

# BROOKINGS

Article

## **Warriors for Hire in Iraq**

Peter W. Singer Thursday, April 15, 2004

*View part two of this article, "[Outsourcing the War.](#)"*

Last Wednesday, the United States woke up to what seemed like a horrible replay of the images from 1993 Somalia. As crowds screamed their vicious delight, the bodies of four Americans were abused and dragged through the streets.

But Fallujah was not Mogadishu, and this was to be no repeat of "Black Hawk Down." Instead of questioning the mission, the public struggled to figure out who was performing the mission in the first place. For most Americans, Fallujah introduced a realization of how our military operates today in the era of outsourcing. A growing industry of private military firms is filling a huge and often surprising array of roles in Iraq, roles that can even include combat.

The four men killed in Fallujah were not U.S. troops but rather employees of a little known company, Blackwater USA, that resides within an industry that until last week, few people even knew existed. Breaking out of the "guns for hire" mold of traditional mercenaries, corporations like Blackwater sell the sorts of services that soldiers used to provide. Known as "private military firms" (PMFs), they range from small companies that provide teams of commandos for hire to large corporations that run military supply chains. This new military industry encompasses hundreds of companies, thousands of employees, and billions of revenue dollars.

In Iraq, they're also accounting for a growing share of the force and the casualties. There are 15,000 private personnel carrying out mission-critical military roles, and they have suffered at least 30 to 50

killed in action, including the four dead contract workers whose bodies were discovered on Tuesday. Scores more have been taken captive in just the last week.

The Bush administration was unwilling to enlist serious assistance from the United Nations or from most of our NATO allies, but thanks to the PMFs that employ private soldiers of more than 30 nationalities, it has been able to assemble an international coalition of sorts in Iraq. But it is more a "coalition of the billing" than of the "willing."

Indeed, there are more private military contractors on the ground in Iraq than troops from any one ally, including Britain. One single company, Global Risks, has a reported 1,100 employees in Iraq, including 500 Nepalese Gurkha troops and 500 Fijian soldiers, ranking it sixth among troop donors.

Working in over 50 conflict zones, the industry is emblematic of a broader globalization. PMFs and their clients are located worldwide, but their single largest client is the U.S. taxpayer; our government has signed over 3,000 contracts with private military firms in the last decade. The reliance on this industry was driven by changes in the market after the end of the Cold War. It boomed in an era of military downsizing (the U.S. military is about one-third smaller than it was during the 1991 Gulf War) and the increasing demands of new deployments, the more-technical requirements of modern warfare, and privatization as a new vogue of government.

While Congress and the senior leadership at the Pentagon do not have an exact handle on the numbers, an estimated 15,000 to 20,000 private military personnel are in Iraq. They are carrying out essential jobs that soldiers have done in the past—from handling logistics and maintenance to training the local army to fighting pitched battles—and they have taken more casualties than any ally. However, while performing tasks crucial to the operation, they are not formally part of the force, creating a critical disconnect in such areas as intelligence sharing, as well as confusion over rights and responsibilities in the midst of combat.

The size and scope of the private military contingent in Iraq also cut to the heart of the most troubling questions about the Bush administration's handling of the war. They point up the administration's inadequate planning and preparation, its lack of transparency about the war's financial and human cost, and its sense of denial about whether it put enough American troops on the ground to accomplish the task handed to them. The hiring of such a large private force and the ensuing casualties that it has taken outside of public awareness and discussion have served as a novel means for displacing some of the political costs of the war. Even more troubling, the growth of such an ad hoc market arrangement, lying outside the chain of command, makes an already tough mission even more difficult, and risks lives on both the troop and contractor side.

Until Fallujah, the private military industry was largely hidden behind the headlines, present in the world's hot spots but never fully acknowledged. When a CIA plane mistakenly coordinated the shootdown of a planeload of American missionaries over Peru in 2001, few realized that the plane was manned by contractors for Aviation Development Corp., based in Alabama. When suicide bombers attacked an American compound in Riyadh, Saudi Arabia, last spring, few understood what it meant that the targets worked for Vinnell Corp., a Fairfax, Va., defense contractor that trains Saudi Arabia's and Iraq's armies. When Palestinian militants killed three Americans in Gaza last fall, most didn't realize that they were private military contractors working for DynCorp, a multifaceted government services firm, based just outside the Washington-Dulles airport. When a planeload of men was arrested in Zimbabwe last month, with the local regime claiming they were picking up weapons on their way to an alleged coup plot in Equatorial Guinea, few understood what it meant when they turned out to be employees of Logo Logistics, a PMF registered out of the British Virgin Islands. When the

State Department spokesman noted that President Aristide of Haiti left office accompanied by his personal guards, he left out the part that Aristide had outsourced his protection to the Steele Foundation, a San Francisco firm.

Though it's little more than a decade old, the privatized military industry has an estimated \$100 billion in annual global revenue. In fact, with the recent purchase of MPRI by a Fortune 500 firm, L-3, many Americans already unknowingly own slices of the PMF industry in their 401Ks.

The firms' growth is also perhaps best evidenced in the way they have begun to play the age-old Washington game of lobbying. Employing mostly former senior government and military officers, the firms already enjoy broad familiarity with the government contracting process as well as informal connections with former colleagues and subordinates. But like any other mature industry, PMFs also feel they must employ lobbyists and make political campaign donations to stay ahead of each other. In 2001, 10 leading private military firms spent more than \$32 million on lobbying, while they invested more than \$12 million in political campaign donations.

Among the leading donors were Halliburton, which gave more than \$700,000 from 1999 to 2002, 95 percent to Republicans, and DynCorp, which gave more than \$500,000, 72 percent to Republicans. Interestingly, Halliburton's spending to influence policy declined after its former CEO Dick Cheney became vice president. During the last two years of the Clinton administration, the firm spent \$1.2 million lobbying the Senate, House of Representatives, and various executive branch departments. During the first two years of the Bush administration, Halliburton reported spending just \$600,000 (getting a much better return on its investment, as its contracts roughly trebled).

But the large corporations are not the only ones that have begun to play the game. With a now public profile, and growing congressional scrutiny, Blackwater reportedly hired Alexander Strategy Group, one of the more

influential lobbying firms, just days after the contractors' deaths. Alexander is run by Tom DeLay's former chief of staff, Ed Buckham, and also employed DeLay's wife, Christine.

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From the beginning, however, private contractors played key roles in the war in Afghanistan. Their employees deployed with U.S. military forces on the ground (including serving in the CIA paramilitary units that were the first to hit the ground), maintained combat equipment, provided logistical support, and routinely flew on joint surveillance and targeting aircraft. Even the noted Global Hawk unmanned surveillance planes were operated by private employees. The private firms' role in the region continues today, with contractors now part of the CIA/military operation attempting to run down Osama bin Laden and his associates along the Pakistan-Afghanistan border.

In other anti-terrorism operations around the globe, PMFs have played similarly wide-ranging roles. The operations in the Philippines against Islamic guerrillas have DynCorp working on logistics, while other members of the firm are playing a more active role in anti-narcotics and counter-guerrilla operations in Colombia. When the United States deployed a military training contingent to the former Soviet republic of Georgia to help root out radical Muslim terrorists, the team was mostly made up of PMF employees. The Taliban and al-Qaida members unlucky enough to be caught can plan on spending their next years housed in a military prison at Guantánamo Bay, built not by U.S. soldiers but by the KBR division of Halliburton, and interrogated by private contractors from firms like Titan.

In fact, the PMF industry was one of the few whose economic outlook was improved rather than harmed by the 9/11 attacks. While the U.S. and global economy suffered from the shock, the prices of PMFs listed on stock exchanges jumped roughly 50 percent in value, with L-3's even doubling. A number of firms were launched in the aftermath of the attacks, hoping to tap the boom market. One example is Janusian, a British venture that seeks to provide protection and intelligence against terrorist attacks. "The war on terrorism is the full employment act for these guys," one Defense Department official commented. "A lot of people have said, Ding, ding, ding! Gravy train!"

But the Iraq War is where the history books will note that the industry took full flight. Iraq is not just the biggest U.S. military commitment in a generation but also the biggest marketplace in the short history of the privatized military industry. In Iraq, private actors play a pivotal role in great-power warfare to an extent not seen since the advent of the mass nation-state armies in the Napoleonic Age.

Before the war, private firms helped out with an array of tasks—operating supply lines, running training exercises, and even assisting with the war gaming and battle planning in the Kuwaiti desert that later proved so successful. The huge U.S. Army complex at Camp Doha, where the invasion was launched, was built, operated and guarded by a vast private operation led by a consortium called Combat Support Associates. (While CSA was operating in Kuwait, firms in the consortium were registered as "100 percent Native American-owned" and thus could use Minority Business Enterprise certifications as a way to gain preference in the government acquisition process.) These roles were not without their risks. Even before the battle started, several private military personnel were killed or wounded in live-fire exercises and, in a taste of what was to come, two civilian technicians were murdered by terrorists in a drive-by shooting in Kuwait.

During the major combat operations phase of the Iraq War last spring, private military employees handled everything from feeding and housing U.S. troops to maintaining sophisticated weapons systems like the B-2 stealth bomber, F-117 stealth fighter, Global Hawk UAV, U-2 reconnaissance aircraft, M-1 Tank, Apache helicopter, and air defense systems on numerous Navy ships. While civilians had always accompanied U.S. forces on deployments, all the way back to the sutlers who sold shoes and other consumer wares at Valley Forge, never had the U.S. military been so reliant on outsiders to accomplish its mission. Indeed, the pre-invasion ratio of private contractors to U.S. military personnel in the Gulf was roughly 1 to 10 (10 times the ratio during the 1991 war). Our allies, including the British and Australians, also depended heavily on contracted support.

During the occupation of Iraq, the demand for private assistance skyrocketed, particularly as the rosy scenarios made by political appointees in the Pentagon before the war proved false. Presently, an estimated 15,000 or more private military contractors are on the ground in Iraq, working for tens of companies and their subcontractors, providing tasks that only soldiers once performed. The CPA estimates that after sovereignty is granted to a largely nonexistent Iraqi government at the end of June, these figures may rise to as high 30,000. Jobs such as guarding the Green Zone in Baghdad will be privatized as well. We don't know the exact figures, because the Bush administration maintains no formal tracking of the numbers. The very lack of any accounting illustrates the dire need for better oversight and accountability.

Outsourcing has provided a novel means to reduce some of the political costs of the war. Reserve call-ups are lessened and compromises with allies unnecessary. Any public dismay over casualties is also dampened. Unlike the formal reporting of U.S. military casualties, release of such information is at the discretion of each individual firm. Just as no one knows the exact number of private military contractor boots on the ground, so, too, does no one know the number of killed and wounded. From a survey of industry insiders as

well as hometown press reports that sometimes announce the deaths, estimates are that between 30 and 50 private military contractors have been killed in the fighting in Iraq, with tens more killed in accidents. Assuming the rough ratio of killed versus wounded that has held among U.S. troop casualties (1 to 6), this means that upward of 200 to 300 private casualties have gone unreported on the public ledger. That is more than the entire 82nd Airborne Division lost in Iraq over the past year.

Private military firms carry out three crucial functions in Iraq: military support, military training and advice, and certain tactical military roles. It is important to note that official U.S. military doctrine has long held that "mission critical" roles must be kept inside the force. It has also held that civilians accompanying the force should not be put into roles where they must carry or use weapons, allowing the carry of sidearms (that is, pistols) only in the most extraordinary circumstances. But what used to be the exception is now the rule.

Military support firms help with logistics and engineering, as well as assisting with tasks such as tactical and non-tactical vehicle maintenance and repair. The major player in this sector has been Dick Cheney's former firm, Halliburton. Operating under the LOGCAP contract (Logistics Civilian Augmentation Program), Halliburton has done about \$6 billion worth of business on Iraq contracts.

Many consider such tasks secondary and in line with the broader military outsourcing of such ancillary jobs as lawn mowing at bases. But they could not be more wrong when it comes to logistics. As official U.S. military doctrine states, "Since the dawn of military history, logistical capabilities have controlled the size, scope, pace, and effectiveness of military operations ... Logistical capabilities must be designed to survive and operate under attack; that is, they must be designed for combat effectiveness, not peacetime efficiency." Or, as Gen. Omar Bradley succinctly put it, "Amateurs talk about strategy; professionals talk about logistics."

Bradley's view was proved right in the days after the Fallujah attacks. In an e-mail obtained by Knight Ridder News, a senior U. S. official in Iraq warned his superiors at the Pentagon's program management office in Baghdad that Halliburton senior executives had said they were "considering withdrawing from the country" because of security concerns. The official noted that a cut in LOGCAP services by the firm would cause the "complete collapse of the support infrastructure" of the operation. Halliburton denied it was considering a withdrawal, while the CPA would not comment. Regardless, it underscored how vulnerable military officers felt the operation had become to outside corporate decision-makers.

As violence spread in the ensuing week, Halliburton and other military support firms put their employees on "lockdown," and operations were suspended in several key areas. After another fuel convoy was ambushed and seven contractors went missing (one, Thomas Cahill, a dairy farmer turned military convoy truck driver, is presently held captive, while four of the civilians have since been found dead), movement by the firms effectively ceased in large portions of Iraq, including the Kuwait-to-Baghdad supply run. As they lie outside the military code of justice, constitutionally, the military simply can not order these firms to take the risks and truck on as it could have done with military units in the past. Officers have begun to worry about what this will mean for critical fuel and supply stocks they depend on to carry out their missions.

While its scope was debatable, the process behind LOGCAP used to be fairly noncontroversial, as the original contract to provide field logistics support to the U.S. Army was competitively bid out. However, eyebrows began to rise when in the months just before the war, nonmilitary tasks such as oil-well fire fighting and then oil field repair and operation were noncompetitively added to the purview of military logistics. Thus, through LOGCAP, Halliburton cornered the logistics and oil services market and has so far gained a 62 percent jump in revenue.

While the defense has been made that Halliburton is the only firm capable of such a job, it is important to note that Halliburton often acts as a middle man, meaning the U.S. military outsources tasks to a firm that outsources them further. Indeed, those who have seen the recent Halliburton commercials on TV, showing proud American employees serving happy soldiers, would be confused by who actually works at the firm's kitchens, usually third-world nationals flown in from places like Bangladesh and the Philippines. The contractor-subcontractor relationship has not always been a smooth one, with U.S. forces at risk of the consequences. In February, several of the subcontractor firms publicly complained that they had not been paid by Halliburton, despite its huge revenue stream, and threatened to cut off food service to U.S. troops until they were.

Other concerns in the military-support arena are overbilling and quality assurance. As anyone familiar with construction or home repair will attest, it is essential to have competition to determine the most efficient contractor at the best price; it is also essential to maintain oversight to prevent being bilked and getting shoddy work. In the military effort in Iraq, this basic function has largely been AWOL, mainly as a result of poor planning and the lack of military, as opposed to contractor, oversight funding. The contract management office in Baghdad, for example, originally had five personnel in charge of managing some \$18 billion in contracting. It later added nine more, leaving a still-daunting ratio of about \$1.3 billion in oversight per person, in the middle of probably the most confusing contract zone in history.

The result has been a series of snafus and suspected swindling, best captured by the weekly drumbeat of financial scandals that Rep. Henry Waxman, D-Calif., has unearthed about Halliburton contracts in Iraq. The allegations circling the firm ranged from charging for tens of thousands of meals never served to soldiers, to billing for inappropriate extras such as adding the firm's logo to hand towels. But Halliburton was far from the only firm about which these concerns were raised. An investigation by the Pentagon's

inspector general report found Pentagon procurement rules have not been followed in 22 of 24 deals awarded by the Defense Contracting Command for services in Iraq. One of the perhaps amusing examples was the U.S. taxpayer's purchase of a Hummer H2 (the über-expensive SUV familiar from rap music videos) for a SAIC program manager, which included payment for the charter of a DC-10 cargo jet to fly it to Iraq.

Military consulting firms represent another market sector and carry out a number of military advisory and training services. The responsibility of creating the post-Saddam police, paramilitary forces and army has been outsourced to various firms. The importance of this work is without dispute. The U.S. plan for disengagement from Iraq is dependent on the formation of such local forces, and for decades they will be the operation's institutional legacy.

DynCorp, a multibillion-dollar government services firm based in Reston, Va., is the major player in the police training program. The contract was originally awarded for \$50 million but could be worth as much as \$800 million. While the firm relies on the federal government for about 96 percent of its business (it spends more than a million dollars a year on lobbying and has written another dozen checks to the RNC in the last few years), it has a decided public relations problem stemming from the sex-trade scandal in the Balkans. Under two separate contracts in Bosnia and Kosovo, a number of its employees were implicated in sex crimes and the black-market arms trade, including its Bosnia site manager, who videotaped himself raping two young women. Because of a gap in the law, none were ever criminally prosecuted, and the whistleblowers in the incident (as opposed to the perpetrators) later sued the firm after they were fired. The firm has since set up an in-house screening program, which it hopes will avoid such incidents in the future.

## Erinys

is in charge of the program for setting up a paramilitary guard force for Iraq's oil fields, obviously key to starting up the economy. Given that it did not exist before the war, Erinys surprised many established firms in the industry by winning the \$39.2 million contract. Then, the firm raised eyebrows by importing many former South African soldiers and police who had worked for the old apartheid regime. However, the contract has gone well; since it took charge of operations, attacks on oil pipelines have declined. In little over four months Erinys trained, armed and deployed more than 9,000 Iraqi guards across the country. It plans to expand the force to nearly 15,000. Others credit not the raw numbers but the sensible payoff of local tribal leaders to protect the pipelines, much as what happened with the past regime.

Vinnell, MPRI and Nour USA have been engaged in training and equipping the new Iraq army, a task whose cost could reach as high as \$2 billion. Vinnell, a subsidiary of Northrop Grumman, is notable for being the only firm targeted by al-Qaida twice, having offices bombed in Saudi Arabia in 1996 and 2003. MPRI is a firm of primarily former U.S. Army officers, all the way up to four-star generals. The company's major client is training for the U.S. Army, but it has also worked on contracts in Croatia, Bosnia, Nigeria and Afghanistan. Nour's contract became particularly controversial when allegations surfaced that the firm was linked with neoconservative darling Ahmed Chalabi, the Iraqi exile leader many blame for the faulty intelligence used to whip up war sentiment in the United States. Despite having no operating history, the politically connected firm is alleged by its competitors to have beaten out more established firms by lowballing its contract by several hundred million dollars. The contract has since been suspended and is now being re-awarded, resulting in months of delay in the vital task of readying an Iraqi army. One U.S. Army contracting officer remarked to Jane's Defense Weekly, "I've been in Army contracting for 28 years and I've never heard of it happening like this."

In the shifting battlefield of Iraq, military support and military consulting have become more dangerous. Unlike the firms in such places as Bosnia or Kosovo, in Iraq these contractors have taken an increasing number casualties. While these roles had originally been contemplated to lie outside the battlefield, the front lines have become all-encompassing, bringing everyone under fire. For example, Thomas Cahill, the struggling Mississippi dairy farmer turned convoy truck driver captured by insurgents last week, was doing a job quite similar to, and no less dangerous than, that carried out by Pvt. Jessica Lynch. The only difference is that he is a private contractor and she was regular Army. In response to the reality of these dangers, many of these support contractors and consultants have armed themselves. With the U.S. military unwilling to provide weapons, many are now turning to the black market.

But the most dramatic and controversial expansion of PMF involvement is in the combat realm. Before Iraq, PMFs had fought in several combat zones, the most notable being Executive Outcomes' participation in the Sierra Leone and Angola wars. But Iraq is the first time that firms have played tactical roles alongside large numbers of U.S. troops in the field.

In Iraq, tactical PMFs, also known as military providers, play three key roles: They help defend key installations, protect key individuals such as Coalition Provisional Authority head Paul Bremer, and escort convoys. Each is obviously critical to the mission's success. If bases, buildings and other key installations are captured or destroyed, if key leaders like Bremer get killed, or if the supplies don't flow, then the operation collapses.

A listing of some 20 firms that offer such services is available from the State Department's [Iraq travel Web site](#), but curiously does not mention Blackwater. The same issues — the contractual process and the lack of oversight—suffuse this sector (in

one study of \$58 million in protection contracts let by the CPA, five of six contracts were no-bid). But the stakes are far higher than wasted taxpayer money.

Sometimes, these assignments are described euphemistically as "private security" to make them sound less military. But these are not private guards who stroll at the local shopping mall. They involve personnel with military skills and weapons who carry out military functions, within a war zone, against military-level threats. Custer Battles, for example, is a Virginia firm that has the airport security contract in Baghdad. Airport security in this context does not mean bored attendees standing by an X-ray machine, but rather former Green Berets and Ghurka fighters defending the airport from mortars, rockets and snipers.

In short, the roles performed by these firms entail the same risks or even greater ones than those faced by U.S. military forces. As fighting has spread, PMFs have been at the forefront. Blackwater, the firm that lost the four men in Fallujah, just days later defended the CPA headquarters in Najaf from being overrun by radical Shiite militia. The firefight lasted several hours, with thousands of rounds of ammunition fired, and Blackwater even sent in its own helicopters twice to resupply its commandos with ammunition and to ferry out a wounded U.S. Marine. The same night, Hart Group, Control Risks and Triple Canopy were all involved in pitched battles. Unfortunately, the Hart position was overrun. Abandoned by nearby Coalition forces, the firm's employees had to leave one of their comrades dead on a rooftop on which he and four colleagues had been fighting after their house had been captured.

The extent of these firms' combat role is largely off policymakers' radar screen. Not only is Congress woefully ignorant of the contracts that its budgets have paid for, but senior Pentagon officials are, at best, in self-denial about the depth of the outsourcing. When pressed on the issue at a news briefing just days after the Fallujah deaths, Defense Secretary Donald Rumsfeld's response was a prototypical nonsensical Rummyism.

Reporter: Why is the armed services privatizing armed security?

Rumsfeld: The armed services are not privatizing armed security.

Reporter: Those men were providing security for...

Rumsfeld: Society.

Reporter: A convoy.

Rumsfeld: The society is privatizing security.

Reporter: However you want to say it.

Likewise, discussions with high-ranking military officers reveal that many at the most senior levels have not factored what privatization means for operations on the ground. One high-ranking general involved in Iraq operations at the Pentagon had not even heard of the battles above, let alone the Blackwater firm, still contending that firms handled only secondary tasks like K.P. duty. Indeed, when the command staff of CENTCOM toured the Najaf battle site just hours after the heroic stand by the Blackwater employees, their briefing did not even mention the key role of the firm in saving the day.

In a field that often lacks transparency and sometimes includes shady characters, Blackwater is a firm with a reputation for professionalism; it has never had a major allegation of malfeasance leveled against it. Perhaps not coincidentally, it is also one of the few that has opened up its facilities to the press.

Blackwater was originally located in the military training sector and got its start in 1996. Founded by an ex-Navy SEAL, Gary Jackson, the firm has a 5,200-square-acre facility located in tiny Moyock, N.C. Moyock may be in the heart of North Carolina's Great Dismal Swamp, but it is just 25 miles south of Norfolk Naval Base. Blackwater's facility is the largest privately owned

firearms training complex in the nation, and many consider it to have the best tactical shooting program. More than 50,000 personnel have gone through its training, and experts ranging from SEALs to SWAT teams (the World SWAT Challenge is held onsite) laud its facilities. In the current threat environment, the firm has focused on anti-terrorism programs, such as signing a \$35 million contract to train more than 10,000 U.S. Navy sailors in force protection.

When the company was founded, Jackson described the business endeavor as like playing "roulette, a crapshoot." But the firm soon thrived. It later added an overseas contingent and started offering private military personnel for hire, primarily to the U.S. government. As Jackson discussed with the Guardian newspaper of London, "We have grown 300 percent over each of the past three years and we are small compared to the big ones. We have a very small niche market; we work towards putting out the cream of the crop, the best."

Although the firm started out employing ex-American military, primarily from the Special Forces, growing demand has led it to look to other and often cheaper labor sources. The firm reports that 30 percent of its current personnel do not have military training, usually being former policemen. In February, it hired some 60 former Chilean soldiers from the Red Tactica firm, offering them contracts worth around \$4,000 a month to guard oil facilities in Iraq from insurgent attack. Concerns were raised that many of them had a history with the Pinochet regime. Michelle Bachelet, Chile's defense minister, questioned "whether paramilitary training by Blackwater violated Chilean laws on the use of weapons by private citizens" and ordered an investigation. Jackson responded, "We scour the ends of the earth to find professionals—the Chilean commandos are very, very professional."

By the time of the lethal Fallujah incident, Blackwater had expanded significantly and reported that it had 450 personnel on the ground in Iraq (a far different number from the "five to six" one Pentagon general I

spoke with thought the firm employed). Plans were in the works to create a training facility for Iraqi forces, parallel to the Moyock one, at a former Iraqi Air Force Base outside Baghdad. Its most visible operation was a \$21 million, noncompetitively awarded contract to protect CPA head Paul Bremer. It provided for his security, as well as two helicopters for transport. So, while the U.S. president, U.S. senators, and U.S. generals have official security and transport, in the Iraq War zone, the top U.S. official does not.

The contingent outside Fallujah had some 20 armed personnel whose primary task was reportedly the protection of logistics convoys, manned by another contractor. This involved escorting trucks carrying food, kitchen equipment and personnel for Regency Hotel and Hospitality. Regency is a subcontractor of Eurest Support Services (ESS), which in turn is a division of the Compass Group, the world's largest food service company. In Iraq, the firm feeds the troops at more than a dozen U.S. base camps.

There is no defining background or single reason why someone enters the private military job market. Typically, some mix of three motivating factors applies: mission, money and personal considerations.

Private military employees often see their jobs as an extension of their public service in the military. They usually have a great deal of pride and patriotism in what they do, and see themselves not just on a business outing but in an endeavor bigger than themselves. This is particularly so in Iraq, where many see themselves as playing a greater part in the war on terrorism (clearly, the patriotic impulse is not as strong for third-party nationals). Retired U.S. military personnel often describe this as their way to get back into the fight.

There is also the related sense of military community and camaraderie that continues into the private sector. It may be a business, but it is a realm where one's former rank and experience still matter, as opposed to the regular corporate world. Loyalty to one's colleagues also is important.

Few will deny that another key draw is the pay. "Doing this kind of work for a year means some people have enough to retire on. Iraq is something of a gold mine at present," says Duncan Bullivant, the head of the British firm Henderson Risk. "The profit margin is incredibly high, way in excess of the risk factor."

Soldiers within the private military field typically make between two to 10 times what they make with their home-state military. Much as in regular industry, those at the higher end have an elite background, except that in the PMF world, having been in a Green Beret, SEAL or Special Air Service unit supplants being an Harvard or Wharton MBA as a point of distinction. The industry also mirrors global business, in that pay scales back home still matter significantly. So, while a former Green Beret can make up to \$1,000 a day in Iraq, a Nepalese Ghurka is paid in the range of \$1,000 a month.

Such income opportunities are hard to turn down, particularly in comparison to the meager pay that soldiers often get within the military. It is also at the heart of a growing controversy: How does the industry's growth affect retention within the military?

This challenge is different from the age-old problem of skilled professionals departing for better-paying civilian careers. Unlike a pilot who retires to go work for an airline, soldiers within the private military industry stay within the same sphere and, indeed, their firms often directly contract back with the military. The military not only prematurely loses the human capital investment it originally made in training soldiers, but then sees these exact skills billed back, at higher rates.

While it is too soon to tell how this all will shake out, it is known that special forces in Australia, Britain and the United States have all grown anxious at the increasing number of early retirements among its most skilled personnel, who depart for the PMF industry. As an illustration, there are reportedly more ex-SAS soldiers working for PMFs in Iraq now than currently serve in the entire elite British force. Indeed, the SAS has been forced to

recruit for the very first time in its history, while U.S. Army Special Forces have been compelled to begin recruiting directly from the civilian population. Troubled by this development, the Pentagon recently convened a special working group of senior NCOs to examine how to stem the outflow from Special Forces.

The concern over labor poaching also might affect the National Guard and Reserves, already under incredible pressure to bolster retention. A number of reservists in California recently returned from Iraq were approached by private military firms dangling offers worth more than \$120,000, most of it tax free, to return and carry out the same jobs. A particularly alluring selling point made by the firms was that the reservists' finances were in shambles after being gone a year and many had lost their old civilian jobs in the interim.

Finally, individuals may be drawn into this industry for any number of personal reasons. The industry presents perhaps the easiest and simplest transition for ex-soldiers, and as many note, "It beats working at McDonald's." Others may be drawn to the career by comparative excitement and adventure. As one former Marine recon officer notes, "We're adrenaline seekers, passionate about freedom and serving our country." Even family issues can come into play. I have met contractors who confessed they simply wanted a year away from their wives' nagging and others who were looking to escape the recent loss of loved ones.

The four men killed in Fallujah were professionals who had gained these jobs on the basis of their prior special forces expertise. Three had served in the U.S. Army and the fourth in U.S. Navy. Some had gone to work for the industry directly after their military service, while others had turned to the industry several years later. The L.A. Times described one of those killed, 38-year-old former SEAL Stephen "Scott" Helvenston, as "Hollywood's image of a soldier, blond, bronzed and broad shouldered." In fact, Helvenston had helped solidify that image, working as a trainer and stunt man for such movies as "Face/Off" and "G.I. Jane" and appearing

on two reality series, "Man vs. Beast" and "Combat Missions," produced by "Survivor" creator Mark Burnett.

Helvenston ran his own fitness video business before going over to Iraq just two weeks ago before the attack.

Keith Woulard, a former SEAL who had worked with Helvenston as an instructor at the Navy's Basic Underwater Demolition School in Coronado, Calif., commented, "A lot of people are saying, 'Do you think he went over there for the money?' Of course he did. But that wasn't his main goal. It was to go over there and help out and put his knowledge to use."