

MEMORANDUM

October 22, 2007

To: Members of the Committee on Oversight and Government Reform

Fr: Chairman Henry A. Waxman

Re: Evidence of Tax Evasion by Blackwater

New documents suggest that Blackwater has engaged in significant tax evasion, failing to withhold and pay millions of dollars in Social Security, Medicare, unemployment, and related taxes, and sought to conceal its conduct from Congress and law enforcement officials.

These documents are described in a letter I sent to Eric Prince, the Chairman of the Prince Group, which owns Blackwater. For your convenience, both the letter and the documents are available on the Committee's web site at www.oversight.house.gov.

The Committee's web site encourages individuals with knowledge of potential tax evasion involving Blackwater or other federal contractors to contact the Committee's tip line at: www.oversight.house.gov/contact/tiplines/wastefraudabuse.asp.