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Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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October 19, 2007

Mr. Erik Prince
Chairman
The Prince Group
1650 Tysons Boulevard, Suite 800
McLean, VA 22102

Dear Mr. Prince:

Thank you for testifying before the Committee on October 2, 2007. As I mentioned during the hearing, I am writing to follow up and to request additional documents regarding Blackwater's work in Iraq and Afghanistan.

Requests for Information About Blackwater's Contracts

During the October 2 hearing, you testified that both Blackwater's 2003 contract with the Coalition Provisional Authority (CPA), worth \$117 million, and Blackwater's first contract with the State Department in 2004, for which Blackwater was ultimately paid \$488 million, were competitively bid. As you stated, the federal government chose Blackwater as a bid contract "off the GSA Schedule."¹

Later in the hearing, however, the Committee learned that in fact both contracts were awarded with no competition. With respect to Blackwater's 2003 CPA contract, you corrected your testimony and told the Committee that the contract award was in fact "sole-source." In the second panel, William Moser, the Deputy Assistant Secretary of State for Logistics Management, told the Committee that Blackwater's 2004 State Department contract was also sole-source.²

¹ Testimony of Erik Prince, *Hearing of the House Committee on Oversight and Government Reform: Blackwater USA: Private Military Contractor Activity in Iraq and Afghanistan* (Oct. 2, 2007).

² Testimony of William Moser, *Hearing of the House Committee on Oversight and Government Reform: Blackwater USA: Private Military Contractor Activity in Iraq and Afghanistan* (Oct. 2, 2007).

Please provide the Committee with the following information relating to these two contracts:

1. All documents related to the award of the 2003 CPA contract and the 2004 State Department contract to Blackwater, including:
 - a. Blackwater's contract proposals;
 - b. The sole-source justifications and approvals;
 - c. The memoranda of negotiation;
 - d. Any cost analysis performed by the contracting agencies;
 - e. Any information demonstrating Blackwater's capacity to perform the work required under the contracts;
 - f. All communications regarding the 2003 CPA contract between Blackwater officials or representatives and CPA or other federal officials prior to the award of the 2003 CPA contract; and
 - g. All communications regarding the 2004 State Department contract between Blackwater officials or representatives and State Department or other federal officials prior to the award of the 2004 State Department contract;
2. The annual amount paid to Blackwater under each of Blackwater's government contracts from 1997 to 2007;
3. For each year since 2001, and for the Prince Group and all affiliated companies, the following information:
 - a. Each company's total annual profit;
 - b. Each company's total annual profit from all government contracts;
 - c. Each company's total annual profit under the CPA and WPPS II contracts; and
 - d. Each company's total annual profit from "Short Take Off and Landing" contracts with the government;
4. An itemized list of your total annual income derived from Prince Group entities, including any salary, bonuses, or other payments for each year since 2001;
5. For Blackwater's current WPPS II contract in Iraq, the following information:
 - a. The daily rate Blackwater charges the U.S. State Department for a single Blackwater security contractor;
 - b. A breakdown of how funds paid for these services are used by Blackwater, including but not limited to salary, equipment costs, and profit;
 - c. The daily rate paid to a Blackwater security contractor; the average annual number of days worked, and average annual salary of a Blackwater security contractor; and

6. Any documents comparing the cost of hiring Blackwater personnel versus U.S. military personnel or State Department personnel to perform personal security services for the U.S. State Department in Iraq.

Requests for Information About the Christmas Eve Shooting

During your testimony, you were asked about the December 24, 2006, shooting of a guard of the Iraqi Vice President by a Blackwater employee who has since been identified in media reports as Andrew Moonen.³ Committee members asked what steps Blackwater took as a result of this incident. You testified that Blackwater “fired him. We fined him. But we as a private organization can’t do any more. We can’t flog him. We can’t incarcerate him.”⁴ In fact, it was later revealed at the hearing that Blackwater had not fined Mr. Moonen but instead had simply withheld bonuses and back pay.⁵

On October 5, 2007, CNN reported that in February 2007, Mr. Moonen was hired by Combat Support Services Associates (CSA), a Defense Department contractor, to work in Kuwait through August 2007. According to this report, “Because the State Department and Blackwater kept the incident quiet and out of Moonen’s personnel records, CSA was unaware of the December incident when it hired Moonen.”⁶ This report also stated that in April 2007, the U.S. Army tried to call Mr. Moonen, a veteran of the 82nd Airborne Division, back to active duty, but cancelled the request upon learning that he was already overseas.⁷

I request that you provide the Committee with all documents related to the Blackwater’s response to the December 24, 2006 incident, including:

7. All documents relating to Blackwater’s efforts to notify government entities, other contractors, or others in a position to hire or contract with Mr. Moonen for work relating to the Iraq War of Mr. Moonen’s involvement in the Christmas Eve shooting;

³ E-Mail from Charge d’Affaires, to Regional Security Officer (Dec. 25, 2006).

⁴ Testimony of Erik Prince, *Hearing of the House Committee on Oversight and Government Reform: Blackwater USA: Private Military Contractor Activity in Iraq and Afghanistan* (Oct. 2, 2007).

⁵ Testimony of Erik Prince, *Hearing of the House Committee on Oversight and Government Reform: Blackwater USA: Private Military Contractor Activity in Iraq and Afghanistan* (Oct. 2, 2007).

⁶ *Contractor Involved in Iraq Shooting Got Job in Kuwait*, CNN.com (Oct. 5, 2007).

⁷ *Id.*

8. All documents relating to Blackwater's efforts to respond to any inquiries from Combat Support Associates, government entities, or contractors that considered hiring or contracting with Mr. Moonen;
9. All documents relating to Blackwater's efforts to cancel the security clearances of Mr. Moonen;
10. The daily salary and total amount paid by Blackwater to Mr. Moonen; and
11. The profit earned by Blackwater through Mr. Moonen's work.

Requests for Information About Blackwater Payments to Victims

According to documents produced to the Committee by the State Department, on multiple occasions Blackwater made payments to compensate the families of Iraqis who were killed by Blackwater personnel. You testified that you had discussed the sum to be given to the family of at least one Blackwater victim with "State Department officials."

Please provide the Committee with the following information:

12. All documents related to any payments to compensate Iraqis or the families of Iraqis injured or killed by Blackwater personnel, including all communications regarding the negotiations on and determination of the amount of compensation;
13. For every incident for which Blackwater either directly or indirectly made payments to compensate Iraqis or the families of Iraqis injured or killed by Blackwater personnel, please provide the Committee with information sufficient to determine:
 - a. The date of each payment;
 - b. The amount of each payment;
 - c. The identity of each recipient;
 - d. A description of the incidents leading to each payment; and
 - e. Any sanctions imposed by Blackwater or any governmental entity upon the personnel responsible for the incident.

Requests for Information About Additional Incidents

During your testimony, you stated that Blackwater “performs only defensive security functions.”⁸ You also stated, “An incident occurs typically when our men fear for their life, they’re not able to extract themselves from the situation, they have to use sufficient defensive fire to get off the X, to get off that place where the bad guys have tried to kill Americans that day.”⁹

In response to previous requests from the Committee, Blackwater has provided information about specific incidents. However, other incidents have come to the Committee’s attention about which Blackwater has provided little or no information. For this reason, I reiterate my earlier request for the following information:

14. All incident reports, investigative reports, and other documents relating to all incidents involving security contractor personnel including:
 - a. All incidents involving the discharge of firearms by or against Blackwater personnel in Iraq and Afghanistan, including but not limited to incidents which resulted in injury, death, or damage to property;
 - b. All incidents involving improper or unprofessional behavior by Blackwater personnel in Iraq and Afghanistan, including all incidents resulting in termination or other disciplinary action against security contractor personnel; and
 - c. All incidents in Iraq and Afghanistan that could reflect negatively on the Blackwater or its clients, including all incidents that led to complaints or allegations of misconduct by Blackwater personnel;
15. All incident reports, investigative reports, and other documents relating to the following incidents:
 - a. A May 2004 incident described in the *Los Angeles Times* in which a Blackwater convoy pulled into oncoming traffic, fired on a vehicle that was approaching, and killed one of the passengers in the back seat.¹⁰

⁸ Testimony of Erik Prince, *Hearing of the House Committee on Oversight and Government Reform: Blackwater USA: Private Military Contractor Activity in Iraq and Afghanistan* (Oct. 2, 2007).

⁹ Testimony of Erik Prince, *Hearing of the House Committee on Oversight and Government Reform: Blackwater USA: Private Military Contractor Activity in Iraq and Afghanistan* (Oct. 2, 2007).

¹⁰ Miller, T. Christian, *Blood Money: Wasted Billions, Lost Lives, and Corporate Greed in Iraq* (Aug. 2006).

- b. A June 25, 2005, incident described by the State Department in which a Blackwater team on a mission in Al-Hillah killed an Iraqi man, who received a fatal shot to the chest.¹¹
- c. A 2006 incident described by *Newsweek* in which a Blackwater vehicle collided with an Army Humvee inside the Green Zone and Blackwater personnel reportedly drew their weapons on the US soldiers, disarmed them, and “made them lie on the ground at gunpoint until they could disentangle the SUV.”¹²

Miscellaneous Requests for Information

According to a military official who has contacted the Committee, in 2005 Blackwater attempted to transport at least two Iraqi military aircraft out of Iraq. The official stated that the Iraqi Ministry of Defense attempted to reclaim the aircraft, but that Blackwater would not comply. Please provide the Committee with the following information:

- 16. All documents related to efforts by Blackwater to remove Iraqi aircraft from Iraq and the current whereabouts of such aircraft.

Conclusion

Please provide the documents requested in this letter no later than Friday, November 2, 2007. All presently unclassified documents should be produced directly to the Committee without delay. If any responsive documents are presently classified, please contact Committee staff to arrange for prompt delivery under appropriate procedures.

The Committee on Oversight and Government Reform is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. Enclosed with this letter are instructions on how to respond to the Committee’s document request.

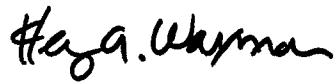
¹¹ State Department E-Mail re: From RSO Al-Hillah (July 1, 2005).

¹² *Blackwater is Soaked: An Arrogant Attitude only Adds Fuel to the Criticism*, *Newsweek* (Oct. 15, 2007).

Mr. Erik Prince
October 19, 2007
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If you have any questions, please contact Theodore Chuang or Christopher Davis of the Committee staff at (202) 225-5420.

Sincerely,

A handwritten signature in black ink, appearing to read "H.A. Waxman". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Henry A. Waxman
Chairman

Enclosure

cc: Tom Davis
Ranking Minority Member