Bosnia, DynCorp began asking employees to sign a form in which they acknowledged, "*human trafficking and prostitution are 'immoral, unethical and strictly prohibited.'*"³⁸ If such heinous acts have to

³⁷ The full story of the DynCorp scandal comes from the following:
Peterson, L. (2002, October 28). *Privatizing Combat, the New World Order*. The Center for Public Integrity. [online]. homepage: www.publicintegrity.org, search for *Privatizing Combat*, direct link: <http://www.publicintegrity.org/bow/report.aspx?aid=148&sid=100>. para. 46,

O'Meara, K. P. (2002, February 4). *DynCorp Disgrace Insight on the News-National Issue* [online]. homepage: www.insightmag.com. search for DynCorp by Kelly Patricia O'Meara. direct link: http://www.insightmag.com/global_user_elements/printpage.cfm?storyid=163052 and

Borger, J. (2004, May 6). *The Danger of Market Forces*. Guardian, UK. published at: Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?id=4651. para. 7.

³⁸ Singer, P.W. (2004, January 22). *War, Profits, and the Vacuum of Law: Privatized Military Firms and the International Law*. an essay published for The Brookings Institution. [online]. homepage: www.brook.edu. search for Peter Singer, pg. 4. direct link: <http://www.brook.edu/views/articles/fellows/singer20040122.htm>. pg. 538

stipulated in writing as being wrong, one wonders what acts, not explicitly stated as being wrong, DynCorp employees will partake in, in current or future endeavors. DynCorp's contract in Bosnia was not terminated and they currently hold a \$50 million contract with the US government to train the newly formed Iraqi police force and prison guards, training them in use of non-torture related law-enforcement techniques!³⁹ Perhaps they too will have to sign forms acknowledging that sex slavery and rape is morally wrong.

This vacuum of lawlessness combined with the fevered pitch in which new contracts are being made and the need to find more people to work in Iraq brings up interesting questions. What kind of people are going to work for these companies? What used to be a tight-knit subculture of ex-special forces, military experts has become a market in which standards for hiring are getting lower and lower.⁴⁰ Reports have indicated that members of the Irish Republican army as well as former members of the Apartheid government in South Africa and men trained under Chile's Pinochet are among the recruits working for PMC's in Iraq.⁴¹

³⁹ Tucker, C. (2004, March 1). *Hired Guns*. Esquire. published at KeepMedia. [online]. homepage: www.keepmedia.com, search for *Hired Guns* under Esquire. direct link: <http://www.keepmedia.com/pubs/Esquire/2004/03/01/366991?from=search>

⁴⁰ Barstow, D. (2004, April 19). *Security Companies: Shadow Soldiers in Iraq*. New York Times. [online]. homepage: www.nytimes.com search for David Barstow. direct link: <http://www.nytimes.com/2004/04/19/international/middleeast/19SECU.html>. para. 40 and

Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para. 26

⁴¹ Members of Irish Republican Army and Apartheid:

Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para. 26.

Men trained by Pinochet:

Jacobs, A., Romero, S. (2004, April 14). *U.S. Workers, Lured by Money and Idealism, Face Iraqi Reality* New York Times. published at Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?&id=4124. para. 2.

Tucker Carlson published a story in *Esquire* this March that chronicles a trip he made to Baghdad in which he accompanied civilian contractors working in Iraq.⁴² These particular workers were security guards hired by DynCorp to protect cops hired to help train the Iraqi police force. While Carlson's story is anecdotal in nature and hardly a scientific or exhaustive study, his story is illustrative of many of the problems existent in the use of civilian contractors in war. Carlson accompanied Kelly McCann, an ex-marine handling DynCorp's security, on a trip in which Carlson, a conservative pundit for CNN known for his trademark bow tie, was given an AK-47 and helped the security group hold up two gas stations in Iraq when their vehicles needed refueling. Neither McCann nor Carlson saw any ethical dilemmas in this strange situation.

Carlson writes about shady characters operating with weapons in Iraq, such as a drunken security person who was later accused of killing his protectee. He was fired from his job. In addition he encountered Kurdish men hired by DynCorp who were overly eager to shoot any Iraqi behaving slightly out of line. Their supervisor had to constantly remind them not to shoot unless shot at first.⁴³ Carlson's story is filled with examples of cultural prejudices and racism displayed by civilians working in a battleground of Huntington's clash of civilizations.

On being a contractor, one ex-soldier tells Carlson, "*The difference between being a contractor and a military guy is I'm getting paid five times as much and I can tell you to get [expletive]'ed if I don't want to do it.*"⁴⁴ Carlson writes, "*For a certain sort of person, it's a*

⁴² Tucker, C. (2004, March 1). *Hired Guns*. *Esquire*. published at [KeepMedia](http://www.KeepMedia.com). [online]. homepage: www.KeepMedia.com, search for *Hired Guns* under *Esquire*. direct link: <http://www.KeepMedia.com/pubs/Esquire/2004/03/01/366991?from=search>

⁴³ *ibid.* para. 46

⁴⁴ *ibid.* para. 37

*great gig. The job description is like a bug light to borderline personalities.*⁴⁵ The Iraqi Gold Rush had resulted in a lowering of standards, as the demand for workers is greater than the availability of professionals. These corporations, after all are working for profit. They have little incentive for maintenance of high standards beyond the harm to their reputations any negative incidences could have. If the case of DynCorp in Bosnia is any indication, PMC's have little to fear from any possible negative reputation it might gain from any criminal behavior by its employees.

Interestingly, many ex-military contractors wish for more regulation. *"I don't know that if you engage someone [that] there's even an investigative authority to follow up. With no parameters, how do I know if I've done something wrong. It's like the Wild West, but nobody's the sheriff,"*⁴⁶ complained McCann. As a marine, he was no doubt accustomed to clear lines of authority and rules of engagement, redundant enforcement of hierarchy, doctrine and orders and a standardized method of training and operating. McCann wished for the discipline of the military and the legitimacy, respectability and credibility that comes with training, discipline and expertise. Many of the companies themselves wish for more standardization and regulation as a means of respectability, a way of avoiding the current chaos and a method for market dominance.⁴⁷ ICI has avoided the Iraqi arena altogether because of the instability and the low standards of other companies operating there.⁴⁸

⁴⁵ Tucker, C. (2004, March 1). *Hired Guns*. *Esquire*. published at [KeepMedia](http://www.KeepMedia.com). [online]. homepage: www.KeepMedia.com, search for *Hired Guns* under *Esquire*. direct link: <http://www.KeepMedia.com/pubs/Esquire/2004/03/01/366991?from=search>. para. 36

⁴⁶ *ibid.* para. 67.

⁴⁷ Barstow, D. (2004, April 19). *Security Companies: Shadow Soldiers in Iraq*. *New York Times*. [online]. homepage: www.nytimes.com search for David Barstow. direct link: <http://www.nytimes.com/2004/04/19/international/middleeast/19SECU.html>. para. 17.

⁴⁸ Singer, P. W. (2004, April 16). *Outsourcing the War*. *The Brookings Institution*. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para. 23.

Beyond the insurgents, the average Iraqi citizens are beginning to voice their dissent over extensive use of foreign contractors in their country. Some unions, banned under Sadaam are resurfacing and demanded that more jobs be given to Iraqis and not to private, foreign contractors.⁴⁹ With current unemployment at 70%, scandals about abusive treatment of Iraqis and a huge influx of foreigners earning lucrative salaries, it's no wonder that some Iraqi people are bitter and angry and are questioning the role and intention of the US in their country. In addition Iraqi civilians are faced with not only an occupying force but also a large population of foreign civilians carrying guns. Between the military, the civilian contractors, the insurgents and terrorists in their midst, the Iraqi people are not in a very tenable situation.

While the criminal behavior of individual civilian contractors is cause for great concern, abuses by the companies themselves are also an area of concern. PMC's generally have contracts that work on what's called a cost-plus basis.⁵⁰ The contracts they arrange with the government are for a base amount, often millions, and any additional costs incurred are billed to the government on an as-needed basis. This has led to some serious abuse and unethical behavior on the part of PMC's.

The PMC, Halliburton has contracted with the US government for several years. They had \$483 million worth of contracts in 2002 and 3.9 billion in 2003, a 700% increase. This doesn't include new contracts that have been arranged since 2003.⁵¹ One estimate claims that

⁴⁹ *The Iraq Gold Rush* (2004, May 14) Asia Times. published at Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?&id=4785

⁵⁰ Peterson, L. (2002, October 28). *Privatizing Combat, the New World Order*. The Center for Public Integrity. [online]. homepage: www.publicintegrity.org, search for *Privatizing Combat*, direct link: <http://www.publicintegrity.org/bow/report.aspx?aid=148&sid=100>. para. 37.

⁵¹ Berrigan, F., Ciarrocca, M., Hartung, B. (2004, February 24). *Is What's Good for Boeing and Halliburton Good for America?*. World Policy Institution. published at: Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?&id=3256. para. 4.

Halliburton is receiving \$1 billion per month for current work in Iraq.⁵² Halliburton provides a range of services to the US government that range from feeding the troops and doing the laundry to building prisons and reconstructing the oil infrastructure. The list of accusations of fraud against Halliburton include overcharging for gas, \$6.3 million dollars received in kickbacks on a Kuwait contract, charging the government for 3 times the amount of meals actually served to military personnel and wasting millions of dollars on monogrammed towels and overpriced vehicles.⁵³ One purchasing officer who worked for Halliburton in Kuwait says the company slogan was, “*Don’t worry about it. It’s cost-plus.*”⁵⁴ For these transgressions Halliburton has paid \$2 million in fines without admitting wrongdoing. This is generally how abuse is handled. PMC’s can be put on a list of barred companies that the US government does not do business with. During the Clinton administration policies toward working with barred companies were tightened, making it more difficult for barred companies to get contracts with the US government or to be debarred. The Bush administration suspended and then revoked those reforms. PMC’s can be debarred if they pay their fines without admitting any guilt⁵⁵ or if their services are deemed necessary to national security, a designation without definition or clarification. According to Matt Kelly of the Associated Press, companies now holding contracts with the US have paid more than \$300 million in fines since 2000 as a result of accusations such as bid rigging, fraud, delivery of faulty military parts and environmental

⁵² *The Iraq Gold Rush* (2004, May 14) Asia Times. published at Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?id=4785. para. 3.

⁵³ Berrigan, F., Ciarrocca, M., Hartung, B. (2004, February 24). *Is What’s Good for Boeing and Halliburton Good for America?*. World Policy Institution. published at: Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?id=3256. para. 5-6.

⁵⁴ *ibid.* quote by Henry Bunting

⁵⁵ Kelly, M. (2004, April 26). *Ten U.S. Contractors in Iraq Penalized \$300 Million in Past Four Years*. Associated Press / Newsday. published at Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?id=4416. para. 7, 10, 14-15.

damage.⁵⁶ Peter Singer calls this policy of continuing to give lucrative contracts to PMC's with clear records of questionable, immoral and illegal practices being a bad client.⁵⁷ PMC's are ultimately only accountable to their clients. We are allowing them to provide bad service. In essence, we're not getting our money's worth. Oversight and regulation of PMC's business practices is practically non-existent. Like the individual's working for them, PMC's operate in a free-market, free-for all with no regulatory mechanisms, no watch dog and practically no consequence to providing bad service, to committing fraud or even for criminal behavior.

A discussion on PMC's would be incomplete without bringing up the connection of such highly profitable companies to government officials in what Laura Peterson calls the revolving door between government and the private sector⁵⁸ and what a reporter for the Asian Times calls the Iron Triangle, a crossroads connecting business, politics and the military.⁵⁹ There are many examples of this but the most obvious and the most public is the connection between Halliburton and Vice-President Dick Cheney. In 1992 when Cheney was its head, the Pentagon gave Brown and Root (now called KBR), a subsidiary of Halliburton, \$3.9 million to produce a report on the ways in which PMC's could provide aid, logistics and military services to the US military in war zones. Later the company was given \$5 million to update the report. Cheney

⁵⁷Singer, P. W. (2004, April 16). *Outsourcing the War*. The Brookings Institution. [online]. homepage: www.brook.edu.org, search for *Outsourcing the War* or *Peter Singer*, direct link: <http://www.brook.edu/views/articles/fellows/singer20040416.htm>., originally published at: Salon.com. para. 2.

⁵⁸ Peterson, L. (2002, October 28). *Privatizing Combat, the New World Order*. The Center for Public Integrity. [online]. homepage: www.publicintegrity.org, search for *Privatizing Combat*, direct link: <http://www.publicintegrity.org/bow/report.aspx?aid=148&sid=100>. para. 13.

⁵⁹ *The Iraq Gold Rush* (2004, May 14) Asia Times. published at Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?id=4785. para. 4.

subsequently took a position as head of Halliburton in 1995 until 1999. Brown and Root has been awarded at least \$2.2 billion worth of contracts with the US government.⁶⁰

While Cheney was CEO, Halliburton was awarded a contract to build several military bases and camps in Bosnia-Herzegovina and Kosovo. They billed the US government for \$2 billion. KBR had previously worked on a feasibility study for the running of pipeline connecting the oil-rich Caspian Sea with Europe. One of Halliburton's camps was built on the path of that Trans-Balkan Pipeline.⁶¹

While Cheney contends that his ties with Halliburton are severed, there are reports that he was still receiving money from them as early as 2002 and that he maintains stock options with the company. The continuing salary is part of a pre-Vice President agreement and the stock options are in the hands of a charitable trust.⁶² Cheney is clearly in a gray zone of conflict of interests. The fact that Halliburton is profiting tremendously from the war in Iraq has justifiably raised some eyebrows. The room for abuse and extreme conflict of interest should not be underestimated. This aspect of the use of PMC's calls into question the government's ability to create objective foreign policy.

Many PMC's are working hard in Iraq alongside soldiers doing their job and helping to rebuild the country. In fact, it should be mentioned here that there are arguable benefits to outsourcing many aspects of military action. Outsourcing non-combat functions allows the military to specialize on what it does best. The increasing use of high technology in war

⁶⁰ Peterson, L. (2002, October 28). *Privatizing Combat, the New World Order*. The Center for Public Integrity. [online]. homepage: www.publicintegrity.org, search for *Privatizing Combat*, direct link: <http://www.publicintegrity.org/bow/report.aspx?aid=148&sid=100>. para. 13.

⁶¹ *The Iraq Gold Rush* (2004, May 14) Asia Times. published at Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?id=4785. para. 4-5.

⁶² Jackson D. Z. (2003, September 19). *Cheney's Conflict with the Truth*. The Boston Globe. [online]. homepage: www.boston.com, search for *Cheney's Conflict with the Truth*. direct link: http://www.boston.com/news/globe/editorial_opinion/oped/articles/2003/09/19cheney_s_conflict_with_the_truth?mod=PF

requires specialized skills.⁶³ Outsourcing allows the military to use the best in a field without limiting itself to military personnel. It also allows the US government to apply foreign policy to more areas of the world without sending uniformed servicemen carrying the American flag. Of course this is one of the reasons outsourcing is controversial. The government can hire a PMC to “do [it’s] dirty work”⁶⁴ without raising flags with the public, making it a useful tool in the War on Terror. By hiring out military work, it is suggested that the US government can maintain deniability and immunity from responsibility.⁶⁵ In fact, many are suggesting that the increasingly heavy reliance by the Bush administration on military contract labor in Iraq is in effect concealing the real costs of the war,⁶⁶ both financial and in human lives, to the American public. Real problems arise when non-military outsourcing turns into civilians caught both defensive and offensive combat situations.

In the wake of the Fallujah tragedy, questions are also being asked about the rights of contractors as civilians caught in combat situations. It is possible for them to be treated as enemy combatants or war criminals by foreign nations.⁶⁷ It is unclear whether they can be considered prisoners of war and accorded rights under the Geneva Convention. They are workers for hire, yet they are paid by the US government, directly or indirectly and are part of the overall mission. The government is under no obligation to notify either the public or family

⁶³ Singer, P.W. (2003, October 19). *The Enron Pentagon* The Boston Globe. published at The Brookings Institution. [online]. homepage: www.brookings.edu. search for Peter Singer. direct link: <http://www.brookings.edu/views/op-ed/fellows/singer20031019.htm>. para. 6

⁶⁴ Borger, J. (2004, May 6). *The Danger of Market Forces*. Guardian, UK. published at: Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?&id=4. para. 8.

⁶⁵ *ibid.*

⁶⁶ Barstow, D. (2004, April 19). *Security Companies: Shadow Soldiers in Iraq*. New York Times. [online]. homepage: www.nytimes.com search for David Barstow. direct link: <http://www.nytimes.com/2004/04/19/international/middleeast/19SECU.html>. para. 24.

⁶⁷ Barstow, D. (2004, April 19). *Security Companies: Shadow Soldiers in Iraq*. New York Times. [online]. homepage: www.nytimes.com search for David Barstow. direct link: <http://www.nytimes.com/2004/04/19/international/middleeast/19SECU.html>. para. 43.

members of their deaths or provide the public of PMC body counts.⁶⁸ Carlson brings up another issue, “*Civilian contractors won’t be clogging up the VA system thirty years from now,*”⁶⁹ one of the ways proponents claim that outsourcing saves money. Yet, they are in many cases experiencing the same injuries, the same stress and combat trauma and taking the same risks. While PMC’s offer generous health and death benefits to contract workers,⁷⁰ since they are merely commercial ventures, there is no guarantee that they will be around long enough to pay out the benefits. They don’t carry the weight of the obligation of the US government and are less likely to be regulated or kept in check by public watchdog groups. Civilian contractors are functioning in a soldier’s environment with neither the status, legitimacy and rights of a soldier, nor the obligations, training or discipline of one. When Americans honor the dead from the Iraqi war, will the civilians who made the ultimate sacrifice be remembered? Should they be?

This brief discussion only begins to delve into the complex issue involved in the use of PMC’s in war. The future of war itself is changing. The privatization of war leads the imagination to a day when a standing military is no longer kept and use of force is left completely to hired companies. If today’s PMC’s lobby for licensing and their ability to provide military services, how much of a stretch is it to imagine a day when the desire for profit is taken a step further and PMC’s begin to instigate wars and conflicts in order to create markets for their services? Peace and stability are the enemies of profit for PMC’s. Why should they want those states of being? War and instability are their markets. Even generals and soldiers

⁶⁸ Singer, P.W. (2003, October 19). *The Enron Pentagon* The Boston Globe. published at The Brookings Institution. [online]. homepage: www.brookings.edu. search for Peter Singer. direct link: <http://www.brookings.edu/views/op-ed/fellows/singer20031019.htm>. para. 9.

⁶⁹ Tucker, C. (2004, March 1). *Hired Guns*. Esquire. published at KeepMedia. [online]. homepage: www.KeepMedia.com. search for *Hired Guns* under Esquire. direct link: <http://www.KeepMedia.com/pubs/Esquire/2004/03/01/366991?from=search>. para. 33.

⁷⁰ Jacobs, A., Romero, S. (2004, April 14). *U.S. Workers, Lured by Money and Idealism, Face Iraqi Reality* New York Times. published at Occupation Watch. [online]. homepage: www.occupationwatch.org, direct link: http://www.occupationwatch.org/print_article.php?id=4124 para. 10.

recognize the inherent evil of war and work towards the quickest and most efficient victory and an end to war. Most soldiers, when asked say that they want to go home. If a civilian contractor has signed a yearlong contract to make a set amount of money, going home is counter to his goals. PMC's are becoming the new, non-state actors, acting on a global stage, accountable to no one and under no clear jurisdiction. The continued use and reliance of these companies by the US should be cause of great concern for the future of American foreign policy.

The Bush Administration, particularly Secretary of State Donald Rumsfeld has continued to be optimistic about the use of PMC's, the result of overly optimistic projections about the level of stability that would have been achieved at this point in our occupation of Iraq. The administration did not foresee 20,000 civilians operating in a war zone. However, students in the country's top military colleges have been questioning the use of PMC's and warning of its dangers in paper after paper for several years now.⁷¹

Certainly the issue has only begun to be discussed as controversies involving PMC's continue to emerge. While some suggest that regulation is the answer, it may be that the use of PMC's is inherently counter to the ability of the US to create effective, objective foreign policy, policy that relies on expertise, creative problem solving, innovative ideas and most of all the real needs of the people affected by the policy.....not by profits! After all, the president of the United States is the Commander in Chief of the armed forces not the CEO of its private military industry.

⁷¹ Barstow, D. (2004, April 19). *Security Companies: Shadow Soldiers in Iraq*. New York Times. [online]. homepage: www.nytimes.com search for David Barstow. direct link: <http://www.nytimes.com/2004/04/19/international/middleeast/19SECU.html> para. 67.

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