

**CONTRACTING IN A COUNTERINSURGENCY: AN
EXAMINATION OF THE BLACKWATER-
PARAVANT CONTRACT AND THE NEED FOR
OVERSIGHT**

HEARING
BEFORE THE
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE
ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION

FEBRUARY 24, 2010

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CONTRACTING IN A COUNTERINSURGENCY: AN EXAMINATION OF THE BLACKWATER- PARAVANT CONTRACT AND THE NEED FOR OVERSIGHT

WEDNESDAY, FEBRUARY 24, 2010

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9:35 a.m., in room SH-216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Ben Nelson, McCaskill, Begich, Burris, McCain, LeMieux, and Burr.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Joseph M. Bryan, professional staff member; Ilona R. Cohen, counsel; Howard H. Hoege III, counsel; and Peter K. Levine, general counsel.

Minority staff members present: Joseph W. Bowab, Republican staff director; John W. Heath, Jr., minority investigative counsel; and David M. Morriss, minority counsel.

Staff assistants present: Kevin A. Cronin, Christine G. Lang, and Breon N. Wells.

Committee members' assistants present: James Tuite, assistant to Senator Byrd; Ann Premer, assistant to Senator Senator Ben Nelson; Gordon I. Peterson, assistant to Senator Webb; Tressa Steffen Guenov, assistant to Senator McCaskill; Lindsay Kavanaugh, assistant to Senator Begich; Roosevelt Barfield, assistant to Senator Burris; Jason Van Beek, assistant to Senator Thune; Brian Walsh, assistant to Senator LeMieux; and Kevin Kane, assistant to Senator Burr.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody.

A primary objective of our effort in Afghanistan is to strengthen Afghanistan's government and security forces so they can take the lead in securing their nation. The President has ordered the deployment of approximately 30,000 additional U.S. troops to help achieve our goals in Afghanistan. While most attention has understandably been focused on those 30,000 troops and their mission, insufficient attention has been paid to the more than 100,000 contractor personnel who are operating in Afghanistan. From training Afghan National Security Forces (ANSF) to guarding our forward

operating bases, contractor personnel perform mission-critical tasks.

While we distinguish between American servicemembers and contractor personnel, Afghan civilians often do not. As John Nagl and Richard Fontaine of the Center for New American Security put it, "Local populations draw little or no distinction between American troops and the contractors employed by them; an act committed by one can have the same effect on local or national opinion as an act carried out by the other."

In the fight against the Taliban, the perception of us by the Afghans is crucial. As General McChrystal said in August of last year, "The Afghan people will decide who wins this fight, and we are in a struggle for their support." If we are going to win that struggle, we need to know that our contractor personnel are adequately screened, supervised, and held accountable because the Afghan people will hold us responsible for their actions.

Most contractor personnel act responsibly and within the rules to help us execute the mission, often at great risk to their own safety. Today's hearing, however, will examine contract activities which fell far short of our requirements.

In the fall of 2008, the company called Paravant entered into a subcontract with Raytheon to perform weapons training for the Afghan National Army (ANA). I emphasize the words weapons training. I am going to use the names Blackwater and Paravant interchangeably, as there is no meaningful distinction between the two. According to former Paravant Vice President Brian McCracken, who is with us here this morning, Paravant and Blackwater were "one and the same." He said Paravant was created in 2008 to avoid the "baggage" associated with the Blackwater name.

It has been widely reported that on May 5, 2009, two men working for Paravant in Afghanistan fired their weapons killing two Afghan civilians. The commanding general for the Combined Security Transition Command-Afghanistan (CSTC-A), then-Major General Richard Formica, said that it appeared that the contractor personnel involved in the May 5, 2009, shooting had "violated alcohol consumption policies, were not authorized to possess weapons, violated use of force rules, and violated movement control policies."

According to the Department of Justice (DOJ), the May 5, 2009, shooting impacted "the national security interests of the United States."

One media report said the shooting turned an entire neighborhood against U.S. presence and quoted a local elder saying, "If they keep killing civilians, I'm sure some Afghans will decide to become insurgents."

While the May 5, 2009, incident is widely known, our investigation focused on what has not been adequately looked at, which is the environment that led up to that May 5, 2009, incident. That environment gave rise to a reckless shooting in December 2008 that seriously injured a Paravant trainer. Our investigation also uncovered significant evidence of Blackwater's disregard for rules governing the acquisition of weapons in Afghanistan and a failed personnel vetting process that resulted in weapons being placed in the hands of people who should not have been hired.

This morning, we will also hear about failures in U.S. Government oversight that allowed these problems to fester.

On December 9, 2008, 5 months before the May 5, 2009, shooting, a Paravant training team working at Camp Darulaman was conducting unauthorized activities with AK-47s when, according to Paravant Program Manager Johnnie Walker, who is with us here this morning, the team leader, on that unauthorized activity, decided to get on the back of a moving vehicle with a loaded AK-47 and "ride it like a stagecoach." The vehicle hit a bump and the team leader's AK-47 discharged, shooting another Paravant trainer in the head and seriously injuring the man, who then was flown to Germany a few days later partially paralyzed.

The reckless disregard for weapon safety is particularly striking, given that Paravant was hired to teach the ANA how to safely use their weapons. At the time of the shooting, the men were not engaged in anything relating to the training for which they were hired. There were no Afghans present on that training exercise.

The next day, a report of the shooting, apparently written by Mr. Walker, was emailed to Steven Ograyensek, also present, who is a contracting officer at the Program Executive Office, Simulation, Training and Instrumentation (PEO STRI). That office is responsible for several contracts relating to the training of the ANSF.

The report identified the "immediate and contributing causes" of the shooting as "operating equipment improperly or without authority" and "improper technique." The report also indicated that the "policies, procedures, and plans were not followed," and that "safety training was not followed." But it also indicated—and here I am quoting from this report—that members of the training team at Camp Dubs, which was the nickname for that camp, were "conducting routine training." In the comment section, the report said that "the accident occurred during a normal training evolution and normal range safety procedures were in place at the time of the accident."

This incident is indicative of an environment at Paravant, with Dubs, and that was shown by a senior Blackwater executive, Jim Sierawski, who later acknowledged that in that environment there was "no regard for policies, rules, or adherence to regulations in country." That is at Tab 2 of the exhibits before us.

The report written by Mr. McCracken is at Tab 4.

The report sent to PEO STRI, and the contracting office there, failed to set off alarm bells or even produce a response. In fact, PEO STRI only became aware of this report in an October 2009 meeting with our staff. If the incident had been properly investigated, it would have become obvious that Paravant personnel were using weapons in a reckless manner, with inadequate supervision, and carrying weapons they were not authorized to carry. If corrective actions had been taken in December 2008, the May 2009 shooting possibly could have been avoided.

Now, where did Blackwater get the AK-47s? One of our most important missions in Afghanistan is training and equipping the ANSF so that they can take the lead in securing their own country. The Afghan National Police (ANP) store weapons and ammunition at a depot called Bunker 22, a U.S.-operated facility near Kabul. A November 19, 2009, letter from Central Command (CENTCOM)

Commander David Petraeus, states, “There is no current or past policy, order, directive, or instruction that allows U.S. military contractors or subcontractors in Afghanistan to use weapons stored at 22 Bunkers” [Tab 8]. Again, those weapons were for the Afghan National Police (ANP).

Despite having no authority to do so, Blackwater acquired AK-47s from Bunker 22 to arm its personnel and distributed them to personnel among various Blackwater operations in Afghanistan [Tab 15]. In total, Blackwater acquired several hundred weapons from Bunker 22, including more than 500 AK-47s.

J.D. Stratton, Blackwater’s armorer, and Ricky Chambers, Blackwater’s Afghanistan country manager, were both involved in the acquisition of weapons from Bunker 22. Both men have refused to appear voluntarily this morning and have said to us through their attorneys that they would invoke the Fifth Amendment right against self-incrimination if we subpoenaed them [Tabs 34 and 35].

Now, who are the personnel that Blackwater entrusted the weapons to? The company’s proposal said that Blackwater had a “robust recruiting and rigorous screening process” to identify and vet the most qualified candidates and carefully check them for “character, integrity, reliability, and professionalism.”

[The information referred to follows:]

[Information retained in committee files.]

Chairman LEVIN. The records of Christopher Drotleff and Justin Cannon, who are the two Paravant personnel who have been indicted for the May 5, 2009, shooting, show that the company fell far short of that or any reasonable standard for vetting personnel.

A recent court order said that Mr. Drotleff’s military record included assault, insubordinate conduct, absence without leave, larceny, and wrongful appropriation. Mr. Drotleff’s criminal record, after his discharge from the military, included convictions for assault, battery, resisting arrest, and drunk driving. In ordering that Mr. Drotleff be detained pending his trial, that court referenced his “extensive criminal history” and “propensity for violence.”

A January 15, 2010, Associated Press report noted that Justin Cannon, who is the other man indicted for the May 2009 shooting, was discharged from the U.S. military after he was absent without leave and tested positive for cocaine.

Back in September 2006, Blackwater fired another Paravant trainer, Sebastian Kucharski, and placed him on its own “do not use” list for an alcohol-fueled incident that ended in a fight with another contractor [Tab 18]. Blackwater’s own computer records state do not hire this man, do not use Mr. Kucharski. Despite that, Mr. Kucharski was hired by Paravant in 2008 and worked for the company in Afghanistan until he was fired again in May 2009 for another altercation, this time with a military person.

After the May 2009 shooting incident, Raytheon issued a show-cause notice to Paravant for, among other things, failing to exercise “sufficient command, control, and oversight of its personnel” [Tab 20]. Paravant’s response stated that “if [Raytheon] believes that Paravant has an obligation to supervise all subcontractor personnel at all times . . . Paravant will need to submit a request for equitable adjustment for the additional personnel, security, and other costs

of providing such 24/7 supervision throughout Afghanistan” [Tab 21]. Now, I believe the company’s attempt to absolve itself of responsibility for supervising its own personnel is flat-out unacceptable.

Government oversight was also lacking. Army contracting personnel at PEO STRI said that one way they monitored the contractor’s performance was from their office in Florida, and that was by checking in with Colonel Wakefield at CSTC–A in Kabul. However, Colonel Wakefield, who is also with us this morning, told the committee that Task Force (TF) Phoenix, a subordinate command, had oversight responsibility. Even after the May 2009 incident, a review of policies at Camp Alamo uncovered continuing “uncertainty” as to what “authorities and responsibilities are over contractors,” including “disciplinary issues” [Tab 25].

In a November 2009 memo on the mission in Afghanistan, General McChrystal said that “the people are the prize” and that “every interaction with the population, whether positive or negative, influences the Afghans’ perception.”

The contractors hired to support our mission must understand the need to act accordingly and be held accountable. The support of individuals and communities all over Afghanistan are at stake. Irresponsible acts by contractor personnel can hurt the mission and put our troops in harm’s way.

The examination that we have conducted of Blackwater-Paravant operations revealed multiple irresponsible acts and troubling gaps in government oversight. There are over 100,000 Department of Defense (DOD) contractor personnel operating in Afghanistan. If we fail to make sure that contractors like Blackwater play by the rules and live up to their commitments, we will be doing a disservice to our troops by making their already difficult and dangerous job even more so.

As to Blackwater-Paravant: Their personnel engaged in a reckless use of weapons. They violated the command’s rules regarding obtaining and carrying weapons. Their vetting of personnel was not only sloppy, but also dangerous.

The Army had inadequate oversight of the Paravant contract and their operations. Had the contracting officer of the Army stepped in back in December 2008, when the first reckless shooting occurred, the May 2009 incident, which DOJ prosecutors have said negatively impacted our national security interests, could possibly have been avoided.

Now, in addition to these remarks, I’m going to be putting the lengthy statement, which I have written, in the record, along with supporting materials.

[The prepared statement of Senator Levin follows:]

PREPARED STATEMENT BY SENATOR CARL LEVIN

President Obama has said that a primary objective of our effort in Afghanistan is to strengthen Afghanistan’s government and security forces so that they can take the lead in securing their nation. The President has ordered the deployment of approximately 30,000 additional U.S. troops to help achieve our goals in Afghanistan. While most attention has understandably been focused on those 30,000 troops, attention also needs to be paid to the thousands of contractor personnel who are operating in Afghanistan. From training Afghan National Security Forces (ANSF) to guarding our forward operating bases, contractor personnel are performing mission-critical tasks. According to U.S. Central Command (CENTCOM), in the last quarter

of fiscal year 2009 alone, the number of Department of Defense (DOD) contractor personnel increased by 30,000, bringing the total number in Afghanistan to more than 100,000.

While we distinguish between American servicemembers and contractor personnel, Afghan civilians often do not. As John Nagl and Richard Fontaine of the Center for New American Security put it: “local populations draw little or no distinction between American troops and the contractors employed by them; an act committed by one can have the same effect on local or national opinion as an act carried out by the other.”

In the fight against the Taliban, the perception of Afghans is crucial. As General Stanley McChrystal said in August of last year “the Afghan people will decide who wins this fight, and we ... are in a struggle for their support.” If we are going to win that struggle, we need to know that our contractor personnel are adequately screened, supervised, and held accountable—because in the end the Afghan people will hold us responsible for their actions.

Most contractor personnel act responsibly and within the rules to help us execute the mission, often at great risk to their own safety. Today’s hearing, however, will explore contract activities which fell far short of our requirements.

In the fall of 2008, a company called Paravant entered into a subcontract with Raytheon Technical Services Company to perform weapons training for the Afghan National Army (ANA). The statement of work governing Paravant’s performance was developed by the Combined Security Transition Command-Afghanistan (CSTC-A) and contracted out by the U.S. Army’s Program Executive Office Simulation Training and Instrumentation (PEO STRI) to Raytheon.

Paravant was created in 2008 by Erik Prince Investments (the company which is now named Xe). I’m going to use the names “Blackwater” and “Paravant” interchangeably. I do that for clarity as there is no meaningful distinction between the two. At the time Paravant was awarded its one and only subcontract, it had no employees. In Afghanistan, the company operated under Blackwater’s license and shared a bank account with Blackwater. Former Paravant Vice President Brian McCracken reported to Blackwater personnel. According to Mr. McCracken, Raytheon paid Blackwater for services rendered by Paravant and Paravant relied on Blackwater for its billing. Paravant and Blackwater were “one and the same,” according to Mr. McCracken, and he added, Paravant was only created to avoid the “baggage” associated with the Blackwater name.

It has been widely reported that on May 5, 2009, Justin Cannon and Christopher Drotleff, two men working for Paravant in Afghanistan, fired their weapons, killing two Afghan civilians and injuring a third. In reviewing the Army’s investigation of the incident, then-CSTC-A Commanding General Richard Formica said that it appeared that the contractor personnel involved had “violated alcohol consumption policies, were not authorized to possess weapons, violated use of force rules, and violated movement control policies” [Tab 1]. According to the Department of Justice prosecutors, the May 5, 2009 shooting “caused diplomatic difficulties for U.S. State Department representatives in Afghanistan” and impacted “the national security interests of the United States.” According to one media report, the shooting “turned an entire neighborhood against the U.S. presence” and quoted a local elder as saying, “if they keep killing civilians, I’m sure some Afghans will decide to become insurgents.”

On January 6, 2010, Mr. Cannon and Mr. Drotleff were indicted on firearm and homicide charges for their involvement in the May 5th shooting. Responsibility for litigating those charges is with the Department of Justice. Today’s hearing will focus on Blackwater-Paravant’s conduct and operations in Afghanistan. As acknowledged by a Blackwater senior executive after the May 5th shooting, an environment was created at Paravant which had “no regard for policies, rules, or adherence to regulations in country” [Tab 2].

Our investigation dug into the events that occurred before the May 5th shooting. We will hear how that environment developed and also discuss failures in U.S. Government oversight that allowed it to persist. In particular, we will hear about Blackwater personnel’s reckless use of weapons, its disregard for the rules governing the acquisition of weapons in Afghanistan, and failures in the company’s vetting process that resulted in those weapons being placed in the hands of people who never should have possessed them.

SHOOTING INCIDENT IN DECEMBER 2008

Five months before the May 5, 2009 shooting, there was another tragic shooting involving Paravant personnel. The shooting took place on December 9, 2008 at the range at Camp Darulaman during totally unauthorized activities.

Paravant Program Manager Johnnie Walker told committee staff that on December 9, 2008, the Paravant training team working at Camp Darulaman decided that it was “going to learn how to shoot” from a vehicle when, in what Walker described as a “wild idea,” the training team leader decided to get on the back of a moving car with a loaded AK-47 and “ride it like a stagecoach.” The vehicle subsequently hit a bump, causing the team leader’s AK-47 to discharge, seriously injuring one of the Paravant trainers on his team. The reckless disregard for weapons safety is particularly striking given that he and his team were hired for the specific purpose of teaching the ANA how to safely use their weapons.

In a memo to then-Paravant’s Vice President Brian McCracken on December 10, 2008, Walker said “everyone on the team showed poor judgment” by allowing the unauthorized activities and “should share some fault in the incident” [Tab 3]. While Russell Cannon, the team leader who shot his colleague was fired, the entire team was not fired despite their “fault in the incident.”

On the same day the shooting occurred, Paravant reported the incident to Raytheon, which in turn filed a report in a system used by the Army’s PEO STRI to monitor the Raytheon contract. The report identified the “immediate and contributing causes” of the shooting as: “Operating equipment improperly or without authority” and “improper technique.” The report also indicated that “policies/procedures/plans were not followed,” and that “safety training [was] not followed” [Tab 4]. The same report was emailed to Steven Ograyensek, the contracting officer with responsibility for the Raytheon contract at PEO STRI, on December 10, 2008. Paravant Program Manager Johnnie Walker also spoke to Colonel Wakefield, the Chief of Training and Education for the ANSF at CSTC-A, about the incident.

The report showing the reckless use of an unauthorized weapon failed to set off alarm bells at PEO STRI. In fact, PEO STRI apparently only learned that they had been sent Paravant’s report of the shooting when asked about it by committee staff in an October 19, 2009 meeting. Colonel Wakefield has also said that Paravant personnel should not have been carrying weapons, but there is no indication that CSTC-A investigated the shooting.

If the shooting had been investigated, PEO STRI would have seen that Paravant personnel were using weapons improperly and unsafely, with inadequate supervision, and that they were carrying weapons that they weren’t even supposed to have. If corrective actions had been taken in December, the May 2009 shooting could have been avoided.

DISREGARD FOR RULES ON WEAPONS

Blackwater operated in Afghanistan without sufficient oversight or supervision and with almost no consideration of the rules it was legally obligated to follow. The means by which Blackwater acquired weapons for its contractor personnel in Afghanistan showed just how little regard company personnel had for those rules.

Just 2 days before the December 9, 2008 shooting in which a Paravant team leader recklessly discharged his AK-47, Blackwater had distributed AK-47s to Paravant personnel who weren’t authorized to have them.

Blackwater initially furnished Paravant personnel with pistols diverted from Blackwater’s contract with Lockheed Martin. According to emails, the weapons belonged “to a title 10 contract not associated with Paravant” [Tab 5]. Documents suggest that Blackwater senior managers knew that diverting the weapons from that other subcontract to the Raytheon subcontract was unauthorized. On top of that, Blackwater personnel distributed the pistols knowing they did not even have authority to carry those weapons. A November 6, 2008 email from Paravant Vice President Brian McCracken states: “I got sidearms for everyone... We have not yet received formal permission from the Army to carry weapons yet but I will take my chances” [Tab 6].

In November 2008, Ricky Chambers, Blackwater’s Afghanistan country manager told Paravant that they had to return the weapons to Blackwater’s weapons storage facility apparently because the company was “expecting an investigation into Blackwater accountability in Iraq resulting from a lawsuit, and fear[ed] it will impact Blackwater accountability procedures in Afghanistan” [Tab 5.] Emails show that Blackwater personnel considered seeking CSTC-A Colonel Bradley Wakefield’s approval to use weapons from the separate Lockheed subcontract (Blackwater) on the Raytheon subcontract (Blackwater-Paravant). At the time, Colonel Wakefield was the Chief of Training and Education for the ANSF at CSTC-A and had written the statement of work for the Paravant contract. Ricky Chambers advised against consulting Colonel Wakefield about transferring the weapons noting that he “may ask too many questions” [Tab 7].

Instead, Chambers suggested getting the weapons from a place called “Bunker 22.” He again advised, however, against consulting Colonel Wakefield. Mr. Chambers declined the committee’s request to be interviewed or to appear at this hearing. He formally notified the committee through his attorney that he would invoke his Fifth Amendment right against self-incrimination.

According to documents and interviews with staff, Jeff Gibson, Blackwater’s Vice President for International Training and Operations, Brian McCracken, the Vice President in charge of Paravant, and Johnnie Walker, Paravant’s Program Manager in Afghanistan, all reportedly agreed to try to obtain weapons from Bunker 22.

BUNKER 22

One of our most important missions in Afghanistan is training and equipping the ANSF so they can take the lead in securing their own country. Bunker 22, or 22 Bunkers as it’s referred to by the military, is a U.S. operated facility in Pol-e Charki near Kabul, Afghanistan that stores weapons and ammunition for use by the Afghan National Police (ANP). According to a November 19, 2009, letter from CENTCOM Commander General David Petraeus, “there is no current or past written policy, order, directive, or instruction that allows U.S. military contractors or subcontractors in Afghanistan to use weapons stored at 22 Bunkers” [Tab 8]. The weapons at 22 Bunkers are there for the mission-critical purpose of arming the ANP, not to arm contractors. Diverting weapons intended for the ANP exacerbates a problem of lack of resources and equipment for the ANP, which General McChrystal has spoken of recently.

According to a lawyer for Blackwater, however, the company acquired weapons from Bunker 22 for use by each of its training, security, and aviation companies in Afghanistan. In fact, by November 2008 when Ricky Chambers suggested the company acquire weapons for Paravant from Bunker 22, Blackwater personnel had previously acquired several hundred weapons, including more than 500 AK-47s, from the facility on multiple occasions.

In a January 14, 2010 letter to the committee, a lawyer for Blackwater described two of those occasions [Tab 9]. According to the company, J.D. Stratton, then-Blackwater’s armorer in Afghanistan, “encountered his friend and former Navy colleague Greg Sailer at Bunker 22” and subsequently asked Chief Warrant Officer Sailer, a U.S. mentor at the facility, to provide Blackwater with weapons from Bunker 22. Blackwater informed the committee that Mr. Stratton sought the weapons from Chief Warrant Officer Sailer after Mr. Chambers, the Company’s Country Manager, asked him to do so. According to the letter from Blackwater, Chambers made the request because he intended on arming contractor personnel with those weapons.

Mr. Stratton declined to be interviewed by committee staff, stating through his attorney that he would invoke his Fifth Amendment right against self-incrimination if subpoenaed. Mr. Stratton’s lawyer also advised the committee that Stratton would invoke his Fifth Amendment right if subpoenaed to testify at today’s hearing.

According to Blackwater’s January 14, 2010 letter to the committee, in December 2007, Stratton went to Bunker 22, where Chief Warrant Officer Sailer met him outside the facility with 6 crates containing a total of approximately 150 AK-47s. According to their letter, “no paperwork or receipts were completed to document the transfer of weapons” [Tab 9].

In January 2008, according to the same Blackwater letter, Stratton and others retrieved another approximately 150 to 175 AK-47s from Bunker 22. The company said that, as with their December acquisition, no documentation was completed to take custody of the weapons.

Chief Warrant Officer Sailer spoke with committee staff by video teleconference from Kabul on December 12, 2009, prior to the committee’s receipt of Blackwater’s letter. In his interview, Chief Warrant Officer Sailer acknowledged transferring weapons to Blackwater, although he did not recall specific instances. In his interview, Sailer said that he thought the weapons he provided were to be transferred to the ANP for their use—not for Blackwater personnel. According to Sailer, in his interview, neither Stratton nor any other Blackwater representative told him that Blackwater intended to use the Bunker 22 weapons to arm its own personnel. He subsequently added, in response to written questions, that he did “not recall ever having a conversation with anyone picking up weapons from 22 Bunkers regarding the intended use of the weapons” [Tab 16]. Chief Warrant Officer Sailer said it would be inappropriate for Blackwater personnel to use weapons acquired from Bunker 22 for themselves. Committee staff sought to speak with Sailer again after receiving Blackwater’s January 14, 2010 letter. Chief Warrant Officer Sailer is currently deployed to Afghanistan.

DOD was unable to find any paperwork documenting either the December 2007 or January 2008 transfers of weapons from Bunker 22 to Blackwater. DOD did, however, provide hand receipts indicating that 211 AK-47s were issued by Chief Warrant Officer Sailer to Blackwater's Counternarcotics Training Unit (CNTU), an ANP program, on September 20, 2008 [Tab 10]. While paperwork indicated that the weapons were drawn by a representative of Blackwater's CNTU program, a December 7, 2008 Blackwater memo indicates that some of those weapons were subsequently issued by Blackwater to Paravant [Tab 11]. Blackwater's then-Vice President for International Training and Operations, Jeff Gibson, told the committee that with his approval, the Blackwater staff used Bunker 22 weapons as a source of weapons on the Paravant contract. In total, CSTC-A has told the committee that out of 154 AK-47s and pistols shown on Blackwater-Paravant weapons inventories, nearly 100 of those weapons were drawn from Bunker 22 [Tab 10].

In his November 19, 2009, letter to the committee, General Petraeus said since January 2008, ANP logistics officers are "required to personally sign for any weapons issued to the ANP." So, by September 2008 when Chief Sailer signed over more than 200 AK-47s to Blackwater, a transfer of weapons from Bunker 22 to a contractor for any purpose would not have been permitted. It is not even clear who took custody of the weapons in September 2008. Receipts show that the guns were issued to an "Eric Cartman" or "Carjman" from "BW CNTU"—shorthand for Blackwater, Counter Narcotics Training Unit [Tab 10]. In a February 4, 2010 letter to the committee, a lawyer for Blackwater said it has no records of a person named Eric Cartman or Carjman having ever been employed by the company [Tab 14].

Paravant's Program Manager Johnnie Walker said that initially Stratton provided him with two crates of weapons from Bunker 22, which Walker then distributed to Paravant personnel. According to Walker, the first stop for each new Paravant hire that arrived in theater was to his office to pick up an AK-47. Paravant personnel kept their weapons from Bunker 22 until after the May 5, 2009 shooting incident, when Paravant was directed by the Army, Raytheon, and its own management to collect all weapons issued to the contractor personnel.

Records show that Blackwater's armorer, JD Stratton, returned 71 "unserviceable" AK-47s to Bunker 22 on June 2, 2009 [Tab 12]. In a June 3, 2009, letter to Raytheon, Paravant's new Director, Hugh Middleton, claimed that "all AK-47s previously issued to Paravant were returned to the 'Bunker 22' facility from which they came" [Tab 13]. As recently as February 20, 2010, a Blackwater lawyer maintained in a letter to the committee, that the company had "return[ed] all Bunker 22 firearms that had been issued to Paravant personnel" [Tab 15].

But records obtained by the committee prove the company's statements to be false. The committee tracked an example of how one AK-47 made its way from Bunker 22 to Blackwater. That AK-47 was not returned to the Afghan Government until January 25, 2010, after committee staff began inquiring about the status of those weapons, and more than 7 months after the company represented that it had turned in all such weapons [Tab 33].

The AK-47, serial number 18010491, was assigned to Paravant Deputy Program Manager Jose Trevino. Pictures provided to the committee show him with one of the crates of AK-47s from Bunker 22. Documents from CSTC-A and Blackwater show that Trevino's weapon was among the 211 AK-47s signed out from Bunker 22 in September 2008 by the Blackwater CNTU by an "Eric Cartman" or "Carjman." A December 7, 2008, memo shows that the AK-47 was issued by Blackwater's armorer JD Stratton, to Paravant's Program Manager Johnnie Walker [Tab 11]. A March 1, 2009 inventory of Paravant weapons indicates that the AK-47 was assigned to Trevino [Tab 17]. An inventory provided by Blackwater just this week shows that it was not returned to the Afghan Government until January 25, 2010. Again, the company first represented that it had returned all such weapons on June 3, 2009 [Tab 15].

Committee staff has repeatedly asked for information and records on the hundreds of other weapons obtained by Blackwater from Bunker 22 as well as the pistols Blackwater diverted to Paravant from its other subcontract. In a letter to the committee on February 20, 2010, an attorney representing Blackwater reported that 390 weapons were turned in less than 1 month ago, on January 25, 2010. The Blackwater letter also reported that beginning "in or around January 2010 the Company explored arrangements for the remaining Bunker 22 firearms in its possession ... to be demilitarized" or destroyed, which the company said it did in February. A Blackwater representative visited CSTC-A on February 18—just last week—to inquire about returning additional weapons the company had acquired from Bunker 22. Again, this comes after repeated inquiries by committee staff to Blackwater about the weapons it acquired from Bunker 22, and after the representation that all such weapons used by Paravant had been turned in. These are weapons that be-

longed to the ANP—not Blackwater. It is only on the eve of this hearing that the company is giving the majority of them back to the Afghan Government.

PERSONNEL

Who were these people Blackwater gave weapons to? Blackwater’s proposal for its contract describes a robust recruitment process which allows the company to “identify and vet” the most “qualified candidates,” whose key attributes are “character, integrity, reliability, and professionalism.” Paravant’s contract with Raytheon required that the company “ensure that its personnel . . . behave at all times in accordance with the highest professional and ethical standards.” [Information retained in committee files.] So what do we know about the individuals that were actually hired for the Paravant contract?

The records of Christopher Drotleff and Justin Cannon, the two Paravant personnel indicted for the May 5, 2009 shooting, show that in these cases the company fell well short of any reasonable standard for vetting personnel, let alone the one promised in their proposal. A court order directing that Mr. Drotleff be detained during trial concluded that his military record was “abysmal.” That record apparently included assault, insubordinate conduct, absence without leave, failure to obey order or regulation, larceny and wrongful appropriation. Drotleff’s criminal record after his discharge from the military included convictions for reckless driving, disturbing the peace, assault and battery, driving while intoxicated, resisting arrest, and trespassing. In ordering that Drotleff be detained during his ongoing trial, the court explicitly referenced his “extensive criminal history” and “propensity for violence.”

Public reports reveal red flags in the military record of Paravant contractor Justin Cannon, who was also indicted for the May 5, 2009 shooting. A January 15, 2010 Associated Press report noted that Cannon was discharged from the U.S. military after he was absent without leave for 22 days and tested positive for cocaine. While the proposal for the Paravant contract—which was signed by Vice President for Contracts and Compliance Mr. Fred Roitz—stated that the company maintained a copy of the military service records of each of its independent contractors, the company has informed the committee that it does not have those records for Cannon or Drotleff in their files.

Another example is Sebastian Kucharski, a Paravant assistant Team Leader. Mr. Kucharski was fired from Blackwater’s security contract in Iraq for an alcohol-fueled incident that ended in a fight between him and another contractor. He had been on Blackwater’s own internal “Do Not Use” list since September 2006. Despite being on the list, he was hired for Paravant, where he worked until being fired for yet another altercation, this time with military personnel on May 4, 2009 [Tab 18]. Karl Newman, the Team Leader for the Paravant personnel based at Camp Alamo—including Cannon, Drotleff, and Kucharski—was also “thrown off the contract by the U.S. Army” when he was fired after attempting to pull rank on an U.S. Army lieutenant. Paravant’s own Project Manager in Afghanistan, Johnnie Walker, was characterized by company management as having been “exceptionally ineffective” before the May 5th shooting incident, but was fired for “violating General Order 1, no drinking” and “doing so repetitively, cultivat[ing] an environment that indirectly lead to” the May 5, 2009 shooting incident [Tab 19].

During the course of the year-long contract, other Paravant personnel were fired for “unprofessionalism,” “alcohol use,” and drug use, including one Paravant contractor observed “with a canvas pack of steroids and needles,” and another who was fired several weeks after being stopped at the airport with steroids. Still others were cited for “attitude problem[s],” “failure to comply with policy,” and storing “an illegally purchased vehicle on [a Forward Operating Base].”

LACK OF SUPERVISION AND OVERSIGHT

After the May 2009 shooting incident, Raytheon issued a show cause notice to Paravant for, among other things, a failure to exercise “sufficient command, control, and oversight of its personnel” [Tab 20]. Paravant’s response to the Raytheon letter is deeply troubling. According to Paravant, “If [Raytheon] believes that Paravant has an obligation to supervise all subcontractor personnel at all times . . . Paravant will need to submit a request for equitable adjustment for the additional personnel, security, and other costs of providing such ‘24-7’ supervision throughout Afghanistan” [Tab 21]. The company’s attempt to absolve itself of responsibility to supervise the actions of its personnel is particularly troubling given the statement by a Blackwater senior manager that the company’s leadership in Afghanistan had created an environment “with no regard for policies, rules, or adherence to regulations in country” and the company’s contractual obligation to see to it that its personnel

“behave[d] at all times in accordance with the highest professional and ethical standards.”

While it was shirking its responsibility to oversee its contractors, Blackwater was also apparently shortchanging Uncle Sam. Despite the compelling evidence that Paravant “independent contractors” were actually company employees, Blackwater withheld no income taxes and paid no Social Security, Medicare, or unemployment tax for them. Blackwater’s longstanding effort to use the independent contractor designation to gain government business while avoiding payment of taxes was described in a March 10, 2008 memo from then-chairman of the committee on Oversight and Government Reform, Henry Waxman. The company’s classification of independent contractors is also currently pending before an Internal Revenue Service administrative proceeding.

U.S. Government oversight was also lacking in the events leading up to the May 5th shooting, a fact acknowledged by CSTC-A Commanding General Richard Formica, who said that the Army’s investigation into the May 2009 incident “raised serious issues concerning an apparent lack of contractor oversight” [Tab 1].

Before the May 5th shooting, the Army’s PEO STRI, which has responsibility for more than \$3 billion annually in training and other contracts, did not have a contracting officer representative in theater, as they do now, and told the committee that they relied on a Dutch officer to act as a Technical Officer Representative to oversee the contract. Colonel Wakefield, however, told the committee that a Dutch officer worked on his staff at CSTC-A, but that he had “no idea” how someone could have thought that the officer was overseeing the contract. Colonel Wakefield said that he knew of no one on CSTC-A staff that was supposed to oversee this particular contract.

PEO STRI staff also said that they monitored the contractors’ performance from their office in Florida by calling and checking in with Colonel Wakefield at CSTC-A CJ7. Colonel Wakefield informed the committee that Task Force Phoenix, a subordinate command had oversight responsibility and he did not travel to the training sites to observe Paravant personnel.

On the ground, the subordinate commands seemed unclear as to their authorities or responsibilities. A commander of another subordinate command—Lieutenant Colonel Brian Redmon, the Combined Training Advisory Group (CTAG) Commander of the Kabul Military Training Center at Camp Alamo—said he believed that the Paravant personnel at Camp Alamo reported to CSTC-A CJ7. In a February 12, 2009, email to his superiors, Lieutenant Colonel Redmon sought, without success, to clarify his responsibility for contractor personnel living at Camp Alamo that he said did not report to him [Tab 23].

Emails from late April 2009 show that approximately 6 months into the contract, there was still confusion about oversight of Paravant personnel. When issues arose about a shortage of contractor personnel performing at one training site and concerns were raised as to whether they were performing up to U.S. Army standards, the Chief of the Afghan National Army Training and Education (CJ7) at CSTC-A said that Brian McCracken, who had recently moved from Paravant to Raytheon, would be responsible for monitoring Paravant and would be coordinating oversight of the contracts. Until his arrival in Afghanistan in late April 2009, no one from Raytheon had been stationed in country to monitor Paravant, apparently resulting in months of inadequate supervision. But even if Raytheon had provided proper supervision, contractors monitoring contractors does not take the place of government oversight.

Following the May 5th incident, a review of policies at Camp Alamo uncovered continuing “uncertainty” as to what the “authorities and responsibilities are over contractors,” particularly for disciplinary issues. Brigadier Neil Baverstock, GBR, the CTAG Commander, said in a July 6, 2009, letter to Major General Formica that he was concerned that “grey areas remain relating to wider issues of responsibility and authority when it comes to policing contractor behavior.” In that letter, Brigadier Baverstock called for “explicit guidance from CSTC-A on this issue” [Tab 25].

The carrying of weapons by the Paravant personnel exemplifies the lack of government oversight. The only way in which contract personnel are authorized to carry weapons in Afghanistan is by obtaining that authority from CENTCOM. Gaining CENTCOM weapons authority is not just some technical requirement. It’s there for an important reason. Commanders need to know when and where armed personnel are operating in their battlespace. DOD arming requirements contained in Paravant’s contract required their armed personnel to file a communication plan that spells out how they will coordinate movement with military authorities and request assistance in the event they are attacked. When incidents happen—and they inevitably do in war zone—it is our troops who are often sent into the fight. Failing to follow and enforce the rules relative to carrying weapons puts our military per-

sonnel at risk. In Paravant's case, company personnel carried weapons without CENTCOM authority. Unfortunately, those in a position to exercise oversight—and who either knew or should have known that weapons were being carried without authority—did not act until after two tragic shooting incidents.

On December 3, 2008, before even the first shooting incident, Raytheon notified staff responsible for their contract oversight at the PEO STRI by email that Paravant personnel were carrying weapons without authority [Tab 26]. Raytheon asked PEO STRI to check into this issue because Paravant personnel were “routinely getting stopped and having to surrender weapons.” Despite the email notice, PEO STRI apparently failed to take action to prevent Paravant personnel from carrying weapons until they met CENTCOM rules and authority was granted.

In fact, in an email sent in early January 2009, PEO STRI asked Colonel Wakefield if Paravant personnel were “authorized to carry a weapon 24/7 or is it during the workday only.” Colonel Wakefield replied that the Paravant personnel did “not have CENTCOM/[Headquarters, Department of the Army] approval” to carry weapons [Tab 27]. PEO STRI subsequently informed Raytheon that they could not authorize weapons until they received approval from CENTCOM, but again they apparently did not tell Raytheon to take steps so their subcontractor-Paravant's personnel did not carry weapons until that approval was received.

In Afghanistan, military personnel regularly saw Paravant personnel carrying weapons. Colonel Wakefield told the committee that he observed Paravant Program Manager Johnnie Walker and Deputy Jose Trevino at Camp Phoenix with a team of Paravant contractors carrying weapons. Although his account is disputed by Johnnie Walker, Colonel Wakefield told the committee that he advised Walker and Trevino that “Paravant personnel were not authorized to have weapons” without CENTCOM approval and “instructed [them] to ensure that the weapons were secured and not issued until [the CENTCOM Commander's] approval was obtained.” Approximately a week later, Colonel Wakefield said he was advised by Colonel Mark Heffner that he had observed Paravant personnel carrying weapons. Colonel Wakefield told committee staff he again told Walker to secure the weapons and had no reason to doubt at that time that Walker would do so.

Until the May 2009 shooting, few other attempts were apparently made to enforce the policy requiring CENTCOM approval. The Commanding General at Camp Alamo, Lieutenant Colonel Redmon told the committee that he “observe[d] Paravant contractors carrying weapons when not conducting training activities.” Lieutenant Colonel Sean Nikkila, a senior operations officer responsible for mentoring ANA officers and the Army's investigating officer for the May 5, 2009 shooting, acknowledged the same. According to Lieutenant Colonel Nikkila: “We had never requested to view their letter of authorization (LOAs) [indicating CENTCOM weapons approval]. Before the [investigation], I didn't even know that they carried a letter of authorization. I really was unaware of . . . the rules of what it is to be a contractor in that theater. It wasn't [un]til after the incident that we got copies of their LOAs that we were able to see that they weren't authorized to carry a weapon.” Paravant contract personnel, he told the committee, were “probably poorly supervised,” and the Army is “partly responsible for that; we should have had better control.”

IMPACT ON THE MISSION

The May 5, 2009 incident had an immediate, tangible impact on the training mission. The day after the incident occurred, the U.S. Army initiated an investigation. Then-Raytheon program manager Brian McCracken told the committee that Blackwater was not “as forthcoming as we wished they had been after the incident.” He added: “I think it is obvious that they were trying to get their people out of the country without telling anybody about it . . . they didn't think it was going to come to light.” Likewise, Lieutenant Colonel Nikkila stated in his report that the “Paravant contractors at [Camp] Alamo, Afghanistan did not report the incidents of 5 May 2009 until confronted” by him the next morning [Tab 28].

According to Lieutenant Colonel Nikkila, the result of the lack of cooperation was a protracted investigation that drew scarce resources and manpower from the local unit's mission of mentoring and training the ANA. All told, he said “we los[t] 30 days of work” out of a 10-month tour to conduct the investigation. According to LTC Nikkila, trips to locate evidence and to local hospitals to locate the victims of the shootings—which he said could have been avoided if Blackwater reported the incident promptly—also unnecessarily exposed U.S. soldiers to danger.

CONCLUSION

In a November 2009 memo on the mission in Afghanistan, General McChrystal said “The People are the Prize” and that “every interaction with the population,

whether positive or negative, influences the Afghans' perceptions." The contractors we hire to support our mission need to understand that, act accordingly, and be held accountable if they do not. Even one irresponsible act by contractor personnel can hurt the mission and put our troops in harm's way.

Our examination of the Paravant contract revealed multiple irresponsible acts by our contractors and troubling gaps in government oversight. There are over 100,000 contractors operating in Afghanistan. If we don't fix the problems of oversight and make sure contractors like Blackwater play by the rules and live up to their commitments—we'll be doing a disservice to our troops by making their already difficult and dangerous job even more so.

WITNESS PANELS

This morning we will hear from two panels of witnesses. On the first panel are former Paravant Program Manager, John R. Walker; former Paravant Vice President and current Raytheon Program Manager, Brian McCracken; Colonel Bradley Wakefield (Ret.), former Chief of Training and Education, CSTC-A CJ7; and Steven Ograyensek, contracting officer at the U.S. Army's PEO STRI. As I mentioned, the committee asked Jerry D. Stratton, Jr., Blackwater's former armorer, and Ricky Chambers, Blackwater's country manager in Afghanistan, to testify on this panel. We were advised that they would invoke their Fifth Amendment right against self-incrimination in response to all questions. The committee also asked Chief Warrant Officer Gregory Sailer to testify on this panel but, for reasons I have already stated, he is in Afghanistan and was not made available by DOD by video teleconference. He has, however, answered written questions. On the second panel, we will hear from Mr. Fred Roitz, former Blackwater Vice President for Contracts and Compliance and current Xe Services LLC Executive Vice President of Contracts and Chief Sales Officer and Dr. James Blake, Program Executive Officer and Head of Contracting Activity at PEO STRI.

Chairman LEVIN. I will also place in the record correspondence relating to the two witnesses: Jerry Stratton, Blackwater's former armorer, who is still a company employee, and Ricky Chambers, Blackwater's former Afghanistan manager. Again, both men said they would formally invoke their Fifth Amendment right against self-incrimination if subpoenaed.

[The information referred to follows:]

[See Tabs 34 through 35.]

Chairman LEVIN. Senator McCain.

STATEMENT OF SENATOR JOHN MCCAIN

Senator MCCAIN. Thank you, Mr. Chairman. I join you in welcoming our witnesses today.

I understand that several of you have traveled a great distance to be here, including one of you who has come all the way from Afghanistan. I thank you for your cooperation with the committee's efforts to fully understand the role that contractors play in our fight in Afghanistan.

Mr. Chairman, I want to apologize ahead of time. I have a Homeland Security Committee hearing starting in about 40 minutes, and I may not be able to remain with you for the entire committee hearing. I apologize for that. This is a very important hearing.

Chairman LEVIN. We all understand that and those conflicting commitments.

Senator MCCAIN. Thank you.

Training the ANSF is critical to our success in this war. We must ensure that our Afghan partners have the capability to decisively defeat the Taliban and al Qaeda in order to create the security necessary for the Afghan Government to provide essential services and good governance to its people. Obviously, time is important and we

have to build this capacity rapidly. We have to prepare the ANSF to take the lead in this fight so the Afghan people can have the confidence in the ability of their own institutions to protect them and so we can begin the process of drawing down our forces with confidence that Afghanistan will not again become a haven for international terrorism.

Only a mature and capable ANA and ANP force can bring security, stability, and peace to the people of Afghanistan. Only when that force is trained, ready, and capable will victory be assured.

As we train and equip the ANSF, we have a concurrent obligation to the American taxpayer. Too many scarce taxpayer dollars were squandered during the rebuilding of Iraq. I hope we have learned lessons from our experience there.

The same difficult circumstances exist in Afghanistan which has an even less developed infrastructure, a more difficult and complex geography, and a domestic political environment and tribal structure that have been shattered for years by constant violence.

Despite these demanding challenges, we cannot compound the problem by tolerating poor performance and poor management practices by private sector companies that are a crucial part of our overall effort in Afghanistan. Given the stakes and the primary focus of our counterinsurgency strategy to protect the Afghan people, we must not tolerate gross misbehavior or criminal misconduct by individual civilian contractor employees. We cannot afford to tolerate lax oversight by Government entities directly responsible for policing these companies and civilian employees in Afghanistan.

Keeping these objectives in mind, I look forward to hearing from our witnesses in greater detail about performance by the contractor and DOD agencies responsible for oversight during the training of ANSF under this contract. While this particular set of facts may be unique, I expect that the difficulties experienced and the potential for an impact on our counterinsurgency efforts will be instructive in considering the broader use of private contractors on the battlefield.

I look forward to hearing how the contract was managed on site and how the contractors were overseen by the responsible Government entities. Certainly the events of May 5, 2009, were a tragedy that cost the lives of two innocent Afghan civilians and critically injured a third. I expect that we will discuss individual misconduct and lack of appropriate corporate and DOD oversight that contributed to this incident.

However, if we only focus on assigning blame for what went wrong in this discrete case, we will miss an opportunity to identify the lessons learned and the necessary changes that must be made to ensure that the use of private contractors enhance our ability to accomplish our mission rather than detract from it.

Our objective is to build up and train the ANSF so that we can establish sufficient security to begin to reduce the reliance of U.S. and North Atlantic Treaty Organization (NATO) combat forces. We must avoid the kinds of mistakes that undercut our efforts to protect and earn the trust of the Afghan people. We have a window of opportunity to turn the tide in Afghanistan. We must seize it, and we must ensure that everything we do promotes that goal.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

We are going to be hearing from two panels of witnesses this morning, and we are going to be interrupted, we believe, by two votes, which could occur somewhere in the next half hour or hour. What we will do when those votes come is we will work to the end of the first vote. At least, I will be doing this. My colleagues obviously will gauge their own schedules and their own ins-and-outs the best they can. But what I intend to do is to keep going here through the near end of the first vote and then vote at the beginning of the second vote and then return. So my colleagues can figure out what they are able to do, given these hectic schedules, and we appreciate everybody's understanding of that.

The first panel is the following: the former Paravant Program Manager, John Walker; the former Paravant Vice President and current Raytheon Program Manager, Brian McCracken; Colonel Bradley Wakefield, who is retired now, the former Chief of Training and Education of the CSTC-A, in Afghanistan again; and Steven Ograyensek, the Contracting Officer at the U.S. Army's PEO STRI. That's what we will be calling PEO STRI. They had the oversight responsibility on the Raytheon contract that Paravant was hired under.

I will introduce the second panel when it is their turn.

We will now call on our first panel to see if they have any opening statements. If they do, we would appreciate your limiting your opening statement to 5 minutes. I think we have a lighting system here. So you might be given a minute warning, if that is the system used in this room. The yellow would go on a minute before 5 minutes are up, and then the red light would go on at the end of 5 minutes.

Your entire statements, of course, will be made part of the record, if you have a written statement to present.

We thank you for being with us this morning, and we will call first on you, Mr. Walker, to see if you have an opening statement. If you could turn your mic on, I think there is probably a button on those mics. You can leave the buttons on all the time.

**STATEMENT OF JOHN R. WALKER, FORMER PROGRAM
MANAGER, PARAVANT**

Mr. WALKER. Actually I just have some questions.

Chairman LEVIN. All right. Why do we not wait until the time comes for your questions, and then you will be able to respond at that time. You do not have an opening statement?

Mr. WALKER. I do not have an opening statement.

Chairman LEVIN. All right.

Mr. McCracken, do you have an opening statement?

Mr. MCCracken. A very brief one, sir.

Chairman LEVIN. Sure.

STATEMENT OF BRIAN C. MCCracken, FORMER VICE PRESIDENT, PARAVANT; CURRENT AFGHANISTAN COUNTRY MANAGER, RAYTHEON TECHNICAL SERVICES COMPANY

Mr. MCCracken. I just want to say thank you to the committee for inviting me to come here and shed some light on this important issue of oversight and look at the things that happened in the past

and also look at how we are working today and into the future to make sure that we never have an event like this again and we provide a good service for our country.

That is all. Thank you.

Chairman LEVIN. We thank you, and you are a current program manager at Raytheon. Is that correct?

Mr. MCCracken. That is correct, sir, in Afghanistan.

Chairman LEVIN. In Afghanistan. Thank you.

Colonel Wakefield.

**STATEMENT OF COL BRADLEY V. WAKEFIELD, USA (RET.),
FORMER CHIEF OF TRAINING AND EDUCATION, COMBINED
SECURITY TRANSITION COMMAND-AFGHANISTAN**

Mr. WAKEFIELD. Sir, good morning and thank you to the committee also for the opportunity to discuss this issue.

Chairman LEVIN. Good morning.

Mr. WAKEFIELD. If I may, I do not have a prepared opening statement, but from January 2008 to January 2009, as you noted, I was the Chief of Training and Education for ANSF Development.

Chairman LEVIN. That is the Afghan National Security Forces.

Mr. WAKEFIELD. Yes, sir.

In that, I was responsible for the development of programs and policies which facilitated training and education of both the ANA and ANP, to include a wide variety of subjects such as Afghan literacy, English language training, training of fire departments, and training supporting the fielding of the NATO weapons and the uparmored High Mobility Multipurpose Wheeled Vehicles (HMMWVs), both of which were programs decided or made purchases decided prior to my arrival. That is how I am related to this issue.

Thank you.

Chairman LEVIN. Thank you.

Now, Mr. Ograyensek, do you have an opening statement, sir?

**STATEMENT OF STEVEN M. OGRAYENSEK, CONTRACTING OFFICER,
U.S. ARMY PROGRAM EXECUTIVE OFFICE FOR SIMULATION, TRAINING, AND INSTRUMENTATION**

Mr. OGRAYENSEK. Yes, Senator, I do have a prepared statement.

I want to thank you for the opportunity to provide testimony today.

Chairman LEVIN. Put your mic on, if you would.

Mr. OGRAYENSEK. The opportunity to provide testimony today on the important issue of oversight of Raytheon Technical Services Company and their subcontractor, Paravant Limited Liability Corporation under the Warfighter Field Operations Customer Support (FOCUS) contract.

I serve as a division chief for the PEO STRI Acquisition Center in support of program manager field operations responsible for the Warfighter FOCUS contract.

In addition to that, I have responsibilities for Flight School 21 and other service contracts in my division.

My division awarded and administered contract actions for training services totaling \$1 billion in fiscal year 2008 and \$1.4 billion

in 2009. I have the assistance of 26 contracting professionals, including 16 senior specialists and 10 contracting interns.

I was the contracting officer for the task order (TO) modification issued for the ANA weapons training program under the Warfighter FOCUS contract. The Warfighter FOCUS is a contract for training services. It is not a contract for private security services. It was awarded on June 6, 2007, to a team of contractors known as the Warrior Training Alliance, led by Raytheon Technical Services Company (RTSC), the prime contractor. The contractor has a maximum 10-year period of performance, consisting of a base period and 1-year options. It is an indefinite delivery/indefinite quantity contract with fixed price, award fee, cost reimbursement, and time and material provisions for TOs. The contract ceiling is \$11.2 billion. We are scheduled to enter the third year of performance for these services on May 1, 2010.

The contract provides for integrated life-cycle contract support and services for training aids, devices, simulators, and simulations and training support worldwide. It provides worldwide instructional services, as well as operations maintenance and sustainment of training systems used by the U.S. Army, Air Force, Marine Corps, Navy, multi-coalition forces, and foreign military sales (FMS) cases.

One of the FMS cases is for the CSTC-A, FMS requirement for the ANA weapons training.

The Warfighter FOCUS contract currently provides worldwide support at over 600 locations with over 6,000 contractor service employees.

The TO for this particular CSTC-A ANA training program is 1 of 2,300 active line items that we are currently administering under the contract, in addition to placement of new orders.

I regret the loss of life suffered by the two Afghan citizens and the sorrow this has brought to their families.

I have carefully reviewed what has been reported about the incident and what could possibly have been done to prevent the incident. As a result of our study, I believe we have put in place corrective actions that would ensure critical incidents of this nature are reported by the contractor and received by multiple PEO STRI decisionmakers which would enable them to take appropriate action.

As part of our continuing efforts to increase the oversight of the Warfighter FOCUS contract, specifically in Afghanistan, the PEO engaged with CSTC-A in February 2009, as soon as it was determined that the requirement was growing in scope. As a result, an active duty officer from PEO STRI arrived in Afghanistan on May 18, 2009. We maintain a continuous active duty military officer presence in Afghanistan in support of this mission.

We have also reviewed and made changes to the contract accident and incident reporting process. These changes include the requirements for RTSC to inform all noncontracting officers on the Warfighter FOCUS contract, in addition to the program manager, deputy program manager, and contracting officer's representative by email within 24 hours of the time an accident or incident occurs.

Thank you again for this opportunity to appear before you today and for the support Congress and members of the committee have provided for our soldiers, sailors, airmen, and marines.

I am happy to answer any questions you may have.
 [The joint prepared statement of Dr. Blake and Mr. Ograyensek follows:]

JOINT PREPARED STATEMENT BY DR. JAMES T. BLAKE AND STEVEN M. OGRAYENSEK

Thank you for the opportunity to provide testimony today on the important issue of oversight of Raytheon Technical Services Company (RTSC) and their subcontractor, Paravant LLC under the Warfighter FOCUS contract.

I serve as the Army's Program Executive Officer for Simulation, Training, and Instrumentation (PEO STRI). In that capacity, I am responsible for the acquisition of training services as well as production, fielding and sustainment of training systems. Mr. Ograyensek serves as a Division Chief for the PEO STRI Acquisition Center. He also functions as Contracting Officer for specifically assigned training services under the Warfighter FOCUS contract.

THE WARFIGHTER FOCUS CONTRACT

Warfighter FOCUS is a contract for training services. It was awarded on June 6, 2007 to a team of Contractors known as the "Warrior Training Alliance," led by RTSC, the prime contractor. The Indefinite Delivery/Indefinite Quantity contract has a maximum 10 year period of performance, consisting of a base period followed by 1-year options with a total contract ceiling of \$11.2 billion. We are scheduled to enter the third year of performance on May 1, 2010.

The training services provided under Warfighter FOCUS contribute greatly to preparing our Warfighters for deployments. From the time our young men and women enter the Army, they rely on these services to train in their assigned military occupational skills (MOS).

The Warfighter FOCUS contract provides for integrated life-cycle contractor support and services for training aids, devices, simulators and simulations and training support worldwide. It provides worldwide operations maintenance sustainment and instructional support of training systems used by the U.S. Army, Air Force, Marines, Navy, multi-national coalition forces and Foreign Military Sales (FMS).

This contract does not provide private security contractors.

ESTABLISHING SUPPORT UNDER WARFIGHTER FOCUS FOR AFGHAN NATIONAL ARMY
 WEAPONS TRAINING

PEO STRI provides training services under Warfighter FOCUS in support of the NATO Training Mission-Afghanistan/Combined Security Transition Command's mission to train the Afghan National Army (ANA). These training services include literacy training, driver training and weapons training. As previously stated, the Warfighter FOCUS contract does not provide private security contractors.

On April 7, 2008, CSTC-A sent a Memorandum of Request (MOR) through the U.S. Army Security Assistance Command (USASAC) chain of command requesting establishment of an FMS case for training the ANA. Attached to the MOR was the statement of work for the ANA Weapons Training Program. USASAC officially assigned the work to PEO STRI on June 13, 2008.

On May 30, 2008, PEO STRI sent a draft request for proposal to RTSC. Between May 30 and August 19, RTSC was provided a final request for proposal and conducted a subcontract competition among its subcontractors. On August 20, PEO STRI received and evaluated Raytheon's proposal. The ANA Weapons Training Program was awarded under Warfighter FOCUS on September 5. Letters of Authorization to the Paravant LLC employees were issued prior to deployment to Afghanistan. The Period of Performance began on September 15, 2008. On September 16-18, 2008, PEO STRI, RTSC and RTSC's subcontractor Paravant LLC conducted the start of work site visit in Afghanistan.

PEO STRI'S OVERSIGHT OF THE ANA WEAPONS TRAINING PROGRAM

Weapons training began on November 17, 2008. As part of PEO STRI's oversight; routine site visits, teleconferences, email correspondence, and program management reviews were conducted and CSTC-A leadership indicated that they were very pleased with the performance of the contractor's execution of this training service.

On December 3, 2008, the PEO STRI Project Director received an email from the RTSC program manager. The email requested the contractor's Letters of Authorization be updated to allow the Paravant employees to carry arms in Afghanistan because Paravant employees were being routinely stopped and had to surrender weapons. The response from the PEO STRI Project Director was that no weapons were

authorized to be carried until CSTC-A validated the requirement and obtained weapons authorization from the combatant commander. CSTC-A never obtained approval and never requested PEO STRI revise the LOAs.

Between December 2008 and January 2009, PEO STRI communicated with CSTC-A to confirm that weapons authorizations had not been approved by the combatant commander in accordance with theater policy. As a result of this communication, on January 7, 2009, PEO STRI formally informed RTSC that weapons were not authorized, and no LOAs would reflect weapons authorized.

In February 2009, PEO STRI initiated personnel actions to deploy an Active Duty Officer to Afghanistan in support of the CSTC-A mission. On March 18, 2009, we informed CSTC-A that a PEO STRI representative had been identified to provide contractor oversight in Afghanistan. The PEO STRI representative reported for duty in Kabul on May 18, 2009. We have had a continuous Active Duty Military Officer presence in Afghanistan in support of this mission.

On May 7, 2009, RTSC informed PEO STRI of the May 5 shooting incident. From May 7 through July 27, PEO STRI conducted an investigation into the incident and was in constant formal communications with RTSC to include the issuance of a letter of concern on June 1, 2009. On July 17, 2009, in response to PEO STRI's letter of concern, RTSC informed PEO STRI that they would not renew the Paravant subcontract. On July 28, 2009, PEO STRI formally notified RTSC that this corrective action was acceptable subject to change based on the results of the Army's continuing investigation. Effective September 15, 2009, Paravant LLC was no longer performing on the Warfighter FOCUS contract.

Thank you again for this opportunity to appear before you today and for the support Congress and the members of this committee have provided for our soldiers, sailors, airmen, and marines.

I am happy to answer any questions you may have.

Chairman LEVIN. Thank you very much.

The votes are on and we are in the second part of the first vote. So let us have a 10-minute first round, and then we are going to take a break. So I will ask my questions, and then we are going to have to take a break during the end of the first vote and beginning of the second vote. We will be recessing at that time unless there is somebody here. We will recess in about 8 to 10 minutes here for about 15 or 20 minutes. Thank you.

Senator MCCASKILL. Okay. Mr. Chairman, in terms of my questioning, I would be safe to leave now and come back immediately after the second vote begins?

Chairman LEVIN. That is correct.

Senator MCCASKILL. Okay. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you.

Let me ask you first, Mr. McCracken. Before you became Vice President of Paravant, you were the head of recruiting, I believe, at Blackwater. In your interview with staff, you indicated that you became dissatisfied with the attitude that you determined existed at Blackwater, and you took the job at Paravant because you were told that it was going to separate from Blackwater. I believe at that point, you joined the company Paravant in about September 2008, if I am accurate so far.

Out in the field in Afghanistan, did you find out later that there were practical differences between Blackwater and Paravant, or that they were interchangeable and people in Afghanistan talked about the Paravant contract as though it were the Blackwater contract?

Mr. MCCracken. That is correct, Mr. Chairman.

Chairman LEVIN. You had hoped that there would be a difference between the two. You became dissatisfied. As I understand it, you are now with Raytheon.

Mr. MCCracken. That too is correct, Mr. Chairman.

Chairman LEVIN. Then when did that shift take place? When did you leave Paravant for Raytheon to become their current country manager?

Mr. MCCracken. Sir, after I came back from Afghanistan in January, I gave my resignation to Blackwater, and I still remained for about 30 days or so. I was hoping to do a turnover with my relief.

Chairman LEVIN. All right.

Now, as I understand it, you wrote a report, which is Tab 4. Do you have that tab in front of you?

Mr. MCCracken. I do, Mr. Chairman.

Chairman LEVIN. That is a report which—let me go to Mr. Walker first. Mr. Walker, let me ask you.

You have spoken with staff. My understanding of what you said—let me try to summarize it. You wrote a report about this incident in December 2008. That is Tab 3, which is in front of you. That is your report to Mr. McCracken dated December 10. In that report you talked about the shooting. You indicated that the person who was injured was transported to Kabul first and then was medevaced from there to Germany the following day.

Your recommendations in that report were the following: that everybody on that team showed poor judgment by allowing unauthorized training to occur. Then in your conclusion, that Russell Cannon, who was the team leader, conducted unauthorized and unapproved training involved in this incident and there was no reason to have had the weapon in the position that it was.

Did you send this report then to Mr. McCracken on December 10? Is that the date of the report?

Mr. WALKER. That is the date of the report, yes, sir.

Chairman LEVIN. Okay. You were not at the incident. You interviewed the people who were and you told our staff—and correct me if I am wrong—that on the back of this vehicle, the team leader of Paravant, Russell Cannon, rode it like a stagecoach. It was a wild idea, you told our staff. While holding a loaded AK-47, the vehicle hit a bump. The weapon discharged, shooting another Paravant contractor in the head. Is that accurate? Is that what you told our staff you had determined?

Mr. WALKER. Sir, I did not say I said he rode it like a stagecoach.

Chairman LEVIN. All right. What did you learn?

Mr. WALKER. What did I learn? That he was on the back of the vehicle and the weapon went off.

Chairman LEVIN. All right. In your judgment, was this—

Mr. WALKER. I stated it was unauthorized training.

Chairman LEVIN. All right. Were there any Afghans there?

Mr. WALKER. No, sir.

Chairman LEVIN. Did you use the term it was a “wild idea” to do what they were doing?

Mr. WALKER. It was unauthorized, yes, sir. They were up there to conduct vehicle training.

Chairman LEVIN. They were supposed to be training the Afghans. Right?

Mr. WALKER. No, sir.

Chairman LEVIN. They were supposed to be training Afghans. That was their job.

Mr. WALKER. Not at that particular time. They were up there to change tires and learn how to take care of their vehicles.

Chairman LEVIN. All right. Then why was it unauthorized? You said the training was unauthorized at the time.

Mr. WALKER. They were not supposed to be using weapons at that time.

Chairman LEVIN. All right.

Now, when you got this report, Mr. McCracken, from Mr. Walker saying that everybody showed poor judgment by allowing unauthorized training to occur and shared some fault, that Russell Cannon conducted unapproved, unauthorized training, there was no reason to have the weapon in the position that it was at the time. What did you do with your earlier report, Tab 4, which said that they were conducting routine training and that a normal training evolution was going on? Did you correct your report?

Mr. MCCracken. No, Mr. Chairman. First of all, when I said it was routine training, it was not training for the Afghans. This was during one of the Eid holiday periods and we had no Afghan students. Mr. Walker, because of the different security situation that we found the Paravant employees in Afghanistan, organized training for the instructors to address certain contingencies that could occur over there. Such as, moving from one training site to another. Your vehicle breaks down, how do you safely get into the other vehicle? How do you change tires? That is what I meant by routine training. It was something we had not foreseen having to do, but once we had the men in place in Afghanistan, we found out that the reality was they would have to learn these types of skills. That is what I meant by routine and normal training, sir.

Chairman LEVIN. But the report that you sent to the Government, our Government, said that members of the team were conducting routine training. Those are your words. When they get that report, they assumed what happened was routine, but it was unauthorized. It was not routine. You got that report from Mr. Walker who talked to the people who specifically informed you that someone who was seriously injured had to be medevaced to Germany and that everyone showed poor judgment, it was unauthorized training. What did you do then to correct the impression in your report that would be obvious that they were not conducting routine training? That was not routine. It was unauthorized.

Mr. WALKER. Actually, sir, if I could interrupt real quick.

Chairman LEVIN. No. Let me ask this question of Mr. McCracken, if you do not mind. I am just asking about his report as to whether or not it was routine.

Mr. MCCracken. Sir, it was routine and authorized training. They were up there at Camp Dubs to practice contingency operations if their truck broke down and they had to get into another vehicle.

Chairman LEVIN. What they were doing was unauthorized according to Mr. Walker's report to you.

Mr. MCCracken. Yes, sir. Jumping on the back of the vehicle was certainly unauthorized. I do not believe that anybody would condone that.

Chairman LEVIN. But your report suggested, and this was sent to the Government, that this was routine training. They were con-

ducting routine training. I am just asking you. Did you ever correct that? That is my question.

Mr. MCCracken. Sir, I would not have corrected that. That was in fact routine training. It was not training Afghan soldiers. It was doing training for themselves.

Chairman LEVIN. Was the activity they were carrying out when this gun was discharged and wounded somebody, was that routine or was that unauthorized?

Mr. MCCracken. The initial part of it was routine.

Chairman LEVIN. No. The event. When they were up there with a gun on the back of the vehicle, was that authorized?

Mr. MCCracken. No, sir. Nobody should have been on top of a vehicle that was going to move.

Chairman LEVIN. Okay. When you were informed of that by Mr. Walker, did you then make it clear to the people who were getting this report in the Government that this event, the shooting was not during a routine procedure but during an unauthorized procedure? That is my question. Did you change this?

Mr. MCCracken. No, sir. The training they were doing in general was routine and normal and ongoing.

Chairman LEVIN. I am sure it was, but—

Mr. MCCracken. But absolutely—I am sorry.

Chairman LEVIN. When the gun went off, they were not engaged in a routine exercise. That was not normal for them to be on the back of a vehicle with an AK-47 not training anybody. Is that correct?

Mr. MCCracken. Mr. Cannon's actions were not consistent with the training. That is correct.

Chairman LEVIN. They were not authorized. He was not engaged in an authorized act when that gun went off.

Mr. MCCracken. He was not doing what he should have been doing, but the rest of the team was, in fact, sir.

Chairman LEVIN. Was he doing what he was authorized to do when that gun went off?

Mr. MCCracken. No, Mr. Chairman. He should not have been on the back of the vehicle.

Chairman LEVIN. So what he was doing was not routine, but was unauthorized. Is that correct? What he was doing when that gun went off was not authorized.

Mr. MCCracken. That is correct, sir.

Chairman LEVIN. Okay. Therefore, it was not routine.

Mr. MCCracken. I would characterize it differently, Mr. Chairman. The team was doing training that we thought was very important and necessary.

Chairman LEVIN. I am not talking about the team. I am talking about what Russell Cannon did when he shot someone and sent them, in serious condition, to a hospital. That is what I am asking you about. That is the event we care about. We do not care about changing the tires. We care about doing something he was not authorized to do, which resulted in seriously wounding somebody. That is what we are focusing on. Would you agree that the act that he committed was not routine or authorized?

Mr. MCCracken. Yes, Mr. Chairman, I would agree that what Mr. Cannon did was not routine or authorized.

Chairman LEVIN. Okay. Mr. Walker's report to you said everybody showed poor judgment. Okay? You seem to think to the contrary, but the report you got said everybody on the team showed poor judgment. My question is after you sent this report, which went to our Government, PEO STRI, did you do anything to change the impression that this was a routine act?

Mr. MCCracken. I did not change the report, sir.

Chairman LEVIN. All right. We are going to recess for 15 minutes. [Recess.]

Our committee will come back to order.

Senator Nelson.

Senator BEN NELSON. Thank you, Mr. Chairman, and thank you, gentlemen, for being here today.

Obviously, in a hearing of this type, it is always a question of what occurred and who was responsible or who was irresponsible with such occurrences.

Obviously, training for the security protection of the Afghans is foremost in our minds because if the Afghans cannot provide for their own defense, it is going to be impossible for them to govern themselves as well. Without adequate security protection, the possibility of having any kind of democracy fades rapidly. So that is why what has happened and what will happen in the future is so critically important to the future of Afghanistan and the future of our and NATO's involvement in Afghanistan.

Now, do we know what percentage of the ANP and the ANA are being trained by contractors and not the U.S. or NATO military members? What percentage? Does anyone know what percentage that might be? Colonel?

Mr. WAKEFIELD. No, sir, I do not. I would offer that within CSTC-A there was always Government involvement for the main programs of the ANA and ANP.

Senator BEN NELSON. So it was established by the Government as opposed to established by the contractor. Is that fair?

Mr. WAKEFIELD. Yes, sir.

Senator BEN NELSON. In that regard, do we know who trains the trainers, the contracting trainers?

Mr. WAKEFIELD. Sir, of the contracts that I was familiar with for the training programs that I was familiar with, the company was responsible to train and certify each of its employees. As to standardized training, I would offer that that would be provided through the continental United States (CONUS) Replacement Center (CRC) training at Fort Benning which provides using CENTCOM standardized training for all personnel entering the theater.

Senator BEN NELSON. So we had some reason to believe that the contract trainers had some basic plan to follow in terms of what training they might provide. Is that fair or is it not fair?

Mr. WAKEFIELD. Sir, if I may. The NATO weapons training statement of work (SOW) was modified several times to cover an evolution in training programs which we elected to use the Paravant contractors for. So as the training program matured, relative to the use of Paravant, in each maturation there was a training development piece which identified both training required for the trainers and then the development of the training provided for the ANA.

Senator BEN NELSON. Mr. McCracken or Mr. Walker, can you give us an idea from the company's perspective on how the training of the trainers occurred? The use of the analogy of riding stagecoach gives cowboys a bad name and we do not want that to happen. These were not cowboys. These were just reckless individuals, not respecting safety, and yet safety training was part of their responsibility. Is that fair, Mr. McCracken?

Mr. MCCracken. Yes, Senator Nelson, that is fair to say. The training which they received, especially this incident which happened on December 9, was from an evolving requirement. Colonel Wakefield alluded earlier that the training evolved while they were there. In fact, it still does to this day.

The training they were doing on December 9 was the result of a difference in the reality in Afghanistan from what the Government and Paravant thought might actually be the case. For example, we did not anticipate that the Paravant trainers were going to have to leave the base to conduct training. As soon as they got there, they found out that they would have to leave at different times and attempt to go to different ranges and train. To address that contingency, that is why they were doing that training on December 9, sir.

Senator BEN NELSON. So for their own protection, given the fact that they now had a security situation of their own, they decided to arm themselves unilaterally. This did not come from the top down or did it come from the top down to the trainers?

Mr. MCCracken. It did not come from the top down. We discussed this situation with the Army and the decision was made to get them weapons because it was a dangerous situation to be operating in Afghanistan outside the wires, outside of the protection of the confines of a base. It put people in a difficult situation. On the one hand, you do not want to have anybody at risk of some Afghans coming up out of nowhere and you not being armed.

Also, quite honestly, you have up to 120 Afghan soldiers with NATO-issued M-16 rifles, and if you are not armed, it could be a somewhat risky situation, which nobody anticipated.

Senator BEN NELSON. Were there any guidelines established by the company and the Army, the military, to deal with these individuals being armed as to what protocols might need to be in place for them for their own self-protection?

Mr. MCCracken. I discussed this issue with Colonel Wakefield and other military members in the fall of 2008, and we did decide we would try to find them some weapons they could have for protection on the range.

Senator BEN NELSON. That deals with getting the protection, but it does not necessarily deal with the question of was there a protocol in place as to what they could do to protect themselves. Was it shoot first and ask questions later, I mean, that sort of a situation or something else?

Mr. MCCracken. Oh, absolutely not, sir. Prior to deploying to Afghanistan, all the instructors went through training at Blackwater's offices in Moyock, NC, where they were introduced to rules such as that. Also Mr. Walker, the program manager, gave them advice and told them what the rules were and how best to avoid any confrontation if possible, that kind of thing.

Senator BEN NELSON. Colonel, were you satisfied at the time or are you satisfied now that the determination to provide weapons, the control of the weapons, and the use of the weapons were adequately discussed and agreed upon at the time, or has that happened subsequently if not at that time?

Mr. WAKEFIELD. Sir, if I may. The process that we were going through, prior to my departure in January 2009, was to propose allowing the Paravant contractors to wear sidearms while conducting training.

Senator BEN NELSON. This was after the fact, while they were already doing it?

Mr. WAKEFIELD. No, sir. This was prior.

Senator BEN NELSON. Prior.

Mr. WAKEFIELD. Right. Yes, sir.

The process was first brief and then gain approval by the Commanding General, CSTC-A, then General Formica, to propose and gain approval by Commander of CENTCOM. When I left in mid-January 2009, that was a project which was passed to my successor, and I am not sure of the results or what efforts they took. But it was very clear in my mind that the Commander of CENTCOM owned at least the first piece in the decision process to allow the arming of contractors.

Senator BEN NELSON. Mr. McCracken and Mr. Walker, were you satisfied with the arrangement that the colonel is discussing?

Mr. MCCracken. If I may, sir, I know that Colonel Wakefield was working diligently to get the authorizations in place, and on more than one occasion, he advised me what he was doing to work on it. I was sure that he was doing everything he could to get the authorizations in place.

However, at that time, the Paravant employees did have weapons on their person while they were conducting training.

Senator BEN NELSON. Those were different than the weapons that they got from the military subsequently or later? When you say they were armed, where did those arms come from?

Mr. MCCracken. Those arms were issued to the Paravant employees at the Blackwater armory in Kabul, and it is my understanding that those arms came from a place called Bunker 22.

Senator BEN NELSON. For training purposes or for self-security purposes?

Mr. MCCracken. For self-security purposes, sir. The Afghans had access to the NATO weapons which they were using for training.

Senator BEN NELSON. I know my time is expired, but just to clear this point. So that was before Colonel Wakefield was working on a protocol or rules relating to the arming of the employees?

Mr. MCCracken. It occurred concurrently, sir.

Senator BEN NELSON. Concurrent? I do not know what concurrent means either.

Mr. MCCracken. I am sorry. It happened at the same time, sir.

Senator BEN NELSON. I know that, but it sounds to me like it was not finished before the colonel left. So it happened subsequent to that. But you say that they were armed, but were they armed before that agreement was reached?

Mr. MCCracken. Yes, Senator.

Senator BEN NELSON. That was what I was trying to get to. So that was pre-protocol.

Mr. MCCracken. Yes, Senator.

Senator BEN NELSON. Okay. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Bottom line, they were carrying arms without the authority that they were seeking. Is that correct?

Mr. MCCracken. Yes, Mr. Chairman.

Chairman LEVIN. Thank you.

Now, Senator Burr?

Senator BURR. Thank you, Mr. Chairman. I would like to stay on the same lines, if I can, because I think there is still some misunderstanding.

In September 2008, Mr. McCracken, you traveled to Afghanistan, and what I want to know is, is it your understanding that you perceived a general agreement among Army personnel and Paravant trainers that they faced real danger while in the training range and should be armed for self-protection?

Mr. MCCracken. Yes, Senator, that is my understanding.

Senator BURR. Is it commonplace for range instructors to be armed, including in the United States?

Mr. MCCracken. Yes, it is.

Senator BURR. Colonel Wakefield, in or around November 2008, you were in charge of the CSTC-A in Kabul and gave verbal authorization for trainers to be armed and pledged to secure amended letters of authorization (LOAs) with weapons authorization. Is that an accurate statement?

Mr. WAKEFIELD. No, sir, it is not.

Senator BURR. Tell me where it is inaccurate.

Mr. WAKEFIELD. Yes, sir. Sir, I believe as described, the scope of my responsibilities was quite a bit less. I was the division leader for training and education as opposed to the——

Senator BURR. Okay. Was the second half of that correct?

Mr. WAKEFIELD. Yes, sir.

If I could give you the timeline. As the contract matured from our selection through the team's arrival, Mr. McCracken and I corresponded quite frequently, both in person during his travels, telephonically, and by email. It was as a result of this coordination that I received a request from Mr. McCracken to gain permission for the Paravant contractors to carry weapons.

Senator BURR. Did you give verbal authorization?

Mr. WAKEFIELD. No, sir. I explained to Brian at that time that it was the sole——

Senator BURR. Was that right? This was sometime in and around September 2008?

Mr. WAKEFIELD. Sir, I believe it was closer to November——

Senator BURR. Okay.

Mr. WAKEFIELD.—because it was just prior to the lead elements arriving.

Senator BURR. Colonel Nagasako replaced you. Is that right?

Mr. WAKEFIELD. Yes, sir.

Senator BURR. He mentioned in a May 23, 2009, email—and I quote—"The requirement to arm the Paravant instructors was based on them being on live-fire range with ANA soldiers." So

clearly, there had been a decision made at that point to arm Paravant instructors. Correct?

[The information referred to follows:]

[Information retained in committee files.]

Mr. WAKEFIELD. Sir, that was after—prior to my departure, there was no authority, and we had not asked—

Senator BURR. What did you convey to Colonel Nagasako when he came in? Did you convey anything about the conversations you and Mr. McCracken had had or your actions that you had taken?

Mr. WAKEFIELD. Yes.

Senator BURR. I think, Mr. Chairman, it should be noted that the subcontractor to Raytheon, Paravant, did not have the authority to interact directly with the contracting authority to obtain weapons. So this consulting process that we went through was the result of Paravant being a subcontractor.

Let me move on. Mr. McCracken, were the weapons possessed by Paravant personnel for personal protection?

Mr. MCCRACKEN. That was the intent of the weapons, sir.

Senator BURR. Were the Paravant personnel training the ANA at remote locations in Afghanistan?

Mr. MCCRACKEN. Yes, they were.

Senator BURR. Did DOD provide protection at these remote locations, or were the Paravant personnel on their own until DOD could send troops to respond to a possible attack?

Mr. MCCRACKEN. At least in certain situations, they were in fact on the ground. In fact, in January, I went to Kandahar, which is arguably considered the most dangerous area in Afghanistan, and at the location there in the city of Kandahar, the Paravant instructors actually had to leave the base and go out on the side of a road and conduct the training there. While I was there one morning in January, at least two, possibly three different vehicles drove up with Afghan civilians in them. Drove right up to the range ostensibly to ask if they could pick up the brass shell casings and things like that. But we really did not know if they were there for that purpose or if they were trying to gather some intelligence and possibly do something later. It was a very tense situation, and we had hoped to have some coalition forces there to provide security. That never really materialized.

Senator BURR. After the May 5, 2009, shooting, did Paravant take action to disarm and collect all weapons from Paravant personnel?

Mr. MCCRACKEN. Yes, they did.

Senator BURR. Did Paravant and Blackwater take all action requested by you or Raytheon from the May 5 shooting?

Mr. MCCRACKEN. They did, in fact, do everything we asked them to.

Senator BURR. I appreciate that.

Colonel Wakefield, did Paravant make its personnel available to the Army investigation?

Mr. WAKEFIELD. Sir, that incident, the May incident, occurred after I redeployed, so I have no knowledge.

Senator BURR. Did Paravant and Blackwater fully cooperate with the Army? Do you know?

Mr. WAKEFIELD. Again, sir, I have no personal——

Senator BURR. Okay.

Mr. Chairman, I am through with my questions, and I hope—if it is the chair's intent to get to the bottom of this, then I think it is appropriate to figure out where the DOD oversight was to figure out what, in fact, were the instructions. It is only reasonable to believe that a subcontractor that goes into a live-fire range is going to want to be armed. If, in fact, there was supposed to be DOD security, where was it? If there was not, then we ought to all question how we get subcontractors to go in unarmed into a very dangerous situation.

The truth is that our use of contractors means that our assets can be used in the fight, and I fear that we are headed on a road that tries to put every contract in a box that says this is not a wise use of our resources. I would only tell you that the contractor world in total—I question without it whether we could continue at the pace we currently are in theater in Afghanistan and in Iraq. I think we should require DOD to do the appropriate oversight, but I think we also should expect that when we put people in dangerous positions, we have to allow them to either have their own tools to supply their security or to make sure that we have the security supplied for them.

I thank the chair.

Chairman LEVIN. We do have witnesses on the oversight question. On the question of whether they should be allowed to carry arms or not, that is a question which is a DOD question. They were very clear. General Petraeus was very clear. CENTCOM was very clear. They had to seek authority and have authority to carry arms. They acknowledged that they did not. At the time of the December incident in 2008, they sought it. They were not given the authority to carry the AK-47s or sidearms.

There is an additional issue.

Now, whether they should is a different question, but they clearly had to have authority in order to carry weapons and they clearly did not have that authority. They had sought it. So that is a question of abiding by the rules. If the rules are not good rules, then you can argue they ought to be changed, but the rules were very clear they had to get authority from CENTCOM and they did not have that at the time. That part I think is clear and uncontested.

There is another issue here in terms of oversight. The weapons that they did get out of Bunker 22 belonged to Afghanistan not to the contractors and not to us. If they were to be given arms, the arms should come not from the ANP that we were trying to equip, but from their own source, a different source. It is also clear that Bunker 22 was the place where the ANP's arms were held. It was under our control.

There are two issues there as well, but the oversight issue is an issue we will go into.

Senator BURR. The chairman raises a couple of excellent points, and if I may just have one follow-up question of Mr. McCracken.

I take for granted that Paravant trainers occasionally did have DOD personnel there. Am I correct?

Mr. MCCracken. On occasion, they did, sir.

Senator BURR. Did the DOD personnel ever ask them to disarm?

Mr. McCracken. No, they were never asked to disarm by the DOD personnel.

Senator Burr. So there was likely an understanding from the DOD personnel there that it was okay, probably approved. I think the question is was there verbal approval or was there not. I cannot dispute what the chairman has said that there was not formal approval.

Chairman Levin. There was not approval, period. They sought it and did not get it. As a matter of fact, they sought it just a few days before the December—let me stop because we have to go to other Senators.

Senator McCaskill.

Senator McCaskill. Thanks.

Just following up on this, I want to make sure we make this clear. I have a copy of an email sent by you, Mr. McCracken on November 6, 2008, and I want to read it for the record and make sure that we are clear. On November 6, 2008, you said the following in writing: "I got sidearms for everyone, 9 millimeter Sigmas and holsters. We have not yet received formal permission from the Army to carry weapons yet, but I will take my chances. Pass the word. I will try to get out there in the morning with Bobby" [Tab 6].

Is that correct?

Mr. McCracken. Yes, I wrote that email, ma'am.

Senator McCaskill. Did you not at one time tell Mr. Walker to disarm?

Mr. McCracken. I do not recall that, but perhaps you could reference me to a document that would have that.

Senator McCaskill. I will come back to that.

I am assuming that, Mr. Walker and Mr. McCracken, I know Colonel Wakefield—are you all veterans?

Mr. McCracken. We are, ma'am.

Senator McCaskill. Okay, and you, Mr.—I cannot pronounce your name. Help me.

Mr. Ograyensek. Ograyensek. No, I am not a veteran.

Senator McCaskill. Okay.

To the veterans on the panel, if you disagree with this statement, I would appreciate it if you would just speak up: "The superiority of our military has rested on many things, including a clear chain of command and accountability." Would you all agree that that is an accurate statement?

Mr. McCracken. Yes, ma'am.

Senator McCaskill. Would any of you say that there was a clear chain of command and accountability as it related to the sub-contractors or in this incident independent contractors who were carrying weapons without authority in Afghanistan?

Mr. McCracken. I would say that there was, ma'am. It is my understanding that we had a verbal agreement with the Government that they would be armed. It was no secret. The military came out routinely and observed training. They knew that the Paravant instructors had weapons. Virtually everybody that is over in Afghanistan in the military carries a weapon with them all the time. Certainly people that are surrounded by Afghans that are armed would carry weapons.

Senator MCCASKILL. Let me ask you this then. In December 2008, we had at the time you were in charge of Paravant independent contractors.

Mr. MCCracken. Yes, ma'am.

Senator MCCASKILL. Mr. Walker, were you on site in December 2008 also?

Mr. WALKER. Yes, ma'am.

Senator MCCASKILL. At that moment in time, we had Paravant personnel take AK-47s they were not entitled to, go out, and when they were supposed to be doing work on vehicles, one of those accidentally discharged and shot a guy in the head in 2008. Is that correct? In December 2008?

Mr. WALKER. Yes.

Senator MCCASKILL. Okay. Who was fired over that?

Mr. MCCracken. The gentleman who discharged the weapon when he should not have been discharging the weapon, Mr. Cannon.

Senator MCCASKILL. Was there an investigation by the military?

Mr. WALKER. It happened on an Afghan base.

Chairman LEVIN. Your mic. If you could turn that on, Mr. Walker. There is a button there.

Mr. WALKER. It looks like it is on.

Chairman LEVIN. Good. Talk right into the mic, if you would.

Mr. WALKER. It happened on an Afghan base. We had an investigation by the ANA, and it was dismissed after that.

Senator MCCASKILL. Okay.

Colonel Wakefield, was there an investigation of that by DOD, by anybody at CSTC-A or Certification and Training Assessment Group (CTAG) or TF Phoenix? Did any of the people that were supposed to be overseeing the training of either the ANA or the ANP conduct an investigation after that shooting incident?

Mr. WAKEFIELD. Senator, I am unaware. I know that it was reported through the operations center and the CJ-3 was aware. I am not aware of what steps were taken.

Senator MCCASKILL. When in this process did you tell Mr. Walker to disarm?

Mr. WAKEFIELD. That was in November.

If I may. The initial team was on the ground, had just arrived that day into Kabul International Airport. I happened to be at Camp Phoenix for—I do not remember why I was there, but ran into them. I knew Johnnie by sight. He brought me over there and introduced me to several of the new arrivals. I noticed that some of them were carrying sidearms, and I told Johnnie that we did not have approval, that we would have to secure the weapons.

Senator MCCASKILL. Okay. After they were told to disarm, we had an incident with AK-47s where someone was shot in the head. Correct?

Mr. WAKEFIELD. Yes, ma'am.

Senator MCCASKILL. Was there anybody in the military that you would call accountable at this point? When I read the material and this diagram, I cannot tell who on here is the person—is it General Formica? Is it the one-stars at CTAG or TF Phoenix? Is it you? Who is it that should have, at that moment, when you realized that they are using AK-47s and someone has been shot in the head,

that we better get out there and figure out what kind of situation we have? Who is it in this diagram that should have taken responsibility at that point and did not?

Mr. WAKEFIELD. Yes, ma'am. I am not aware of the particular slide, but if I may, I believe this to be two separate issues.

One was the request to arm their personnel, the Paravant personnel, while conducting range training operations.

The December incident was tied to training of the Counter-narcotics Infantry Kandak (CNIK) which was an ANA battalion, the CNIK, which had the mission of securing the ANP poppy eradication force. So the training that was to be provided to the CNIK was on light infantry tactics, and we had a short-term requirement and a very short-notice requirement to train the CNIK. We elected to use one of the extra Paravant teams, and that is why that team happened to be at Camp Dubs conducting that training.

While they were in support of the CNIK training, they were under the operational control of TF Phoenix, and I am unaware of what orders TF Phoenix issued which would have further delegated the responsibility for oversight of the contract personnel.

Senator MCCASKILL. Was that kind of training in their work order, Mr. Ograyensek?

Mr. OGRAYENSEK. I am sorry. Can you clarify—

Senator MCCASKILL. Was that kind of training—was the training, in terms of the narcotics training—was that even in the work order?

Mr. OGRAYENSEK. There was no training for narcotics, no.

Senator MCCASKILL. Let me move on because I think that the point is that we had an incident that should have set off a red flashing light. It took another incident with all kinds of ramifications, in terms of who was involved in that incident, for people to get really ramped up about who was minding the store, as it related to this contract.

Mr. Walker or Mr. McCracken, during this period of time, whose name was on your paycheck?

Mr. MCCracken. Blackwater's name was on the paycheck, ma'am.

Senator MCCASKILL. Mr. Walker, whose name was on your paycheck?

Mr. WALKER. Direct deposit. I never saw it.

Senator MCCASKILL. So you never saw it. Who did you think you were working for?

Mr. WALKER. Blackwater.

Senator MCCASKILL. Everybody was working for Blackwater. Right?

So what was Paravant? It was just a name?

Mr. MCCracken. I think that would be an accurate statement, ma'am.

Senator MCCASKILL. They just put a name out there so there would not be the name Blackwater?

Mr. MCCracken. I was not involved in the formation of Paravant, so I would have to speculate about it if I were to answer that.

Senator MCCASKILL. Okay.

In the beginning of this contract, I know you managed this contract from Florida, was it clear to the military that Raytheon was going to subcontract this work to Blackwater, and was it clear that they were then going to try to use what they called independent contractors to actually be the people on the ground doing the work?

Mr. OGRAYENSEK. No, it was not clear at the initiation of this requirement that Raytheon was going to subcontract to any particular subcontractor. They selected Paravant through a competitive subcontracting process that was used by Raytheon's purchasing system.

Senator MCCASKILL. But Raytheon was allowed to subcontract?

Mr. OGRAYENSEK. Correct.

Senator MCCASKILL. Was there any thought of maybe including in the scope of the contract that certain requirements, as it related to subcontracting—so you knew that Raytheon was not going to do this work when you let the contract, that Raytheon was going to be a pass-through?

Mr. OGRAYENSEK. When we awarded the contract, we were aware that Raytheon was going to subcontract this work to Paravant.

Senator MCCASKILL. Why not contract with Paravant? Why not just contract with Blackwater? What's the point of putting Raytheon in the middle other than to make this chain of command and accountability a little less clear?

Mr. OGRAYENSEK. We have the contract—the Warfighter FOCUS contract is for training services. It is with RTSC. They have the means to acquire other additional expertise through subcontracting if they cannot do the job themselves.

Senator MCCASKILL. What is Raytheon doing in regards to training the ANP or the ANA?

Mr. OGRAYENSEK. In this particular case, they were managing the subcontract.

Senator MCCASKILL. So this is just a classic middleman, that they are supposed to be managing but not providing any personnel to do the work.

Mr. OGRAYENSEK. Paravant also proposed management on the ground there to manage their own people. Raytheon also was in charge of managing the subcontract.

Senator MCCASKILL. Raytheon took a cut for just ostensibly providing management oversight to these guys who had been discharged from the Army for bad conduct and were on the ground shooting people?

Mr. OGRAYENSEK. Raytheon has subcontract agreements with many different subcontractors. We were using rates that were established in the basic contract, in the basic Warfighter FOCUS contract. We were using those rates. The only other costs that were added to this particular contract were other direct costs. So Raytheon received some material overhead, general and administrative, and some fee on top of that for this particular effort.

Senator MCCASKILL. Mr. Chairman, I am out of time. I am going to try to stick around if I can—I have another hearing—because I have more. But I think this is a great example of layers of contracts that do not have meaning but cost us money that we do not really get any value out of. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCaskill.

Senator LeMieux.

Senator LEMIEUX. Thank you, Mr. Chairman.

Good afternoon or still good morning. Thanks for being here today.

Colonel, I want to draw the lens back a little bit and ask you how we administer these contracts in general. Was it your responsibility for oversight of the contracts that we are talking about, or all of the contracts for folks who are working in Afghanistan? Are you responsible for overseeing those contracts?

Mr. WAKEFIELD. No, sir. My involvement was taking an identified requirement which could not be met through military sources, in this case, and writing the SOW which described what the Government expected the contractor to provide.

Senator LEMIEUX. So who was responsible?

Mr. WAKEFIELD. For?

Senator LEMIEUX. For overseeing all of the—my understanding is we have 33 percent more contractors in Afghanistan than we do troops. So we are talking about a huge number of people. Who is ultimately responsible at CENTCOM for overseeing these contractual arrangements?

Mr. WAKEFIELD. Sir, I do not know the answer to that.

Senator LEMIEUX. Who did you report to on these issues?

Mr. WAKEFIELD. To the Commanding General (CG) of CSTC-A.

Senator LEMIEUX. Your focus of mission was only writing the SOW for this particular engagement?

Mr. WAKEFIELD. Yes, sir, to design and develop the training programs and policies to facilitate ANA and ANP training and development.

Senator LEMIEUX. Did you have responsibility, once you wrote the SOW, to follow up to make sure that the contract was being performed as you had dictated?

Mr. WAKEFIELD. No, sir.

Senator LEMIEUX. Who had that responsibility?

Mr. WAKEFIELD. That was passed to TF Phoenix and to CTAG for the execution of the NATO weapons training. If I am answering your question correctly, Government supervision of the contractors I believe TF Phoenix had direct responsibility, ultimately—

Senator LEMIEUX. Who is in charge of TF Phoenix?

Mr. WAKEFIELD. That time, sir, it was a regular colonel from the State of New York.

Senator LEMIEUX. Who is in charge of it now, do you know?

Mr. WAKEFIELD. I do not know, sir.

Senator LEMIEUX. I see the chairman is preparing something. I just want to make a point, Mr. Chairman. I think it would be useful to have a better understanding of who at CENTCOM or whoever in the chain of command is ultimately responsible for making sure that these contracts are performed in the way they are supposed to and that they are done efficiently and effectively. If there is 33 percent more contractors in Afghanistan than troops, by my rough math, that is 150,000 contractors because we have about 100,000 troops. That is a statistic that I was given today. That is a lot of people performing a lot of important functions.

I just have one final area.

Chairman LEVIN. We are in total agreement on that. A lot of confusion over the accountability and the responsibility for overseeing contractors. That is kind of laid out in the longer statement that I put in the record, but you are absolutely right. That confusion was huge and hopefully now there has been some improvement in it. But at this time——

Senator LEMIEUX. But whoever is in charge of it, Mr. Chairman, if that person at CENTCOM could come and speak to us to tell us how they administer these programs, what the accountability measures are, I think that would be helpful.

In relation to this specific incident, Paravant was asking for the ability to carry weapons. Is that correct?

Mr. WAKEFIELD. Yes, sir.

Senator LEMIEUX. When they were out doing this training operation and they did not yet have weapons, who was providing security for them?

Mr. WAKEFIELD. Sir, they were on a secured physical training area, Camp Dubs, that is guarded by the ANA and is the training location and billeting location for several coalition forces.

Senator LEMIEUX. So they were with—inside of that facility?

Mr. WAKEFIELD. If they were at Camp Dubs, Darulaman, yes, sir.

Senator LEMIEUX. All of their purposes and all of their function would have been held within the confines of that camp?

Mr. WAKEFIELD. That was the initial intent. I am not sure if it was modified.

Senator LEMIEUX. Mr. McCracken, you were saying about being outside of the wire.

Mr. MCCracken. Yes, sir. At Camp Darulaman, otherwise known as Camp Dubs for the Americans, where that training was taking place, where they regularly trained the Afghans was actually outside the secure perimeter of the camp. Where the incident on December 9 happened, it happened at that very training site, which is outside the coverage area of Afghan security.

Senator LEMIEUX. So I assume that the reason why you were requesting weapons is because you did not feel secure?

Mr. MCCracken. That is correct, sir.

Senator LEMIEUX. Having traveled over to Afghanistan, I can imagine that you would need to feel like you needed to have weapons, and it is a very dangerous place. I am not going to get into why the request was denied. Certainly this was a tragedy and this should not have happened, but it does not make sense to me that folks would not have the ability to protect themselves. Would you agree with that, Colonel?

Mr. WAKEFIELD. Sir, I would. Thank you.

The initial concept in the development of this requirement was that the contractors could conceivably operate on their own without any coalition force. The reason why we went to contractors was the additional training requirement for the NATO weapons training and the uparmored HMMWVs was in excess of the current fielded force's ability to manage the additional training, the reason why we went with the contractor.

That being said, it was conceivable that other operational requirements could have taken away all of the coalition force cov-

erage, leaving the contracted team on the range by themselves. So when Mr. McCracken—in what I seem to remember is November 2008—requested permission to arm, I personally believed that that was a reasonable request and conveyed to him it would be processed through to get approval.

Senator LEMIEUX. That is all the questions I have. Thank you, Mr. Chairman.

Chairman LEVIN. Senator Begich?

Senator BEGICH. Thank you, Mr. Chairman. First, I apologize for being late. It sounds like it is a very interesting hearing, to say the least.

First, I want to say I am trying to follow what Senator McCaskill was getting to, I do not think I heard the answer but I want to do two things, if I can. Mr. Chairman, if I can have just a little flexibility. We have a small group here.

I just want to make sure I understood what Senator McCaskill was referring to on the chart because I was not clear on that chart and if she felt she got the answer because I will be very frank with you. I am looking at all four of you. I will use my words, and I came in midway here. But it just looked like a scam to continue to do the work for Blackwater under some other phony name in order to do the work. So I will just put that aside for a second.

I just want to understand if Senator McCaskill can answer the question for me. I do not think I heard the answer of who was finally in charge, but I do not know what this chart was. So maybe, if I could, Mr. Chairman, just make sure I understand what was there that she was referring to.

Chairman LEVIN. I think that is Senator McCaskill's chart?

Senator BEGICH. Yes.

Chairman LEVIN. Yes.

[The information referred to follows:]

[Information retained in committee files.]

Senator MCCASKILL. It is a committee chart but it basically lays out the fact that—where the training command is, which is now General Caldwell, and the two components of that, the ANA and the ANP, and that Paravant fed into TF Phoenix, which is the ANA training. But it is not clear from this chart—and frankly, I still do not think it is clear in the hearing who in the military takes responsibility for the lack of oversight in this instance. That was the issue.

Senator BEGICH. That is what I was wondering if you—

Chairman LEVIN. If I could interrupt you, Senator Begich, because of something you said that I want to reinforce the point that Senator McCaskill also made. We interviewed Mr. McCracken, and this is what the interview said. This is the transcript of Ilona Cohen's, committee counsel, interview with Mr. McCracken.

[The information referred to follows:]

Ms. COHEN. Why was Paravant created?

Mr. MCCracken. It was created, I believe, to be like a company that didn't have any Blackwater on it, quite honestly, so they could go after some business that Raytheon was getting ready to hand out. So I think that's why it was created.

Ms. COHEN. What was the concern about having the Blackwater name?

Mr. MCCracken. Oh, the reputation.

Ms. COHEN. Okay.

Mr. MCCracken. The baggage.

Chairman LEVIN. That is also in part the answer to Senator McCaskill's question, that Mr. McCracken said he did not know about the structure, but his previous testimony to us in that interview was, in his judgment, it was because of the Blackwater name, the baggage that that carried. So they just created another name.

Senator BEGICH. A shell.

Chairman LEVIN. A shell.

Senator BEGICH. A scam. Those are my words.

I guess I want to get to a two-part question here. One is the hiring practices, one incident where Blackwater had an individual on a no-hire list, and then later this new scam company appears and hired the same person. I want to ask you, Mr. McCracken, in just a second.

Also from the military end, I want to get clear on what I understand is that you were clearly aware that there was going to be a subcontract with this company, which I am assuming you did some research on to know that it was Blackwater, and if you did not, to be honest with you, why the hell did you not do that?

I mean, at least as a former mayor, when we had subcontractors working for a major contractor, we knew who the heck they were because sometimes they do these scams and they try to have a company that is just a shell. It has no oversight, no responsibility of any kind or claims to be, and has multiple limited liability issues. So they do not have to worry about the subcontractors, and they hire workers that are not paid properly and the list goes on and on.

First to Mr. McCracken, if I can understand—and I will use one incident, and if I get the name wrong, I apologize. Sebastian Kucharski worked for Blackwater in Iraq until he was terminated September 22, 2006, after being involved in an alcohol incident, and Blackwater put him on a “do not hire” list. Then he in the “new company,” which really was not a new company, just a name that was put on stationery, was under contract for that new company. My understanding is, you were aware of that at some point, and then continued to keep him on the payroll.

My issue is this process of hiring and who should be there, who should not be there. It was clear this person was not a desired employee from the original Blackwater, and Blackwater Lite, which is this other company, still kept him at a later date and hired him into a contract. How did that work?

Mr. MCCracken. I trusted the Blackwater recruiting arm who provides the people, and I asked about this Mr. Kucharski, and I was told that he was let go because of a personality conflict. That the charges were internal charges that were drummed up and that Kucharski was actually all right. That he had, like I said, a personality conflict with one of the supervisors on the big Blackwater contract. Given what I know about the big Blackwater contract in Iraq, which is I believe that is where he was, it did not surprise me that there may have been some vindictive charges brought up against somebody and maybe due process had not been followed in his case.

Senator BEGICH. Let me ask you this. I am looking at an internal personnel record and I see his information here, but I do not see

any notation that indicates a change in that. I will share this with you at some point.

[The information referred to follows:]

[Information retained in committee files.]

Senator BEGICH. My point is there seems to be, at least from the review of some of the records that I have seen, an inconsistent effort in making sure that you have the right people working for you. We can argue first, I will do that in a second with the military folks, over the issue of the incident regarding who you hire and who you do not hire or who you keep on. Based on history, that was not only in Blackwater but Blackwater Lite. I am not going to give it the name that is in the record. It was really Blackwater Lite.

So how do you respond to that?

Mr. MCCracken. Senator, I placed my trust in Blackwater's recruiting division that they were providing us with people that they had vetted and that they had checked out.

Senator BEGICH. You had no other way to double check these. You just trusted them and hoped it all worked out?

Mr. MCCracken. I did place my trust in them. I met Mr. Kucharski while he was in processing, and I did ask him about that incident and he gave me a solid story. I told him it was important that he never have something like that happen again. Whether there was, in fact, a personality conflict or not, there just was not any room for that.

Senator BEGICH. I have another document and I will, again, be happy to share it. It is pretty clear on the recommendation of this individual regarding his immediate termination in 2006 [Tab 18]. You make it sound soft, that it was just all a misunderstanding. He had a little issue, and worked it all out.

With the security issues, again, I know this from my own experience in managing a city of 3,000 employees with a significant police force. An incident like this, this person would not have been on the police force. He would not have been in our community officer program, which does not even carry a gun. They would not be part of the equation because of their past issues.

I think there are a lot of issues around how you hire. I am going to hold you there for a second.

I am still trying to figure out who is ultimately in charge when you were in operation. I will start with the subcontract first. Did you review who the subcontractor was going to be? Whoever wants to answer it because I do not know who is in charge of you two, so whoever is going to lay it out.

Mr. OGRAYENSEK. The TO under which the——

Senator BEGICH. Is your mic on?

Mr. OGRAYENSEK. Yes, it is.

Senator BEGICH. There it is, okay.

Mr. OGRAYENSEK. If Raytheon could not perform those services, they were permitted to subcontract those particular——

Senator BEGICH. I understand that. Who reviewed that subcontractor from your group?

Mr. OGRAYENSEK. That was a competitive subcontract.

Senator BEGICH. I understand that. You said it earlier. Who reviewed the contract once it was competitively awarded as Raytheon's subcontract? Who made sure that a subcontractor would do the work that we wanted Raytheon to do?

Mr. OGRAYENSEK. Raytheon selected the subcontractor.

Senator BEGICH. So no one in your operation reviewed that subcontractor?

Mr. OGRAYENSEK. We did review the contract when it came in as the proposal. We reviewed the proposal as it was existing. There seemed to be no problems with it at all.

Senator BEGICH. It did not raise any flags to you that this was really Blackwater Lite?

Mr. OGRAYENSEK. There was no indication that they were part of Blackwater.

Senator BEGICH. Zero indication from your perspective.

Mr. OGRAYENSEK. Zero indication.

Senator BEGICH. In the performance of who was part of the organization, what did you see there in the sense of when you reviewed the proposal?

Mr. OGRAYENSEK. What was proposed was a series of labor categories within the basic contract, within the basic Warfighter FOCUS contract. There were no names associated with those labor categories at the time of award.

Senator BEGICH. I guess I want to ask you a little bit further then in that. So you see the proposal. You see no association of who might be part of this organization, but you have great faith in it that it will perform the job that Raytheon wanted. Had they performed any other security work?

Mr. OGRAYENSEK. This is not a private security contract. This is a training services contract.

Senator BEGICH. I understand that. I am sorry. I used the wrong word. The training work. Had they done other training work?

Mr. OGRAYENSEK. There was other training work. They had a past performance volume in the subcontract proposal that we looked at. They did other training work for DOD and the Department of State (DOS), I believe, and for the Navy.

Senator BEGICH. Was that work that they did or was it actually work that Blackwater had done, that they now claim as their credibility or their credit?

Mr. OGRAYENSEK. The indication was that it was Paravant's work.

Senator BEGICH. Can you define what you mean by indication? Did you connect with those folks who had contracted with Paravant and check in with them and say who were these people that did this work? Did you do any of that?

Mr. OGRAYENSEK. We did not call those references.

Senator BEGICH. You did not call any of those references.

Mr. OGRAYENSEK. It was the responsibility of Raytheon—

Senator BEGICH. You can dice the words, but ultimately it is our responsibility, when we are contracting out, to make sure those contractors are doing the service. My understanding is the work that was performed and was used in their proposal was work that Blackwater did that Paravant had now attached their names to as their references. But you checked none of those references. I want

to make sure I am right on this because if you did not check the references, how do you know they would perform the work that we wanted Raytheon to do, which they then subcontracted out?

Mr. OGRAYENSEK. The subcontract proposals were reviewed by subject-matter experts in CSTC-A. CSTC-A was available to review each of those subcontract proposals. We relied on the subject-matter expertise for CSTC-A to evaluate those proposals for us. When that proposal was selected by Raytheon and placed in our TO proposal, we found nothing wrong with that recommendation.

Senator BEGICH. My time is up, I am learning a lot about the Federal Government and how they do their business and others that are associated with it. To be very frank with you, your excuse, what you have just given me, "your explanation"—I will use that phrase more appropriately—would be clearly unsatisfactory for—it does not matter if it was a \$10,000 contract we let in the city government to hundreds of millions of dollars contract to say, "well, we let it to a contractor. They did the work, and then we kind of looked at it. They brought us a competitively bid subcontractor. We felt comfortable with it and off we went to the races." Maybe I am wrong about this. There was a lot of issues swirling around out there in the discussion of who provides the contractor work for the United States.

I am disappointed, to say the least, and I am not satisfied with the response. At the end of the day, who was ultimately responsible to make these decisions?

But I will leave it at that. My time has run out.

Chairman LEVIN. Mr. Ograyensek, did you just say that you were not aware of the fact that Paravant and Blackwater were one and the same?

Mr. OGRAYENSEK. That is correct.

Chairman LEVIN. Paravant had never done anything. They never had performed any training or any other function. Were you aware of that?

Mr. OGRAYENSEK. No, I was not.

Chairman LEVIN. They represented in their proposal that they have 2,000 personnel deployed overseas. They did not have anybody deployed overseas. Were you aware of that?

Mr. OGRAYENSEK. I was not aware of that.

Chairman LEVIN. Do we check those things out? Do we ask for references? They make representations here which are wildly false. It is Blackwater. It is just a shell. It is just the name changed. Mr. McCracken knew and everybody knew in the field it was Blackwater trying to get rid of a negative name. But you were not aware of that.

Mr. OGRAYENSEK. No, sir.

Mr. WAKEFIELD. Mr. Chairman, may I?

Chairman LEVIN. Sure. Is it in answer to that question?

Mr. WAKEFIELD. Yes, sir.

Chairman LEVIN. Okay.

Mr. WAKEFIELD. Once the proposal had been approved through CENTCOM and through the regulatory part that I am not fully clear of, I received from PEO STRI, I believe it was, either four or five offers. It was each company's proposal to meet the SOW re-

quirements. The company name was redacted. It was listed as offeror 1, offeror 2. So there was no names associated.

As was mentioned, we conducted a subject-matter expert review of each of the proposals. When I came to the proposal of offeror number 3, as an example, there were biographical summaries listed in each of the offeror's statements. One of the biographical summaries was that of the founder of Blackwater. I did not know the names of the companies that had provided offers, but knew that with his curriculum or with his biographical summary, I assumed that that was an offer from Blackwater.

Chairman LEVIN. It turned out that that was the Paravant offer.

Mr. WAKEFIELD. As it turned out to be the Paravant offer.

Chairman LEVIN. Everyone knew they were one and the same anyway.

Mr. WAKEFIELD. Correct.

Chairman LEVIN. It may have been redacted, but you were aware of the fact that that was a Blackwater offer, in effect.

Mr. WAKEFIELD. Correct.

If I may, I believe I was aware of the incident in Iraq only as it was reported through CNN and the Stars and Stripes. So when I saw that, I knew of Blackwater's reputation and I knew of the incident but did not have any indication or knowledge that they would not be able to provide the services which we required. So it did not raise a flag. I was not aware of the intricate details that perhaps the rest of the panel is of the incident in Iraq, but it was not a cause for concern.

Chairman LEVIN. Now, Mr. McCracken, you indicated that you relied on Blackwater in terms of their personnel, but when it came to the hiring of Kucharski, you decided you were going to hire him despite Blackwater's own records, which said do not hire this guy. Is that correct?

Mr. MCCracken. After I consulted with Blackwater's recruiting people, they initially presented him to me and I said, "well, it looks like he is a 'do not use,'" and then they told me, "well, he is a 'do not use,' but it is just a personality thing."

Chairman LEVIN. Oh, they told you. Blackwater told you to ignore their own document.

Mr. MCCracken. Yes, they did, sir.

Chairman LEVIN. I see. Their own document said that he was involved in an alcohol-related incident which resulted in a physical altercation between himself and another Blackwater independent contractor. His "actions and lack of prudent judgment in the consumption of alcohol resulted in an altercation not just between him and another independent contractor," but also after the physical altercation, he attempted to "continue the confrontation and was once again stopped by guard force personnel." He "then verbally threatened the other independent contractor and guard force personnel. His actions are an embarrassment to himself and Blackwater and there can be no other recommendation other than immediate termination" [Tab 18]. Blackwater told you just ignore that?

Mr. MCCracken. Sir, that is the first time I recall ever hearing that, what you have just read.

Chairman LEVIN. Did you check the record?

Mr. MCCracken. I was not privy to that record, sir. He worked for DOS——

Chairman LEVIN. Who at Blackwater told you to ignore that?

Mr. MCCracken. Nobody told me——

Chairman LEVIN. Who told you to ignore the fact that he was on the “do not use” list?

Mr. MCCracken. Some people in the recruiting department, but I have never seen that document before, sir.

Chairman LEVIN. Okay. When you say you were not privy to the record, you were head of recruiting at Blackwater, were you not?

Mr. MCCracken. I was, but that record would have been kept by what is called the Worldwide Personal Protective Services.

Chairman LEVIN. Did you ask to see the record before you decided to hire this guy despite being on the “do not use” list, particularly since you say you relied and trusted Blackwater?

Mr. MCCracken. I asked people from the DOS program, which is what I believe he was working on, what the situation was with him. I was told he was just wrapped up in a personality conflict, but I have never seen that document before, sir.

Chairman LEVIN. Did you have access to it as a recruiter for Blackwater?

Mr. MCCracken. No, I did not. They compartmentalized a lot of things.

Chairman LEVIN. I see.

Now, going back to the question of whether or not the folks working for Blackwater-Paravant had authority to have AK-47s or sidearms, Colonel, let me ask you this question. It was clear they did not have the authority. Whether it was reasonable that they sought it or not, they did not have authority to carry weapons. Is that correct?

Mr. WAKEFIELD. Sir, during my tenure, that is correct.

Chairman LEVIN. All right. They sought authority repeatedly. Is that correct?

Mr. WAKEFIELD. Yes, sir.

Chairman LEVIN. It was not given to them?

Mr. WAKEFIELD. Correct.

Chairman LEVIN. They knew they needed it?

Mr. WAKEFIELD. Yes, sir.

Chairman LEVIN. They knew they did not have it or they would not have sought it?

Mr. WAKEFIELD. Yes, sir.

Chairman LEVIN. Now, is it reasonable that the Army, when there are contractors in the battlefield space that are going to be armed, would want to know who is carrying arms in their battlefield space?

Mr. WAKEFIELD. Yes, sir, I believe that is correct.

Chairman LEVIN. It is reasonable that there be such a requirement. Whether or not the request in this case was reasonable or not, we know it was not granted and argue whether it should have been. But we know it is reasonable that it is required and that they did not have authority to carry it. Is that true?

Mr. WAKEFIELD. Yes, sir.

Chairman LEVIN. Now, Mr. Ograyensek, let me ask you this question next. This incident report that Mr. McCracken wrote out

was forwarded to you or to your office according to this email message from Rhoda Shanick [Tab 4], who I believe was from Raytheon. She emailed a report to you that described the December 9 incident. On this report, it checks certain things like operating equipment improperly, improper technique, policies not followed, and safety training not followed.

When your office got that report, did you act on it?

Mr. OGRAYENSEK. No, sir, I did not. I regret not acting on that memo. I was on temporary duty on another assignment when that memo came in. When I got back, I had over 287 messages that I had not read. For some reason, I did not notice the severity of that memo. It was not marked urgent. It was not marked with any particular emphasis. We missed it, and I regret missing it.

Chairman LEVIN. Did the Army investigate this matter? I want to go back to a question I think that Senator McCaskill raised. Do you know whether or not this shooting incident where a man was partially paralyzed through an unauthorized action was ever investigated by the Army? Do you know whether they did?

Mr. OGRAYENSEK. I am not aware that they have investigated it.

Chairman LEVIN. Colonel, you are not aware of it either?

Mr. WAKEFIELD. Sir, I am not.

Chairman LEVIN. On December 3, 2008, before the December shooting, Raytheon actually requested PEO STRI project managers, Linda Comfort and Dave Christianson [Tab 26] authorization "for the Paravant employees to allow them to carry arms in Afghanistan." Did they get that authorization, Mr. Ograyensek?

Mr. OGRAYENSEK. No, sir, they did not.

Chairman LEVIN. They were seeking it again, days before the event?

Now, after the event—my time is up.

Senator McCaskill.

Senator MCCASKILL. Let me make a point that Blackwater acting as Paravant was, in fact, removed from this contract as a subcontractor by Raytheon in the fall of last year. Correct?

Mr. MCCracken. Yes, ma'am. I believe September 15 approximately.

Senator MCCASKILL. At that point in time, MPRI took over as a subcontractor for Raytheon. Is that correct?

Mr. MCCracken. Yes, ma'am. They continue to do the work to this day.

Senator MCCASKILL. It is true that they are not armed?

Mr. MCCracken. They are not armed, ma'am.

Senator MCCASKILL. Is it also true that a couple of dozen of the people that used to work for Paravant, also known as Blackwater, are now working for MPRI?

Mr. MCCracken. Yes. I think that is an approximate number, but it is probably pretty accurate, about 24 or 20 of them.

Senator MCCASKILL. Did they know, when they were going over to work for MPRI, that they were not going to be armed?

Mr. MCCracken. Yes, they did, ma'am.

Senator MCCASKILL. Yet, they still took that contract.

Mr. MCCracken. These 20 or 24 decided to. There were several that decided not to continue to work in Afghanistan, but these ones have accepted that challenge.

Senator MCCASKILL. Having just come back from Afghanistan, I can certainly assume there are a lot of reasons you would not want to continue to work in Afghanistan. It is not exactly a vacation spot right now.

Let me acknowledge that Blackwater provided security when I was over there, and let me acknowledge how many veterans are working for these companies that are doing great services, putting themselves in harm's way, and helping us achieve a mission that, frankly, we could not achieve with the number of boots-on-the-ground we can get there in a fairly quick time period. I do not want to make this all about anybody who takes up one of these contracts is a bad guy. That is not the case.

The difference is when I said in my first round of questioning, I bet you if I had people who worked for Blackwater, just boots-on-the-ground for Blackwater, who are seen interchangeably as American soldiers in the roles they are doing, that they would admit that there is not the chain of command and accountability in terms of the rules that they have in the military. Would that be a fair statement?

Mr. MCCracken. It is difficult for me to put words in somebody else's mouth, but from my own experience, I think I would agree with that.

Senator MCCASKILL. So really what we have here is we have—where the hearts and minds of the Afghan people are incredibly important to this mission, we have two groups of people, both Americans, both being seen as a unified front in terms of what they are doing in this country. We have one group of people that if one of the Army had gone out there with an AK-47 they were not supposed to have on top of a moving vehicle and shot a guy in the head and paralyzed him, something would have happened in that chain of command.

If they had kept somebody on the force that had been using cocaine, that had been drunk, that had been charged with larceny, that had done all these things these guys had done, that went out and killed Afghan people in the spring of 2009, something would have happened to them if they were in the military. Correct, Colonel?

Mr. WAKEFIELD. Yes, ma'am.

Senator MCCASKILL. I mean, this would have been a huge deal inside the military, that somebody wearing the uniform would be engaged in this kind of conduct.

What is killing me about this problem with Blackwater is we have two sets of rules and one image. As long as we have two sets of rules and one image, we are in trouble on this mission. Until the contractors are held to the same standard as the men and women that are there in uniform, we are going to continue to come back at this. I do not care how many names they make up for Blackwater. I do not care how many different titles they put on the company. It is still going to be the same problem. Until the military gets that, until the military takes this problem more seriously in terms of what happens, whether it is you not following up on that memo or whether it is this question of who was responsible for the investigation after the incident in December, we are going to be back in this hearing room and we are going to continue to

be stalled on progress accomplishing this mission. I think it is really important that we get that. I am going to take it up with CENTCOM. I am going to take it up with General McChrystal.

Who was the contracting representative (COR) on this contract within the unit, Colonel Wakefield?

Mr. WAKEFIELD. Ma'am, during my tenure, I do not believe that there was a COR on ground.

Senator MCCASKILL. I was just told by General Caldwell that they had made great progress on CORs. Here we have one of the key categories, training of the ANP and the ANA, being done by contractors, and you are telling me that when you were there, there was not a COR that was responsible for it?

Mr. WAKEFIELD. As I understand the term "contracting representative."

Senator MCCASKILL. A COR is what it is called, the acronym.

Mr. WAKEFIELD. Right. I do not believe that there was.

Senator MCCASKILL. Have you heard of that acronym?

Mr. WAKEFIELD. Yes, ma'am.

Senator MCCASKILL. Okay. Okay, that is good. If you had not heard of it, I was going to really panic.

But it is not good that we have something that is so fundamental to this mission and they are telling me that the CORs are a lot better, that these CORs are now getting trained and they are really on the job in terms of contract oversight, and clearly this is a huge, gaping hole.

Mr. MCCracken. Ma'am, may I add something to your point?

Senator MCCASKILL. Yes.

Mr. MCCracken. First of all, I agree with everything you said. I believe on this panel I am the only person who is in Afghanistan right now. I can tell you that since May of last year, PEO STRI has done a very good job, as has the Army, with providing oversight to the contractors, at least the ones that I deal with. I have had the opportunity to serve with two outstanding officers that served as CORs.

Senator MCCASKILL. So it is better.

Mr. MCCracken. Yes, ma'am. It is much better. I hope that PEO STRI and CENTCOM have an opportunity to demonstrate how much better it is, and I hope that next time you come over on a congressional delegation—

Senator MCCASKILL. I have to tell you, I was feeling better until I started digging into the documents on this hearing, and then all of a sudden, I panicked that maybe this was just a really good PowerPoint presentation, as the military can always do a great PowerPoint presentation, without the meat on the bone. I am glad to hear you say that, Mr. McCracken, that it is better, and I am going to continue to follow up.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCaskill.

I want to go back to the hiring practices and the vetting issue. The Paravant proposal for ANA training said that "each instructor must have on file a copy of the military service record," which is a DD-214, if that instructor has prior military experience. Blackwater has told the committee that it does not have the DD-214 forms for Drotleff or Cannon. These were the two guys who

were indicted for the May 5, 2009, shooting in which two Afghan civilians were killed.

Let me ask you, Mr. McCracken. Did you review the military records of Paravant contractors before they were hired? Was that your responsibility?

Mr. MCCracken. It was not my responsibility, sir, and I did not review every single one of them, no.

Chairman LEVIN. Do you know if anyone reviewed the records?

Mr. MCCracken. I do not know if anybody reviewed the records. I know they had a process in place to do so, however.

Chairman LEVIN. Let me just tell you about Mr. Drotleff's military record. This is a guy who was hired, was involved in that May shooting 2009, and we know what the ramifications are—and they are still reverberating—of that shooting in terms of Afghan public distrust of so many of our activities there still. We have to overcome that. We gradually are. Our whole strategy is to protect the public, to show them that we are not there to dominate. We are not there to control. We are there to help them control their own country against the menace that they face.

But his record, which apparently was ignored, included assault, failure to obey order or regulation, larceny, wrongful appropriation, and insubordinate conduct. That is the record that he had when he was hired by Blackwater.

That is the problem, that kind of sloppy vetting puts us in a position where we are hiring people who, again, as I said in my opening statement and as others have said, are seen as representing America. This guy is seen as representing America. He does not and he never should be allowed to be put in a position where he is viewed that way. For him, Mr. Drotleff, with a record like that—and Justin Cannon, who was indicted for that May 2009 shooting, we are talking mainly about the December 9, 2008, shooting which should have been investigated but was not by the Army. But if that investigation had taken place, hopefully the May incident would not have happened. We would have taken action to change that whole environment.

The other guy, Justin Cannon, was discharged from the military after he went AWOL and he tested positive for cocaine.

I want to go back to one more thing about these weapons. It is important, and I think Colonel Wakefield told us this and others would agree, if you are going to have contractors armed, the Army better know about them. The Army needs to know who in their battle space is armed so in case they are called in, they can tell who are the bad guys and who are the good guys, if nothing else. That does not mean he is a bad guy. That means he could be a contractor. They have to have a plan for that. They have to be notified. They have to be informed.

Let me ask you, Mr. McCracken, since you took responsibility for arming these folks, did you file plans with the military when they were moving about?

Mr. MCCracken. It was Blackwater-Paravant's policy to notify the military whenever they made a movement off the base.

Chairman LEVIN. Did they? Were they notified about this movement that we are talking about in December? Do you know, Mr. Walker, if they were notified?

Mr. WALKER. They were still on the base at Camp Darulaman. They did not move off the base.

Chairman LEVIN. I thought they were outside the wire.

Mr. WALKER. Outside the wire, but still within the confines of Camp Darulaman. There is no fence around an Afghan base.

Chairman LEVIN. All right. So they did not move off the base.

Mr. WALKER. They were up on a range north of Camp Darulaman.

Chairman LEVIN. It was north of the camp.

Mr. WALKER. Yes, sir.

Chairman LEVIN. So should they have notified the military, do you know?

Mr. WALKER. No, I do not.

Chairman LEVIN. Should they have notified under the special requirements that apply in war zones where contractors authorized to carry sidearms or AK-47s, that they notify military forces? Do you know whether that notice was given by Paravant?

Mr. MCCracken. I do not know, but in that case they would have not have notified the U.S. forces because they are working just off of an Afghan base, and they would have—they should have notified the Afghan range control that they are going to be on that particular range.

Chairman LEVIN. You do not know whether, when they had arms, that they notified our military. They were supposed to, but do you know whether they did?

Mr. MCCracken. In that case, I would be very surprised if they notified the American military because they were not leaving the—

Chairman LEVIN. But in other cases, do you know whether they formally used a notice that they were moving around if they were armed?

Mr. MCCracken. I know that Blackwater had a policy for them to do that. I do not know how often it was adhered to or if it was never adhered to.

Chairman LEVIN. Does anybody here know whether or not they notified our military when they moved off base with arms?

Mr. WALKER. We had a vehicle policy, vehicle movement policy.

Chairman LEVIN. Not the vehicle moving. That they were armed. Do you know whether or not—

Mr. WALKER. No, sir.

Chairman LEVIN. Pardon?

Mr. WALKER. No, sir, we did not inform the military that we were moving with ammunition or arms.

Chairman LEVIN. That is a critical point because I think everyone would agree that there is a purpose to the requirement that they get authorization, and one of the purposes is so that the military then would know, hopefully. But the only way the military would know if an armed contractor is moving away from a base is if they are informed. There was not even a policy on the part of Paravant here.

Mr. WALKER. But that would say that it was an American base.

Chairman LEVIN. All right. When they were moving away from the base, you are saying that they did not inform the military. Is that right?

Mr. WALKER. Exactly.

Chairman LEVIN. Did we just hear you correctly? Did I just hear you correctly?

Mr. WALKER. Let us go over it again.

Chairman LEVIN. Did Paravant inform our military when they moved away from a base armed?

Mr. WALKER. From a base?

Chairman LEVIN. Yes.

Mr. WALKER. American base?

Chairman LEVIN. Either one, either one.

Mr. WALKER. No, we did not.

Chairman LEVIN. Now, Mr. McCracken, you did take responsibility for providing arms to people who were not authorized to carry arms. Did you remind them at the time that they better notify our military when they are moving with arms?

Mr. MCCRACKEN. Sir, I do not think I take responsibility for arming these—

Chairman LEVIN. Did you not say “go ahead and do it, I will take responsibility,” was that not the email? [Tab 6].

Mr. MCCRACKEN. I am not sure if those are my words, but I operated under the assumption that the military was allowing us to do that. As we understand, the military knew about them being armed, and it was not my decision solely. I do not have that kind of authority. The military had given us what we considered approval to have these weapons.

Chairman LEVIN. You considered you had approval, and yet over and over again, you requested approval, including a few days before this December incident. Approval was requested and not given. So you can say that you assumed you had it, but the people who were there did not assume that they had it because they continually requested it. How many times did you request approval?

Mr. MCCRACKEN. Very many times, sir.

Chairman LEVIN. All right. So if you thought you had approval, you would not be requesting approval presumably. You wanted approval because you knew you needed it and did not get it, and you took responsibility in an email for—you said, “I got sidearms for everyone, 9 millimeter Sigmas and holsters. We have not yet received formal permission from the Army to carry weapons. I will take my chances” [Tab 6]. You were not just taking your chances. You were taking chances for others when you said that. “Pass the word.”

It is the kind of lawlessness and failure to follow regulations and rules which gets us into trouble. Others can argue whether or not permission should have been granted. You can argue that and I am not here to argue it one way or another. Permission was needed for good reasons. The Army is in danger when we have people who are contractors representing America in the eyes of the Afghans, who are armed. The Army may have to come to rescue those folks, and they need to know who is armed. You took it on yourself, at least in that email, to say go ahead and do something which you knew was not authorized because you repeatedly sought that authority. It seems to me in doing so, you did not act responsibly.

Just a couple more questions for this panel, and then we are going to go on to the next panel.

Let me just go back to you, Mr. Walker. After this December 2008 incident, did you talk to Colonel Wakefield about it?

Mr. WALKER. The incident was discussed, yes, sir.

Chairman LEVIN. With Colonel Wakefield?

Mr. WALKER. Yes, sir.

Chairman LEVIN. That was orally?

Mr. WALKER. Orally.

Chairman LEVIN. In addition to your written message which went to Mr. McCracken, you had conversations about this with Colonel Wakefield. What did you tell him?

Mr. WALKER. That we had had an incident on Camp Darulaman.

Chairman LEVIN. Talk into the mic, if you would.

Mr. WALKER. We had had an incident out on Camp Darulaman.

Chairman LEVIN. Was this during casual conversation or was this in his office or where was it?

Mr. WALKER. This was in his office, sir.

Chairman LEVIN. Did he say he was going to take any action, or did you ask him to take any action?

Mr. WALKER. No, sir, I did not ask him to take any action.

Chairman LEVIN. Okay. So why did you inform him?

Mr. WALKER. He was in my chain of command and he needed to know.

Chairman LEVIN. All right.

Mr. WALKER. However, there was an incident report that was written.

Chairman LEVIN. Right. That is the one we have talked about.

Mr. WALKER. I am not sure it is the one that you have.

Chairman LEVIN. Is there an additional incident report? Do you have it?

Mr. WALKER. I am not sure I have it. I could find it.

Chairman LEVIN. Who wrote it?

Mr. WALKER. I did.

Chairman LEVIN. In addition to the one that we have referred that you sent to Mr. McCracken?

Mr. WALKER. Yes, sir.

Chairman LEVIN. That is the one we referred to which is at Tab 3. [Pause.]

Mr. Walker, take a look, if you would, at Tab 3. This is the memo that we have referred to where it came from you to Mr. McCracken where you talked about how they were engaged in unauthorized training, showed poor judgment, and no reason to have had that weapon in the position it was. Are you saying in addition to that, there was a memo that you wrote?

Mr. WALKER. Yes, sir.

Chairman LEVIN. All right. Would you have a copy of that memo somewhere?

Mr. WALKER. I will give my best shot to look it up, sir.

Chairman LEVIN. All right. Thank you.

Who is that to?

Mr. WALKER. I would say it was just a report. It was not directed to anyone. It was an incident report.

Chairman LEVIN. Was it handed to somebody, given to somebody, or sent to somebody?

Mr. WALKER. I would have to look that up for you, sir.

Chairman LEVIN. It could have been a report you wrote for yourself. Is that what you are saying?

Mr. WALKER. No, sir. It was not written for myself. I wrote it—it was an incident. It is standard procedure to write an incident report.

Chairman LEVIN. Then who do you send that report to as a standard procedure?

Mr. WALKER. I would say it was attached as a file in an email and sent back to Moyock.

Chairman LEVIN. To whom?

Mr. WALKER. Moyock, Blackwater.

Chairman LEVIN. Sent to Blackwater, as far as you can remember.

Mr. WALKER. It went to Moyock, yes, sir.

Chairman LEVIN. Can you check your files to see if you can come up with that report, which is, as you say, in addition to the December 10th report? Would you do that?

Mr. WALKER. Yes, sir, I will.

[The information referred to follows:]

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Chairman LEVIN. Thank you.

Now, Colonel Wakefield, do you remember discussing this incident with Mr. Walker?

Mr. WAKEFIELD. Yes, sir, I do.

Chairman LEVIN. Was that in your office?

Mr. WAKEFIELD. It was—I thought that it was outside, but it was on Camp Eggers and it was a day or 2 after the incident. I queried whether the report had been generated and then later confirmed that the CJ3, the operations center, had received the report.

Chairman LEVIN. That report is Tab 3?

Mr. WAKEFIELD. No, sir. I do not know in what format the operations center—

Chairman LEVIN. But you had confirmed that they had received a report from Mr. Walker?

Mr. WAKEFIELD. They would have received and should have received the report through TF Phoenix.

Chairman LEVIN. Would that have been Mr. Walker's report?

Mr. WAKEFIELD. Again, sir, that should have been a separate generated report from the TF Phoenix.

Chairman LEVIN. Okay.

Mr. WAKEFIELD. I am not sure if it was sent telephonically or in writing or—

Chairman LEVIN. It could have been an oral report?

Mr. WAKEFIELD. Yes, sir. The team, the Paravant team, should have been under the direct supervision of a TF Phoenix element while conducting preparatory training at Camp Dubs, or Darulaman.

Chairman LEVIN. Mr. McCracken, on November 25, the Blackwater country manager, Ricky Chambers, emailed you that Paravant should not approach the Bunker 22 issue with Wakefield. Do you remember that?

Mr. MCCracken. I have seen documents to that effect, sir.

Chairman LEVIN. Did you ask Ricky Chambers why he did not want to tell Colonel Wakefield about the Bunker 22 issue?

Mr. MCCracken. I am not sure if I did or not, sir. Maybe I did.

Chairman LEVIN. Why would you know that the company would want to hide this issue from Colonel Wakefield?

Mr. MCCracken. I do not know why the company would want to hide from Colonel Wakefield.

Chairman LEVIN. But you got an email saying do not talk to Colonel Wakefield about the Bunker 22 issue?

Mr. MCCracken. I am not sure why he would have said that.

Chairman LEVIN. Did you ever talk to him?

Mr. MCCracken. Colonel Wakefield, sir?

Chairman LEVIN. No. The person who wrote you, Ricky Chambers.

Mr. MCCracken. I do not recall asking Ricky about that, no.

Chairman LEVIN. As to why he would ask you not to do that. Did you talk to Colonel Wakefield about the Bunker 22 issue?

Mr. MCCracken. I informed Colonel Wakefield that we were able to get weapons through Blackwater.

Chairman LEVIN. Did you say from Bunker 22?

Mr. MCCracken. I do not believe I told him from Bunker 22. To me they were just weapons from Blackwater.

Chairman LEVIN. All right. [Pause.]

Mr. Walker, we are just looking for one document.

The person who was the shooter at that December 2008 incident, I gathered he was fired. Was he also removed from the country or was he sent out of the country?

Mr. WALKER. He was sent out of the country, yes, sir.

Chairman LEVIN. Whose decision was that?

Mr. WALKER. I had recommended to Mr. McCracken that I relieve him of his duties and send him home right away. Mr. McCracken agreed with me. As soon as we were happy with the investigation, we got him on the next plane.

Chairman LEVIN. Was there a policy to get people who were involved in incidents out of the country quickly because incidents would go away if that happened?

Mr. WALKER. No, sir. You would be saying that we had incidents that we were trying to remove people from. When we had a problem with someone, I would recommend to Mr. McCracken that the person be relieved. He agreed with me and we got him an airplane ticket home.

Chairman LEVIN. Was one of the reasons that incidents would tend to go away if people left the country?

Mr. WALKER. No, sir.

Chairman LEVIN. My staff says that you told them something different. Do you remember telling my staff that incidents would tend to go away if the people who were involved in the incidents left the country? Do you remember telling my staff that?

Mr. WALKER. That would have been under the May issue—

Chairman LEVIN. Do you remember telling my staff that for either incident?

Mr. WALKER. No, sir.

Chairman LEVIN. Okay.

Gentlemen, thank you. We appreciate your coming here today, and you are excused.

We will now go to panel 2. [Pause.]

Our second panel is the following: Fred Roitz. Am I pronouncing your name correctly, Mr. Roitz?

Mr. ROITZ. Yes, Mr. Chairman.

Chairman LEVIN. Thank you. Fred Roitz, former Blackwater Vice President for Contracts and Compliance and the current Xe Services Executive Vice President of Contracts and Chief Sales Officer; and Dr. James Blake, who is the Program Executive Officer and head of contracting at PEO STRI.

Thank you, gentlemen, for coming today.

Mr. Roitz, I gather that you signed the Paravant contract, is that correct, with Raytheon?

Mr. ROITZ. Yes, Mr. Chairman.

Chairman LEVIN. Yes, thank you for reminding me. Did either of you have an opening statement?

Mr. ROITZ. Yes, Mr. Chairman.

Chairman LEVIN. Thank you very much. I am sorry I jumped over that.

Mr. Roitz.

STATEMENT OF FRED ROITZ, FORMER VICE PRESIDENT FOR CONTRACTS AND COMPLIANCE, BLACKWATER; CURRENT EXECUTIVE VICE PRESIDENT OF CONTRACTS AND CHIEF SALES OFFICER, XE SERVICES, LLC

Mr. ROITZ. Chairman Levin, Ranking Member McCain, Senators, my name is Fred Roitz. I am the Executive Vice President and Chief Sales Officer of Xe Services LLC.

Chairman LEVIN. Did you hear my comment about a 5-minute opening statement?

Mr. ROITZ. Yes, Mr. Chairman.

Chairman LEVIN. Thank you.

Mr. ROITZ. Xe Services is the parent company of Paravant LLC. Before joining the company, I was in the U.S. Army. I retired as a lieutenant colonel after 20 years of service with my last assignment as the Commander of the Northern Region Contracting Center.

I have personally seen the transformations at Xe Services under our new President and Chief Executive Officer (CEO), Joe Yorio. I am an executive of the old company, and I have witnessed the company moving forward from an entrepreneurial business to a company with a world-class corporate governance philosophy.

At the outset, I want to express for myself and Xe Services our most profound condolences and deep sadness for the terrible loss of life and injury on May 5, 2009. The independent contractors' actions that night clearly violated company policies against the use of alcohol, unauthorized use of vehicles, and taking weapons outside the training area. Those contractors are being held accountable by the law, as they should be.

Xe Services will continue to provide security for U.S. diplomats, civil servants, congressional delegations, and other official visitors. Our work has been highly commended, most recently in 2009 by

the Inspector General of DOS who said our personnel security specialists are well-trained and highly professional.

But the heart of the company is providing training, training for the U.S. domestic police forces, for the U.S. military forces, as well as the Afghan forces. In 2009 alone, we trained more than 38,000 troops in the ANA which is critical to the success of the U.S. mission in Afghanistan.

Blackwater was an entrepreneurial company that experienced significant growth in a short period of time, largely in connection with supporting critical U.S. diplomatic and military missions in Iraq and Afghanistan. Much of that work occurred in a high tempo, dangerous environment. Unfortunately, there were times when some members of the old company supported those missions at the expense of complying with important administrative and regulatory requirements.

Today Xe is a reformed company with a different approach. While we are just as focused as before on the success of the mission, we have strengthened our focus on corporate governance and accountability. Immediately after taking charge in 2009, Mr. Yorio and the new management team engaged in an intensive top-to-bottom review of all company contracts. They identified the company's operational performance was exceptional and well-received by our customers. However, they identified gaps in the performance of regulatory and administrative functions. As a result of that review, which continues, 9 vice presidents, more than half of the total, and 16 directors have left the company.

Xe is developing and implementing new compliance guidelines and training, including the new anticorruption policy. The company has instituted a new anonymous whistleblower hotline operated in multiple languages by a well-respected and independent third party.

Finally, the company has instituted a new corporate governance structure that will include a board of directors with a majority of independent directors, including the chairman of the board.

I would like to turn my attention now to the Raytheon/Paravant contract. I want to stress our personnel operated in a high-threat environment where the training locations were unsecure and the Afghan troops were fully armed. We should not minimize the risk of the Paravant personnel and the environment. This is particularly a concern to a company that has lost 37 individuals in support of our country's overseas mission.

In my detailed written statement, I have been very candid about the lessons we have learned and the changes we have implemented in working toward the goal of ensuring those mistakes never happen again. To summarize, policies and procedures were not followed because of Paravant's prior management. Paravant's leadership ultimately reported to me, and I accept my share of responsibility. That leadership and the company director failed to keep me adequately informed that well-established basic policies and practices were not followed. These include a training requirement for independent contractors before they are sent to Afghanistan, incomplete vetting of independent contractors, and permitting independent contractors to possess weapons without the proper authorization. Although Raytheon and the military were aware of the

weapons and were in the process of obtaining those authorizations, the contractor should not have possessed those weapons without the proper regulatory authorization.

I can assure the committee that this new Xe Services would act differently today. We simply will not send our personnel overseas without the proper authorization for a weapon, where needed, and without full compliance with all requirements. We have put in place new leadership and procedures to help ensure this commitment is met.

Let me close with an important point about the tragic May 5, 2009, event. The project manager, team leader, and assistant team leader were relieved of their responsibilities shortly before that incident. The individuals involved in that incident violated expressed, existing, and clear company policies not to use alcohol, not to take a company vehicle for unauthorized use, and not to take weapons outside the training range.

Xe Services will continue to serve the U.S. Government and all our customers with professionalism the new management demands. Thank you.

[The prepared statement of Mr. Roitz follows:]

PREPARED STATEMENT BY FRED ROITZ

Chairman Levin, Ranking Member McCain, Senators. My name is Fred Roitz and I am an Executive Vice President and the Chief Sales Officer of Xe Services LLC. Xe Services is the parent of Paravant LLC. Before joining the company I was in the U.S. Army. I retired as a lieutenant colonel following service as commander of the Northern Region Contracting Center for the Army Contracting Agency and the commander of Defense Contract Management Agency Raytheon Fort Wayne.

Before I begin, let me express my condolences for the May 5, 2009, incident. I am, personally, deeply saddened by the terrible loss of life and injury. The independent contractors' actions that night were in clear violation of many company policies, such as alcohol use, unofficial vehicle use, and weapons policies. Those independent contractors are being held accountable by the law, as they should be. Mr. Chairman and Senators, I express my personal condolences—and condolences on behalf of Xe Services—for that terrible and regrettable loss of life and injury.

On behalf of Xe Services and its new management team, I thank the committee for the opportunity to appear today and to assist the committee in its factfinding mission. For the last 7 months, Xe Services has been cooperating with the committee's investigation of security contractors in Iraq and Afghanistan. The company will continue to support the committee's work.

While providing testimony today is consistent with the company's support of the committee's work, the company was initially informed weeks ago that the committee was not seeking testimony from a company executive. Other witnesses were asked to appear as early as February 1, 2010, but I received the committee's letter on February 17, 2010. We regret that, for whatever reason, we did not have the same opportunity to prepare for this hearing as others. We also regret that the committee did not allow my colleague, Mrs. Danielle Esposito, the company's new Executive Vice President and Chief Operating Officer to appear alongside me. To the extent the committee makes inquiries regarding the operational changes implemented by the company's new management team, including personnel actions and reforms taken in connection with Paravant LLC, Mrs. Esposito would be able to provide the most comprehensive responses.

Having said that, I will do my best to answer the committee's questions. If I am unable to answer any particular question, my colleagues and I will work to find the answer and report to the committee as soon as we are able.

I would like to touch briefly on three topics. First, I would like to discuss the significant reforms that have occurred at Xe Services, which is, in many significant ways, a new company when compared to the old Blackwater. Second, I would like to describe the nature of the work that Xe Services performs in support of critical U.S. Government missions around the world, including the work Paravant was performing under its subcontract with Raytheon. Finally, I would like to address the

Paravant program generally, including the company's lessons learned, as well as the May 5, 2009, incident in Kabul, which is one of the subjects of this hearing.

XE SERVICES IS A REFORMED COMPANY

Blackwater was an entrepreneurial company that experienced significant growth in a short period of time. The great majority of that growth occurred in connection with supporting critical U.S. diplomatic and military missions in Iraq and Afghanistan. Much of that work occurred in high-tempo and dangerous environments. Unfortunately, there were times when the first priority of some members of the former leadership of the company was supporting those missions, even at the expense of complying with administrative and regulatory requirements. That will not happen under the company's new leadership team, which emphasizes core values of honesty, integrity, reliability, and accountability. At Xe Services, our leaders, employees, and independent contractors remain just as focused on the success of the mission as before—that is, on providing the best possible service to the U.S. Government—but only with full compliance and accountability.

This focus has been instilled by our President and Chief Executive Officer, Joe Yorio, who joined the company in March of last year. Mr. Yorio brings to Xe Services more than 9 years of U.S. Army Special Forces experience, as well as 18 years in senior leadership roles in multinational companies like Unisource Worldwide, Corporate Express, and DHL, where he gained the reputation of a leader who fixes problems. In addition to his focus on responsibility and accountability, he is working to rationalize and professionalize all aspects of the company's business. He is a hands-on leader, who travels frequently to Afghanistan and the other countries where the company operates to supervise and oversee its employees and independent contractors, as well as to ensure that the company is meeting the requirements of our U.S. Government customers.

Also appointed to the company's senior management in March 2009 was Executive Vice President and Chief Operating Officer Danielle Esposito. Mrs. Esposito, who has been with the company for 10 years, has been one of the key managers historically pushing for reforms inside the company. In recognition of her efforts, unique knowledge, and skills, Mrs. Esposito has overall responsibility for leading the company's operations in training and security, among other areas.

Immediately after taking charge in March 2009, Mr. Yorio and Mrs. Esposito have engaged in an intensive top-to-bottom review of all company programs and leadership with a focus on performance, accountability, and responsibility for administrative and regulatory compliance. They identified that the company's operational performance was exceptional and well-received by its customers. However, they identified some gaps in performance of regulatory and administrative functions. As a consequence of this review, which continues, 9 vice presidents (more than half of the total) and 16 directors have left the company.

To give the committee some idea of the scope of the task facing the new management team in early March 2009, the company had an estimated 700 employees in North Carolina, 1,200 independent contractors performing personal protective services in Iraq and Afghanistan, 100 independent contractors providing aviation services in Iraq and Afghanistan, and 200 independent contractors training the Afghan Border Police (ABP) and Narcotics Interdiction Unit (NIU). Paravant's training of the Afghan National Army (ANA) represented an additional 72 independent contractors in Afghanistan and 3 employees at the company headquarters in North Carolina. Senior management's review was intensive and their reforms were rapid.

Recognizing that compliance must be a cornerstone of the new company and its new culture, Mr. Yorio and Mrs. Esposito quickly restructured Xe's legal department, first by retaining a partner from Crowell & Moring, a law firm with a top-tier government contracts practice, as its Acting General Counsel, and then by recruiting and hiring a new General Counsel, Christian Bonat, who most recently served as Senior Counsel to the General Counsel of the Department of Defense (DOD) during the Obama administration and previously as the Deputy General Counsel, Legal Counsel, of DOD in the Bush administration.

The company has adopted a new anticorruption policy, and it is in the process of developing and implementing comprehensive compliance guidelines and training, to help to ensure that all personnel are responsive to the requirements of U.S. law. The company also is responding to recent public allegations of violations of the Foreign Corrupt Practices Act. While the company believes that there is no basis to these allegations—the funds referenced in the allegations were intended to be and actually were used to make condolence payments to Iraqi families with the authorization and encouragement of the Department of State (DOS)—it nonetheless is tak-

ing them seriously and is fully cooperating with the subsequent Department of Justice (DOJ) investigation.

The company's commitment to accountability is further reflected in the hiring of Karen Jones, Vice President for Export Compliance, who reports to me. In previous years, the company's export compliance program was inadequate to address the regulatory requirements for exports of defense articles and services in support of U.S. Government missions. The company has taken responsibility for those shortcomings by fully cooperating with DOS and its investigation, and by instituting a comprehensive compliance program under Ms. Jones' leadership and the oversight of an independent Export Compliance Committee, consisting of a former Congressman and a former Federal judge. The company dedicates substantial resources to what is now a world-class export compliance program.

The company has instituted a new anonymous hotline program operated by a well-respected and independent third party vendor, Ethical Advocate. Under the new web-based hotline program, anyone may file an anonymous complaint or allegation. The complaint or allegation is first screened for any conflict of interest, and then reviewed, investigated (using outside legal counsel where warranted), and formally closed out with appropriate action also where warranted. The Web-based hotline includes a reporting tool that informs the anonymous filer of the status of the complaint and its outcome. The third party vendor is capable of receiving complaints in multiple languages and dialects, which will soon include the ability to translate a number of Afghan dialects. The company wants to ensure that non-English speaking individuals are not inhibited or prevented from using the reporting mechanism.

In addition to these changes in leadership and policy, the company's maturation is reflected in ongoing changes to Xe Services' ownership and corporate governance. I mentioned that the company has approximately 700 employees based for the most part in Moyock, NC. The vast majority of these employees are engaged in typical corporate functions, including human resources, information technology, accounting and finance, quality assurance, legal and compliance, food services, maintenance, janitorial, and other services. Approximately one-third are involved in operational and operational support roles. The company and our employees are good corporate citizens, supporting numerous charitable and civic organizations in the region, including the Special Olympics, the United Service Organization, the Boy Scouts, and local nonprofit food service organizations.

In recognition of the importance of our employees to the company's overall success in supporting critical U.S. Government missions, the company is in the process of creating an Employee Stock Ownership Plan under which the company's employees will own approximately 30 percent of its equity. Employees will be represented by Employee Stock Ownership Plan trustees, and the company's management will owe fiduciary duties to its employee-owners.

With new ownership, the company also will institute new corporate governance in the form of a board of directors that will include a majority of independent directors with backgrounds that will bring the highest integrity to the governance of our new company. The Chairman of the Board will be an independent director.

These changes in personnel, attitude, focus, policy and practice, ownership, and governance represent a break from the past. The new Xe Services remains committed to our Nation's critical missions. We are equally committed, however, to a culture of compliance that in all circumstances reflects a responsible U.S. Government contractor.

XE SERVICES SUPPORTS CRITICAL U.S. GOVERNMENT MISSIONS

Many people believe that the company got its start after September 11, 2001, and that it began by providing personal protective services. But this is not the case. In fact, the company was awarded its first significant government contract after the attack on the USS *Cole* on October 12, 2000, under which it trained U.S. Navy sailors to protect their ships against similar attacks in the future.

While Xe Services will continue to provide security and expand into other areas of service, the company remains—at its heart—a training company. That is one of our core competencies, it is how we are currently supporting the U.S. military's mission in Afghanistan, and it is how we hope to continue to support the U.S. mission in Afghanistan in the future. The need for training of Afghan troops and police is critical. Recent press coverage of the Marja offensive has highlighted the importance of quality training of Afghan troops. Such training of the ANA is critical to the success of the U.S. mission there. We are dedicated to supporting this mission. In 2009, we trained 38,657 ANA troops, through the Paravant program. We performed this training in a high-threat environment where the training locations were unsecured.

Xe Services also trained and graduated 3,700 ABP personnel and 5,708 NIU personnel in 2009. This training is done in hazardous and often remote environments.

We not only have trained foreign military and police personnel at the behest of the U.S. Government overseas, we also trained approximately 20,000 military, State and local law enforcement, and civilian personnel, at our three U.S. training facilities in 2009.

Xe Services, through its subsidiary Presidential Airways, provides aviation support and medical evacuation services to DOD personnel in Africa. Just last week, our personnel evacuated a congressman from Niger during civil unrest.

The company continues to protect the lives of U.S. diplomats and other government personnel in Afghanistan, including congressional delegations. According to an August 2009 Performance Audit by DOS Inspector General (IG), we have “met each of [the Bureau of Diplomatic Security’s] security goals” in fulfillment of our DOS security contract in Afghanistan. The Office of the IG further reports that our personal security specialists are well-trained and highly-professional, and that our customers—the U.S. personnel the company protects—state that our personnel are professional, make them feel secure, and are respectful to both officials under chief of mission authority and their Afghan counterparts. Through more than 4 years of personal protective work in Afghanistan, no one under our protection has been killed, and the company work under DOS contract has never experienced a lethal escalation of the use of force. For reference, we performed 2,730 personal protective missions in Afghanistan during 2008 alone.

In the process of carrying out our work for the U.S. Government in incredibly challenging environments, we have lost 37 of our colleagues, who have sacrificed their lives in support of our country’s missions.

The thread that runs through all of these services is that our company and its subsidiaries, provide mission-critical services to the U.S. Government both at home and in the world’s most challenging operational environment. Our performance is highly regarded by those we train, transport, and protect. Indeed, we seek to exceed minimum standards of conduct, for example, by implementing General Stanley McChrystal’s Counterinsurgency Guidance for all our deployed personnel in Afghanistan. That document, which is binding on NATO forces but not necessarily on contractors, directs personnel to be conscious of the need to protect Afghan nationals in all circumstances, as well as constantly to be aware of the need to win their hearts and minds. Xe personnel are directed to follow this guidance in performing our missions in Afghanistan. The new Xe Services is focused on adding to our record of performance the accountability and responsibility demanded by the company’s new management.

RAYTHEON-PARAVANT CONTRACT

I will discuss the Raytheon-Paravant contract in general terms first, including the company’s lessons learned, before addressing the May 5, 2009, incident.

The new management team’s review of all company programs included a thorough review of the Paravant program. Almost immediately after Mr. Yorio and Mrs. Esposito’s arrival at Xe, a number of issues requiring further investigation were identified, including, for example, the absence of Letters of Authorization (LOAs) that approved the possession and use of weapons by Paravant’s independent contractors before being deployed to Afghanistan. Xe Services was working to understand and address such issues when the May 5 incident occurred. Indeed, the company’s new management understood, and the documents provided to the committee support, that Raytheon’s leadership and CSTC-A and PEO STRI were not only aware of the weapons possessed by Paravant personnel, but they were actively seeking to amend the LOAs to approve their use.

As a wholly-owned subsidiary of Xe Services, Paravant had required policies, procedures, and practices. It is clear in retrospect, however, that these rules were not always followed. In my view, the failure to commence this program following well-established policy was a failure of Paravant’s former leadership and the company director overseeing that program. That leadership and company director reported to me at the time, and I accept my share of the responsibility. That leadership and company director failed to keep me adequately informed that well-established basic policies and practices were not being followed. I believe they were concerned with performing the mission—which we have been told by the U.S. military that Paravant performed superbly—but there clearly was a failure to take other important steps, which I will describe.

I can commit to this committee that the new Xe Services would not act in the same way today. Deploying personnel overseas with the assumption that problems will be resolved after deployment is not the way this company operates today.

It is important for the committee to understand how the contracting and subcontracting process worked with respect to this contract. For example, Paravant as a subcontractor did not have the authority to interact directly with the contracting authority (PEO STRI) to obtain weapons authorization. It was up to the prime contractor, Raytheon, to work with PEO STRI to obtain such authorization.

I will now discuss each of the Paravant issues our new management identified and discuss the lessons the company has learned.

CRC TRAINING

The policy of the company—both during the performance of the Raytheon-Paravant subcontract and today—is not to deploy independent contractors without any required CONUS Replacement Center (CRC) training. CRC training is a 1-week course that includes, among other things, medical, dental, and vision exams; a physical fitness test; and cultural sensitivity training. Quite simply, the company's policy was largely ignored by the Paravant leadership, although Mr. McCracken was working to obtain a waiver that would have allowed CRC training to be provided to independent contractors at our facility in North Carolina, as was approved with respect to other company contracts. The company today is authorized to provide CRC training for all U.S. Government programs and personnel, including for individuals affiliated with other contractors. While the documents sent to the committee indicate that Raytheon and the military were aware that Paravant had deployed personnel without CRC training, that is no excuse.

Today, our company would not permit deployment of independent contractors without CRC training if required by the contract. Moreover, the current culture encourages program leadership to elevate any potential noncompliance, and additional and vigorous oversight, primarily in the operational side of the company, ensures that the policy is followed. A program manager or any individual who violates this policy will be disciplined, up to and including prompt termination.

VETTING OF INDEPENDENT CONTRACTORS

New management also identified failures in the Paravant program related to the vetting of independent contractor candidates. It is company policy to verify the military record, including discharge status, of all prospective independent contractors who are veterans. This is done by requiring that the individual submit a Form DD-214, which is a form listing the vital data of an individual's military career, including training, assignments, deployments, and discharge status. It appears that Paravant required prospective independent contractors to sign written statements attesting to this information. With respect to the two independent contractors involved in the May 5, 2009, incident, each signed a statement indicating that he had been honorably discharged from military service. Apparently, Mr. McCracken did not always verify these statements by requiring submission of Form DD-214. The documents submitted to the committee indicate that the company had a written policy to obtain Form DD-214s in November 2008 and that Mr. McCracken at least started requiring DD-214s on new recruits as of December 17, 2008. To the extent that the Paravant program failed to obtain such forms, it was a violation of company policy then, and it would be a violation of company policy today.

The company has taken a number of steps to ensure proper vetting of independent contractor candidates. First, immediately following the May 5, 2009, incident, the company revetted all Paravant personnel. Second, the company under new management has an ongoing process of periodically revetting all Xe Services independent contractors worldwide. Third, immediately following the May 5, 2009, incident, the new management restructured company's centralized recruiting office and made it part of the human resources division to ensure adherence to standard operating procedures. Finally, the head of human resources has been elevated to a vice presidential position and reports directly to the CEO. This reflects the company's commitment to appropriate vetting, and ensures that human resources policies, procedures, and practices are respected.

WEAPONS AUTHORIZATIONS

It has been and remains company policy that employees and independent contractors deployed overseas may not possess firearms unless they hold appropriate authorizations for the relevant theater and contract. In the case of a DOD contract in Afghanistan, it is necessary to have an LOA that includes a weapons authorization, as well as an arming agreement issued by CENTCOM. This policy was not followed by the then-Paravant leadership, which elected to direct the issuance of weapons to Paravant independent contractors despite the absence of proper authorization. As previously mentioned, however, the company's new management was in the

process of trying to understand the current status of weapons authorization given that both Raytheon and CSTC-A were well aware of the Paravant weapons and were seeking to revise the LOA to formally authorize the use of such weapons. Indeed, it is the responsibility of the prime contractor to seek this authorization from the contracting authority if it is necessary for performance of the contract. We are not aware of an instance where Raytheon or the U.S. military told Paravant independent contractors not to carry weapons. Moreover, the documents submitted to the committee support that after an incident involving unapproved use of weapons at a firing range in December 2008 (resulting in the termination of a team leader), Paravant's leadership directed the limited use of such weapons while formal approval was being sought by Raytheon and CSTC-A from PEO-STRI, including that they were not to be used outside of the forward operating base and locked up when not being used on the range. However, this is not an excuse for failure to comply with applicable U.S. Government requirements.

Today, in a situation where the company believed that possession of weapons for personal protection was necessary to the safety of our independent contractors, and LOAs with weapons authorization had not been issued, we simply would not deploy our independent contractors to theater without appropriate weapons authorizations. In addition, we would work harder with the prime contractor, in this case Raytheon, to have the contracting authority amend our independent contractors' LOAs. Similarly, should the company determine that the safety of any personnel deployed without a weapons authorization is in jeopardy, the company would order its personnel to stay in their forward operating bases until authorization was given, and if it were not given, we would request a termination for convenience.

Other policy changes make it highly unlikely that individuals lacking appropriate authorization would obtain weapons from the company's secure weapons facility in Afghanistan. Current weapons policies do not permit issuance of weapons to individuals without appropriate written authorization. Additionally, regular inventories are performed to confirm the location of weapons in the company's custody. Our management team is vigorously enforcing our new weapons policies.

BUNKER 22 WEAPONS

It is my understanding that there is nothing inherently wrong with Xe Services or other contractors receiving weapons from Bunker 22 for use in U.S. Government contracts. Bunker 22 is a weapons facility under the control of the ANA and the mentorship of the U.S. Army. With the assistance of the U.S. military mentor assigned to Bunker 22, the company obtained weapons in bulk for use on a number of U.S. Government contracts. The use of the Bunker 22 weapons was not limited to Paravant, and included other company programs where the LOAs authorized the personnel to possess a weapon. However, the manner in which Bunker 22 weapons were provided to the company lacked appropriate controls and oversight.

Today, if after authorization by appropriate military officials, the company were issued weapons from Bunker 22, our new weapons policies and controls would apply. That is, they would be accounted for in our quarterly inventories, and no weapon would be issued without appropriate written authorization, which, for a DOD contract, includes an LOA with weapons authorization and a CENTCOM issued Arming Agreement.

The company has voluntarily returned many of the firearms it obtained from Bunker 22 to the Afghan Government under the supervision of the Disbandment of Illegal Armed Groups. The remainder have been or will be either: (a) turned over to the U.S. Army for destruction; or (b) turned in to Bunker 22 under the supervision of CSTC-A. For independent contractors performing other contracts for which weapons authorization has been obtained, replacement weapons were purchased by the company in the United States and were exported to Afghanistan with a valid export license. We understand from the Disbandment of Illegal Armed Groups that Xe Services is the only contractor that obtained weapons from Bunker 22 that has returned such weapons. Paravant independent contractors were never rearmed.

THE MAY 5, 2009, INCIDENT

Xe Services' actions in the days surrounding the tragic May 5, 2009, incident reflect our company's new approach and focus. From mid-February to mid-March 2009, Mr. McCracken was transitioning from his role as head of Paravant to Raytheon's in-country manager. As a result of the company's new management reviewing the Paravant program, the new Director of Paravant, Mr. Hugh Middleton, traveled to Afghanistan on April 28, 2009, for the purpose of relieving the in-country program manager, evaluating other personnel, and instructing Paravant personnel regarding certain company policies and procedures.

Mr. Middleton delivered a briefing on May 1, 2009, to all Paravant team leaders, the substance of which was to be passed down to all independent contractors. Among other things, the briefing expressly restated a number of crucial company policies, several of which were subsequently violated by the off-duty independent contractors involved in the May 5 incident. He reiterated the company's no alcohol policy, a policy that each independent contractor signed before starting performance. He also instructed the Paravant personnel that weapons could not be carried away from the training range. Finally, he directed that vehicles were to be used for company business only. My understanding is that the four off-duty independent contractors involved in the incident drank alcohol, carried weapons off the training range, and utilized a company vehicle for an unauthorized purpose unrelated to contract performance.

After reviewing Paravant's leadership on the ground, Mr. Middleton informed Raytheon that it was relieving Paravant's in-country program manager, Mr. Walker. Mr. McCracken, in his new capacity with Raytheon, opposed Paravant's replacement of Mr. Walker, whom he had selected while working for Paravant. Mr. Middleton, several days later, terminated a team leader and an assistant team leader for performance reasons. These terminations occurred on May 5, 2009.

The company recognized the potential consequences that this tragic incident may have on the U.S. military's counter-insurgency efforts and strategy in Afghanistan. To that end, the company promptly notified and met with ANP and Ministry of Interior officials, and fully cooperated with all U.S. and Afghan law enforcement officials. At company initiative, and with the encouragement and facilitation of U.S. Army counter-insurgency personnel, the company's in-country program management met with families of the victims shortly after the incident and provided compensation for their losses. The company's new President and CEO also traveled to Kabul to meet with the families and express, personally and on behalf of the company, his deepest condolences for their loss.

The morning after the incident, the company's management took the initiative and ordered the immediate collection of all weapons from Paravant personnel. A vice president and a director of U.S. Training Center, another Xe Services subsidiary, traveled to Afghanistan the day after the incident to ensure that weapons were collected and that all personnel were cooperating with the military and Afghan investigations. The company also promptly terminated the four off-duty independent contractors involved in the incident.

I, and my colleagues at Xe Services, regret that the efforts of the new management team to address and correct legacy issues at Paravant had not been fully completed prior to the tragic loss of life and injury to Afghan civilians on May 5, 2009. However, it is important to point out that it is an unfortunate reality that it is difficult, if not impossible, to prevent tragedy when a number of individuals consciously choose to violate strong policies. The four off-duty independent contractors involved in the incident chose to breach a number of key company policies—they drank alcohol in contravention of the strict no alcohol policy; they left the forward operating base late at night and without authorization; they used a company vehicle for a unofficial purpose; and they carried weapons off-duty and away from the training range.

Thank you.

Chairman LEVIN. Thank you.
Dr. Blake.

STATEMENT OF DR. JAMES T. BLAKE, PROGRAM EXECUTIVE OFFICER AND HEAD OF CONTRACTING ACTIVITY, U.S. ARMY PROGRAM EXECUTIVE OFFICE FOR SIMULATION, TRAINING, AND INSTRUMENTATION

Dr. BLAKE. Thank you for the opportunity to provide testimony today on the important issue of oversight of RTSC and their subcontractor, Paravant LLC, under the Warfighter FOCUS contract.

I serve as the Program Executive Officer and Head of Contracting Activity, U.S. Army PEO STRI. I am responsible for providing material solutions and services and modeling, simulation, training, and test instrumentation to support our soldiers.

The PEO STRI executes a \$3 billion program annually. More than 1,230 military, Government, civilian, and service support con-

tractors perform this important mission. In addition, the PEO STRI's FMS program supports more than 40 countries.

Warfighter FOCUS, a contract for training services, was awarded on June 6, 2007, to a team led by RTSC, the prime contractor. The contract does not provide private security contractors.

The ANA weapons training program was awarded to Raytheon under the Warfighter FOCUS contract on September 5, 2008.

There was a shooting incident in Kabul on May 5, 2009, and on May 7, 2009, Raytheon informed PEO STRI of this tragic event. I deeply regret the loss of life suffered by the two Afghan citizens and the sorrow this has brought to their families.

On July 17, 2009, in response to PEO STRI's letter of concern, Raytheon informed PEO STRI that they would not renew the Paravant subcontract. Effective September 15, 2009, Paravant LLC was no longer performing under the Warfighter FOCUS contract.

Thank you again for this opportunity to appear before you today and for the support Congress and the members of this committee have provided our soldiers, sailors, airmen, and marines. I am happy to answer any questions you may have.

Chairman LEVIN. Thank you very much, Dr. Blake.

Now, Mr. Roitz, first, in your statement to the committee that you had previously made, you said that CENTCOM rules relating to arming contractors were not followed by the then-Paravant leadership which elected to direct the issuance of weapons to Paravant independent contractors despite the absence of proper authorization.

Were you personally aware that Paravant trainers were armed?

Mr. ROITZ. I became aware, I believe, based on my recollection, Mr. Chairman, that they were armed in the December timeframe based on the incident that occurred on the training range.

Chairman LEVIN. Did you know that they were armed without authorization before that?

Mr. ROITZ. No, Mr. Chairman. In fact, my assumption even in December would have been that they were armed with proper authorization because that procedure to become armed under a DOD contract is a very standard procedure. You have an LOA and you have the letter that is eventually signed by CENTCOM to allow the personnel to carry weapons.

Chairman LEVIN. So you were not aware that there was a repeated request to CENTCOM which was rejected to arm those contractors.

Mr. ROITZ. No, Chairman, I do not believe I was aware.

Chairman LEVIN. When do you think you first became aware?

Mr. ROITZ. I first became aware when Mr. McCracken was transitioning out. I believe that was the February-March timeframe. During the transition, Mr. LaDelfa was put in charge of Paravant. At that point, Mr. Yorio was also doing a bottoms-up review with our new chief operating officer, Ms. Esposito, and that concern was raised by Mr. LaDelfa to the new management team. The information that I received was through Ms. Esposito.

Right after that, Ms. Esposito directed that they get to the bottom of the issues: are we authorized to be carrying weapons or not and are there issues with the arming agreements?

Mr. LaDelfa went down to Raytheon shortly thereafter, discussed this, and dispatched one of his personnel over to Afghanistan to meet with the people on the ground to ascertain whether there was any type of waiver or other authority granting them carrying the weapons.

Chairman LEVIN. Now, the former Vice President for International Training and Operations, Jeff Gibson, told the committee that he made the decision to arm Paravant personnel without CENTCOM authority. Everyone knew about his decision and he definitely spoke with you about that decision. Is that true?

Mr. ROITZ. I do not recall any type of conversation of that.

Chairman LEVIN. Do you deny that it happened?

Mr. ROITZ. I do not recall the conversation, Mr. Chairman.

Chairman LEVIN. Paravant's contract with the military's arming regulations requires that armed contractors file a plan that spells out how contractors will coordinate with military authorities and request assistance in the event that they are attacked. Mr. Walker said that Paravant did not coordinate movements of its personnel with the military. He repeated that today.

Do you know if that plan was ever filed by Paravant?

Mr. ROITZ. I do not know.

Chairman LEVIN. Did you ever check to see if it was filed?

Mr. ROITZ. No, and I believe that that really would fall under the operational control of the leaders of Paravant, as well as Mr. Gibson in his role in operations.

Chairman LEVIN. Blackwater acquired hundreds of AK-47s from Bunker 22 for its own personnel to use. General Petraeus has written us saying there is no policy or directive or order or instruction that allows U.S. military contractors or subcontractors to use weapons stored at 22 Bunker. That is what General Petraeus has told us [Tab 8].

Were you aware that Blackwater acquired weapons from Bunker 22 for its own contractor use?

Mr. ROITZ. Mr. Chairman, I believe the first I became aware of the Bunker 22—or the term Bunker 22 was during an inventory directed for export compliance in the April-May timeframe. It was an inventory for all defense-related articles overseas. When we received the list from Afghanistan, there was a significant amount of weapons on there that, from an export compliance point of view, we could not ascertain where they were sent. That caused a significant review by Ms. Esposito on the Bunker 22 issue, as well as our acting general counsel, Mr. Hammond.

Chairman LEVIN. When did you first find out about that?

Mr. ROITZ. The investigation, Mr. Chairman?

Chairman LEVIN. No. When did you first find out that Paravant and Blackwater were getting AK-47s from Bunker 22 for their own personnel?

Mr. ROITZ. I believe the first I had heard of Bunker 22 weapons was, with Paravant, after the incident in May.

Chairman LEVIN. Incident in May.

Mr. ROITZ. Yes.

Chairman LEVIN. You were not aware of that fact before that?

Mr. ROITZ. I do not believe so, Mr. Chairman.

Chairman LEVIN. When was the first time you found out that those weapons from Bunker 22 were going, or had been taken by Blackwater?

Mr. ROITZ. I believe, Mr. Chairman, it would still fall under the auspices of when we inventoried those weapons in the April-May timeframe.

Chairman LEVIN. That would be May 2009.

Mr. ROITZ. April-May, correct.

Chairman LEVIN. Now, in February of this year, we got a letter from your lawyer, which is Tab 15. It says that Blackwater is still using 53 weapons. Are you familiar with that letter?

Mr. ROITZ. I am familiar that a letter was sent. I am not familiar with its contents.

Chairman LEVIN. Is that accurate?

Mr. ROITZ. I do not know, Mr. Chairman.

Chairman LEVIN. You are responsible, are you not, for Xe's contract compliance?

Mr. ROITZ. That is correct, Mr. Chairman.

Chairman LEVIN. The contract requires you to abide by all of the rules of CENTCOM?

Mr. ROITZ. We have multiple contracts, some deal with CENTCOM and DOD, others with DOS and obviously other agencies.

Chairman LEVIN. It includes contracts that require you to comply with the CENTCOM rules and regulations?

Mr. ROITZ. Absolutely, Mr. Chairman.

Chairman LEVIN. You are aware that there is a rule that you may not use weapons without authority and that you have no authority to use weapons from Bunker 22. You are aware of that?

Mr. ROITZ. I am not aware of the authority surrounding the Bunker 22 weapons. I am aware that arming agreements and information have to be provided by CENTCOM, and those rules are very strictly followed.

Chairman LEVIN. The 53 weapons that you still have, do you know how many of those came from Bunker 22?

Mr. ROITZ. No, Mr. Chairman.

Chairman LEVIN. Do you know that if you have such weapons, it is not permitted?

Mr. ROITZ. Mr. Chairman, I do not know if weapons from Bunker 22 are permitted or not. I was not aware of the General Petraeus email or the message.

Chairman LEVIN. I thought you said you became aware after this May or April time period that Bunker 22 weapons are for the Afghan forces, not for our contractors.

Mr. ROITZ. No, Mr. Chairman. I think maybe I need to clarify. I became aware that Bunker 22 weapons were being used in the April-May timeframe. What they were authorized or not authorized for I was not aware.

Chairman LEVIN. So until today, you have not been aware of the fact that those weapons are not for contractor use. They are for the ANSF.

Mr. ROITZ. Until General Petraeus' message was articulated, I was under the——

Chairman LEVIN. Which was today, right, the first time you heard it?

Mr. ROITZ. I was under the impression that they were authorized for use for some of our operations in Afghanistan.

Chairman LEVIN. Senator McCaskill?

Senator MCCASKILL. That is a problem.

Chairman LEVIN. It is more than a problem. You are the compliance officer, right?

Mr. ROITZ. For contracts compliance. We have all—

Chairman LEVIN. The contracts include statements that you have to comply with CENTCOM rules. Right?

Mr. ROITZ. It is compliance with certain regulations regarding CENTCOM. That is correct.

Chairman LEVIN. Okay, and one of those rules is, and Petraeus made it clear in this letter, something that you say you never heard of before, that those weapons in that bunker are for Afghan forces. We are trying to equip those forces so they can take responsibility for their own security. You are saying until today you were not aware of the fact that those weapons were not for use by contractors but were intended for ANSF. Is that correct?

Mr. ROITZ. That is correct, Mr. Chairman, but also I believe that the coordination, the paperwork withdrawing those weapons from Bunker 22, was not adequate or sufficient in its documentation. I believe the U.S. military was a part of the transfer of Bunker 22 weapons with their knowledge or with their consent in country in Afghanistan when they went to Blackwater.

Chairman LEVIN. So, what you are saying is, if you got weapons, it was with the consent of the U.S. military and you were not aware, until today, that you were not supposed to get those weapons. Is that what you are telling us?

I mean, look, you signed the contract. The contract says specifically that you have to comply with applicable law, treaties, and directives, including specifically CENTCOM's. What you are saying is you were not aware of that CENTCOM rule until today. That is what you are telling us.

Mr. ROITZ. Yes, Mr. Chairman, that is what I am telling you.

Chairman LEVIN. Thank you.

Senator McCaskill.

Senator MCCASKILL. Thank you.

When I say it is a problem, it is not just a Blackwater problem, it is also a military problem that we have one thing coming from the top and the impression, I think, that not just you, Mr. Roitz, but Mr. McCracken and Mr. Walker were giving in the previous panel was that maybe you were not supposed to have the guns and maybe you were not supposed to be getting access to the guns and maybe you were not supposed to be carrying the guns, but you were doing this under the watchful eye of military that was around in the vicinity and no one was saying, "what are you doing getting anything out of Bunker 22." Is that correct?

Mr. ROITZ. I think there are two issues, Senator. The first issue is the arming of the personnel. As I articulated earlier in my oral statement and in my written statement, the personnel should not have been armed without the appropriate approval in their LOAs and CENTCOM LOA or to carry those weapons. That is a separate

issue and that should not have happened, and it would not happen today.

Senator McCASKILL. Okay.

Let us talk a little bit about Paravant and how it came about. Based on the public documents of last year, it says that Paravant had \$80,000 in income. Is that accurate?

Mr. ROITZ. Last year being 2009?

Senator McCASKILL. Yes.

Mr. ROITZ. I could not see how that would be accurate. It would be more than that.

Senator McCASKILL. That is part of the problem here. Are there other cover corporations besides Paravant out there where you are putting a name on something so that people, like the previous witness, that was looking at these contracts, he said in the hearing today that he had no idea that Paravant was Blackwater. But yet, the people that were working for you in the theater said, "well, yeah, we worked for Blackwater. Everybody knew we worked for Blackwater. Our paychecks came from Blackwater. We were Blackwater." Blackwater, Blackwater, Blackwater, Blackwater. Paravant just appears to be a classic example of a cover corporation in order for the people who were doing the contract not to know who they were really contracting with.

Mr. ROITZ. Senator, that is a very good question. I think that there was, as you discussed earlier, multiple layers of Raytheon and then the U.S. Government. Raytheon, from my understanding, requested that a company name be other than Blackwater. It was at Raytheon's request.

Senator McCASKILL. Okay. So now we are getting to the meat of the matter. You are saying on the record that Raytheon requested that Blackwater make up a name for a company so they could enter into a contract with Raytheon.

Mr. ROITZ. I am saying, Senator, that my understanding is that request for a company other than Blackwater, did come from Raytheon.

Senator McCASKILL. Something is really rotten in Denmark. The fact that the military was allowing this kind of cover corporation, if Blackwater is a problem, then we either have to admit that we are going to continue to contract with Blackwater and fix it or we cannot contract with them anymore. The American people have the right to be outraged that we are playing this kind of game with contracting. It is wrong. It is flat wrong.

Now, I read your testimony that Xe has turned over a brand new leaf. Let us talk about background checks. Was Xe in existence in May 2009?

Mr. ROITZ. Yes, Senator.

Senator McCASKILL. So this brand new leaf, let me see if I get this straight. We had one guy—and I am going to put this in the record because I think it is important.

[The information referred to follows:]

[See Tab 38.]

Senator McCASKILL. We had Chris Drotleff that was hired. His military record included assault, insubordinate conduct, absence without leave, failure to obey an order, larceny, and wrongful ap-

propriation. His criminal record, following his discharge from the Army, included convictions for reckless driving, disturbing the peace, assault and battery, driving while intoxicated, resisting arrest, and trespassing. Now, that is one of the people that you hired with this new leaf, Xe. It is one of the people you hired that shot innocent Afghan people.

The other one, Justin Cannon, a trainer for Paravant, which we now know is nothing other than a made-up name on behalf of Blackwater, indicted also in the shooting. He was discharged from the U.S. military after he was absent without leave and tested positive for cocaine.

It says in the contract that the company maintained a copy of military service records for the people it hired, but your company has informed the committee that it does not have the records of these two individuals in their files.

Did you or did you not have the records when you hired these people to go over, who then allegedly inappropriately, and in a criminal fashion, have been indicted for killing innocent civilians in a country where we are trying to win the hearts and minds as one of our very top military priorities.

Mr. ROITZ. Senator, there are multiple issues, and I would like to address each one.

First, I believe the two individuals that you have cited were hired as independent contractors in the November-December time-frame of 2008. That would have been prior to Mr. Yorio's arrival, as well as Ms. Esposito's taking over the chief operating officer position. The vetting of those personnel was not in accordance with the policies that were established then or the policies of today to vet the independent contractor personnel.

Since Mr. Yorio took over, we moved the recruiting division underneath the human resources department and elevated that position and charged that to a vice president from a commercial organization that reports directly to Mr. Yorio to, one, highlight the importance of the recruiting and vetting process and, two, to give the direct line to the CEO to prevent issues that occurred back in the past.

Senator MCCASKILL. Is every single person who is working for Blackwater now had the kind of background check that these two yahoos did not have?

Mr. ROITZ. Ma'am, we went back and rescreened all personnel.

Senator MCCASKILL. Do you have military records for all of them?

Mr. ROITZ. I believe we do, ma'am.

Senator MCCASKILL. Do you have military records for these two individuals who killed people?

Mr. ROITZ. We do not have those military records, ma'am.

Senator MCCASKILL. All right.

At the time that this happened, you were vice president of training and contracts. Right?

Mr. ROITZ. Contracts and compliance, ma'am.

Senator MCCASKILL. Yes, okay.

Now, let us talk about independent contractors. It keeps being referenced as independent contractors. That is fascinating to me that you would call these men—I am assuming maybe there are

some women in the group—independent contractors, especially in light of the fact that there was a strict prohibition of your using independent contractors in the contract with Raytheon.

Now, my legal background tells me that when you have somebody who is an independent contractor, it is usually because you want to avoid liability. Why in the world were you all using these people as independent contractors instead of employees?

Mr. ROITZ. Senator, the use of independent contractors precedes my work with Blackwater. I think the chairman asked a question about our Internal Revenue Service (IRS) filings, which we are fully cooperating with, and it has been going on for a number of years. We issue 1099s to the individuals. The actual rationale for it today, of why we use independent contractors, is a legacy item that goes back many years.

Senator McCASKILL. This letter in June 2009, after this occurred, your company or the pretend company, Paravant, took the legal position after these yahoos shot innocent people—you took the position that you had no responsibility for these folks because they were independent contractors. Is that true? [Tab 21].

Mr. ROITZ. I am not familiar with the document you are referring to.

Senator McCASKILL. I am now reading a letter that was written to the director of contracts at Paravant, which is your company. Right? [Tab 22].

Mr. ROITZ. Yes, ma'am.

Senator McCASKILL. This is from the manager of subcontracts at Raytheon. The letter says and especially troubling is Paravant's legal position, regarding the limits of its contractual responsibility for its trainers, grounded on the assertion that they are independent contractors.

So you have to be aware that you all asserted a defense in terms of any liability under what happened, the negligence in not vetting these guys, putting them in theater without even checking their background, and not having their military files with the kind of backgrounds they have. You used the legal representation that they were independent contractors to say, "not us, not our fault, we have no responsibility." Is that not a fair statement?

Mr. ROITZ. Senator, I would like to review those documents and get back to the committee on them [Tab 37].

Senator McCASKILL. I think it is important that we get to this independent contractor thing, and I think it is something that we need to follow up with in terms of people in your position, Dr. Blake. If we are actually going to be putting on the battlefield, for training purposes, people who are working for private companies and going to be seen as our soldiers in terms of what they do and their actions are going to be held to the United States of America for accountability, it is very important that the company that hires them has a clear line of responsibility for what they do.

We have already had this problem in Iraq where we have a contractor that killed one of our soldiers through their negligence and now is running around, even though they are still getting contracts from our Government. If you are going to get the contracts, Mr. Roitz—is that how you say your name?

Mr. ROITZ. Roitz.

Senator McCASKILL. Mr. Roitz, if you are going to get the contracts and make the money, you have to take the responsibility for what these guys do. I think Raytheon was correct when they said you had no right to call them independent contractors under the subcontract, and I want to make sure going forward that that is clear.

Are there any other corporations that have new names that are actually Blackwater besides Xe and Paravant? Are there any others we should know about so we can identify them for what they are?

Mr. ROITZ. Senator, the corporate structure of what was formerly EP Investments, also known as Blackwater Worldwide, underwent a rebranding that the U.S. Training Center provides significant training services and security services to the U.S. Government.

Senator McCASKILL. I just want a list of all the names. If there are more names, I just want a list of all the names.

Mr. ROITZ. I think better, so I do not forget any, Senator, would be to provide the committee with an organizational chart with all the names on it.

Senator McCASKILL. Okay, that is great. Are there more than five? Are there 10, 20? Can you give me a ballpark number of how many different names there are under the umbrella?

Mr. ROITZ. We have many names from the different components. We have, for example, Aviation Worldwide Services, which provides aviation services to Transportation Command. We have Presidential Airways. We have Greystone.

Senator McCASKILL. Okay. Let us get the list.

[The information referred to follows:]

[See Tab 37.]

Senator McCASKILL. I know my time is expired. I just have one other question.

Have you gotten any award fees for your work in Afghanistan as it relates to training?

Mr. ROITZ. I do not believe we have any award fee contracts, ma'am.

Senator McCASKILL. Okay.

Thank you, Mr. Chairman.

Chairman LEVIN. The contract which was submitted to Raytheon was signed by you. Is that correct?

Mr. ROITZ. Yes, Mr. Chairman.

Chairman LEVIN. That was submitted in June 2008. Right? It is June 8 from Paravant. You signed it.

Now, that proposal which went to Raytheon, when did Paravant come into existence?

Mr. ROITZ. It was shortly before that timeframe, I believe.

Chairman LEVIN. I just want to drive home this point, Senator McCaskill, about just how fake this was. I know Senator McCaskill is going to be interested as well to hear this.

This is a contract that was submitted by Paravant, which is a shell company, to Raytheon on June 8, 2008. It says in the proposal the following: "Paravant has many years of experience in identifying and selecting top candidates for training." As a matter of fact, Paravant did not even exist for many years. Is that not right, Mr. Roitz?

[The information referred to follows:]

[Information retained in committee files.]

Mr. ROITZ. I believe what that statement was attributing to was the recruiting and vetting functions that service all of the companies.

Chairman LEVIN. Paravant came into existence in 2008. Right?

Mr. ROITZ. That is correct.

Chairman LEVIN. It could not have many years of experience at anything. That is your contract proposal. How can you possibly suggest in writing, other than the fact that Raytheon was very well aware of the fact that Paravant came into existence exactly so that they would not have to have a letterhead that came from Blackwater. Instead, you got a letterhead coming from Paravant.

I am just asking you the question. Your proposal says something which is not true. Is that correct?

Mr. ROITZ. I believe, Mr. Chairman, if you reference the past performance sections of the proposal, it does reference Blackwater contracts.

Chairman LEVIN. All right. But this document—Paravant has many years of experience—is not accurate. Is that correct?

Mr. ROITZ. It could have been much better worded.

Chairman LEVIN. Can your answer be much better worded right now? Your answer could be much more direct, frankly. It could not be true that Paravant had many years of experience if they did not come into existence until the same year. Is that not true?

Mr. ROITZ. That is true.

Chairman LEVIN. We are looking for transparency here, and we had an effort to cover up who is really doing the contracting. It may have been at the request of Raytheon, and Raytheon will have to answer to that. There is clearly an effort to cover up that Blackwater was the real contractor here, and in terms of holding folks accountable, there is an effort made here to create an impression that some company named Paravant for years had been doing something which it had not been doing.

You look at another reference in this contract. It says here that Paravant, there are two pages straight, "We have over 2,000 personnel deployed overseas." Then the next page, "Many years of experience."

Now, you were working there as the contracting and compliance officer, did this trouble you at all that you were making statements that were not accurate in order to cover up the fact that it was a Blackwater operation here instead of something else? Were you troubled by that?

Mr. ROITZ. I am troubled today as I read it.

Chairman LEVIN. Were you troubled then?

Mr. ROITZ. No, because I think my understanding was Raytheon specifically knew who exactly they were contracting with.

Chairman LEVIN. Why they were asking for a different name. You knew why. They did not want the name Blackwater.

Mr. ROITZ. They did not want the name Blackwater, as I understood it.

Chairman LEVIN. By the way, who was it at Raytheon who told you they did not want to deal with Blackwater?

Mr. ROITZ. We will have to get that for the committee [Tab 37].

Chairman LEVIN. You do not know.

Mr. ROITZ. I do not know.

Chairman LEVIN. Was it your responsibility to screen the trainees which were hired?

Mr. ROITZ. No. That would have been what we term as the operational support unit, which Mr. McCracken ran prior to his taking over.

Chairman LEVIN. All right. So that if the military record of Mr. Drotleff was not reviewed and you do not have that military record, that is something you were not involved in.

Mr. ROITZ. No. It was an error or it was unacceptable that we did not receive the DD-214s. There was a policy in place that they were to get the DD-214s.

Chairman LEVIN. But it did not happen in that case?

Mr. ROITZ. It did not happen in that case.

Chairman LEVIN. What about Mr. Kucharski? Are you familiar with that issue?

Mr. ROITZ. He was the one referenced——

Chairman LEVIN. He was on the “do not use” list.

Mr. ROITZ. That policy is very clear within the company that if they are a “do not use” person, they are not to be used. Mr. McCracken, based on his testimony this morning, I am not surprised, but clearly he violated the intent of that policy.

Chairman LEVIN. Are you familiar with a letter which came from General Formica which said that the Army investigation which occurred after the May event, there was none after the December event, and if there had been one, as there should have been, there maybe never would have been a May event. But in any event, General Formica said in his June 2009 letter that the Army’s investigation “has raised serious issues concerning an apparent lack of contractor oversight” [Tab 1]. Are you familiar with that letter?

Mr. ROITZ. I am not familiar with that specific letter, I do not believe.

Chairman LEVIN. Do you know a Jim Sierawski?

Mr. ROITZ. Sierawski?

Chairman LEVIN. Sierawski.

Mr. ROITZ. Yes, sir.

Chairman LEVIN. Senior Vice President of Blackwater.

There were some talking points which he used in a May 11 meeting shortly after the May event which said the following, that Paravant management in Afghanistan created an environment with “no regard for policies, rules, or adherence to regulations in country” [Tab 2]. Would you agree with that?

Mr. ROITZ. Based on my review in preparation for the hearing, I would agree.

Chairman LEVIN. You would agree? All right.

In terms of this independent contractor issue, which Senator McCaskill has raised, it is a very, very critical issue. Those of us who are lawyers would not blink an eyelash in saying that these are not independent contractors. There is no way that these folks are independent contractors. You can call them whatever you want and you did it, I think, to limit your own liability and for a number of other reasons. But there is no way that they can be called inde-

pendent contractors when they have a continuing relationship or the workers work for long and fixed hours. They are under the supervision and control of the company. They have to comply with instructions, rules, and regulations. Just looking through what the criteria are for independent contractors, I do not think that these folks could be characterized as that. I understand there is an inquiry that is being made into that issue.

When you filed a worker's compensation claim with the Department of Labor's Office of Worker's Compensation, Blackwater told the Department of Labor that the injury occurred, you are talking about the December 9, 2008, event during usual work. Do you remember that? Are you familiar with that? [Tab 31].

Mr. ROITZ. I am not familiar with that report. I am familiar with the incident.

Chairman LEVIN. Let me quickly ask Dr. Blake some questions.

By the way, you made reference to the independent contractor as a legacy issue. Is there a plan at Xe to end this practice or to review this practice, do you know?

Mr. ROITZ. We are reviewing it currently.

Chairman LEVIN. Do you believe that Blackwater has an obligation to supervise its personnel operating in Afghanistan?

Mr. ROITZ. Is that my question, Mr. Chairman?

Chairman LEVIN. Yes. I made a mistake. I said I was going to ask Dr. Blake, which I intend to do, but this is for you, Mr. Roitz.

Mr. ROITZ. Yes, I believe that there is a responsibility to supervise the personnel in Afghanistan.

Chairman LEVIN. Now, Blackwater wrote Raytheon—this is Tab 21—saying that if Raytheon believes that Paravant has an obligation to supervise all subcontractor personnel at all times, it is going to increase the cost. You are going to charge them for that.

Mr. ROITZ. There are really two components of that.

Chairman LEVIN. Okay.

Mr. ROITZ. The first component is staffing. Was there adequate staffing with the proper management in place to—

Chairman LEVIN. Under your contract, do you believe you had the obligation to supervise subcontractor personnel?

Mr. ROITZ. Correct. I think there was adequate staffing in place for, I believe, it is 72 personnel.

Chairman LEVIN. Then you said that you are going to need more money if you are going to do that.

Mr. ROITZ. I believe that what this is referring to in that document is the alluding to Raytheon wanting personnel to supervise them 24/7 when they are not working under performance of the contract. You have the terms of the contract happening and then you have outside the scope of the contract. What we believed that they were asking for was outside the scope of the contract.

Chairman LEVIN. That they do not have to supervise their personnel when they are not performing contract functions?

Mr. ROITZ. There is an expectation that they have general supervision of those personnel, but what we believe Raytheon was asking for was greater than that. We have policies—

Chairman LEVIN. Did you clarify that? Did you ever clarify that with Raytheon? Did you ever get an answer back?

Mr. ROITZ. Our legal department was working with Raytheon's legal department on that, Mr. Chairman.

Chairman LEVIN. This might be my final question. We will turn it back to Senator McCaskill.

Xe does not withhold income tax from these contractors, does not pay Social Security for these so-called contractor employees, but we will call them personnel, and does not pay Medicare taxes, does not pay unemployment tax on payments that are made. So Uncle Sam is out all of that revenue, the withholding, the Social Security, the Medicare taxes. Is that correct?

Mr. ROITZ. I do not believe so.

Chairman LEVIN. You believe it is not correct?

Mr. ROITZ. I do not believe so. I am not a lawyer, and I would have to have a little assistance from my legal staff. But we will issue them a 1099 which my understanding is—

Chairman LEVIN. Do you withhold income tax?

Mr. ROITZ. No, we do not.

Chairman LEVIN. Do you pay Social Security tax?

Mr. ROITZ. I do not believe so.

Chairman LEVIN. Do you pay Medicare tax?

Mr. ROITZ. I do not believe so.

Chairman LEVIN. Okay. That is what I was asking.

Senator McCaskill.

Senator MCCASKILL. I assume that the point you were trying to make, Mr. Roitz, is that it is their obligation to pay that based on their 1099.

Mr. ROITZ. Yes, Senator.

Senator MCCASKILL. That is one of the reasons the IRS takes a hard look at independent contractors, and it is very hard in terms of resources to stay on top of how many of those folks actually pay all the money they are obligated to pay.

Once again, you have American soldiers in uniform training the ANA and the ANP, and then you have Blackwater folks looking the same, doing the same job. Out of every paycheck that military person has, their pay is docked for the same kind of things that most of us have our pay docked for. The question is whether or not we have that same level of accountability.

How many independent contractors did you have in Afghanistan working on these contracts?

Mr. ROITZ. On the Paravant contract? I believe it was approximately 70.

Senator MCCASKILL. Seventy? So it was not an overwhelming number in terms of checking up on them.

Mr. ROITZ. No, ma'am. We had quite a significant role in the Afghan Border Patrol training, the Narcotics Interdiction Unit training in Afghanistan, as well as performing services for DOS, which you referenced earlier in your statement.

Senator MCCASKILL. How many personnel do you have on the ground in Afghanistan right now through all the various named companies?

Mr. ROITZ. We would have to get back to the committee on that [Tab 37].

Senator MCCASKILL. Ballpark. You have to know ballpark. Is it hundreds? Is it thousands?

Mr. ROITZ. It is in the hundreds, ma'am.

Senator McCASKILL. It is in the hundreds? Okay.

Dr. Blake, we have been showing an awful lot of attention to Mr. Roitz. I am going to ask you some tough questions now.

This is essentially with Raytheon. We now know from this hearing that Raytheon requested Blackwater change their name to cover the fact that they were really hiring Blackwater, which should be a problem, obviously, because Raytheon is a major defense contractor. That is very troubling that their company would do that and we have to sort that out. I want Raytheon to be able to defend themselves. But according to the testimony that we have received, the people at Blackwater said they changed their name and made representations in the contract about how long they have worked because Raytheon knew they were really Blackwater. This was just putting another name in the contract to pretend like they were Blackwater so they could say they had all this experience, they had trained all these people, and they had this really good vetting process because Raytheon knew that it was not really Paravant, because it was Blackwater.

Here is my question to you. This was essentially a pass-through contract with Raytheon. The only function Raytheon had, as it related to the work of Blackwater, that we have talked about in this hearing, was oversight. Is that correct?

You need to put your microphone on, Dr. Blake.

Dr. BLAKE. Excuse me. Raytheon served as the prime contractor. This was one TO of many, many TOs.

Senator McCASKILL. Right.

Dr. BLAKE. The subcontractor on that team was Paravant. So the responsibility for subcontractor management, which was in the solicitation and the award, rested with Raytheon. They were responsible for managing the activities of the sub.

Senator McCASKILL. So as I say, as it relates to this part of their work, their only responsibility was oversight. I know they had a lot of other TOs under the \$11 billion contract, but for this part of the contract, they did not put anybody in the field to do training. This was all about a subcontract that they had with Paravant at the time, that they now have with the other company I referenced earlier, MPRI.

Dr. BLAKE. That is my understanding.

Senator McCASKILL. Knowing that their only job was oversight and knowing what occurred during this period of time, whether it is them getting guns they were not authorized to get, an accidental discharge that paralyzed somebody because of being shot in the head, people that have criminal records that have been discharged from the Army that obviously have huge problems in their background, or being indicted criminally for killing innocent citizens during this period of time. Raytheon got not only an award fee for the performance, they got an increase in their award fee. Is that not correct?

Dr. BLAKE. The performance of Raytheon under the contract and the performance of Paravant was not included. This TO was not part of the award fee consideration.

Senator McCASKILL. So they did not get any award fee for this part.

Dr. BLAKE. That is correct.

Senator MCCASKILL. How is that delineated? How would we be able to track that?

Dr. BLAKE. The award fee plans are put together in advance, and we decide on what particular activities that are of sufficient concern to us that we want to track or have improvements made. That is normally done on the firm fixed price core work that we do and select customer work. Normally if there is an award fee associated with it, the customer would contribute to that pool, the award fee pool. In this particular case, that did not.

Senator MCCASKILL. That was confusing to me. I think this is important because in this committee hearing room we have gone through a lot of testimony about award fees. We had bad things happen in Iraq about award fees. There was really subperformance on many, many contracts, and these contracts all got award fees, which really are supposed to act like bonuses for good work. What we found out is that everybody just got them. It did not matter what kind of work they had done. They just got them.

What I am trying to figure out now, clearly Raytheon failed in overseeing this contract. I think anybody I went up to and talked to at my grocery store, if I told them the story we have heard in this hearing, they would say Raytheon failed during that period of time in overseeing this contract.

Did they suffer one penny because of that failure?

Dr. BLAKE. The contract with Raytheon continued on. The work that Paravant was contracted to do with this particular TO was performed. The training was conducted for the ANA. There were no penalties, if that is the question that you are asking, associated with that.

Senator MCCASKILL. Should there be? Should there be penalties for this kind of failure of oversight, that the subcontractor had not even bothered to vet the people?

Dr. BLAKE. This is a question we will have to look into. That was not in the contract at the time. This issue was not envisioned.

I would like to make one clarification on the earlier statement. The responsibility for the prime contractor to monitor what was going on with the subcontract also included all of the information associated with managing that, to ensure that all the rules and regulations were complied with, that they were properly vetted and properly supervised. I do not view it as a pass-through, as you described it.

Senator MCCASKILL. Right. I guess that is my point. Either it is a pass-through and the fact that they failed in oversight is irrelevant, or they had responsibility for oversight and they failed because in either way there is a problem here. That is what I am getting at. The fact, Dr. Blake, if you just step back from it and look at it from a distance, they received an increase in their performance fee during this period of time. That dog don't hunt where I come from.

Dr. BLAKE. As a clarification, the award fee again was not based on the work being down in southwest Asia.

Senator MCCASKILL. So you did not take into account their failure on one part of the contract as you decided whether or not they should get award fees for the other parts of the contract?

Dr. BLAKE. It was not built into the award fee plan.

Senator McCASKILL. Why would that be? Why would you not want to hold these guys accountable through the only mechanism we have, which is money? What would be the reasoning for that, do you know?

Dr. BLAKE. No, I do not.

Senator McCASKILL. Does it make sense to you?

Dr. BLAKE. The award fee plan is done in advance. We are looking backward into this activity that happened.

Senator McCASKILL. Let us look forward. Going forward, would it make sense to you that you would have a contractor fail in their oversight capacity which they were being paid to do, good money, serious money to oversee and they did not have anybody on the ground in Afghanistan. These guys went into the field, they had not even been vetted and they were getting weapons they were not even supposed to have their hands on, and they were accidentally discharging them and shooting people.

What I am trying to get at here is, we are trying to fix something here. This is not just about beating up on Blackwater, although it probably feels like it to Mr. Roitz. This is about fixing things. What I need to hear from you is, we have to fix this. We cannot be giving bonuses to companies who have failed in this part of it. We did okay over here. We go ahead and give them a lot of money and they do not suffer anything for failing over here. You follow my train of thought here?

Dr. BLAKE. I do and it is an issue that we should look at. We agree that they should not be rewarded for poor behavior. We do have a subcontracting performance plan in place with them, and that would be a subject of how we would do the ratings for the performance of Raytheon.

Senator McCASKILL. We have two kinds of organizations that are performing the same functions. One responds to money and the other responds to duty. If we are going to hold these contractors accountable, we better get busy with making sure it hurts when they do things like this and fail to do things like this, if we do not respond that there are consequences. Let me close with this because I think I have certainly had an opportunity to ask a lot of questions, and I have learned a lot. I think we can follow up with some of this with the subcommittee on contracting.

It is not so simple, Mr. Roitz, as changing your name. If it could be so simple. There are a lot of people who have been through this building who made big mistakes who would have liked to just change their name and make it all better. The way you restore your reputation is not by changing your name. The way you restore your reputation is by changing the way you do business. This is a good example of while the name had changed, the underbelly of the beast had not significantly changed because you did not even do the basics of checking whether or not you had people who had no business over there in positions of responsibility.

I think you are wasting a lot of money on lawyers changing names. I think you could invest that money in quality control and accountability and probably do much better for your company than just thinking you can do it by changing a name.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCaskill.

Mr. ROITZ. Mr. Chairman?

Chairman LEVIN. Yes.

Mr. ROITZ. Can I address that, please?

Chairman LEVIN. Sure, if you can do it quickly.

Mr. ROITZ. I will do it quickly.

The change to Xe, while it is a name change, Senator—I do not believe that is—that is true that we have changed our name. But I have seen the old company, and I discussed it both in my written testimony and my oral testimony. The company of 2008 is not the company of today. There is much more structure in the compliance. There is a philosophy of compliance. An example of that is I stopped defense-related training on a major program in Afghanistan much to the angst of the customers because we identified we were out of compliance on an export control matter. That probably would not have happened in 2008, and that happened in 2009.

Unfortunately, the new management that came in March 2009 did not have enough time to do the top-to-bottom review before that May 5 incident, we truly regret that.

Senator MCCASKILL. I appreciate that. As time goes on, I am just telling you nobody around here is going to be convinced by new names. So as time goes on, it is how you perform and whether or not these problems are cleared up and whether or not you are willing to call these people employees instead of independent contractors because there is no reason you call them that for any other reason than avoiding liability for their actions.

Mr. ROITZ. Thank you, Senator.

Chairman LEVIN. The committee invited J.D. Stratton to testify today about his role in acquiring and distributing weapons to Blackwater personnel. He invoked the Fifth Amendment, which he had a right to do. Is Mr. Stratton still employed by your company?

Mr. ROITZ. I was informed he is. Yes, Mr. Chairman.

Chairman LEVIN. Does that mean yes?

Mr. ROITZ. Yes. I understand he is.

Chairman LEVIN. You were doing the same thing back a couple years ago as you are doing now?

Mr. ROITZ. No. My role has really changed.

Chairman LEVIN. All right. But you were employed then and you are still employed by the same company. So you are one employee at least they did not change.

Mr. ROITZ. That is correct.

Chairman LEVIN. Mr. Stratton is another employee they did not change.

Now, a few months before, this goes to you, Dr. Blake, PEO STRI approved that Raytheon could subcontract with Paravant, and DOS evaluated Blackwater's performance in Iraq. Are you familiar with that evaluation?

Dr. BLAKE. No, Senator, I am not.

Chairman LEVIN. Now, the evaluation by DOS, which is again before your office approved this subcontractor Paravant, that DOS evaluation said that actions by Blackwater personnel during the late summer and fall of 2007 had led DOS—and these are DOS's words “to lose confidence in Blackwater's credibility and management ability” [Tab 29].

Should that not have been taken into consideration by you, an Army contracting office, before you or your office approved this subcontract with Blackwater?

Dr. BLAKE. I believe, as Mr. Ograyensek testified earlier, he was not aware that the firm that won the bid was a Blackwater-affiliated firm. I certainly was not either. I was not aware of this contract until after the shooting incident.

Chairman LEVIN. All right. So here we have a situation where the change of the name is deceptive, and I think we all ought to understand what we are talking about here. It resulted in a DOS assessment about a firm not being brought to the attention of our contracting people because the name had changed.

This is some very serious business we are talking about here. I do not know what exactly we can do except to put in every application, that goes in here for a proposal for a contract or asking for approval of a subcontractor, a question whether or not that subcontractor has changed its name or was operating under a different name.

This is deception here. This gets into a very serious issue because people in our Government who have the responsibility of approving a subcontract or not were not informed that another agency of our Government said they have no longer any credibility. DOS says they have no credibility in Blackwater in 2007. DOD approves a subcontract for Blackwater's new shell corporation Paravant in 2008. That is serious business.

I just want to let you know that, Mr. Roitz, because then it is a misrepresentation to the Government in order to get a contract. It is not a technical issue. It is a very serious, substantive issue that needs to be addressed by DOD and it needs to be looked at by DOJ. We will refer that matter to DOJ, as well as ask DOD to take steps to make sure that that can never happen again.

I want to go to your ratings issue. When you said this award fee was approved, it did not include this TO, is that what you said Dr. Blake?

Dr. BLAKE. The award fee pool did not include that TO.

Chairman LEVIN. But it has as a criteria here, it is a whole period. It is May 2008 to October 2008 for period 2, and then it is period 3, November 2008 to April 2009. So that includes the period of that December shooting. Where does it say what is excluded from here? Would a TO be included in here but not specifically identified, or it is just not included?

Dr. BLAKE. Only selected tasks are included in that evaluation plan. You have a summary.

Chairman LEVIN. Does it say that in here somewhere?

Dr. BLAKE. In the development of the plan and the award fee pool, it would be, sir. I believe you are looking at a summary.

Chairman LEVIN. Somewhere in there you could show us a document which would show that this particular TO was not included for consideration in that award fee.

Dr. BLAKE. I would show you a document on what items were included in the determination.

[The information referred to follows:]

Dr. Blake did not respond in time for printing. When received, answer will be retained in committee files.

Chairman LEVIN. What were, okay.

My last question goes to Mr. Roitz.

Mr. Roitz, you were the contracts compliance officer for Blackwater back in December 2008, which was the first shooting which we focused on here today. In an email chain on that day, you indicated that you had been briefed on the shooting. Is that correct?

As the contracts compliance officer, did you direct any kind of investigation to determine whether or not firing AK-47s off the top of a moving vehicle had anything at all to do with training the ANA in the proper use of weapons? Did you take any steps?

Mr. ROITZ. Mr. Chairman, when I was briefed, I was briefed that it was not approved training. At that point, it was already decided that it was not approved and should not have happened.

Chairman LEVIN. Did you direct any kind of investigation?

Mr. ROITZ. There was an incident report and I believe Mr. Gibson conducted some form of remedial action. I think there was a safety stand-down day. One person was fired. I am not sure of all the actions taken.

Chairman LEVIN. You said it was approved training?

Mr. ROITZ. No. It was not approved training.

Chairman LEVIN. It was not approved, nor was it routine.

Mr. ROITZ. No.

Mr. Chairman, I do have one—my counsel has pointed out that I apparently misunderstood one of your earlier questions regarding General Petraeus. I misunderstood you to say that there was new guidance today which bars contractors from using Bunker 22 weapons. It is my understanding that Bunker 22 weapons may be an appropriate source of weapons. That does not undercut, in the case of Paravant, they should not have weapons without authorization. I wanted to be sure I did not leave a misinterpretation.

Chairman LEVIN. All right. Thank you for that clarification.

Documents that are in this binder will be made part of the record. The correspondence with witnesses who advised us that they would take the Fifth Amendment will be made part of the record and, as I said before, the entire lengthy opening statement which I summarized here.

We again thank our witnesses for being here. We will stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

INADEQUATE VETTING OF PARAVANT PERSONNEL

1. Senator LEVIN. Mr. McCracken, Sebastian Kucharski was fired from Blackwater in September 2006 for his involvement in an alcohol-fueled fight with another Blackwater independent contractor and was placed on Blackwater's own "Do Not Use" list at that time. You told the committee that Blackwater's recruiting department presented him to you during in-processing for the Paravant contract. You stated that you were told that he had been fired from Blackwater for a "personality thing." With whom did you discuss Mr. Kucharski at the time of his in-processing?

Mr. MCCracken. The "Do Not Use" classification was very arbitrary, in my experience. I was told that Mr. Kucharski was a program "Do Not Use," in other words he could not go back to that particular program, in this case the Blackwater Worldwide Personal Protective Service program. When I asked Blackwater about this, I was told that Mr. Kucharski was a "Program Do Not Use" based upon a personality

conflict with another individual. I do not recall the name of the Blackwater individual, however.

2. Senator LEVIN. Mr. McCracken, you testified to the committee that you did not have access to Mr. Kucharski's records, showing the reasons he was added to the "Do Not Use" list. Those records also show that on November 20, 2008, after Mr. Kucharski was hired by Paravant, his status on the "Do Not Use" list was changed by "asmith" or Alexis Smith, the only other Paravant employee at the time.

a. Were you aware that Ms. Smith changed Mr. Kucharski's status?

Mr. MCCracken. No, I do not recall being aware of that change.

b. Senator LEVIN. What was the purpose of the change?

Mr. MCCracken. I do not recall being aware of the change.

c. Senator LEVIN. Did you discuss changing Mr. Kucharski's status with Ms. Smith?

Mr. MCCracken. I do not recall discussing Mr. Kucharski's status with Ms. Smith.

3. Senator LEVIN. Mr. Roitz, Blackwater's proposal for the Paravant contract describes a recruitment process to identify and vet candidates, whose key attributes are "character, integrity, reliability, and professionalism." The proposal says that candidates will be selected by the Vice President of Contracts and others.

a. Were you the Vice President of Contracts at that time?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Mr. Roitz was Blackwater USA's Vice President of Contracts and Compliance at the time of the Paravant proposal. The reference "Compliance" in the title was intended to reflect contract compliance.

b. Did you participate in the selection of personnel for Paravant?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Mr. Roitz has no recollection of participating in the "Instructor Section Panel" referenced in the Paravant proposal. The proposal was not incorporated into the Paravant subcontract.

c. The proposal says that "each instructor must have on file a copy of DD214 (a servicemember's military record) if that instructor has prior military experience." In your written testimony, you said that "Apparently, Mr. McCracken did not always verify these statements by requiring submission of a Form DD214." If you were the Vice President of Contracts at the time, what steps, if any, did you take to ensure that the Form DD214 was considered as part of the recruitment and hiring process?

Mr. ROITZ. As a contractual matter, the Paravant subcontract did not require DD214s. However, the company's November 2008 recruiting policy included an express requirement to request a copy of a DD214 from each selected candidate with military service. As the former head of Blackwater USA's Operational Support Unit, which recruits and vets candidates under that policy, Mr. McCracken would have had direct knowledge of this policy. As the original Program Manager of the Paravant program when candidates were selected, Mr. McCracken would also know that the requirement for DD214s applied to his program. The program is also responsible for ensuring that files contain DD214s (See Senate Armed Services Committee (SASC)—034029—retained in committee files.) (Mr. McCracken, in his role as the management official in charge of Paravant, instructed Paravant's Program Manager assistant to obtain DD214 before Mr. McCracken "give[s] the go-ahead to place them in CRC").

BLACKWATER'S PAST PERFORMANCE

4. Senator LEVIN. Mr. Ograyensek, on July 1, 2008, just a few months before the Army approved Blackwater-Paravant to perform the Afghan National Army (ANA) training contract, the Department of State (DOS) reviewed Blackwater's performance in Iraq and concluded that they had lost "confidence in [Blackwater's] credibility and management ability."

a. Are contractor performance evaluations produced by the DOS available to you?

Mr. OGRAYENSEK. Past performance evaluations produced by the DOS are not provided directly to the Department of Defense (DOD). The Contractor Performance As-

essment Reporting System (CAPRS) is the system primarily used by DOD. Effective July 1, 2009, the Federal Acquisition Regulation (FAR) required agencies to post all contractor performance evaluations in the Federal-wide Past Performance Information Retrieval System contractor performance evaluations that comply with the current FAR requirement are available to the Program Executive Office for Simulation, Training, and Instrumentation (PEO STRI).

b. In evaluating contract proposals do you consider performance evaluations conducted by other U.S. Government agencies?

Mr. OGRAYENSEK. PEO STRI contracting officers may consider past performance information from any source as long as the performance being evaluated is recent and relevant to the services being acquired.

COMPANIES OPERATING AS BLACKWATER

5. Senator LEVIN. Mr. Roitz, you testified that Raytheon requested that Blackwater perform the ANA training contract under a separate name.

a. Who at Raytheon made the request that Blackwater operate under a separate name?

b. To whom was that request made?

c. Who at Raytheon and/or Blackwater participated in discussions about that issue?

d. When did those discussion(s) occur?

e. Who at Blackwater approved the decision to use the Paravant name in submitting its proposal for this government contract?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Please see Mr. Roitz's letter to Chairman Levin of March 10, 2010, addressing these issues [Tab 37.]

6. Senator LEVIN. Mr. Roitz, of the following companies currently operating as subsidiaries of the Prince Group LLC or Xe Services LLC (formerly known as Blackwater Worldwide), please identify when Blackwater began conducting business under the name of each subsidiary and the date(s) on which any proposal was submitted for a government contract or subcontract under each name.

a. Apex Management Solutions LLC (10/21/05)

b. Aviation Worldwide Services LLC (11/16/00) and its subsidiaries (Air Quest Inc., (10/23/00), Presidential Airways Inc., (6/10/98), Guardian Flight Systems LLC (1/6/06) (now a subsidiary of X3), STI Aviation Inc.) (3/19/02)

c. Backup Training LLC (8/9/07)

d. Blackwater Proshop LLC (11/21/05) (6/2/06)

e. BWT Services LLC (6/2/06)

f. E & J Holdings LLC (1/1/97)

g. E & J Leasing LLC (9/25/98)

h. EP Aviation LLC (11/15/01)

i. EP Management Services LLC (11/16/06)

j. GSD Manufacturing LLC (10/16/00)

k. Pelagian Maritime LLC (2/2/07)

l. Raven Development Group LLC (9/3/04-cancelled 8/12/09)

m. Samurus Co. LTD (10/12/06) and its subsidiaries Greystone LTD (5/13/04), Greystone SRL (9/3/07), Salamis Aviation LLC (8/27/04), Al-Zulama Company) (5/2/06)¹

n. Total Intelligence Solutions (11/28/06)

o. Technical Defense, Inc. (11/29/00)

p. Terrorism Research Center, Inc. (1/30/97)

q. U.S. Training Center, Inc. (12/26/96) and its subsidiaries Blackwater West LLC (5/15/06), and Blackwater Security Consulting LLC) (1/22/02)

r. XPG LLC (5/28/08)

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The dates of incorporation of the above entities are identified in the above parenthetical. The company previously produced in response to the chairman's June 18, 2009, letter request: (1) a chart (SASC-014705-014711—retained in committee files) identifying all contracts and subcontract to perform private security functions in Af-

¹ The dates are based on a translation of an Arabic document.

ghanistan, including the period of performance; (2) copies of those contracts; and (3) copies of proposals for those contracts.

RESPONSIBILITIES OF BLACKWATER'S ARMORER

7. Senator LEVIN. Mr. Roitz, you testified to the committee that Mr. Jerry D. Stratton, Jr. is still employed by Xe Services. Lawyers for Xe Services informed committee staff that as of July 2009, however, Mr. Stratton no longer had responsibilities as the company's armorer. However, in his February 19, 2010, written responses to the committee's questions, Chief Warrant Officer Gregory Sailer informed the committee that he was "approached by Mr. Stratton on 16 February 2010 asking how [Mr. Stratton] could turn in weapons that he claimed belonged to Combined Security Transition Command-Afghanistan (CSTC-A)."

a. What responsibilities did Mr. Stratton have since July 2009, including responsibilities relating to weapons?

b. Why did Mr. Stratton attempt to contact Chief Warrant Officer Sailer on February 16, 2010?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Beginning in or around July 2009, Mr. Stratton was no longer responsible for the company's central weapons storage facility in Afghanistan. He was transferred to the Quality Control team for the Afghanistan Border Patrol (ABP) program and is now primarily responsible for the collection of biometric data for Afghan students. We have been unable to interview Mr. Stratton regarding whether he contacted Chief Warrant Officer Sailer on February 16, 2010. In declining to provide additional information to the company on this and other issues, Mr. Stratton has raised through his counsel concerns that his cooperation with the company investigation may be considered a waiver of any applicable privileges or rights. In order to address that concern and obtain the information that the committee has requested, the company on behalf of Mr. Stratton's counsel has asked committee staff to provide written assurance that information provided by individuals to company counsel would not be relied upon in any subsequent claim of waiver. No such assurances have been provided as of the date of this letter.

PAYMENT TO MRS. DROTLEFF

8. Senator LEVIN. Mr. Roitz, after the May 5, 2009, shooting involving Blackwater/Paravant personnel, Justin Cannon and Christopher Drotleff, Blackwater acknowledged in a May 27, 2009, letter to Mr. Drotleff's wife that it had a "legal obligation" and was under direct orders from DOD not to take any action to facilitate Mr. Drotleff's departure from Afghanistan. In its May 27th letter to Mrs. Drotleff, the company advised her, however, that Mr. Drotleff could leave Afghanistan "using his own resources." At that time, Blackwater also sent Mrs. Drotleff a check for \$4,850. Mr. Drotleff left the country the next day. [Retained in committee files.]

a. Why was that money sent?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The May 27, 2009, letter states the purpose of the payment: "This payment to you was based on the company's recognition of your family's short-term needs and to recognize that your husband has shouldered more burden associated with this cooperation with the government's investigation than the other three individuals involved in the incident, two of which left the company's facility at night without any notice or assistance from the company and against its instructions."

The company terminated Mr. Drotleff and withheld all payments due him under his contract as a result of his breach of contract. The company's actions left Mrs. Drotleff and her children without any financial support. Mr. Drotleff repeatedly expressed concern that by agreeing to return to Afghanistan, he remained unable to earn any income and had no way to financially support his family, which increased his flight risk. As indicated in the May 27, 2009, letter, the payment, made payable only to Mrs. Drotleff, was strictly humanitarian-based to allow Mrs. Drotleff to support her children and the family's domestic financial obligations during extended deliberations among the U.S. Army, DOS, and the Afghan Ministries of Interior and Justice on whether to grant permission for Mr. Drotleff to leave Afghanistan. In making the payment, there was no intent for the funds paid to Mrs. Drotleff to be used for any other purpose.

The funds were sent to Mrs. Drotleff on May 27, 2009, by overnight mail to arrive on May 28, 2009. Given the time zone differences, the company understands that

Mr. Drotleff left the company's facility in Kabul on his own accord well before Mrs. Drotleff received the overnight package, with the May 27, 2009, letter and the check. The company does not know how Mr. Drotleff was able to depart the country.

If the company wanted Mr. Drotleff to depart Afghanistan, it would never have escorted him back to Afghanistan to cooperate with the investigation. Mr. Drotleff was never reinterviewed by any U.S. or Afghan law enforcement personnel after returning to Afghanistan.

b. Did the company advise DOD personnel of that payment at the time? If so, who did the company advise and when?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The company did not advise DOD personnel of the payment and is not aware of any obligation to do so. The company was advising DOD and DOS of the company's concern over Mr. Drotleff's increasing despondency and restlessness while he waited for permission to depart Afghanistan.

PARAVANT'S PERFORMANCE ON THE CONTRACT

9. Senator LEVIN. Dr. Blake, please advise the committee whether PEO STRI was aware of each of the following performance-related issues on the Raytheon-Paravant contract:

a. In mid-April 2009, concerns were raised to CSTC-A and to newly arrived Raytheon country manager, Brian McCracken, about a shortage of Paravant personnel at a training site and whether the Paravant personnel were performing up to U.S. Army standards;

Dr. BLAKE. My staff has advised me that CSTC-A CJ7 did not inform us of any personnel shortages. Raytheon Technical Services Company (RTSC) did not report any issues with their subcontractor performing to standard.

b. On May 4, 2009, a Paravant Team Leader and an assistant Team Leader were thrown off the contract by the U.S. Army, after the Team Leader attempted to pull rank on an U.S. Army lieutenant. The newly appointed Paravant program manager, Tom Adams, reported of the entire Paravant team that they all are so average and the U.S. Army can't stand any of them;

Dr. BLAKE. After inquiring throughout my organization, I have found no one in my organization who reports that they were aware of this incident. I found no indication that either the CSTC-A CJ7 or RTSC ever reported the incident to PEO STRI.

c. On May 5, 2009, military personnel in Gardez reported concerns to Raytheon about the maturity level and experience level of some of the Paravant personnel;

Dr. BLAKE. I received no reports of concerns regarding the maturity level or experience of Paravant personnel. My staff reports that no concerns regarding qualifications of Paravant personnel specifically at Gardez were identified from either CSTC-A CJ7 or RTSC. One of the Technical Oversight Representatives (TORs) from a unit of CSTC-A, Major Van Westen, in June 2009 reported that some Paravant employees were "young ex-marines" and "little experience." PEO STRI immediately addressed this concern and the issue was resolved. PEO STRI received no other report concerning qualifications of Paravant personnel from either CSTC-A CJ7 or RTSC. During this period, my staff had almost daily contact via telephone and email with CSTC-A CJ7 and RTSC, and the qualifications of Paravant employees was not raised as an issue.

d. In May 2009, Paravant reported to Raytheon that they were having "a low qualification rate in almost every class;"

Dr. BLAKE. It was not reported to me, and my staff indicates PEO STRI received no reports from RTSC regarding any problems or deficiencies in ANA qualifications. In contrast, RTSC reported to CSTC-A (with Paravant present) during the April 2009 Program Management Review (PMR) that over 12,000 Afghanistan National Army (ANA) soldiers had been trained to date and that the ANA units had achieved passing rates of over 90 percent. The CSTC-A CJ7 never reported low qualification rates to the on-site PEO STRI Alternate Contracting Officer Representative (ACOR) or the PEO STRI management team.

e. In mid-May 2009, concerns were raised to CSTC-A and to Raytheon country manager, Brian McCracken, about the effectiveness of the Paravant personnel and

their “capabilities to teach the ANA the proper methods and standards according to Army standards;”

Dr. BLAKE. I was not personally aware of this and my staff reports receiving no information from either CSTC-A CJ7 or RTSC regarding a lack of effectiveness of Paravant personnel in contract performance.

f. On June 15, 2009, Major Marco Van Westen reported that in the “last 8 months [Paravant] trainers were young ex-marines with little experience;”

Dr. BLAKE. Yes, the PEO STRI on-site ACOR reported Major Van Westen’s comments to the COR located in Orlando, FL. However, clarification of Major Van Westen’s comments revealed that he was not commenting on the former-Marines’ lack of experience with weapons training, but their lack of Army experience. The lack of personnel with Army experience was immediately corrected as noted in the same report of Major Van Westen’s comments. Paravant assigned a former senior Army NCO as the team leader to provide the needed Army experience. Excerpt from report: “The last week’s significant changes have been made and now trainings are at standard.”

g. In August 2009, because of export control violations, Paravant was forced to stop performance of their training of the ANA.

Dr. BLAKE. Yes, on August 1, 2009, the PEO STRI on-site ACOR reported that Paravant stopped training due to concerns regarding export control violations. Paravant had been working under the assumption that Foreign Military Sales (FMS) cases do not require export licenses. However, since this effort was funded with Afghanistan Security Forces Funds (ASFF) appropriations it did require export licenses. Paravant was ordered to stop performance on the training of the ANA on August 1, 2009. Paravant remained on the stop work order until the license was received, which occurred on August 5, 2009. During August 1–5, 2009, trained ANA soldiers/cadre, supervised by U.S. Military personnel, conducted the training of ANA trainees. The CSTC-A CJ7 reported in an August 4, 2009, conference call that CSTC-A was satisfied with the interim solution and that the lack of an export control license did not result in any negative impact to training.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

COMBINED SECURITY TRANSITION COMMAND-AFGHANISTAN

10. Senator MCCAIN. Colonel Wakefield, based on your experience, can the CSTC-A train the ANA adequately and rapidly without relying on contractors?

Despite repeated requests, Colonel Wakefield did not respond in time for printing. When received, answer will be retained in committee files.

PARAVANT’S PERFORMANCE ON THE CONTRACT

11. Senator MCCAIN. Mr. Walker and Mr. McCracken, did you receive any feedback from the military as to how well Paravant performed on the contract?

Despite repeated requests, Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. Yes.

12. Senator MCCAIN. Mr. Walker and Mr. McCracken, what kind of feedback did you get?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. I received frequent feedback that the military was pleased with Paravant’s performance on the contract. While I cannot recall any specific comments, it was my understanding that the military was satisfied.

13. Senator MCCAIN. Mr. Walker and Mr. McCracken, how many ANA soldiers did Paravant train over the course of the contract and to what standard?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. Over the course of the contract, Paravant trained approximately 38,600 ANA soldiers to be zeroed and qualified with their weapons.

14. Senator MCCAIN. Mr. Walker and Mr. McCracken, did the military ask you to expand the training program beyond the basic North Atlantic Treaty Organization (NATO) rifles?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. Yes. The military requested that Paravant train the ANA soldiers in small infantry tactics, mortars, and artillery and to conduct noncommissioned officer training.

15. Senator MCCAIN. Mr. Walker and Mr. McCracken, did Paravant continue to train ANA soldiers even after the May 5, 2009, shooting incident, and if so, how many?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. Yes. After the May 5, 2009, incident, as I understand it, Paravant trained approximately 21,800 ANA soldiers, which is over 50 percent of the soldiers trained by Paravant throughout the Warfighter Field Operations Customer Support (FOCUS) contract.

DANGEROUS OPERATING CONDITIONS

16. Senator MCCAIN. Mr. Walker and Mr. McCracken, before you went to Afghanistan on the Paravant contract, did you believe that the U.S. military would provide you force protection on the training ranges?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. Yes.

17. Senator MCCAIN. Mr. Walker and Mr. McCracken, who did, in fact, provide force protection on the training ranges?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. On certain training ranges, Paravant had to provide its own force protection. For example, in January 2009, I witnessed Paravant providing its own force protection at the training center in Kandahar because there was no coalition military available to provide it for them. I was informed that this was a common occurrence.

18. Senator MCCAIN. Mr. Walker and Mr. McCracken, did you believe that you would be living and working on a U.S. military facility in Afghanistan?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. Yes, I initially believed that the Paravant instructors would be living and working on U.S. military facilities in Afghanistan and that I would be living and working under the same conditions during my visits to Afghanistan in the fall of 2008 and winter of 2009.

19. Senator MCCAIN. Mr. Walker and Mr. McCracken, where did you, in fact, live and work?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. The Paravant instructors lived on U.S. military bases under U.S. protection, but worked on Afghan bases, often with little or no protection by U.S. military. From April 2009 to the present, I have lived off base in an apartment near Camp Eggers in Kabul, Afghanistan. I work at Camp Eggers and travel throughout the region to oversee the Warfighter FOCUS contract.

20. Senator MCCAIN. Mr. Walker and Mr. McCracken, were the training ranges enclosed by a perimeter fence?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. At least two training ranges (in Kandahar and Darulaman) were not enclosed by a perimeter fence. In addition, the training ranges at Kabul Military Training Center (KMTC) and Black Horse could also be accessed freely by Afghans.

21. Senator MCCAIN. Mr. Walker and Mr. McCracken, were those ranges on the base or outside the base fence?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. The training ranges in Kandahar and Darulaman were outside the base fence. The other training ranges were inside the base fence; however, local Afghans were able to travel through the training areas.

22. Senator MCCAIN. Mr. Walker and Mr. McCracken, could unauthorized personnel easily access those training ranges?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. Yes. Unauthorized personnel could easily access the Kandahar and Darulaman training ranges. I witnessed unauthorized personnel do so repeatedly during my visits to Kandahar and Darulaman. At KMTC and Black Horse, Afghans frequently drove through the training ranges. In fact, an Afghan civilian was killed by an improvised explosive device inside the Black Horse training range.

23. Senator MCCAIN. Mr. Walker and Mr. McCracken, how many Afghan trainees would be on the range in a given instruction group?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. An average of approximately 100 Afghan trainees would be on the range in a given instruction group, and in some instances approximately 800 Afghan trainees per group.

24. Senator MCCAIN. Mr. Walker and Mr. McCracken, how many American or coalition instructors were there for the number of Afghan trainees?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. There were approximately 8 to 12 Paravant instructors for each group of Afghan trainees.

25. Senator MCCAIN. Mr. Walker and Mr. McCracken, did the trainees have access to weapons and live ammunition?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. Yes. The trainees had access to both weapons and live ammunition. Paravant attempted to control access to live ammunition by only distributing magazines containing 12 rounds to the Afghan trainees immediately prior to a shooting exercise.

26. Senator MCCAIN. Mr. Walker and Mr. McCracken, are you familiar with any incident where an Afghan trainee threatened or attacked an American or coalition instructor?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. Yes, I am aware of a number of such incidents. In Gardeyz, in January 2009, an Afghan trainee pointed his weapon at a coalition instructor. At KMTC, in May 2009, an Afghan trainee pointed his weapon at a U.S. soldier during the course of a training session. Moreover, in March 2009, in Mazar-I-Sharif, three U.S. soldiers were shot while they were jogging past ANA soldiers. Similarly, in November 2009, five British instructors were shot inside a checkpoint by an ANA soldier, who thereafter fled.

27. Senator MCCAIN. Mr. Walker and Mr. McCracken, did all Paravant employees go through some kind of Continental United States (CONUS) Replacement Center (CRC) training?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. MCCracken. Yes. All Paravant employees received Central Command (CENTCOM)-certified CRC training at Blackwater's facility in Moyock, NC.

28. Senator MCCAIN. Mr. Walker and Mr. McCracken, did all Paravant employees receive training on the Rules of Engagement (ROE) for military personnel, the Rules on the Use of Force (RUF) for contractor personnel, and the difference between the two?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. McCracken. Yes, the ROE for military personnel and the RUF for contractor personnel are part of the CRC curriculum at Moyock, NC.

29. Senator McCain. Mr. Walker and Mr. McCracken, was this training on RUF adequate?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. McCracken. Blackwater's training on RUF has been certified by CENTCOM and is, in my view, adequate. Although I did not personally attend the RUF training session for each Paravant instructor, it is my understanding that the instructors received RUF training in accordance with the curriculum standards.

PARAVANT PERSONNEL QUALIFICATIONS AND STANDARDS

30. Senator McCain. Mr. McCracken, at the hearing, you mentioned that roughly 24 independent contractors who had previously worked for Paravant on the NATO Weapons Training contract had transitioned to MPRI to continue the same work. Do you or anyone at Raytheon know whether any of these independent contractors had previously separated from the military with a discharge that was not characterized as an honorable discharge (i.e. whether any of these independent contractors had received a general, other-than-honorable, bad conduct, or dishonorable discharge)? If so, how many and what kind of a discharge did that person receive?

Mr. McCracken. I am not personally aware of any former Paravant independent contractors (who thereafter transitioned to MPRI) who separated from the military with a less than honorable discharge.

31. Senator McCain. Mr. McCracken, do you or anyone at Raytheon know whether any of these independent contractors had previously been convicted at a court-martial during any period of prior military service? If so, how many?

Mr. McCracken. Not to my knowledge.

32. Senator McCain. Mr. McCracken, what was that person convicted for and what type of court-martial was it (i.e. Summary, Special, or General)?

Mr. McCracken. N/A.

33. Senator McCain. Mr. McCracken, do you or anyone at Raytheon know whether any of these independent contractors had previously been convicted at State or Federal civilian criminal trial? If so, how many? What was that person convicted for? In what type of court (State or Federal)?

Mr. McCracken. During the course of my work at Raytheon, I learned that an MPRI instructor (who had transitioned from Paravant) had been convicted of driving under the influence in the State of Ohio at some time after the conclusion of his military service but before his Paravant employment commenced.

34. Senator McCain. Mr. McCracken, do you or anyone at Raytheon know whether any of these independent contractors had previously received any form of non-judicial punishment (e.g. an Article 15 in the Army) during any period of prior military service? If so, how many? For what offense(s) was that person punished for?

Mr. McCracken. I am not aware of any such nonjudicial punishment.

35. Senator McCain. Mr. McCracken, if any former Paravant IC had a poor disciplinary record—to include conviction at a court-martial, conviction at a State or Federal civilian criminal trial, or record of non-judicial punishment—why did MPRI continue to allow that person to work on the NATO Weapons Training contract?

Mr. McCracken. My understanding is that MPRI continued the employment because the individual has been doing very good work. I have verified this myself as recently as last week.

36. Senator McCain. Mr. McCracken, did you or anyone at Raytheon have any input into MPRI's decision?

Mr. McCracken. I did not have such input.

37. Senator McCain. Mr. McCracken, generally speaking, how have these 24 or so former Paravant independent contractors performed for MPRI?

Mr. McCracken. As I understand it, all of the former Paravant independent contractors have performed very well for MPRI.

38. Senator McCAIN. Mr. McCracken, have there been any discipline problems from them?

Mr. McCracken. Not to my knowledge.

39. Senator McCAIN. Mr. McCracken, have any of them been fired by MPRI, and, if so, for what reason?

Mr. McCracken. None has been fired to my knowledge.

40. Senator McCAIN. Mr. McCracken, are these former Paravant independent contractors also working as independent contractors for MPRI or are they MPRI employees?

Mr. McCracken. As I understand it, they are MPRI employees, not independent contractors.

41. Senator McCAIN. Mr. McCracken, did you or anyone at Raytheon have any input as to whether they would be hired by MPRI as employees or independent contractors?

Mr. McCracken. I did not have input on that issue.

42. Senator McCAIN. Mr. McCracken, what lessons learned from your experience with Paravant have you incorporated into your oversight of MPRI's performance on the NATO Weapons Training contract?

Mr. McCracken. I have incorporated a variety of new oversight methods as a result of my experience with Paravant. For example, all of the MPRI instructors have been disarmed and I have made it clear to all personnel that they are permitted to refuse to do any act that they regard as too dangerous. I make regular and unannounced safety inspections at the training sites and another Raytheon employee (a retired U.S. Army first sergeant) will soon be joining me in this effort. I solicit input directly from the Afghans on the quality of the training. Finally, at every training location, the U.S. military has designated and trained oversight representatives who are required to provide periodic reports to the government.

43. Senator McCAIN. Mr. McCracken, what lessons learned from your experience with Paravant have you incorporated into your oversight of other contractors you oversee in Afghanistan?

Mr. McCracken. All of the contractors that I oversee in Afghanistan are supervised to the same standards.

OVERSIGHT OF THE PARAVANT CONTRACT

44. Senator McCAIN. Dr. Blake, what are your responsibilities at PEO STRI?

Dr. BLAKE. I am the Program Executive Officer and Head of Contracting Activity, U.S. Army PEO STRI. My organization is responsible for providing material solutions and services in modeling, simulation, training, and test/instrumentation to support our soldiers. The PEO STRI executes approximately \$3 billion in programs annually. I am responsible for managing more than 1,230 military, government, civilian, and service support contractors. I am also responsible for FMS programs that support more than 40 countries.

As the PEO, I am the responsible management official to provide overall direction and guidance regarding the programs in my portfolio. I directly control assigned program managers. On an annual basis, the PEO STRI portfolio contains several hundred individual programs and their associated acquisition actions.

As the Humanitarian and Civic Assistance (HCA), I am responsible to ensure all purchases subject to provisions of the FAR, Defense Federal Acquisition Regulation, and Army Federal Acquisition Regulation are made in accordance with the appropriate regulations and policies.

As part of this HCA responsibility, I have appointed a Principal Assistant Responsible for Contracting (PARC). The PARC serves as the senior staff official for contracting functions and reports directly to the HCA. The PARC has direct access to the personnel and other essential resources necessary to perform all the functions assigned by me. As part of his responsibilities, he has established an organization that is composed of five contracting divisions and multiple supporting activities within the PARC office that include a Policy Team, Systems Team, and Cost and

Pricing Teams. The Acquisition Center executes several thousand contract actions annually.

45. Senator MCCAIN. Dr. Blake, did you have any direct supervisory or oversight responsibilities for the Paravant contract? If not, who in your organization does?

Dr. BLAKE. I did not have direct supervisory or oversight responsibilities of the Paravant contract.

Within PEO STRI, government management and oversight is assigned to the Program Manager, Field Operations (PM Field OPS). PM Field OPS manages approximately \$1 billion of training services worldwide. Within PM Field OPS, a team of individuals, lead by the Project Director for Southwest Asia, executed the programmatic management and oversight of this specific portion of the Warfighter FOCUS contract. This team worked in close coordination with the requiring activity, CSTC-A. The program management team had almost daily communications via telephone and email with CSTC-A, conducted regular PMRs, and conducted numerous site visits to observe various portions of the contract performance.

The Warfighter FOCUS prime contractor is RTSC. They subcontracted the CSTC-A ANA Weapons Training effort to Paravant. The day-to-day oversight and direct supervision of this subcontracted effort is the responsibility of RTSC. RTSC was responsible for the performance of their subcontractor, Paravant. The Warfighter FOCUS Contracting Officer and the Contracting Officers Representative (COR) provide oversight from our offices in Orlando, FL. The ACORs and the TORs provide contractual oversight in-country. The COR monitors and reports contractor performance and makes recommendations to the Contracting Officer (PCO) on issues concerning scope of work. The COR also maintains standard processes, ensures the structure of the contract can support traceability of funds, appoints and oversees TORs, and ensures timely payment of invoices for work accomplished. The ACOR serves as a liaison between the user and PM Field OPS, monitors and documents the performance of the contractor on-site, ensures the contractor is compliant with the reporting process, ensures the TORs are submitting the Monthly Contractor Observation Reports, and notifies and recommends any corrective actions required to the COR.

46. Senator MCCAIN. Dr. Blake, did you ever visit the sites in Afghanistan where Paravant employees were performing on the contract? If not you, did someone else visit from your organization? Who? How often?

Dr. BLAKE. No, I did not personally visit the specific training sites of the ANA. However, multiple members of my organization did visit Afghanistan from the start of this contract. The following personnel visited Afghanistan:

Mr. Dave Christensen, Assistant Program Manager - September 2008.
Conducted Site Survey.

Ms. Linda Comfort, Life Cycle Project Director - September 2008 and February/March 2009. Conducted Site Survey and PMR. Ms. Comfort had scheduled another on-site PMR in January 2009, but due to the threat conditions in theater at that time CSTC-A CJ7 requested we conduct that PMR via teleconference.

LTC Rick Stroyan, On-site ACOR - May 2009 through November 2009.

Mr. Russ McBride, Program Manager Field Operations - June 2009. Met with CSTC-A Deputy Commanding General, observed RTSC and Paravant executing the mission, and followed-up with assigned PEO STRI ACOR on contractor oversight and reporting.

47. Senator MCCAIN. Dr. Blake, I understand now that PEO STRI has one ACOR in Afghanistan on a permanent basis. Given what happened with Paravant, do you believe that this is adequate?

Dr. BLAKE. PEO STRI has 2 ACORs and 12 TORs in Afghanistan providing oversight of contract performance under the Warfighter FOCUS contract. Both ACORs are in Afghanistan, one at Bagram Air Force Base and one in Kabul. The TORs are designated in conjunction with CSTC-A and other using units, and are military officers assigned to units throughout Afghanistan. This structure of contract oversight is consistent with generally used practices, and compliant with directives from CSTC-A established in July 2009. PEO STRI continuously assesses proper contract oversight as any work is added to a contract. In light of the performance of Paravant under this contract and in compliance with a recent directive of the Vice Chief of Staff of the Army, I directed my PARC to review the direct oversight of contract performance in theater.

48. Senator McCAIN. Dr. Blake, does PEO STRI need a more forward deployed presence to effectively oversee these contracts?

Dr. BLAKE. PEO STRI has 2 ACORs and 12 TORs in Afghanistan providing oversight of contract performance under the Warfighter FOCUS contract. The TORs are designated in conjunction with CSTC-A and are military officers assigned to units throughout Afghanistan. Proper contract oversight is always considered as any new work is added to a contract. In light of the performance of Paravant under this contract and in compliance with a recent directive of the Vice Chief of Staff of the Army, I directed my PARC to review the direct oversight of contract performance in theater.

49. Senator McCAIN. Dr. Blake, did you have any direct interaction with anyone from Raytheon Technical Services Corporation (i.e., the prime contractor), Paravant (i.e., the subcontractor), or CSTC-A (i.e., the customer)?

Dr. BLAKE. I had high-level quarterly discussions with executives from RTSC on the execution of the Warfighter FOCUS contract. To the best of my knowledge, I had no direct interactions with Paravant or CSTC-A regarding this task order.

50. Senator McCAIN. Dr. Blake, where did you or your organization get information on what the Paravant contractors were doing and how they were performing?

Dr. BLAKE. In executing our responsibility for contract oversight, my staff required regular PMRs to be conducted by the prime contractor, Raytheon Technical Service Company (RTSC). As the requiring activity, representatives from the CSTC-A CJ7 participated in these reviews. RTSC was required to provide reviews on their performance, including that of their subcontractors. My staff communicated almost daily via conference calls and email traffic in addition to the PMRs. After the arrival of the PEO STRI ACOR, he had almost daily interactions with the CSTC-A CJ7 TORs. Contractor observation reports were submitted on a monthly basis. The ACOR made routine contract oversight visits and met with site personnel to assess training effectiveness and contractor performance.

51. Senator McCAIN. Dr. Blake, how good of a job did Paravant instructors do on training up the Afghan soldiers?

Dr. BLAKE. This particular work effort provided basic weapons training to ANA soldiers and trained them as trainers for other ANA soldiers. My staff received feedback from the CSTC-A CJ7 on a number of occasions that indicated that the trainers were outstanding, flexible, and delivered a quality service. RTSC consistently reported in PMRs that Paravant's efforts were achieving over a 90 percent qualification rate for the ANA soldiers. CSTC-A CJ7 officials were in attendance at these PMRs.

52. Senator McCAIN. Dr. Blake, did you receive any complaints or praise about the Paravant instructors' performance?

Dr. BLAKE. My staff reports that feedback received in regular communication and PMRs, concerning the Paravant instructors' performance was generally positive. The only comment received that could be considered a complaint was a comment by Major Van Westen, CSTC-A, indicating a general lack of Army experience of the Paravant instructors. This concern was addressed immediately by adding an instructor with extensive Army experience.

53. Senator McCAIN. Dr. Blake, what was the required manning under the Paravant contract and was that manning level ever achieved and sustained?

Dr. BLAKE. The initial CSTC-A requirement was to establish 6 teams of 12 personnel each. This staffing requirement was not achieved. However, no training days or events were missed due to the shortage of personnel as reported to PEO STRI by CSTC-A.

54. Senator McCAIN. Dr. Blake, did the failure to reach the required manning level under the Paravant contract affect performance on the contract?

Dr. BLAKE. My staff has advised me that CSTC-A CJ7 never reported any impact to the contract performance as a result of personnel shortages.

55. Senator McCAIN. Dr. Blake, were you aware that Paravant employees had raised concerns about their security on the training ranges in Afghanistan and were these concerns ever adequately addressed?

Dr. BLAKE. Although no concerns were reported to me, my staff was made aware of the security concerns raised by Paravant employees. Upon receiving reports of the security concerns, PEO STRI requested weapons authorizations from CSTC-A to ad-

dress employee security. Eventually, the weapons authorization request was not approved. At no time did PEO STRI provide any weapons authorization to RTSC or Paravant. The Statement of Work required that the contractor employees would work and live under the coalition forces protection umbrella and suitable work areas were to be provided by CSTC-A. CSTC-A CJ7 never reported that the command could not meet the security needs of the contract employees.

DECEMBER SHOOTING INCIDENT

56. Senator MCCAIN. Dr. Blake, I understand that there was an accidental discharge incident in December 2009 where one Paravant instructor accidentally shot another Paravant instructor on a training range in Afghanistan. Were you or someone in your organization notified of this incident at the time?

Dr. BLAKE. I believe you are referring to an accidental shooting that occurred in December 2008. The incident was not reported to me at that time, but RTSC did report the incident via email to two PEO STRI Contracting Officers, Mr. Steve Ograyensek and Ms. Frances Purser.

57. Senator MCCAIN. Dr. Blake, who provided notification to PEO STRI, how, and when?

Dr. BLAKE. Ms. Rhoda J. Schanick, RTSC, provided the notification by email on December 9 and 10, 2008.

58. Senator MCCAIN. Dr. Blake, what did your organization do at the time you received that notification?

Dr. BLAKE. The two PEO STRI employees who received the email notification took no timely action. Mr. Ograyensek testified that he was on temporary duty on another assignment when that email notification came in and that upon his return he failed to open this particular email because of the volume of email in his inbox. Mr. Ograyensek reported that he had approximately 300 emails in his inbox upon his return, this email was not marked as urgent, and the subject did not raise a level of attention. Ms. Purser reports that she does not recall receiving or acting upon the email. Corrective action has been taken to ensure timely action on future incident reports.

59. Dr. Blake, since the Paravant contractors did not have U.S. Central Command (CENTCOM) authorization to carry the weapons involved in the accidental discharge, did someone from PEO STRI investigate?

Dr. BLAKE. No. Although RTSC reported the shooting via email to the two PEO STRI Contracting Officers, both individuals report not reading that email and therefore no action was taken. We received no further report about the accidental shooting until the SASC staffers visited PEO STRI in October 2009.

However, on December 3, 2008, in response to a query from RTSC, PEO STRI reiterated to RTSC that they had no authorization for Paravant employees to carry weapons. Between December 2008 and January 2009, PEO STRI communicated with CSTC-A to confirm that the combatant commander, in accordance with theater policy, had not approved weapons authorizations. As a result of this communication, on January 7, 2009, PEO STRI formally informed RTSC that weapons authorization was not forthcoming, and no Letters of Authorization (LOAs) would reflect weapons authorized.

OVERSIGHT OF THE PARAVANT CONTRACT BY BLACKWATER/XE

60. Senator MCCAIN. Mr. Roitz, what were or are your responsibilities at Blackwater/Xe Services?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Since March 2009, Mr. Roitz has served as Executive Vice President and Chief Sales Officer of Xe Services LLC. In that capacity, he is the executive with overall responsibility for preparing contract bids and proposals, negotiating contracts, and ensuring compliance with contract terms for Xe Services and its subsidiaries with the exception of Xe's aviation entities under Aviation Worldwide Services LLC, including Presidential Airways, Inc., which maintains its own contracts department with a reporting chain to the President of Presidential Airways, Inc. Starting in December 2008, the Vice President, Export Control has reported to Mr. Roitz. Also currently reporting to Mr. Roitz are the following departments or functions: Contracts,

Sales (Commercial), Firearms Compliance, Small Business Liaison Officer, and Capture (Government Sales).

Prior to his current position and starting in September 2004, Mr. Roitz served as Vice President for Contracts and Compliance of Blackwater Worldwide (which was renamed Xe Services LLC in January 2009). Mr. Roitz's responsibilities were the same as described above relating to contracts, bids/proposals, and contract compliance. From approximately October 2008 to March 2009, Mr. Roitz effectively acted as a temporary Chief Operating Officer due to that position being open until it was filled by Mrs. Danielle Esposito in March 2009.

61. Senator McCAIN. Mr. Roitz, did you have any direct supervisory or oversight responsibilities for the Paravant contract? If not, who in your organization does?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Paravant LLC is a separate legal entity and a wholly owned subsidiary of Xe Services LLC. Starting in the fall of 2008, Brian McCracken began using the title Vice President of Paravant LLC. The company's personnel records indicate that he was made the Director of Paravant in December 2008. Mr. McCracken left Paravant for Raytheon in March 2009. While in charge of Paravant, Mr. McCracken reported to Jeff Gibson, Vice President, International Training and Operations, Blackwater Worldwide, who in turn reported to Mr. Roitz.

When Mr. McCracken left for Raytheon he was replaced by John LaDelfa for a period of approximately 2 weeks after which Mr. LaDelfa was promoted to Vice President of Training and Operations, U.S. Training Center, Inc., as part of management reorganization by Xe's new leadership. Under the reorganization, Hugh Middleton became the Director of Paravant and reported to Mr. LaDelfa, who in turn reported to Mr. James Sierawski, Senior Vice President of Training and Operations/General Manager, U.S. Training Center, Inc.

Mr. Gibson left the company in March 2009 after Xe's new leadership arrived. As part of the new leadership's reorganization, Mr. Gibson's responsibilities were transferred to Mr. Sierawski.

As a limited liability company, there is a "manager" of Paravant. The individuals serving in the role of managers and the relevant dates are listed below.

Name	Title	Dates
Gary Jackson	Manager	5/28/08–9/30/08
Bill Mathews	Manager	5/28/08–9/30/08
Brian McCracken	Manager	10/1/08–3/8/09
John LaDelfa	Manager	3/9/09–4/12/09
Hugh Middleton	Manager	4/13/09–Present

Mr. Middleton continues to be the Manager of Paravant, although Paravant is no longer in active operation. The Paravant subcontract with Raytheon was not renewed by Raytheon, consequently no one has had responsibility for that program since performance ended in September 2009.

62. Senator McCAIN. Mr. Roitz, did you ever visit the sites in Afghanistan where Paravant independent contractors were performing on the contract? If not you, did someone else visit from your organization? Who? How often?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

While Mr. Roitz has traveled to Afghanistan to review company operations there, he did not visit during performance of the Paravant subcontract with Raytheon. Several executives of Paravant and Blackwater/Xe Services traveled to Afghanistan in relation to the Paravant subcontract.

Based on outside counsel's review of Paravant travel records, from October 2008 to March 2009, Brian McCracken traveled to Afghanistan four times between October and March 2008, typically staying there for 10–14 days per visit.

Hugh Middleton, who became the Director of Paravant shortly after Mr. McCracken departed for Raytheon, traveled to Afghanistan to make leadership changes among the in-country program management from April 27 through May 5, 2009. Mr. Middleton was accompanied by John LaDelfa, the Vice President of Training and Operations for U.S. Training Center, Inc.

Additionally, Blackwater/Xe Services senior management routinely traveled to Afghanistan to review performance of the company's contracts there, including the Paravant subcontract with Raytheon. This includes trips by Mr. Yorio in late May 2009 and early August 2009, and by Mrs. Esposito in June 2009.

63. Senator MCCAIN. Mr. Roitz, did other Blackwater employees or independent contractors conducting training in Afghanistan receive CENTCOM approval to carry weapons for their own protection?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The company understands that CENTCOM approval for DOD contractors and subcontractors to carry weapons typically does not identify a particular use for such weapons, rather possession of weapons is either authorized or unauthorized for an individual. Employees and independent contractors of Blackwater/Xe Services and its affiliates have been authorized to carry weapons by CENTCOM at various times in furtherance of various U.S. Government contracts. In addition, authorization of weapons possession by employees and independent contractors performing non-DOD contracts is subject to a different authorization process, in which CENTCOM may or may not be involved. The company previously provided the committee with charts identifying the relevant affiliate's personnel and the source of their authorization to possess a weapon (SASC-015971-15973, SASC-015590-15596, SASC-015991-16002) in response to the chairman's June 18, 2009, letter request [retained in committee files].

64. Senator MCCAIN. Mr. Roitz, why didn't Blackwater seek approval for the Paravant independent contractors to carry weapons from the beginning?

Mr. ROITZ. The company understands that, consistent with documents submitted to the committee, Brian McCracken, as the management official in charge of Paravant, requested authorization for Paravant personnel to possess weapons from the earliest days of performance of the subcontract (i.e., before independent contractors were deployed to Afghanistan on or about November 3, 2009) and that officials of Raytheon (the prime contractor) and CSTC-A (the U.S. military customer) were supportive of those requests. See e.g., SASC-032765 ("I have attached three documents that our parent company had to have signed by the Army in order to carry weapons legally in Afghanistan in support of the CNPTO contract. If your command and the KO agree that we should be able to carry weapons, these documents may allow you to avoid having to reinvent the wheel." Email from Brian McCracken (Paravant) to Bill Rebarick (Raytheon), Lt. Col. Pat Chiak (CSTC-A), John Walker (Paravant), and Col. Bradley Wakefield (CSTC-A), dated October 16, 2008; SASC-032766 (Mr. Chiak responds to Mr. McCracken). "Brian, do I need to take these enclosures and put in our letter head with the appropriate information and send them back to you? I am not really clear on the process for this." To which Mr. McCracken replies, "Yes, please do. I will then give them to the KO for Raytheon and get him to sign off on letting our guys carry weapons while they are in country.") In addition, Colonel Wakefield testified at the February 24, 2010 hearing, "And so when Mr. McCracken in what I seem to remember as November 2008 requested permission to arm, I personally believe that was a reasonable request and conveyed to him that we should process through to get approval." [Retained in committee files.]

Furthermore, Colonel Wakefield's testimony at the February 24, 2010, hearing appears to acknowledge that the October 2008 efforts to obtain authority for Paravant instructors to wear side arms occurred prior to the instructors being armed:

Senator BEN NELSON. Colonel, were you satisfied at the time, or are you satisfied now that the determination to provide weapons and the control of weapons and the use of weapons were adequately discussed and agreed upon at the time? Or has that happened subsequently if not at that time?

Colonel WAKEFIELD. Sir, if I may, the process that we were going through prior to my departure in January 2009 was to propose allowing the Paravant contractors to wear side arms while conducting—

Senator BEN NELSON. But this was after the fact, while they were already doing it?

Colonel WAKEFIELD. No, sir, this was prior.

65. Senator MCCAIN. Mr. Roitz, once the Paravant contractors got to Afghanistan, did they raise concerns to you or someone in Blackwater about their security?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Mr. Roitz does not recall hearing such concerns expressed by Paravant personnel. This concern would have been more likely to be raised through the operational chain than the contracting chain. As indicated in the response to question 64 above, Brian McCracken (Paravant), Bill Rebarick (Raytheon), Lt. Col. Pat Cihak (CSTC-A), John Walker (Paravant), and Col. Bradley Wakefield (CSTC-A), were working to obtain formal authority for the Paravant instructors to possess weapons. Seeking such authority would not be necessary unless those involved recognized that weapons

were needed for personal protection. Again, Colonel Wakefield testified at the February 24, 2010, hearing, "And so when Mr. McCracken in what I seem to remember as November 2008 requested permission to arm, I personally believe that was a reasonable request and conveyed to him that we should process through to get approval."

66. Senator McCAIN. Mr. Roitz, did you or someone at Blackwater ever request that CSTC-A or other U.S. military organizations provide force protection for the Paravant contractors until the weapons authorization issue could be resolved?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Mr. Roitz does not recall hearing such a request. Brian McCracken and personnel at CSTC-A may be in the best position to answer this question.

67. Senator McCAIN. Mr. Roitz, did you or someone at Blackwater ever consider stopping performance on the Paravant contract until the weapons authorization issue could be resolved?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

As Mr. Roitz stated in his testimony, he became aware that Paravant Independent Contractors possessed weapons without proper authorization after the May 5, 2009, incident. At that time, Xe Services new leadership had already ordered the disarming of all Paravant personnel. After the instructors were disarmed, the new Paravant In-Country Manager held a meeting with the Paravant Team Leaders who were verbally instructed to stop work and refuse to perform if they had any safety concern.

68. Senator McCAIN. Mr. Roitz, were you aware that these Paravant independent contractors had procured weapons for themselves from the Afghan National Police (ANP) depot called 22 Bunkers?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

As Mr. Roitz stated during the February 24, 2010, SASC hearing, he first became aware of the term Bunker 22 during an export control compliance-related inventory of all defense-related articles held by the company and its affiliates overseas, which took place in April or May 2009. Mr. Roitz became specifically aware that Paravant Independent Contractors had weapons from Bunker 22 after the May 5, 2009, shooting incident in Kabul.

69. Senator McCAIN. Mr. Roitz, do you consider drawing weapons in this fashion to be an acceptable way for your company to do business?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

As Mr. Roitz stated in his written testimony, it is his understanding that there was nothing inherently wrong at the time with Xe Services or other contractors receiving weapons from Bunker 22 with the knowledge and, indeed, assistance of U.S. military mentors at Bunker 22 for use in furtherance of U.S. Government contracts. However, the manner in which Bunker 22 weapons were provided to the company lacked appropriate controls and oversight, as Mr. Roitz discussed in his testimony, and today Xe Services would act differently.

70. Senator McCAIN. Mr. Roitz, where are the weapons drawn from Bunker 22 now?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

As set forth in detail by the company's February 20, 2010, response to the committee, all of the weapons that have been identified as being obtained from Bunker 22 have either been turned in or demilitarized in coordination with the Afghan Government and/or CSTC-A.

However, as also described by the February 20 response [Tab 15], it isn't clear where the 53 AMD-65s and 32 9MM Smith & Wesson pistols currently possessed by the company, and on the company's Afghan Private Security License, originated. The company understands from former employees that sometime between 2006 and 2008 CSTC-A issued AMDs and Smith & Wessons to the company for use by Narcotics Interdiction Unit (NIU) students and that in 2006 CSTC-A directed the company to pick up the same types from Bunker 22 for distribution to students at ABP sites for training. Again, based on discussions with former employees, it does not appear the company ever received any paperwork associated with these trans-

actions. Also, it is unclear whether the company retained any of these weapons after the students' training was complete or, if so, how many.

The company is in the process of shipping replacement weapons from the United States for the remaining weapons obtained in Afghanistan. Once these arrive in-country, the company will coordinate the turn-in with CSTC-A.

71. Senator MCCAIN. Mr. Roitz, how many total Paravant employees or independent contractors served on the NATO weapons contract from the time the task order was awarded until the time Raytheon replaced Paravant as the subcontractor?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The company previously produced to the committee a chart that provides the number of Paravant employees and independent contractors by month (SASC-032748-032748) [retained in committee files].

72. Senator MCCAIN. Mr. Roitz, of this total number of Paravant employees and independent contractors, how many of those Paravant personnel (other than Justin Cannon and Chris Drotleff) had been convicted, prior to their employment by Paravant, at a criminal trial in either a State court, Federal civilian court, or a military court-martial?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The company's records indicate no other criminal convictions except for two individuals both with driving while intoxicated convictions and one with a reckless driving to endanger conviction.

73. Senator MCCAIN. Mr. Roitz, had any Paravant employees or independent contractors received a discharge from the military for any prior period of service that was not an honorable discharge?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Of the DD214s in the company's possession, all were honorably discharged with the exception of one individual that received a "General Under Honorable Conditions" (SASC-032693) discharge and three DD214 forms (for two sergeants and one corporal) that do not contain a standard Box 24 identifying the "Character of Service" (SASC-032686-87, SASC-032693, and SASC-032713) [retained in committee files]. However, the decorations, medals, et cetera, listed the DD214 for the last three individuals do not suggest anything less than an honorable discharge.

74. Senator MCCAIN. Mr. Roitz, did any Paravant employees or independent contractors have a record of receiving some sort of non-judicial punishment (e.g. an Army Article 15) from the military for any prior period of service?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The company does not have this information and understands that nonjudicial punishment is generally not reported on a DD214.

75. Senator MCCAIN. Mr. Roitz, other than Sebastian Kucharski, how many Paravant employees or independent contractors had previously been on Blackwater's "Do Not Use" list?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The company is not aware of any.

OTHER XE SERVICES CONTRACTS

76. Senator MCCAIN. Mr. Roitz, how many contracts does Xe Services or its subsidiaries currently have to train the ANP and ANA and how much are these contracts worth?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

As requested in the chairman's June 18, 2009, letter request, the company provided the committee with a chart of its contracts and subcontracts to perform private security functions in Afghanistan that identifies the monetary value of those contracts (SASC-014705-014711) [retained in committee files]. The contracts and subcontracts for training can be identified in the column titled "Brief Description of Services/Scope."

77. Senator McCAIN. Mr. Roitz, have you received feedback from the customers on these other contracts as to how well your employees have trained the Afghans and if so, what has that feedback been?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The company is not aware of any past performance evaluation in the CPARS in connection with any training contract in Afghanistan.

However, the company, then called Blackwater Worldwide, received a "2006 Star Partner Award" from Lockheed Martin in connection with its NIU support contract. The award letter, sent by Judith Burk, Vice President, Indefinite Delivery/Indefinite Quantity Solutions, Lockheed Martin Systems Management, to Fred Roitz states in part:

"Our customer, Robert Vierkant, CIV, OSD-Policy, in an email to Doug Ochsenknecht and Melissa Lederer of the DOD Counter-Narcoterrorism Technology Program Office expresses his overall satisfaction of Blackwaters' [sic] performance. 'They have done and are doing a great job in country. Please contact your contracting officer and have him express our appreciation to Blackwater for the hard work and the continuity they bring to the table. One of the most important aspects that the Blackwater support provides is the experienced personnel on the NIU support contract and the longevity they provide in country. Many of the Blackwater personnel have remained working with the NIU for a long period of time, building confidence and trust with the NIU. It is the continuity that Blackwater trainers bring to the table.'

In closing, I wish to extend my own personal appreciation, as well as that of the entire Lockheed Martin Systems Management team on a superb 'job well done.' We commend Blackwater on its stellar history of providing experienced personnel and customer satisfaction, and we look forward to a long and successful partnership."

78. Senator McCAIN. Mr. Roitz, have you had any similar problems on these other contracts?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The company is unsure of the committee's intended meaning of "similar problems." In response to Request No. 4 in the chairman's June 18, 2009, letter request, the company produced to the committee incident reports prepared under its contracts or subcontracts to perform private security functions in Afghanistan [retained in committee files].

79. Senator McCAIN. Mr. Roitz, what change have you made to these other contracts to ensure that nothing else like this Paravant example happens again?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Mr. Roitz's written testimony contains significant details on changes to Xe's business practices. In general, since Joe Yorio joined the company in March 2009 as Xe Services' President and CEO, the new management team has made numerous changes in response to problems identified during his top-to-bottom review of all company contracts and programs, including the Paravant program. Further details on these efforts are contained in Mr. Roitz's written testimony.

LESSONS LEARNED FROM THE PARAVANT CONTRACT

80. Senator McCAIN. Mr. Roitz, just prior to the May 5th shooting incident, Paravant lost many of its key on-site managers. The program manager, the deputy program manager, and several senior team leaders either quit or were fired. Do you believe this absence of key leaders on the ground contributed to a breakdown in discipline and loss of control?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

As part of the top-to-bottom review conducted by Xe's new management, which started in March 2009 and continued through the spring, a number of in-country Paravant leaders were removed from their positions of responsibility shortly before the May 5 incident. The incident regrettably occurred because four off-duty independent contractors consciously chose to violate four key company policies: they drank alcohol in contravention of the strict no alcohol policy; they left the forward operating base late at night and without authorization; they used a company vehicle

for an unofficial purpose; and they carried weapons off-duty and away from the training range. Rather than an absence of leadership, the removal of the Paravant in-country managers demonstrates new management's efforts to assert leadership.

81. Senator McCAIN. Mr. Roitz, how would you avoid creating such a situation in the future?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

At the time of the May 5, 2009, incident, Xe Services' new management was acting aggressively to review all company contracts and programs, including Paravant, in an effort to identify and address any performance issues. As Mr. Roitz stated in his written testimony, he and his colleagues at Xe Services regret that the efforts of the new management team to address and correct these issues at Paravant had not been fully completed prior to the tragic loss of life and injury to Afghan civilians on May 5, 2009.

82. Senator McCAIN. Mr. Roitz, are you planning to review the company's policies on the "Do Not Use" list?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

As Mr. Roitz indicated in his responses to questions during the hearing, the company has a written "Do Not Use" policy (SASC-023889-23892) [retained in committee files]. To clarify, however, the company does not maintain a "Do Not Use" list. Instead, a "Do Not Use" or "DNU" designation may be added to an individual's computerized personnel record in the company's personnel database. The personnel database contains other relevant information, including the individual's name, employment history, personal identifying information, medical information, and other information.

As described in Mr. Roitz's written testimony, the company has made changes to the human resources function to ensure that policies relating to a "Do Not Use" designation are followed.

83. Senator McCAIN. Mr. Roitz, what changes do you plan to make to the criteria for nominating, maintaining, and moving names to that list?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

As part of the new management's ongoing review, revision, and updating of written policies, the company is in the process of establishing new implementing procedures for its "Do Not Use" policy. As part of that process, the company is reviewing the criteria for nominating and maintaining individual's "Do Not Use" status.

84. Senator McCAIN. Mr. Roitz, do you plan to make that list more accurate, up-to-date, and available for Xe Services' future personnel screening efforts?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Xe Services is committed to providing the highest quality service. As described in Mr. Roitz's written testimony, the company has made changes to the human resources function to ensure that policies relating to a "Do Not Use" designation are followed.

85. Senator McCAIN. Mr. Roitz, at the hearing, you mentioned that you are reviewing whether to continue the practice of hiring new personnel as independent contractors as opposed to full employees. When do you expect to complete that review and would you be willing to share the results of that review with the committee?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The classification of personnel as independent contractors is currently the subject of an administrative appeal at the Internal Revenue Service (IRS). The company hopes to complete its evaluation regarding its classification of independent contractors after the IRS issues its determination. The company notes that the U.S. Government uses independent contractors in a variety of circumstances and for legitimate reasons. See e.g., *Creel v. United States*, No. 07-60703, 2010 WL 685615 (5th Cir. March 1, 2010) (reversing the lower court's finding that a doctor performing surgery at a Veterans Administration Medical Center was an employee of the Federal Government at the time of the alleged negligence, finding the doctor was an independent contractor of the VA, and remanding with instructions to grant the

Government's motion to dismiss the U.S. Government from a tort action brought pursuant to the Federal Tort Claims Act).

86. Senator MCCAIN. Mr. Roitz, at the hearing, you mentioned that Xe Services does business with DOD and other government agencies through a number of subsidiary corporations. Going forward, will those subsidiary corporations make it clear, in writing, on future proposals for DOD contracts that the subsidiary corporation is owned by Xe Services?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

The company agrees that future proposals will more clearly identify when enterprise-wide resources, knowledge, or experience are being imputed to an affiliate. However, it is not unusual or improper for subsidiaries to submit proposals in its name alone or for a corporate parent to submit a proposal and not refer to one or more legally separate, operating subsidiaries that will be performing work under the general corporate umbrella.

The Paravant proposal contained information that identified Paravant's affiliation with Blackwater. Colonel Wakefield testified at the February 24, 2010, hearing that, notwithstanding redaction of the offeror's names, he believed that it was a Blackwater offer in connection with his expert review of the subcontract proposal. In addition, government contracting personnel have other resources, such as the Central Contractor Registration database, which requires any subsidiary to identify its parent organization in its Online Representations and Certification Application. Paravant LLC complied with this requirement.

87. Senator MCCAIN. Mr. Roitz, what other changes to the company's business practices have you made in light of Xe's experience with Paravant?

XE SERVICES. Mr. Roitz did not respond to the committee's questions for the record, but Xe Services LLC submitted responses on his behalf.

Mr. Roitz's written testimony contains significant details on changes to Xe's business practices. In general, Xe Services' President and CEO, Joe Yorio, and his new management team have made numerous changes since Mr. Yorio joined the company in March 2009 in response to problems identified during his top-to-bottom review of all company contracts and programs, including the Paravant program. Further details on these efforts are contained in Mr. Roitz's written testimony.

88. Senator MCCAIN. Dr. Blake, what changes to the PEO STRI's business practices have you made in light of your experience with Paravant?

Dr. BLAKE. We have taken four actions in light of this experience.

First, I directed changes to my internal review and approval processes to require program manager or deputy program manager approval prior to contracting for services to be provided within an operational theater. This raises both the visibility and approval level of this type of contracting service.

Second, I directed the PARC to review the structure and location of government oversight of contract services provided in operational theaters. Although all oversight to date has been compliant with all known requirements, I directed that the review look more closely to determine if a greater oversight structure is warranted.

Third, upon being informed of the lack of timely action on the report of the accidental shooting, I immediately directed implementation of new reporting requirements for accidents and serious incidents. I also directed implementation of procedures to track the resolution of these incidents to completion. These reporting and follow-up directives are in place now, and I have directed that the process be documented in organizational Standard Operating Procedures.

Lastly, we modified the Warfighter FOCUS contract to require notification of any accident or serious incident within 24 hours. The contractor is required to notify local authorities (such as unit leadership) and the contract management team.² The contractor must also establish a record in their Management Information System within 72 hours of the incident. In instances involving severe injury or loss of life, the contractor shall provide a telephonic notification to at least one of the recipients identified above ensuring a positive contact is made along with a written notification.

89. Senator MCCAIN. Mr. Walker, Mr. McCracken, and Colonel Wakefield, since we will have to rely on contractors to accomplish our mission in Afghanistan for the

² Procuring Contracting Officers identified in the contract, the Program Manager, Deputy Program Manager, and Contracting Officer Representative

foreseeable future, what can the military do to better employ and manage contract trainers on the ground?

Mr. Walker did not respond in time for printing. When received, answer will be retained in committee files.

Mr. McCracken. The improvements the military put into place following the May 5, 2009, incident have been very effective, in my view. Raytheon and all of its subcontractors, including MPRI, have passed every government inspection in Afghanistan, and we are working cooperatively with PEO-STRI and the U.S. military.

Colonel Wakefield did not respond in time for printing. When received, answer will be retained in committee files.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

WARFIGHTER FOCUS CONTRACT

90. Senator COLLINS. Mr. McCracken, Raytheon won the large Warfighter FOCUS contract, worth approximately \$11.5 billion over 10 years, based partly on its Warrior Training Alliance which consists of several training companies, of which Paravant was one. Raytheon held a competition for a \$20 million task order that Paravant won, and thus, Paravant became an official subcontractor of Raytheon. This Alliance was designed, according to Raytheon's web site, "... to ensure training continuity and provide a smooth contract transition." If this Alliance was comprised of qualified potential subcontractors and, according to today's testimony, Paravant was demonstrating a series of failures prior to the May 2009 shooting, why didn't Raytheon terminate its subcontract with Paravant and chose another member of its Alliance?

Mr. McCracken. Prior to the May 5, 2009, incident, I understood that Paravant was performing well and that the Army was satisfied with its performance. Following the May 5, 2009, incident, as I understand it, Raytheon decided not to renew Paravant's contract and entered into discussions regarding a smooth transition to MPRI. In the intervening time period, Raytheon disarmed Paravant instructors and had full-time, on-the-ground oversight. During this period, I made regular and unannounced site visits at each of the training locations to ensure that Paravant was adhering to all applicable rules. Following the May 5, 2009, incident, Paravant trained more Afghan soldiers than ever before and did so without incident.

ELECTRONIC SUBCONTRACTING REPORTING SYSTEM

91. Senator COLLINS. Mr. Ograyensek, the Electronic Subcontracting Reporting System (eSRS) is the system for prime contractors to report accomplishments towards subcontracting goals required by their contract. It collects information down to multiple levels of subcontracting and captures both contract level and commercial plans. If eSRS had been available and populated by Raytheon, would you have been able to discern that Paravant was largely a front for Blackwater/Xe?

Mr. OGRAYENSEK. No, the eSRS system tracks subcontracting goals and achievements against those goals expressed as a percentage of total subcontracted Small Business, Woman Owned Business, and other socioeconomic groups (e.g., a goal of "x percent" Small Business versus the actual percentage achieved). eSRS does not provide the names of the subcontractors.

[Tabs 1 through 38 follow:]

TAB 1



DEPARTMENT OF DEFENSE
COMBINED SECURITY TRANSITION COMMAND - AFGHANISTAN
OPERATION ENDURING FREEDOM
KABUL, AFGHANISTAN
APO AE 09356

REPLY TO
ATTENTION OF

23 June 07

CSTC-A-CG

MEMORANDUM THRU Brigadier General Neil Baverstock, CG, Combined Training
Advisory Group, Camp Eggers, Afghanistan, APO AE 09356

FOR Commander, Camp Alamo, LTC Brian C. Redmon, Camp Alamo, Afghanistan,
APO AE 09356

SUBJECT: Contractor Oversight

1. I have reviewed the AR 15-6 investigation concerning a May 2009 incident in which contractors employed by Paravant LLC wrecked a vehicle and fired weapons, killing and injuring innocent Afghan civilians. It appears that the contractors violated alcohol consumption policies; were not authorized to possess weapons; violated use of force rules, and violated movement control policies.
2. The 15-6 investigation has raised serious issues concerning an apparent lack of contractor oversight.
3. I direct that you review your policies to ensure that prohibitions against alcohol consumption are enforced at Camp Alamo; that systems are in place to enforce contractors not authorized to carry weapons; and movement control policies are followed, and that you ensure all standards of conduct are enforced at Camp Alamo.
4. Provide a status report on this matter in 14 calendar days from the date of this letter.

cc: CG, CJTF Phoenix

R. Formica
RICHARD P. FORMICA
Major General, US Army
Commanding

RAY_SEN_190627

TAB 2

From: Hugh Middleton [REDACTED]
Sent: Monday, May 11, 2009 8:42 AM
To: David Hammond [REDACTED]
Subject: FW: Agenda HOT HOT HOT
Attach: Agenda 3.docx

David,
Here are Ski's talking points for his meeting with Raytheon today.

Hugh

Hugh Middleton
Paravant Program Director
[REDACTED]

From: John LaDelfa
Sent: Monday, May 11, 2009 1:46 AM
To: Jim Sierawski; Hugh Middleton
Subject: RE: Agenda HOT HOT HOT
Importance: High

Ski, Hugh,
Here are my modifications.
I made some changes added some stuff and deleted some stuff. Some deletes were made due to the investigation.
Some were just disconnects between the 3 of us based on who received email from Bill and who received emails from Brian.
Having said that I believe this covers all the points.
Please let me know how the meeting goes with Jennifer.
Thanks,
John

From: Jim Sierawski
Sent: Sun 5/10/2009 5:19 PM
To: John LaDelfa; Hugh Middleton
Subject: Agenda

<<Agenda.docx>> John Hugh

Attached are my notes I will use when talking to Jennifer Joy. Please review and let me know your thoughts.

Agenda

1. Three main issues
 - a. The working relationship between Paravant and Raytheon.
 - b. The Incident.
 - c. L.O.A.
2. Working relationship between Paravant and Raytheon.
 - i. We want to provide you with the best management practices possible
 1. First step replacing Johnny Walker
 2. John L. notified Bill Rebarick we were going to replace Johnny when he visited Orlando
 3. Brian, Bill, Dave Rogers and Johnny goes out drinking
 - a. A drunken Johnny calls Hugh and says all the Training Teams are leaving because he is being fired.
 4. We get an email from Bill R. stating the Army is a very unhappy customer because we are replacing Johnny. We actually did get the initial email from Bill (Bill cc'd J Joy as well as Rich Otton on this email).
 5. We then began receiving emails from Brian.
 6. A few days later we get an email from Brian M stating he is giving us one more chance to keep this contract. Brian insinuates that if Johnnie does not stay we will lose the contract. Also in this email he does not want to talk to our designated program director he wants to go straight to the VP to discuss keeping Johnny in country.
 7. In a phone conversation with John L. Brian states that he will give the contract to NEK if we don't keep Johnnie on the ground and do a transition with the new PM. John L. agrees to keep Johnnie until a replacement is found and suggests 2 weeks but Brian insists that Johnnie must stay for 30 days.
 - b. Concern; how we, the Raytheon Parvant team, are working together in country.
 1. Our termination policies have the employee or in this case the IC leaving the country the day he gets notified and our plan was to notify him in person. Hugh and the new PM Tom Adams were on a scheduled flight but Johnnie was already notified after the arrival of the Raytheon Team. For Key personnel our SOP is to do a full transition/handover from one PM to the other. The transition between Johnnie and Tom Adams is complete now and there is absolutely no reason for Johnnie to stay any longer. In fact his presence is breeding confusion and is highly detrimental to morale and the performance of the teams. It's not good for our customer, other ICs or the end user.

- ii. In this case Johnny was notified before we had a chance to exercise our policy. After he became aware of his termination we became reactive to the emails from Raytheon. Making us decide we better keep Johnny in country for another 30 days, going against our policy and what we think was best.

- c. Conclusion: I believe these events were the results of a relationship between Brian and Johnny. As the Director of Paravant, Brian hired Johnnie. Johnnie's inability to set the appropriate example and lack of management skills has resulted in an environment with no regard for policies, rules or adherence to regulations in country. (case in point – alcohol consumption). New leadership came into Paravant, and we believed we could provide a much better service to our customer and needed a PM that will follow and enforce our procedures. This means replacing Johnnie Walker.
- d. Once notified that he would be replaced, I believe Johnnie went to Brian and asked him to intervene - resulting in Brian forcing us to keep Johnnie in country.
- e. Moving forward we will continue to keep Raytheon informed of changes in Key Personnel but we can not be tied to personnel that are not up to the task in leadership or in management of our programs.
- f. What is our notification responsibility to Raytheon? And Raytheon needs to understand our policies and how we enforce them.
- g. I believe Brian M and Bill R were outside their boundaries by interfering with our termination policies and the blackmail-ish emails forcing us to keep Johnnie longer than we wanted.

3. Incident

- a. On-going and we are cooperating fully with investigators.
- b. Once investigators are done with witnesses we would send them home. Johnnie is also involved in this incident and cannot leave until the investigation is complete. When investigation is complete we want to send Johnnie home. Does Raytheon have any objections?
- c. Brian's response to incident to was very unprofessional telling the new PM he better not buy a house. Insinuating we will not be here much longer. All the ICs involved in this incident were hired by Brian.
- d. Johnnie was part of the incident. He failed to comply with standard notification of incidents to the Army and in complete disregard for the established chain of command failed to notify the new PM or any in country Xe / USTC leadership. Again, his continued presence here led to a situation where the individuals involved in the accident called Johnnie rather than calling the actual PM Tom Adams. went to the scene of the incident

4. L.O.A.

- a. Brian was aware as the head of Paravant that they did not have an LOA and seemed unconcerned about it when he transitioned out of Paravant.
- b. Brian was asked by John L. in March about the LOA and stated that he would work on it as the new Raytheon in country manager.
- c. During our visit to Orlando we asked about the LOA and Bill was aware of it and said he would work on it.
- d. Bill also asked us for new ROMs for continued and future opportunities and specifically requested that we include the cost of weapons in our pricing.
- e. In country, Brian as the Raytheon Rep, and fully aware that we did not have an LOA, questioned the new PM and Hugh if they had an LOA and if not why were they carrying weapons.
- f. We have taken action to secure all weapons formerly carried by Paravant and will hold them until the LOA issue is rectified by Raytheon.
- g. Raytheon needs to fix this as some of our training elements do travel outside the FOBs and the US Army does not always accompany them to provide security.

TAB 3

10 December 2008

From: Johnnie Walker, Program Manager Afghanistan
To: Brian McCracken, VP Paravant
Subj: INCIDENT REPORT ACCIDENTAL DISCHARGE OF A WEAPON

1. **BACKGROUND:** On 09 Dec 2008 at approximately 1530 we (Johnnie Walker/Jose Trevino) received a phone call from the Tactical Operations Center (TOC) Blackwater International Operations stating that Russell Cannon (Team Leader, Team 5 Camp Dubbs) was attempting to get in touch with us. We immediately contacted Russell Cannon and he stated that there had been an incident during a live fire evolution and that a team member had been injured. He then stated that the individual Sonny Stillitano, was being MEDEVAC to the French hospital near Camp Warehouse (French base located adjacent to KMTC). We contacted the PM at the Blackwater House and requested he coordinate operation at the MEDEVAC area. Jose and I were already on the road returning from Camp Phoenix and diverted our route to Camp Dubbs. We arrived at Camp Dubbs at 1624 and immediately requested that all members of Team 5 write a statement beginning from when they woke up that morning until the present time. While they were writing those statements Jose and I observed the vehicle involved in the incident. Returning to the Team 5 barracks we collected the statements and discussed the situation with the team members present. 5 members of the team had traveled/escorted with Sonny Stillitano as requested by the French Medical team that performed the initial assessment on Sonny. Sonny was transported to the French Medical facility Kabul for further evaluation. I received a call from C1, Blackwater House that Sonny had arrived, been assessed and was scheduled for transport to Baghram for further evaluation. Jose and I secured the keys to the vehicle involved in the incident, collected all weapons, magazines and ammo from the remaining members of Team 5 and informed them that they were not to discuss any of the day's events with anyone. I then met with MAJ McReynolds from the Embedded Training Team (ETT) who have been working closely with Team 5 during the past 3 weeks. He informed me that he had been assigned as a point of contact between Senior US Army Command Camp Dubbs and Paravant. He requested that we provide a copy of our investigation report upon completion. Next I informed Russell Cannon that he was relieved of his duties as Team Leader, Team 5, and that he would be returning to the Blackwater house with Jose and myself. The team members that had escorted Sonny to the Medical facility had also returned to the Blackwater house and were waiting there when we arrived. We then took statements from the remaining team members and completed an accountability check of all sensitive items. Jose and I next escorted the remaining team members to Camp Dubbs and then returned to the Blackwater Team house.

During the above mentioned time frame we were in contact with Paravant headquarters, Blackwater House, CSTC-A, and James Pratt (Team 5 member who volunteered to remain with Sonny throughout the MEDEVAC evolution). Once the decision was made to transfer Sonny to Baghram we contacted Blackwater Air and requested their assistance in the situation. Upon arrival in Baghram Blackwater Air provided James Pratt with a cell phone and a berthing area. We received a call from James Pratt stating that Sonny would be MEDEVAC to Germany the following day but that his neurological signs were improving and that they would reassess the following morning.

2. **Discussion:** Because I was not there during the incident I am providing the signed statements of those Team 5 members that were actually on scene; (See Attachment 1)
3. **10 December 2008:** Jerry Hammerle, Team 6 leader arrived at the Blackwater House as requested, along with other members from Team 1 and 6 as security escorts. Jerry was transported to Camp Dubbs and installed as the new team leader for Team 5. Jose went to the incident scene and took pictures for the report (See attachment 2). I met with the Afghan COL to inform him of the incident and introduce the new Team leader. The COL was very understanding and offered any assistance needed to support our Team effort. At that time we recovered the vehicle involved in the incident drove it to the Blackwater Team House where it is presently located.
4. **Recommendations:** As per your direction Russell Cannon has been removed as a Team leader and terminated from Paravant. James Pratt, who was 2IC, and is escorting Sonny to Germany will be interviewed as to his knowledge of the incident and a determination will be made at that time as to his future with Paravant. Everyone on that Team showed poor judgment by allowing unauthorized training to occur and should share some fault in the incident. Team 5 has performed excellently during their training of the ANA but gave no indication written or verbal that they were going to conduct a live fire vehicle evolution. In fact, there is no curriculum for any live fire vehicle training in our Program of Instruction.
5. **Conclusion:** Russell Cannon conducted unauthorized/unapproved training. During the course of this training he claims to have had a Negligent Discharge which resulted in the injury to Sonny Stillitano. Regardless of whether or not the weapon fired inadvertently, there was no reason to have had the weapon in the position that it was in, especially in relation to other personnel. Immediate action has been taken to eliminate the problem and policy will follow clarifying action for all Paravant contractors. This was an unforeseen incident and procedures and policy will be added to prevent further such incidents from occurring. We as leadership will take measures to guide and protect our IC's.
 - a) An immediate 24 hour safety stand down was initiated where Team Leaders — reiterated to their subordinates that only approved training can be conducted.
 - b) Specifically there can be no firing of weapons at any time from or on a vehicle.
 - c) The events of December 9, 2008 were communicated to all Paravant contractors.

TAB 4

McGovern, Richard

From: Rhoda J Schanick [REDACTED]
Date: Wednesday, December 10, 2008 7:29 AM
To: Pursar, Frances
Cc: Ograyensek, Steven; Kent C Wong
Subject: Fw: Incident Afghanistan - additional data
Attachments: WTA Incident Investigation Form rev 2008-10-20.docx

Please see attached report.

Rhoda

Rhoda Schanick
Contracts Specialist

Warfighter FOCUS
Raytheon Technical Services Company

[REDACTED]
[REDACTED]
[REDACTED]

Rhoda J Schanick [REDACTED] <<mailto:Rhoda.J.Schanick@rtsc.com>> [REDACTED]



Incident Investigation Report

WTA PRIVATE
Page 1 of 2
Revised 10/2008

Supervisor: NOTIFY MANAGEMENT & EHS IMMEDIATELY OF INCIDENT			
1.0 Employee Information			
Name (First, M. Last) Sonny, J. Stillitano	Employee Number [REDACTED]	Company Paravant	Raytheon Employee: <input type="checkbox"/> SubK <input type="checkbox"/> Other <input type="checkbox"/>
Department Name	Job Title		
TSS / WEAPON SYSTEM: W9000KK-07 D-0001 Unit Weapons Training		Location of Incident:	
Length of service: <input checked="" type="checkbox"/> <1 Year <input type="checkbox"/> 1-5 Years <input type="checkbox"/> 6-10 Years <input type="checkbox"/> > 10 Years		Male <input checked="" type="checkbox"/> Female <input type="checkbox"/>	
Supervisor Information: Name (First, M. Last) Bran, C. McCracken		Supervisor Employee Number [REDACTED]	Supervisor Telephone No. [REDACTED]
2.0 Incident Information			
Type of Incident: <input checked="" type="checkbox"/> Injury <input type="checkbox"/> Incident <input type="checkbox"/> Near Miss <input type="checkbox"/> Environmental Release			
Date of Incident: 12/9/2008	Time of Incident: 1540 Kabul	Day of Week: <input type="checkbox"/> Mon <input checked="" type="checkbox"/> Tue <input type="checkbox"/> Wed <input type="checkbox"/> Thu <input type="checkbox"/> Fri <input type="checkbox"/> Sat <input type="checkbox"/> Sun	Hours worked that day: 6 Hours worked that week: 14
Time in current job: <input checked="" type="checkbox"/> <6 mo. <input type="checkbox"/> 6 mo. - 1 yr. <input type="checkbox"/> 1 - 5 yrs. <input type="checkbox"/> > 5 yrs.			
Body Part injured: Brain/Head	Type injury (Laceration, Sprain, Fracture): Gunshot wound, bullet fragment	<input checked="" type="checkbox"/> 1st Aid <input checked="" type="checkbox"/> Medical treatment <input checked="" type="checkbox"/> Lost Work Day <input checked="" type="checkbox"/> Restricted Duty/Job Transfer <input type="checkbox"/> Death	
Witness Names: 1. Christopher Kronowich 2. Russell Cannon		3. Jesse Neukirchner	
Was performing normal job duties: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> If not, explain			
Supervisor: Investigate the facts and physical conditions or site of the incident with the employee, complete remainder of form, keep a copy for your file and forward signed copy to WTA Environmental Health & Safety Office within 5 calendar days.			
3.0 Based on Results of the Incident Investigation, Describe the Facts of What Happened: (Be specific regarding what, when, where, and how the incident occurred) - Remember - Fact Finding, Not Fault Finding			
<p>Members of the training team at Camp Dubbs near Afghanistan were conducting routine training. No Afghan students were present as they were on the Eid Holiday. Training consisted of vehicle tire changing, vehicle towing, vehicle abandonment, AK-47 qualification and sidearm qualification. During a "Range Cold" period, an instructor, Russell Cannon was holding an AK-47 rifle. He placed it on the roof of a vehicle and the weapon discharged without his intention. The bullet passed through the roof of the vehicle where it fragmented. A bullet fragment lodged in Sonny Stillitano's head. Mr. Stillitano was stunned but conscious. He was transported by assigned range medical personnel to the CSH at Camp Dubbs in approximately 3 minutes. He was transported to Bagram Air Force base for further treatment. After undergoing successful surgery to remove swelling and clotting he was resting and was being prepared for transport to Landstuhl, Germany.</p>			
Incident investigation Cause Analysis: After the facts of the investigation are known, review this list and check all Immediate Causes that apply to or impacted the incident. Use this information to develop effective corrective actions.			
4.0 Immediate and contributing causes as identified in investigation. (Check all that you feel may apply.)			
Behaviors		Conditions	
<input checked="" type="checkbox"/> Operating equipment improperly or without authority <input type="checkbox"/> Failure to secure or lockout <input type="checkbox"/> Defeating or removing safety devices <input type="checkbox"/> Using defective or improper tools/equipment <input type="checkbox"/> Improper use of equipment <input type="checkbox"/> Improper use of, or failure to use PPE <input type="checkbox"/> Improper lifting <input type="checkbox"/> Improper loading <input type="checkbox"/> Improper position for task <input type="checkbox"/> Horseplay <input type="checkbox"/> Fork shortcut <input type="checkbox"/> Other's action or inaction resulted in the injury <input type="checkbox"/> Vehicle Operation <input checked="" type="checkbox"/> Improper technique <input type="checkbox"/> Other factors not listed in Behaviors or Conditions.		<input type="checkbox"/> Inadequate warning system <input type="checkbox"/> Inadequate or improper PPE <input type="checkbox"/> Fire or explosion hazards <input type="checkbox"/> Exposure to noise <input type="checkbox"/> Ionizing/Non-ionizing energy exposure <input type="checkbox"/> Temperature extremes <input type="checkbox"/> Repetitive task exposures (Poor ergonomics design of task/tool/equipment) <input type="checkbox"/> Inadequate illumination <input type="checkbox"/> Inadequate ventilation <input type="checkbox"/> Inadequate training/skills ability for task <input type="checkbox"/> Congestion or restricted motion activity <input type="checkbox"/> Poor housekeeping, disorderly work area <input type="checkbox"/> Defective tools, materials or equipment <input type="checkbox"/> Inadequate guards or barriers in place <input type="checkbox"/> Hazardous environment: gas, dust, fumes, etc. <input type="checkbox"/> Physical layout <input type="checkbox"/> Weather related	

5.0 Determination of Root Cause factors. (Check all that you feel may apply.)	
Hazard <input type="checkbox"/> The hazard was not recognized. <input type="checkbox"/> The hazard was not fully understood. Planning/Procedures <input type="checkbox"/> Sufficient job safety planning was not conducted. <input type="checkbox"/> Policies/procedures did not adequately address known hazards. <input checked="" type="checkbox"/> Policies/procedures/plans were not followed. Communication <input type="checkbox"/> Communication between employees was not adequate. <input type="checkbox"/> Communication between supervision & employees was not adequate. <input type="checkbox"/> Inadequate communication about similar past experiences. Ergonomics <input type="checkbox"/> Sustained or awkward working postures. <input type="checkbox"/> Sustained or awkward grasp. <input type="checkbox"/> Poorly designed tool, material, or equipment. <input type="checkbox"/> Poorly designed task, method, or process. <input type="checkbox"/> Poorly designed workstation. <input type="checkbox"/> Repetitive or forceful exertions: upper body. <input type="checkbox"/> Repetitive or forceful exertions: lower body. <input type="checkbox"/> Repetitive or awkward motion (i.e., crank) <input type="checkbox"/> External trauma, mechanical/contact stress. <input type="checkbox"/> External to vibration and/or torque.	Training <input type="checkbox"/> Job safety training was not adequate for the work being performed. <input type="checkbox"/> Safety training did not address all hazards. <input checked="" type="checkbox"/> Safety training not followed. Facilities/Equipment/Tools <input type="checkbox"/> Inadequate facility constructed. <input type="checkbox"/> Improper facility maintenance. <input type="checkbox"/> Inappropriate equipment used for the job. <input type="checkbox"/> Improperly built or maintained equipment. Management <input type="checkbox"/> Personnel assigned to the work activity were not qualified. <input type="checkbox"/> Management was not aware of hazards. <input type="checkbox"/> Schedule or cost priorities implied. <input type="checkbox"/> Safety training principles not enforced. Conditions outside control of employee <input type="checkbox"/> Third party vendor or contractor <input type="checkbox"/> Other

6.0 Leadership Acknowledgement			
Leader's Name: (Please Type) Brian McCracken	Telephone: [REDACTED]	Signature: [REDACTED]	Date: 12/8/08
Comment Section: The person who had the accidental discharge acknowledged responsibility. The accident occurred during a normal training evolution and normal range safety procedures were in place at the time of the accident.			

7.0 Corrective Actions to be implemented and tracked by Manager: (Leadership to complete, identifying Responsible Person(s) and Target Completion Date(s).)			
Process Corrective Action Needed	Person(s) Responsible	Target Date	Date Completed
Planning/Procedures Live Fire range operations will be conducted with only 6 lanes.	All Team Leaders	Immediate	Ongoing
Communication All employees have been informed of the incident.	John Walker Brian McCracken	12/09/08	
Training Program manager review every team's range safety procedures.	John Walker	12/24/08	
Facilities/Equipment/Tools:			
Discipline Russell Cannon has been relieved of duty and is being terminated for cause.	Brian McCracken	12/08/08	12/08/08

TAB 5

From: Jeff Gibson
Sent: Wednesday, November 19, 2008 12:53 PM
To: Brian McCracken; [Redacted]
Subject: RE: Update

Are you in? There are alternatives -- I think.

From: bmcCracken; [Redacted]
Sent: Wednesday, November 19, 2008 11:51 AM
To: Jeff Gibson
Subject: Fwd: Update

Jeff-
 Can we talk about this?

-----Original Message-----
From: Jose Trevino; [Redacted]
Sent: Wednesday, November 19, 2008 11:42 AM
To: bmcCracken; [Redacted]
Subject: Re: Update

They are expecting an investigation into Blackwater accountability in Iraq resulting from a law suite, and fear it will impact Blackwater accountability procedures in Afghanistan. These weapons belong to a title 10 contract not associated with Paravant, therefore they want these weapons in the safe not on loan to Paravant.

This is the latest with regards to Bobby intimidating his team, he speaks as if Brian is on his side no matter what anyone says, this from Jim Pratt.

Hello Jose

I am not sure if you are aware but for the last hour Russ and I have been receiving constant calls from Bobby. Russ did answer one of Bobby's calls. He states he has talked with Brain, and told us if we (as a team) do not band together to resolve this issue, Brain will fire this team.

Kind regards,
 Jim

From: "bmcCracken"; [Redacted]
To: Jose Trevino; [Redacted]
Sent: Wednesday, November 19, 2008 9:47:42 AM
Subject: Re: Update

why do they want the weapons back?
 what is the deal with robles

-----Original Message-----
From: Jose Trevino; [Redacted]
Sent: Wednesday, November 19, 2008 09:33 AM
To: bmcCracken; [Redacted]
Cc: jwalker; [Redacted]
Subject: Update

Good morning Mr McCracken,

I spoke with CT and he mentioned that we must turn in all weapons ASAP. He was writing an email to you as we spoke, he said he would copy me but I did not receive the email. Standing by to see what happens but I am prepared to round up all weapons and turn them in, I guess we should get weapons issued by the Army?

I am working a melt down with the Dubbs team. I traveled there this afternoon to bring Bobby back to BW house for a debrief, I only got one side of the story, I plan to be at Dubbs first thing in the morning tomorrow to talk to the rest of the team. I took this approach because I was called by his second in command stating that BR was not in control and that the Paravant name was at stake. I will get to the bottom of this tomorrow and handle it.

The last of class three arrived with class four following close behind.

Received a call from Lt. Steven Woodrich, the artillery training officer at Camp Phoenix, sounds like he is ready to start training, I introduced Gerry Hammerle and Mike Syskowski our mortar man to Lt Woodrich. Major Grubbs was also present and they requested a complete list of Paravant instructors and staff that are in country. I informed them that we are not all here yet, and that we will deliver when all of our personnel are in place.

Two trucks were ready for delivery in Kandahar today, it should have happened but I did not hear from Sealey. Will find out in the morning.

On standby,
Jose'

TAB 6

-----Original Message-----

From: bmccracken [Redacted]
Sent: Thursday, November 6, 2008 09:59 AM
To: 'Bennett, Michael T Mr ARMY GUEST USA USAASC'
Cc: mbennett01 [Redacted]
Subject: Re: Phone Number

Will dp. I got sidearms for everyone. 9mm Sigma's and holsters. We have not yet received formal permission from the Army to carry weapons yet but I will take my chances. Pass the word. I will try to get out there in the morning with Bobby.

-----Original Message-----

From: Bennett, Michael T Mr ARMY GUEST USA USAASC [Redacted]
Sent: Thursday, November 6, 2008 09:21 AM
To: bmccracken [Redacted]
Cc: sealeydd [Redacted], karnewman [Redacted], waymon [Redacted], 'Walker, John', 'Smith, Alexis'
Subject: Re: Phone Number

Re: ALCON, Please contact me utilizing my private email account. I did not realize how slow and cumbersome AKO is. My email account is [Redacted] Respectfully, Michael Bennett

[Redacted]

TAB 7

From: Michael Bush
Sent: Wednesday, November 26, 2008 8:19 AM
To: Ricky Chambers; Redacted; Brett Perry
Subject: RE: Weps for Paravant from CNTU contract

Thanks dude...nice job

Just a side bar, who in the USMIL says these guys do not need arming agreements? Are you saying as long as we are good with the Afghans, that the US Mil will be good with it too. IF that is the case, GREAT....but who is saying this? And we would need this in writing? I was under the impression that any US citizen operating under a USG Contract in a foreign theater carrying a weapon needs authorization

MIKE

From: Ricky Chambers; Redacted
Sent: Wednesday, November 26, 2008 8:09 AM
To: Jeff Gibson; Brian McCracken
Cc: Michael Bush
Subject: RE: Weps for Paravant from CNTU contract

Thanks Jeff! We spoke with the UN Advisor to the MOI registration process and in very good standing as we wait for the permanent MOI license. At that time we will get official weapons cards for all BWV entities in country. For now we have given Paravant a copy of the current MOI License to put in their vehicles. CTout!

R Chambers/CT
 Remember Life is Good

Subject: RE: Weps for Paravant from CNTU contract
Date: Wed, 26 Nov 2008 07:28:12 -0500
From: jlgibson; Redacted
To: Ricky Chambers; bmccracken; Redacted
CC: mbush; Redacted

I confirmed with Andy that Paravant is a legal subsidiary under EPI (aka Blackwater Worldwide). So, it is fine to apply for weapons cards for the Paravant guys under our temporary MOI license. Eventually, we will need to provide Warduk and the MOI with a letter outlining all of our entities under Blackwater Worldwide. I doubt they take issue since it only means more licensing revenue for them.

Thanks,
 Jeff

From: Ricky Chambers; Redacted
Sent: Wednesday, November 26, 2008 7:03 AM
To: Brian McCracken
Cc: Jeff Gibson; Michael Bush
Subject: RE: Weps for Paravant from CNTU contract

John, Jose, Brett, JD and myself all met today. We are going to continue with the recall of all Title 10 pistols and issue rifles from bunker 22 for now. More later. CTout!

R Chambers/CT
Remember Life is Good

From: bmccracken [Redacted]
To: Ricky Chambers [Redacted]
CC: jgibson [Redacted]; mbush [Redacted]
Date: Tue, 25 Nov 2008 19:14:21 +0000
Subject: Re: Weps for Paravant from CNTU contract

Sounds good. Keep Johnny in the loop.

-----Original Message-----

From: Ricky Chambers [Redacted]
Sent: Tuesday, November 25, 2008 11:33 AM
To: 'Brian McCracken'
Cc: jgibson [Redacted]; mbush [Redacted]
Subject: RE: Weps for Paravant from CNTU contract

Hey Brian! Our bunker 22 connection comes back from leave within the week. There is a possibility that we can request pistols and maybe he can supply us with the military standard Berretta 9mm for Paravant. If this is the case we will acquire the weapons as usual and list with MOI for registration against our license as weapons being used on a BW DOD training project for ANA. This will be the better course of action. So I will wait 7-10 days. If it doesn't happen I with John/Jose will approach Col Wakefield with the idea of just getting his concurrence for BW as custodian of CSTC-A weapons to issue to Paravant. CTout!

R Chambers/CT
Remember Life is Good

From: bmccracken [Redacted]
To: Ricky Chambers [Redacted]
CC: jgibson [Redacted]; mbush [Redacted]
Date: Tue, 25 Nov 2008 15:19:14 +0000
Subject: Re: Weps for Paravant from CNTU contract

Let's give it a try. Do you want to broach the subject with him then?

-----Original Message-----

From: Ricky Chambers [Redacted]
Sent: Tuesday, November 25, 2008 09:56 AM
To: 'Brian McCracken'
Cc: jgibson [Redacted]; mbush [Redacted]
Subject: RE: Weps for Paravant from CNTU contract

Roger I just replied back to Mike and he mentioned he would be meeting with you. If you were to ask me about my take on Col Wakefield regarding the Title 10 weapons situation, because I know him as well from meetings at CSTC-A when he was present at ABP training briefs. I would say he may ask to many questions and actually shy away from wanting to attempt to sign for or find out about signing for CN weapons over to an ANA training project. The question really to ask him is would he have a problem with the Paravant IC's using Title 10 weapons from BW's CN training program while they are conducting training of the ANA on the base. Explain to him that BW is the custodian of the Title 10 weapons signed over from CSTC-A for ABP. If we can get an e-mail exchange to that affect it would be good enough. We don't want to magnify the issue. The Paravant IC's will need to really maintain discipline during their time in Afghanistan and certainly while travelling/transiting by vehicle within Kabul/Afghanistan, etc. I will meet with John and Jose tomorrow at

1100 to go over these issues.

Mike your input please. CTout!

R Chambers/CT
Remember Life is Good

Subject: RE: Weps for Paravant from CNTU contract
Date: Tue, 25 Nov 2008 09:30:00 -0500
From: bmcCracken [Redacted]
To: Ricky Chambers [Redacted], jgibson [Redacted]

I won't talk to COL Wakefield until I hear the backstory from Mike Bush. I have not received that yet.

From: Ricky Chambers [Redacted]
Sent: Tuesday, November 25, 2008 9:25 AM
To: Michael Bush
Cc: Brian McCracken; Brian McCracken
Subject: RE: Weps for Paravant from CNTU contract

Mike I will try reaching out to John Walker to further discuss where Paravant is with getting written authority from Col Wakefield to use Title 10 CN weapons for an ANA training project. We are here to assist but we need to get support from CSTC-A/Col Wakefield on this issue. Keep in mind bunker 22 weapons is a relationship we have as a stop gap for now. Paravant should not approach the bunker 22 issue with Wakefield. All of our weapons are declared to MOI and on our current license.

Brian I am meeting with Jose and John tomorrow at 1100 to update on the weapons issue.

R Chambers/CT
Remember Life is Good

> Subject: Fw: Weps for Paravant from CNTU contract
> Date: Tue, 25 Nov 2008 07:07:33 -0500
> From: mbush [Redacted]
> To: Ricky Chambers [Redacted]
>
>
>
> -----Original Message-----
> From: Jeff Gibson
> To: Michael Bush
> Cc: Brian McCracken
> Sent: Mon Nov 24 22:25:49 2008
> Subject: Weps for Paravant from CNTU contract
>
> Mike,
> Can you double check with CT that he understands the plan for transferring the Title 10 weapons from
> CNTU to ANA Weapons via CSTC-A?
>
> Johny Walker mentioned that it appears that not everyone on the ground (e.g. CT and JD) is aware of

our intentions. There might have been a time delay before CT got the message but it's worth double checking.

>

> Also, do we have any kevlar helmets for Paravant. I told Brian probably not but you will know better.

>

> Thanks,

> Jeff

TAB 8



UNITED STATES CENTRAL COMMAND
OFFICE OF THE COMMANDER
7115 SOUTH BOUNDARY BOULEVARD
MACDILL AIR FORCE BASE, FLORIDA 33621-5101

19 November 2009

The Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Room SR-228 Russell Senate Office Building
Washington, DC 20510

Dear Mr. Chairman,

Thank you for your letter regarding weapons from 22 Bunkers in Afghanistan. U.S. Central Command continues to actively work with the Department of Defense as it supports your inquiry into the role of armed contractors in Afghanistan and Iraq. Working in conjunction with Major General Richard Formica, we have provided detailed responses to your questions in the attached request for information.

22 Bunkers is an Afghan National Ammunition and Supply Depot facility run by the Ministry of Defense (MoD). The facility is used to store ammunition for both the Afghan National Police and the Army. Additionally the Police store all of their depot level stock of weapons prior to issue to subordinate units. As part of the Combined Security Transition Command-Afghanistan (CSTC-A) Logistic Embedded Training Team, ten U.S. service members mentor the Afghans in daily operational requirements and facility management. The CSTC-A Logistics Directorate also provides policy, programming, and staff oversight assistance. There is no current or past written policy, order, directive, or instruction that allows U.S. Military contractors or subcontractors in Afghanistan to use weapons stored at 22 Bunkers. Of course, once weapons and ammunition leave the facility the U.S. team loses oversight. *-- though there are unit procedures for accountability of that point.*

Thank you for your interest in this issue and for all you and the committee do to support the Soldiers, Sailors, Airmen, and Marines of U.S. Central Command.

Sincerely,

DAVID H. PETRAEUS
General, U.S. Army
Commanding

Attachment:
Tab A: RFI Responses

cc:
The Honorable John McCain, Ranking Member

TAB A RFI Responses

In reply to the questions from the United States Senate, Committee on Armed Services dated 3 November 2009.

Background: 22 Bunkers is an Afghan National Ammunition & Supply Depot facility located in Pol ar Charki, Kabul. The facility is used to store ammunition for both the Afghan National Army and Police. Additionally the Police store all of their depot level stocks of weapons prior to issue to subordinate units. This facility is mentored by the CSTC-A Logistics Embedded Training Team (LOG ETT).

1. The number of U.S. service members serving at 22 Bunkers, their roles and responsibilities, and chains of command.

A. The number of US service members serving at 22 Bunkers:

10 US service members supporting the Afghanistan National Security Force as an Embedded Training Team:

6 US service members supporting the Afghanistan National Army (ANA) section

4 US service members supporting the Afghanistan National Police (ANP) section

B. Their roles and responsibilities:

CSTC-A J-4 provides logistical policy, programming and staff oversight to include ANSF ammunition & supply operations at 22 Bunkers.

LOG ETT serves as the logistical execution arm of CSTC-A to include the mentoring of the daily operations in 22 Bunkers.

ANA section: US service members assigned to the ANA section provide oversight for receipt, storage, issue, accountability and munitions re-warehousing operations to support the Ministry of Defense (MoD). US service members also act as mentors to the ANA Munitions Officers and ANA civilians that are ammunition workers.

ANP section: US service members assigned to the ANP section provide oversight for receipt, storage, issue, accountability and re-warehousing of the ANP weapons and munitions to support the Ministry of Interior (MoI). Additionally, a US service member acts as the stock record accountable officer until the ANP can provide a suitable Munitions Officer to fill the property book officer role.

C. Chains of Command:

22 Bunkers is a MoD run facility. The MoI is a tenant organization at 22 Bunkers for storage of ANP weapons and munitions which CSTC-A provides property book control.

22 Bunkers is supported by CSTC-A mentors and CSTC-A CJ4, who assist in executing daily operational requirements and facility management. The US service members are assigned to CSTC-A and serve in the Logistics Embedded Training Team (LOG ETT)

2. The source of weapons stored at 22 Bunkers.

Sources of weapons stored at 22 Bunkers are:

United States Army Security Assistance Command-Special Project Office (USAAC-SPO)

Foreign Military Sales (FMS) cases using Afghanistan Security Forces Fund (ASFF) procurement policy and procedures

Other sources of weapons include legacy weapons and donations from other countries and weapons seized, captured or turned into the ANP.

3. The purpose of storing weapons at 22 Bunkers.

22 Bunkers serves as the National Storage Depot for ANP weapons. 22 Bunkers provides the only national facility that possesses the necessary security and safety for ANP weapons and ammunition. No ANA weapons are stored at 22 Bunkers. ANA only stores munitions in the facility.

4. Number and type of weapons stored at 22 Bunkers. (Inventory as of 5 Nov 09)

TYPE OF WEAPON	QTY
9 MM PISTOL (Smith and Wesson)	3,108
9 MM PISTOL (MAKAROV)	385
9 MM PISTOL (P1)	29
AMD65	1,869
VZS8	561
AK47	8,708
12 GAUGE SHOTGUN	4,205
NSV	201
GP25/30	2,972
RPK	3,680
PKM	3,571
RPG-7	34
M249	14

5. The organization that retains control and custody of the weapons at 22 Bunkers

CSTC-A LOG ETT ANP Mentors retain control and custody of ANP weapons at 22 Bunkers until transferred to the ANP. LOG ETT ANP Munitions Mentors are supervised daily by an Army Sergeant First Class with oversight by an Air Force Ordnance CMSgt (E9) in Log ETT. CSTC-A oversight of ammo and supply operations is provided by a Navy Aviation Ordnance Chief Warrant Officer 4 assigned to the CSTC-A CJ-4.

6. The organization responsible for the security of weapons at 22 Bunkers

Ministry of Defense is responsible for the exterior security and safeguard of storage bunkers and connexes and provides guards to secure the entry control points and the perimeter of the 22 Bunkers complex. A key control system is maintained and monitored by the ANP LOG ETT for the ANP weapons storage containers.

7. A description of the system used to track the inventory of weapons at 22 Bunkers

IAW AR 190-11 accountability procedures are executed by the LOG ETT, which include monthly 10 percent and 100% quarterly inventories. Administrative documentation is maintained with quantity, type, location, and serial numbers of ANP weapons using a Microsoft Excel spreadsheet.

8. Any current or previous policy, order, directive or instruction relating to 22 Bunkers, including but not limited to any such policy, order, directive or instruction describing conditions under which weapons held at 22 Bunkers could be removed from the facility and provided to US Military contractors or subcontractors in Afghanistan.

There is no current or past written policy, order, directive or instruction that allows US Military contractors or subcontractors in Afghanistan to use weapons stored at 22 Bunkers. Our records indicate that prior to December 2007 contractors working with the ANP withdrew and signed for weapons destined for delivery to the ANP (not for the contractors' own use). Since January 2008 that practice was changed and ANP logistic officers are now required to personally sign for any weapons were issued to the ANP.

November 3, 2009

General David H. Petraeus
Commander
United States Central Command
7115 South Boundary Boulevard
MacDill Air Force Base, Florida 33621-5101

Dear General Petracus:

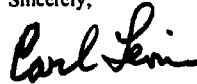
The Senate Armed Services Committee is conducting an inquiry into the role of armed contractors in Afghanistan and Iraq. Information has come to the attention of the Committee that weapons from 22 Bunkers, the weapons and ammunition depot in Pol E Charki, Afghanistan, were provided to U.S. military subcontractors in Afghanistan. As part of the Committee's inquiry, I would appreciate the following information relative to 22 Bunkers.

- (1) The number of U.S. servicemembers serving at 22 Bunkers, their roles, responsibilities, and chains of command;
- (2) The source of weapons stored at 22 Bunkers;
- (3) The purpose of storing weapons at 22 Bunkers (e.g., for distribution to the ANA, for destruction, etc.);
- (4) The number and types of weapons stored at 22 Bunkers (e.g., AK-47s, M16s, etc.);
- (5) The organization(s) that retains control and custody of the weapons at 22 Bunkers;
- (6) The organization(s) responsible for security of weapons at 22 Bunkers;
- (7) A description of the system used to track the inventory of weapons held at 22 Bunkers;
- (8) Any current or previous policy, order, directive or instruction relating to 22 Bunkers, including but not limited to any such policy, order, directive or instruction describing conditions under which weapons held at 22 Bunkers could be removed from the facility and provided to U.S. military contractors or subcontractors in Afghanistan.

Please provide this information and any related documents to the Committee by November 19, 2009. If you have any questions related to this request, please have your staff contact Ilona Cohen of the Senate Armed Services Committee staff at (202) 224-5089.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl Levin". The signature is fluid and cursive, with the first name "Carl" and last name "Levin" clearly distinguishable.

Carl Levin
Chairman

cc: Senator John McCain, Ranking Member
Major General Richard Formica, Commanding General, CSTC-A

TAB 9

MAYER • BROWN

BY ELECTRONIC DELIVERY

January 14, 2010

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Eric H. Cottrell

Ilona R. Cohen, Esq.
Assistant Majority Counsel, U.S. Senate Armed Services
Committee
228 Russell Senate Office Building
1st & Constitution, N.E.
Washington, DC 20510

Re: Xe: Firearms obtained from Bunker 22

Dear Ms. Cohen:

You recently asked Prince Group, LLC and Xe Services LLC (collectively with their affiliates, "Xe" or the "Company") for information concerning its acquisition and storage of firearms from a weapons depot in Afghanistan known as Bunker 22. The information set forth below is largely the product of Company interviews of current and former Company personnel conducted by the undersigned counsel for the purpose of reporting to the Company's Export Control Committee or federal authorities as necessary.

I. Introduction

Pursuant to various contracts with the United States government, the Company operates several counter-narcotics programs in Afghanistan. One such program is the Counter-Narcotics Training Academy ("CNTA"), which trains the Afghanistan National Army ("ANA") to combat the illegal drug trade. CNTA operates under the auspices of the Afghani Narcotics Interdiction Unit ("NIU").

Independent of the Company's operations in Afghanistan, the ANA operates a weapons depot known as "Bunker 22" at its base in Kabul. Upon information and belief, Bunker 22 houses weapons that the ANA and coalition forces have either seized from insurgents or discovered in caches often dating back to the Soviet occupation of Afghanistan. A small number of U.S. military personnel appear to serve as advisors (mentors) at Bunker 22.

As discussed below, CNTA acquired several hundred firearms from Bunker 22, whether directly or indirectly (the "Bunker 22 Firearms"). These weapons were used for CNTA's own training courses as well as for the Afghanistan Border Police ("ABP") program.

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Mayer Brown LLP

Ilona R. Cohen, Esq.
January 14, 2010
Page 2

II. Acquisition of the Bunker 22 Firearms

A. From NIU

In September 2007, J.D. Stratton became an instructor for CNTA and later was directed to take responsibility for its armory. Soon after Stratton's arrival, Chad Pierce, with NIU, outfitted CNTA with approximately thirty AMD-65 rifles, 130 9mm Sigma pistols and twenty shotguns, all of which were stored at the CNTA armory.¹ It is believed that those weapons, which had been issued to NIU by the Combined Security Transition Command-Afghanistan (CSTC-A), originated from Bunker 22.² Although corroborating documentation has not yet been discovered, it is likely that the Company acquired the pistols, at least, from CSTC-A and not Bunker 22.

Stratton did not sign or receive any paperwork associated with these NIU-issued firearms.

B. From Bunker 22 directly

In October 2007, Stratton encountered his friend and former Navy colleague Greg Sailer at Bunker 22. At the time of Stratton's visit, Sailer was serving as an advisor (mentor) at Bunker 22. Stratton mentioned his contact with Sailer to several Company personnel. Several days later, out of concern that Company instructors needed protection while working in Afghanistan, Company employees Ricky Chambers and Johnny Moore asked Stratton whether Sailer could furnish them with firearms to be used by instructors for the ABP contract.³ Stratton relayed this request to Sailer, who in turn made available from Bunker 22 approximately 150 1940-50s-era AK-47s that were scheduled to be destroyed by the ANA.

Stratton and others⁴ visited Bunker 22 in December 2007 to pick up these firearms, which were resting outside Bunker 22's front office in six crates. Sailer was there to meet Stratton, although no paperwork or receipts were completed to document the transfer of weapons. Once back at CNTA, Company personnel (including Stratton, Chambers, Moore and Sims) unloaded the firearms.

¹ Stratton later returned the shotguns to Bunker 22 because CNTA never used them.

² CSTC-A is a multinational military formation headquartered at Camp Eggers, Kabul. Its primary role is to train and develop Afghan security forces such as the ANA.

³ Chambers was the Company's Country Manager for Afghanistan. At the time, Moore was involved in the Company's ABP program.

⁴ Stratton identified Brett Perry, Jim Baxter and Danny Orso as some of the people who accompanied him to Bunker 22 for the weapons pick up. He could not recall any others.

Mayer Brown LLP

Hona R. Cohen, Esq.
January 14, 2010
Page 3

In January 2008, following a renewed request from Moore and Chambers for more firearms to equip ABP instructors, Sailer again offered the use of weapons from Bunker 22. Stratton and others⁵ traveled there to retrieve the second installment of firearms. This installment consisted of approximately 150 – 175 AK-47s of the same variety described above. Many of the weapons were in very poor condition and ultimately the Company returned some of them to Bunker 22.⁶ Because Sailer was not on site that day, Company personnel instead dealt with a U.S. Air Force serviceman. As before, there was no documentation prepared regarding the transfer of weapons.

III. Storage of Bunker 22 Firearms

When not issued to instructors, the Company stored all of the Bunker 22 Firearms in the CNTA armory, which was located within a concrete warehouse at a Company compound in Kabul. Approximately 15 x 25 feet in size, the armory was secured by a Class IV safe door. It is currently empty and not in use.

Stratton reported that because he thought an inventory of weapons should be maintained, he compiled inventories of both the NIU-issued firearms as well as of those acquired directly from Bunker 22 and provided monthly updates of such inventories to Ricky Chambers.⁷ Inventories of Company weapons in Afghanistan dating from early 2009 appear to reflect some of the Bunker 22 Firearms.

Stratton also reported providing a complete list of the Bunker 22 Firearms to CNTA secretary Jocelyn Chambers, which he understood to be submitted to Afghanistan's Ministry of the Interior (the "MOI") for their registration. Serial numbers for at least some of the Bunker 22 Firearms were submitted to the MOI and placed on the Company's license prior to April 2009. The Company appears to have submitted to the MOI numerous additional serial numbers for Bunker 22 Firearms in April and May 2009.

⁵ Moore, Baxter, Orso and Warren [last name unknown] accompanied Stratton on this trip.

⁶ Based upon available information, it appears that between fifty and sixty weapons were returned to Bunker 22 due to their poor condition.

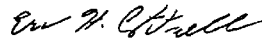
⁷ Between twelve and twenty of the weapons that CNTA acquired directly from Bunker 22 bore serial numbers in Chinese. In order to create a serial number that could be internally tracked and registered with Afghanistan's Ministry of the Interior, Stratton, in consultation with Chambers, determined that Arabic numeral serial numbers should be stamped onto the weapons. Chambers arranged to have sanding and etching tools delivered to Stratton, who sanded down and etched serial numbers onto the weapons. Stratton undertook this process in the armory, with other individuals present. He did not make any further modifications to these weapons, nor did he make any modifications whatsoever to the remaining Bunker 22 Firearms.

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Ilona R. Cohen, Esq.
January 14, 2010
Page 4

Our inquiry into this matter is ongoing. Should we learn of additional information related to this matter, we will be sure to contact you. In the interim, please feel free to call me with any questions or concerns.

Sincerely yours,



Eric H. Cottrell

cc: Lee Rubin, Esq.
David Hammond, Esq.
Christian Bonat, Esq.

TAB 10

PRODUCED BY CSTC-A ON JANUARY 8, 2010

Summary of SASC Information Requested**1. Pictures of 22 Bunkers**

Pictures attached. (Attachments IMGP0022, IMGP0023, and IMGP0024)

2. Name of contracting companies that have worked at 22 Bunkers (please date back to January 1, 2007).

There are two contracting companies (listed below) that employ local national laborers assigned to work at 22 Bunkers since 1 January 2007. There are multiple companies and multiple foreign government officials that conduct business with 22 Bunkers but are not physically working there on a day to day basis.

- a.) Sozo International provides 4 laborers to complete ANP work and the contract has been in place/renewed since 2006.
- b.) New Khodaman Logistics provides 14 laborers to complete ANP work and the contract has been in place/renewed since April 2007.

3. Name of Deputy Minister responsible for signing off on requests for weapons and ammunition from 22 Bunkers

Deputy Security Minister, Lieutenant General Munir Mangal, Ministry of the Interior.

4. Dates of any and all weapons or ammunition transfers to Jerry Stratton (or any other Blackwater personnel), the date of each transfer, and the purpose of each transfer.

The CSTC-A CJ4, 1228 personnel, a Chief Petty Officer (USN), a Tech Sgt (USAF) provided substantial assistance with this project, and spent a full day searching for the documents. Every single hand receipt was reviewed. This is the applicable information that was discovered as a result of the search:

- a.) No hand receipts indicate that weapons or ammunition were picked up or signed for by Mr. Jerry Stratton, however the hand receipts reviewed contain multiple signatures and it is very difficult to identify who signed for the items based solely on the signature.
- b.) Three hand receipts indicate the possibility that Black Water personnel may have signed for weapons or ammunition:

1.) Attachment 2006-01 (dated 5 May 2006). RPG and 7.62 ammunition were issued to M. Furlman, BW. There is a strong likelihood that the BW on the hand receipt refers to Black Water.

2.) Attachment 2008-05 (16 September 2008). 9mm and 7.62x39 ammunition were signed for by a Counter Narcotics representative. The only legible part of the name on the hand receipt is the name "Chris"; it is possible that he could be a Black Water employee based on the unit it was issued to.

3.) Attachment 2008-02 (20 September 2008). 211 AK47 rifles were issued to Counter Narcotics and were signed for by Eric A. Carjman. The hand receipt was signed BW CNTU. These initials most likely refer to Black Water, Counter Narcotics Training Unit.

The purpose of each weapons and ammunition transfer is for the official purposes of training the Afghan National Police and for use by the ANP. Weapons would not have been issued to Blackwater or any other contractor for personal use by its employees as that is a responsibility of the contractor. There is a USFOR-A and CENTCOM weapons packet approval process for contractors to obtain approval to arm their employees for their own personal protection. However, that arming approval process does not reside with this command.

5. Stock record account from pre-November 2008

Stock record account for this time period is attached. (Attachment SRA thru Dec 2008)

6. Check serial numbers from attached spreadsheet against any records or database maintained by or available to CSTC-A/22 Bunkers. If any of the numbers match, please provide all records relating to those weapons, including hand receipts.

154 serial numbers were provided by Ms. Cohen of the SASC. After a comprehensive search of physical records and our databases, 96 serial numbers matched from the SASC list of 154. Of the 96 serial numbers, 61 hand receipts have been found and are attached. (Attachment SASC Weapons Serial #'s) Additionally, if more information could be provided on the weapons (type, full serial numbers) we can further research this.

7. We would also like information about the names of the personnel from Dyncorp who received weapons and/or ammunition from 22 Bunkers, the date of each transfer, and the purpose of each transfer.

Every single hand receipt was looked at for a Dyncorp employee signature. All have been attached. The only hand receipts we are sure were signed for by a Dyncorp contractor is found in attachments 2007-01 thru 06 with the signature 'SPy.' It is believed that those initials represent a Dyncorp ANCOP mentor by the name of Stephanie Perry.

[illegible]

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AK47/مذلي													
2C10891	NB2024	NK6095	CA7183	HM1106	XH5758P	AH7759	AW0345A	17206537	T34399	C4807	PD5172	14140717	HE8077M
MO6052	HW4050	258790	1U8162	RA8032	CA4056	AA3235	TK3396K	3B252P	AA8334	NK4148	WN8255A	NA4873K	11015864
PT2058	85896	N936731	NT8362P	IA6811K	2902078	508976	KB6066	YB4322	TK5540K	KC4742	KN7310	AK1041	TP1012P
N503682	UR2168	AB2203	HVR777P	YD8478	YH5401	KT8751	AW1913P	MO4643	IK3122K	3E8388	481389	TB4385	RX1233
A30620	2832756	323804	44596	503278	BA9180	KA4778	G25231	1203491	BH84206	BT7418	B00895	YB4800	YT9584N
K1177	YA5067H	KA3341N	H06041	5321236	BT8609K	RA8207	ET8311	TM2431	BA3691	BA1573K	TH8722	KE8508P	TT8042P
4564	3577	4121	5039	972	M04304	K9337	S00557	K8648	P7790	HT5188	758	8103	AB7772
14978412	7554	128798	7279	F8771	K2788	80428	AC8736	S494	CA1037	915449	7328P	8754P	AJ7175
KC0833	8468P	7136	05143	7553	8276	8790	KD1373K	18016	CB3810K	H3809	3883	B1420	3864
5183	8359	E1200	7058	G744M	1914	1547669	8096	K9700K	7228	201843	1107110	09442	A07844
C2885P	B3234	AC22170	18027386	18043856	18018626	18036140	18029282	18026660	18039812	18050871	18027328	17272886	18110238
18010491	18082967	18164797	18010284	18147336	18179488	18153038	18031704	18170118	18044754	18054396	18039344	18044816	18048086
18043470	18049878	18041091	18025404	18023756	18037535	18046825	18055555	18027727	18055406	18037718	18035846	18016768	18043943
18044488	17191038	17169095	17178695	17184662	17186060	17175190	17191255	17204134	17204241	17202395			

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27620

TAB 11

07 DEC 2008

FROM: JOHNNIE WALKER, PARAVANT PROGRAM MANAGER AFGHANISTAN


TO: J.D. STRATTON, BLACKWATER INTERNATIONAL OPERATIONS LOGISTICS

SUBJ: WEAPONS ISSUE:

1. ON 07 DEC 2008 THE FOLLOWING (23) AK-47 WEAPONS WERE ISSUED TO PARAVANT:

18010491	1509869
18166797	2400103
15152544	935454
15157312	16021066
14132908	21001543
18109110	29006992
17145126	4564
18246731	4131
1380000	2059
27032668	7954
29012705	11015864
2703396	

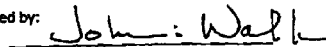
Issued by:



J.D. Stratton

Date:

Received by:



Johnnie Walker

Date:

SASC0440024

TAB 12

From: jerry stratton [Redacted]
Sent: Tuesday, June 2, 2009 10:33 AM
To: Mike Bush [Redacted] Michael Bush
<[Redacted]>
Subject: FW: Weapons Turn In
Attach: MOI Form 9 Turn In JD Stratton(2 June 09).xls

Date: Tue, 2 Jun 2009 11:03:34 +0430
Subject: Weapons Turn In
From: anpstadium [Redacted]
To: gregory.saller [Redacted] jeremy.a.greene [Redacted]
strattonjd [Redacted]

GM2 Green,

JD Stratton turned the attached weapons today. the are all unserviceable.

/r

MSG Vigil

	A	B	C	D	E	F	G	H	I	J	K
1	00000	000									
2	00000	000									
3	00000	000									
4	00000	000									
5	00000	000									
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36	00000	000									

TAB 13

[Information retained in committee files.]

TAB 14

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Eric H. Cottrell

BY ELECTRONIC DELIVERY

February 4, 2010

Ilona R. Cohen, Esq.
Assistant Majority Counsel, U.S. Senate Armed Services
Committee
228 Russell Senate Office Building
1st & Constitution, N.E.
Washington, DC 20510

Re: Xe: Response to your 1/29/10 request

Dear Ms. Cohen:

On January 14, 2010, Prince Group, LLC and Xe Services LLC (collectively with their affiliates, "Xe" or the "Company") responded by letter to your inquiry regarding firearms obtained from Bunker 22. On January 29, 2010, you sought additional information on that topic in an email containing several questions, numbered (1) through (12).

As we discussed this morning, Xe is still gathering information for several of these questions, and we anticipate providing you with their answers in the coming week. In the interim, however, answers to your remaining questions appear below. For ease of reference, the question numbers correspond to those in your email.

1. How many employees did Blackwater have at CNTA in September 2007?

Based upon the records attached as **Exhibit A**, the Company employed nine individuals as independent contractors in Afghanistan for the CNTA program during September 2007.

2. How many employees did Blackwater have on the ABP program in: October 2007, December 2007, January 2008?

Based upon the records attached as **Exhibit B**, the company employed sixteen, forty-four and forty-six individuals as independent contractors for the ABP program in Afghanistan during the months of October 2007, December 2007, and January 2008, respectively.

Mayer Brown LLP

Ilona R. Cohen, Esq.
February 4, 2010
Page 2

3. What was the name of the U.S. Air Force servicemember at Bunker 22 who provided weapons in January 2008?

Those whom we have interviewed in response to this inquiry¹ do not recall the name of this individual.

4. Has Blackwater ever employed an Eric Carjman or Eric Cartman? If so, which contract(s) did he work on?

The Company's employment records do not indicate that an Eric Carjman or Eric Cartman has ever been employed.

5. Who is Chris Hannock and how was he involved in obtaining weapons for Blackwater from Bunker 22?

The Company's employment records do not indicate that a Chris Hannock has ever been employed. Mr. Hannock's name has never surfaced during prior interviews conducted in response to this inquiry, and Jeff Morin, whom we have since interviewed, has never heard of this individual.

8. What was [the] purpose of [the] 30 AMD-65s at CNTA/NIU?

These weapons were used by CNTA instructors for personal protection.

Should you have any additional questions, beyond those currently outstanding, do not hesitate to contact me.

Sincerely yours,



Eric H. Cottrell

cc: Lee Rubin, Esq.
David Hammond, Esq.
Christian Bonat, Esq.

¹ In addition to those interviewees whom we previously identified for you, we have also interviewed Jeffrey Morin, Director of International Operations for Xe-affiliate U.S. Training Center.

TAB 15

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Eric H. Cottrell
[REDACTED]
[REDACTED]
[REDACTED]

BY ELECTRONIC DELIVERY

February 20, 2010

Hon. Carl Levin
Chairman, U.S. Senate Armed Services
Committee
228 Russell Senate Office Building
1st & Constitution, N.E.
Washington, DC 20510

Re: Xe: Supplemental Response to SASC 1/29/10
request

Dear Senator Levin:

On January 14, 2010, Prince Group, LLC and Xe Services LLC (collectively with their affiliates, "Xe" or the "Company") responded by letter to your inquiry regarding firearms obtained from Bunker 22. On January 29, 2010, the Committee staff sought additional information on that topic in an email containing several questions, numbered (1) through (12). The Company provided responses to questions 1, 2, 3, 4, 5, and 8 on February 4. This letter provides the Company's responses to the remaining questions. For ease of reference, the question numbers correspond to the email from the Committee staff.

6. The January 14, 2010 letter indicates that Blackwater acquired at least between 300 and 325 weapons from Bunker 22 between December 2007 and January 2008. How many weapons acquired from Bunker 22 remain in BW's possession? To whom and for what purpose are they assigned?

As detailed below, the Company has already returned many of the firearms it obtained from Bunker 22 to the Afghan government. The remainder have been or will be either (a) turned over to the U.S. Army for destruction or (b) turned in to Bunker 22 under the supervision of CSTC-A.

After the shooting incident involving Xe-affiliate Paravant in the spring of 2009, the Company promptly decided to disarm and collect all weapons from Paravant personnel and to return all Bunker 22 firearms that had been issued to Paravant personnel. The collection effort was promptly initiated after Company management learned of the incident. Tom Adams, the then recently named In-Country Program Manager for Paravant, coordinated the return of those weapons, consisting of seventy-one AK-47s, to Bunker 22 on June 2, 2009. Afghanistan's

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Disarmament of Illegal Armed Groups ("DIAG"),¹ a division of its Ministry of the Interior ("MOI"), oversaw that process. The Item Material Issue Form documenting Bunker 22's receipt of these firearms is attached as **Exhibit A**.

Around the same time, the Company decided to replace various weapons used in Afghanistan – including weapons obtained from Bunker 22 – with new weapons to be purchased in the United States. The Company began exploring options to source the weapons in the United States and/or the United Kingdom. After exploring various purchase options, in September the Company purchased replacement M-4 type rifles in the United States and also began discussing the future replacement of the weapons with DIAG. To ensure that Xe did not exceed the 500 firearms allowed by its Private Security License ("PSL"), DIAG instructed the Company on or about January 4, 2010 to turn in existing weapons on its PSL that would be replaced on a one – to – one basis by newly acquired firearms. The date set for turning in weapons to be "exchanged" on the PSL for newly acquired weapons was January 25, 2010.

In response to DIAG's instructions the Company immediately began to collect for disposition the remaining firearms obtained from Bunker 22, as well as other firearms obtained in Afghanistan. Although most of these weapons were collected and transported to Camp Integrity – the Company's central facility in Kabul, by January 25, 2010 – circumstances prevented the return of weapons from Camp Lonestar until on or about February 3.²

On January 25, 2010, Heath Hancher, CNTPO Logistics Supervisor, turned in 390 firearms – 189 AK-47 rifles, 199 Smith & Wesson 9mm pistols, and two Remington 12-gauge shotguns – to DIAG. An inventory of these weapons, signed by both Xe and DIAG representatives, is attached hereto as **Exhibit B**. All of these firearms had been used or were intended to be used to provide personal protection for Company personnel. The AK-47 rifles turned in at this time were likely issued to the Company from Bunker 22. The Smith & Wesson 9mm pistols appear to have originated from CSTC-A, but may have been issued to the Company by CSTC-A through Bunker 22.³

¹ DIAG has become the Afghani regulatory agency that monitors and enforces private contractors' registration, possession and disposition of firearms.

² In January, the Company transported those weapons to a U.S. government-operated airfield near Jalalabad that was approximately 50 kilometers from Camp Lonestar. However, their transport to Kabul was delayed due to adverse weather conditions and maintenance issues with available transport aircraft.

³ The Smith & Wesson 9mm pistols appear to have been originally procured by CSTC-A and issued to defense contractors in Afghanistan. As previously communicated by counsel for Xe (Crowell & Moring) in a letter to the Committee dated September 18, 2009, Smith & Wesson verbally confirmed that in October 2006 it shipped a large number of 9mm pistols to the Department of Defense in Afghanistan, and that CSTC-A provided 9mm pistols to Blackwater (U.S. Training Center's predecessor) for personal protection in connection with performing a

(cont'd)

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After purchasing replacement M4-type rifles on September 2, 2009 in the United States, Xe shipped 394 replacement firearms (equal numbers of M4-type rifles and Glock 9mm pistols) to Afghanistan pursuant to a valid export license. In late January 2010, they were added to the PSL and issued to Xe personnel in the field. These 394 firearms, however, were insufficient to outfit all of Xe's personnel who are authorized to possess weapons under respective letters of authorization. To address the shortage, the Company is in the process of obtaining an export license to ship additional firearms to Afghanistan.

Because the additional replacement weapons have not yet received export clearance, the Company has retained fifty-three AMD-65 type rifles for use in the field. The retained AMD-65s are listed on the first two pages of Exhibit C (attached) as entries 1-53. Last week, the Company obtained approval from DIAG to possess and use these weapons (as well as various Smith & Wesson 9mm pistols) under the PSL. Exhibit C indicates which of these weapons are currently issued to Company personnel and which are being stored at Camp Integrity. Once the second installment of firearms arrive from the United States, Xe will turn in the fifty-three AMD-65s, along with the Smith & Wesson 9mm pistols listed on Exhibit C to Bunker 22 through CSTC-A.

Beginning in or around January 2010, the Company explored arrangements for the remaining Bunker 22 firearms in its possession - as well as other weapons it acquired in-country - to be demilitarized, or "demil-ed," by the U.S. Army's certified armorer at Camp Phoenix. On February 18, however, Company personnel received guidance from CSTC-A that it should turn in these weapons to Bunker 22 through CSTC-A.⁴ The correspondence attached as Exhibit D lists the weapons that the Company is turning in to Bunker 22 pursuant to CSTC-A's instructions.

Prior to receiving CSTC-A's guidance, however, a small quantity of weapons had already been delivered to Camp Phoenix for demilitarization. Exhibit E lists these weapons, and the Company will provide documentation confirming the demilitarization of these weapons when it is received.

(... cont'd)

subcontract with Lockheed Martin to conduct Counter Narcotics Investigative Instruction to the Afghan Counter Narcotics Police, Afghan Border Police, and other Afghan agencies.

⁴CSTC-A identified CW04 Gregory Sailer, Ammunition Program Manager C/4 Operations, NATO Training Mission - Afghanistan to oversee this process. Upon information and belief, Sailer also coordinated the original transfer of weapons from Bunker 22 to the Company, as detailed in the Company's January 14 letter.

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The AK-47s listed on Exhibit D appear to have originated from Bunker 22. It is unclear, however, from where the AMD-65s weapons possessed by the Company originated. Former Company personnel recall that CSTC-A issued 60 AMD-65s and 60 Smith & Wesson 9mm pistols to the Company for use by Afghan Narcotics Interdiction Unit students being trained at the Herat site and a similar number of weapons being issued to train students at the Gardez site. Although the Company's inquiry into the matter is ongoing, no documentation regarding the transfer of these weapons from CSTC-A has been located. It is possible that these weapons were stored at Bunker 22 prior to being issued by CSTC-A.

Similarly, former Company personnel recall being directed by CSTC-A in the fall of 2006 to pick up weapons from Bunker 22 and deliver them to new training sites for the Afghan Border Police program (Shebrehghan and Spin Bolduk) for training purposes. Former Program Manager Greg Sims recalled that, pursuant to CSTC-A's authorization, he and other Company personnel (including Ricky Chambers, J.D. Stratton, Dexter West, and Mike Brown) accompanied an Afghan Logistics officer to Bunker 22 in the fall of 2006 to pick up weapons for the initial class of Border Police to be trained at the Shebrehghan site. United States military personnel presented them with a sealed Conex box containing 110 AMD-65 rifles and 110 Smith & Wesson 9mm pistols to be used by the Afghan students.⁵ Sims recalls that all of the paperwork associated with the transfer was presented to the Afghan logistics officer. The box and its contents were then transported to the Shebrehghan training site and distributed to the students there. This process was repeated for the Spin Bolduk training site several weeks later.⁶ It is unclear whether the Company retained any of these weapons after the students' training was completed or, if so, how many.

Similarly, it is unclear where the small number of RPK/PKM weapons listed on Exhibit D originated. Current and former Company personnel variously recall that these weapons were issued by CSTC-A through Bunker 22 for force protection purposes or were issued by CSTC-A to provide firearms training to Afghan Narcotics Interdiction students at the Herat and Ghazni sites.

As explained in footnote 3, *supra*, and above, the Smith & Wesson 9mm pistols listed on Exhibit D appear to have been provided to the Company by CSTC-A, although some may have been issued through Bunker 22.

⁵ Sims believes, but is not sure, that the Conex box also contained ammunition for the weapons.

⁶ Sims recalled that the same personnel that accompanied him to Bunker 22 for the Shebrehghan weapons also participated in the transfer of weapons to Spin Bolduk several weeks later.

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7. If Blackwater presently has no weapons from Bunker 22, what was done with the weapons from Bunker 22? When did that occur? Please provide any documents relating to the disposition of those weapons.

See response to Question No. 6, above.

9. Are the two dates on which Blackwater acquired weapons from Bunker 22 (December 2007 and January 2008) and a third occasion on which Blackwater may have acquired weapons from Bunker 22 (September 2007), the only occasions on which Blackwater acquired weapons from Bunker 22? If there are other occasions on which Blackwater acquired weapons from Bunker 22, please provide the following for each visit:

- a. When were the weapons obtained?*
- b. How many weapons were obtained?*
- c. What type of weapons were obtained?*
- d. Who picked up those weapons?*
- e. Who at Bunker 22 facilitated the transfer of and/or provided these weapons to Blackwater?*
- f. What was the purpose for each transfer?*
- g. Were documents completed to record the transfer?*

As noted above, the interviews we have conducted thus far indicate that, in addition to the occasions noted in the January 14, 2010 submission, Company personnel obtained firearms from Bunker 22 on at least two other occasions. Specifically, it appears that in the fall of 2006 Ricky Chambers, J.D. Stratton, Dexter West, Mike Brown and Gregory Sims made two visits to Bunker 22 with an Afghan logistics officer and procured 2 shipments of 110 AMD-65s and 110 Smith & Wesson 9mm pistols to be used in training Afghanistan Border Patrol students at the Shebreghan and Spin Bolduk sites. Unidentified U.S. military personnel at Bunker 22 effected each of the transfers, the documentation of which was presented to the Afghan logistics officer. It is also possible that the AMD-65 rifles and Smith & Wesson pistols issued by CSTC-A to the Herat and Gardez training sites originated from Bunker 22.

Notably, we have been unable to interview individuals who have been asked to testify before the Committee.⁷ It is therefore possible that the Company acquired weapons from Bunker 22 on occasions in addition to those identified thus far.

⁷ In declining to provide additional information to the Company on this issue, Company personnel have raised concerns that their cooperation with the Company investigation may be considered a waiver of any applicable privileges or rights. In order to address that concern and obtain the information that the Committee has requested, the Company has asked Committee staff to provide it with a written assurance that information

(cont'd)

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10. Are there any occasions on which Blackwater acquired ammunition from Bunker 22? If so, please provide the following for each visit:
- when was the ammunition obtained?
 - How much ammunition was obtained?
 - What type of ammunition was obtained?
 - Who picked up the ammunition?
 - Who at Bunker 22 facilitated the transfer of and/or provided the ammunition to Blackwater?
 - what was the purpose for each transfer?
 - were documents completed to record the transfer

It appears that J.D. Stratton regularly obtained 7.62 mm and 5.56 mm ammunition from Bunker 22 until mid-2009. On occasion, it appears that other Company personnel obtained ammunition from Bunker 22 as well.⁸ The ammunition was evidently used to train large numbers of students for the Afghan Border Police and Afghan Narcotics Interdiction Unit programs as well as for Company personnel's personal protection. No documents relating to these transfers appear to exist, and none have been located. Due to the lack of records, the Company is unable to determine how much ammunition was obtained from Bunker 22, but it was possibly in the tens of thousands of rounds. The Company has been unable to interview Mr. Stratton on this issue.⁹

11. Which Blackwater-affiliated companies have, at any point, used weapons from Bunker 22? Which contracts were they used on?

Each of the Xe-affiliated companies (or their predecessors) that operated in Afghanistan used and/or possessed weapons from Bunker 22, including Blackwater Security Consulting, Blackwater Lodge & Training Center, and Presidential Airways. The weapons were used for personal protection by Company personnel on at least the following contracts: Afghan Narcotics Interdiction Unit (TORP 117) and Afghan Border Patrol (TORP 55) and their

(... cont'd)

provided by individuals to Company counsel would not be relied upon in any subsequent claim of waiver. No such assurances have been provided as of the date of this letter.

⁸For example, in late 2004 Company personnel, including Ricky Chambers, Steve Kennedy, Brad James and Michael Estrada, obtained several thousand rounds of 7.62 mm ammunition to be used to train Afghan students in the Afghan Narcotics Interdiction Unit program. The ammunition was obtained from an unidentified Afghan compound on the outskirts of Kabul that likely was Bunker 22. Similarly, quantities of ammunition may have been contained in the Conex boxes transported from Bunker 22 to the Shebreghan and Spin Bolduk sites in the fall of 2006.

⁹ See note 7.

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predecessor contracts. It also appears that eighteen Bunker 22 weapons (AK-47s) were provided to Presidential Airways to be stored on STOL aircraft in the event of a forced landing. However, it appears that these weapons were never physically issued to Presidential Airways personnel and were returned to Company facilities in Kabul when authorization to use the weapons for this purpose was not obtained.

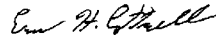
12. Were any weapons and/or ammunition in Blackwater's possession in Afghanistan ever exchanged for anything of value? If so, please provide the details of each transaction, including:

- a. The person(s) from Blackwater who made the sale and/or exchange;*
- b. To whom the weapons and/or ammunition was sold and/or exchanged;*
- c. The date of each transaction;*
- d. The value of each transaction.*

Our interviews thus far have not identified any instances where weapons or ammunition obtained from Bunker 22 were exchanged for anything of value.

Should you have any additional questions do not hesitate to contact me.

Sincerely yours,



Eric H. Cottrell

cc: Senator John McCain, Ranking Member
Mr. Christian Bonat, General Counsel, Xe Services LLC
Mr. David Hammond, Esq.

From: Jeffrey Morin
Sent: Fri 2/19/2010 5:31 AM
To: Sailer, Gregory USA CWO4 USN NTM-A/CSTC-A CJ4
Subject: RE: Weapons Turn-In (UNCLASSIFIED)

CWO4 Sailer,

As per your instructions, please see the attached list of weapons, a total of 190, to be returned to Bunker 22. The spreadsheet consists of 4 separate sheets, 1 for each type of weapon.

We are prepared to transport the weapons and conduct a joint inventory at the drop off site at your convenience. Appreciate the assistance and if you need anything else, please send me an email.

Thank you again,

Jeff Morin
Director of International Operations
USTC

From: Sailer, Gregory USA CWO4 USN NTM-A/CSTC-A CJ4
[mailto:Gregory.Sailer@navy.mil]
Sent: Thu 2/18/2010 8:29 AM
To: Jeffrey Morin
Cc: Ala, Eric M MAJ MIL US ARMY NTM-A/CSTC-A CJ4
Subject: Weapons Turn-In (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: FOUO

Sir,

Can you please provide the type, quantity, and serial numbers of the weapons you want to turn-in. If you provide the serial numbers on in Excel format it will be easier for us to complete your turn-in documents.

Please let me know if you have any questions.

V/R

CWO4 Sailer

CWO4 Greg Sailer

Ammunition Program Manager C34 Operations

NATO Training Mission - Afghanistan/

Combined Security Transition Command - Afghanistan

[REDACTED]

Classification: UNCLASSIFIED

Caveats: FOUO

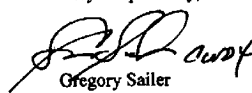
TAB 16

19 February 2010

From: Gregory Sailer, CWO4, United States Navy
To: United States Senate, Senate Armed Services Committee (Attn: Ilonah Cohen)

In response to your request dated 15 February 2010, below are the answers to your questions.

Very Respectfully,


Gregory Sailer
CWO4 USN

Acquisition of Weapons by Blackwater from 22 Bunkers

1. In a January 14, 2010 letter to the Committee, Blackwater informed the Committee that its armorer, Jerry D. (JD) Stratton, Jr. asked you to furnish Blackwater with weapons from 22 Bunkers and that in December 2007, you provided him with approximately 150 AK-47s. Blackwater has advised the Committee that no paperwork or receipts were completed to document the transfer of those weapons.

- a. Did you provide any Blackwater personnel with weapons in or around December 2007?

Answer 1.a.: I do not specifically recall any weapons transactions with Blackwater personnel in or around December 2007.

- b. If weapons were provided in or around December 2007, did you understand that Blackwater intended to use the weapons to arm its contractors?

Answer 1.b.: Although I do not specifically recall this transaction, as a general matter, I have no visibility of the weapons once they depart 22 Bunkers. I do not know if they reach their signed-for destination or for what purpose they are actually used. Additionally, I do not recall any weapons issued from 22 Bunkers intended for use by Blackwater to arm its contractors.

- c. If such weapons were provided, did you discuss the purpose for which they were intended? Please describe that discussion, including when it took place and who was present?

Answer 1.c.: Although I do not specifically recall this transaction, to my knowledge, I do not recall ever having a conversation with anyone picking up weapons from 22 Bunkers regarding the intended use of the weapons.

- d. If such weapons were provided, was the transaction approved by the Ministry of the Interior and/or CSTC-A? If so, who at the MOI and/or CSTC-A?

Answer 1.d.: Although I do not specifically recall this transaction, to my knowledge all issues of weapons from 22 Bunkers were approved by CSTC-A CJ4 Afghan National Police Requirements Division ("ANP Requirements"). For the issue of weapons, my office would receive an email, hand delivery, or Intranet Sharepoint document containing a requisition authorization approved by ANP Requirements.

e. Please indicate what paperwork was required at that time to document transfers of weapons from 22 Bunkers?

Answer 1.e.: To my knowledge, prior to February 2009, there was not a written policy or instruction identifying what paperwork to use to document a weapons transaction. Transactions during December 2007 would have been documented on either an ANP 3161 form or MOI9 form depending on the exact date, as the form changed during December 2007. On 26 February 2009, Director, CJ4, issued "CSTC-A Weapons and Ammunition Standard Operating Procedures (SOP)" directing that the MOI9 form be used for all weapons or ammunition issues.

2. In its January 14, 2010 letter to the Committee, Blackwater said that in January 2008, JD Stratton asked you for additional weapons from 22 Bunkers. Blackwater said that company personnel subsequently picked up approximately 150-175 AK-47s from the facility. According to the company, you were not present on the day of the pick-up, so company personnel instead dealt with a U.S. Air Force serviceman. The Company said that there was no documentation prepared regarding the transfer of the weapons.

a. Did you facilitate the transfer of weapons to any Blackwater personnel in or around January 2008?

Answer 2.a.: I do not specifically recall any weapons transactions with Blackwater personnel in January 2008.

b. If weapons were provided in or around January 2008, did you understand that Blackwater intended to use the weapons to arm its contractors?

Answer 2.b.: See answer 1.b.

c. If such weapons were provided, did you discuss the purpose for which they were intended? Please describe that discussion, including when it took place and who was present?

Answer 2.c.: See answer 1.c.

d. If such weapons were provided, was the transaction approved by the Ministry of the Interior and/or CSTC-A? If so, who at the MOI and/or CSTC-A?

Answer 2.d.: See answer 1.d.

- e. Are you aware of any instance in which weapons were distributed to Blackwater personnel without required paperwork being completed?

Answer 2.e.: No, not that I can recall.

- f. Are you aware of any other U.S. servicemember providing weapons from 22 Bunkers to Blackwater in or around January 2008?

Answer 2.f.: No, not that I can recall.

- g. Please provide the names of U.S. Air Force personnel who were serving at 22 Bunkers in or about January 2008?

Answer 2.g.: There were no U.S. Air Force servicemen serving at 22 Bunkers in or about January 2008.

3. On January 8, 2010, CSTC-A provided the Committee with hand receipts from 22 Bunkers showing that in September 2008, you provided 211 AK-47s to "BW CNTU," which CSTC-A said most likely refers to "Blackwater Counter Narcotics Unit." According to CSTC-A, "the purpose of each weapons and ammunition transfer is for the official purposes of training the Afghan National Police and for use by the ANP. Weapons would not have been issued to Blackwater or any other contractor for personal use by its employees as that is a responsibility of the contractor.

- a. At the time of the September 2008 transfer of weapons to Blackwater, did you understand that Blackwater planned to use the weapons to arm its contractors?

Answer 3.a.: See answer 1.b.

- b. Was the purpose for which the weapons were intended discussed with you? If so, please describe that discussion, including when it took place and who was present.

Answer 3.b.: See answer 1.c.

- c. When such weapons were provided, was the transaction approved by the Ministry of the Interior and/or CSTC-A? If so, who at the MOI and/or CSTC-A?

Answer 3.c.: See answer 1.d.

- d. Why were weapons issued from 22 Bunkers to Blackwater in September 2008 if the policy at the time was that ANP logistics officers were required to personally sign for any weapons issued to the ANP?

Answer 3.d.: To my knowledge, prior to February 2009, there was never a formal "policy" establishing who was authorized to sign for weapons issued from 22 Bunkers. In approximately January 2008, I changed the previous practice in an effort to get the receiving ANP logistics

officers to take accountability for their weapons issues. There may have been times when the practice was not strictly followed for a variety of logistical reasons, but I do not recall specific instances of when this may have been done.

4. Testimony provided to the Committee indicates that Blackwater acquired additional AK-47s and possibly pistols from 22 Bunkers in November or December of 2008.

- a. Did you or any other U.S. servicemember transfer weapons or facilitate the transfer of weapons to Blackwater personnel in or about November or December 2008?

Answer 4.a: I do not specifically recall any weapons transactions with Blackwater personnel in November or December 2008.

- b. If such weapons were provided, did you understand that Blackwater planned to use the weapons to arm its contractors?

Answer 4.b: See answer 1.b.

- c. Was the purpose for which the weapons were intended discussed with you? If so, please describe that discussion, including when it took place and who was present.

Answer 4.c: See answer 1.c.

- d. If such weapons were provided, was the transaction approved by the Ministry of the Interior and/or CSTC-A? If so, who at the MOI and/or CSTC-A?

Answer 4.d: See answer 1.d.

Weapons Returned

5. On June 2, 2009, after being directed by the Army to return weapons used by its Paravant contractors, Blackwater returned 71 AK-47s to 22 Bunkers, which it said was the "facility from which the weapons were obtained." MSG Vigil accepted the weapons and emailed you, notifying you that Mr. Stratton had returned the weapons.

- a. Why did MSG Vigil email you about the weapons?

Answer 5.a: MSG Vigil frequently called or emailed me about weapons transactions, including weapons turn-in. This is not uncommon. To date, I still receive emails and phone calls from mentors with questions about how to turn-in weapons.

- b. When did you first learn that weapons issued from 22 Bunkers had been used by Paravant contractors?

Answer 5.b.: I am currently not aware that weapons issued (or distributed) by 22 Bunkers were used by Paravant contractors. On 8 July 2009, I was informed that law enforcement personnel had a warrant for weapons that had been turned in by Counter Narcotics mentors on 2 June 2009, which were allegedly used by Paravant contractors in a shooting incident. Upon learning this I immediately notified my Chain of Command.

- c. If the weapons were provided, did you discuss the purpose for which they were intended? Please describe that discussion, including when it took place and who was present?**

Answer 5.c.: No, because as stated in my answer to 5.b., I was not and am not aware that this was the case.

- d. Did you discuss with Mr. Stratton or anyone at Blackwater why the weapons had been used for an unauthorized purpose? If so, please describe that discussion(s), including when it took place and who was present?**

Answer 5.d.: Shortly after learning that weapons turned in to 22 Bunkers by Counter Narcotics were alleged to have been used in the shooting by Paravant, I recall confronting Mr. Stratton via telephone about why he had not told me about the status of the weapons. He responded with words to the effect of he was unaware that they had been used in the shooting.

Weapons Provided to Other Contract Companies

6. A December 2007 email provided to the Committee by Blackwater suggests that you were approached by David Wilson in late 2007 about providing weapons from 22 Bunkers to another contract company.

- a. Did you or anyone else at 22 Bunkers provide those weapons?**

Answer 6.a.: No, not that I recall. I do not recall being approached by David Wilson or any weapons transactions involving anyone by that name in December 2007. During my 2 ½ years in Afghanistan working with weapons, I am frequently emailed, called, or approached by mentors from various countries and agencies asking about how to obtain weapons.

- b. Was JD Stratton or anyone else at Blackwater involved in the request or the transaction? If so, please describe how?**

Answer 6.b.: Unknown.

- c. If the weapons were provided, did you discuss the purpose for which they were intended? If so, please describe that discussion, including when it took place and who was present.**

Answer 6.c.: See answer 1.c.

7. Documents provided by CSTC-A show that weapons were provided to Stephanie Perry at Dyncorp.

a. Did you transfer those weapons or facilitate the transfer of those weapons to Dyncorp?

Answer 7.a: The documents provided by CSTC-A show that Stephanie Perry signed for weapons being issued to a unit within the Afghan National Police, specifically ANCOP Kabul.

b. At the time of the transfer of weapons to Dyncorp personnel, was the purpose for which they were intended discussed with you? If so, please describe that discussion, including when it took place and who was present.

Answer 7.b: See answer 1.c.

c. If such weapons were provided, was the transaction approved by the Ministry of the Interior and/or CSTC-A? If so, who at the MOI and/or CSTC-A?

Answer 7.c: See answer 1.d

Other

8. Are you aware of anyone from Blackwater attempting to return government furnished weapons that had been assigned to the company by CSTC-A for their use on a CSTC-A contract, and being told to keep them.

Answer 8: No, not until I was approached by Mr. Stratton on 16 February 2010, asking how to turn-in weapons that he claimed belonged to CSTC-A. Due to the ongoing Senate Armed Services Committee hearing and based on guidance from my legal representation, I told him I could not talk with him. I told him to have another person from Blackwater/Xe contact me and I will give them directions on how to turn-in any weapons. I did not tell him to keep the weapons. I am not currently aware of any conversation in which Blackwater/Xe was told to keep weapons they were attempting to turn in.

9. Do you go by the nickname "Guns"?

a. If not, do you know anyone that goes by that nickname?

Answer 9 and 9.a: I do not go by the nickname "Guns." I do not know anyone that goes by the nickname "Guns." As an ordnance officer in the U.S. Navy I am routinely referred to as "Gunner" or as "Gunner Sailer." Mr. Stratton, as a retired Navy Aviation Ordnance Chief, specifically referenced this the first time I met him.

TAB 17

[Information retained in committee files.]

TAB 18



To: Victor Esposito, WPPS Program Manager
From: Mark Peddy, Regional Coordinator for Iraq WPPS Programs
Subject: Termination of Independent Contractor Sebastian Kucharski
Date: 22 September 2006

1. PURPOSE. To outline the events leading to the Independent Contractor's termination of contract with Blackwater Sebastian Kucharski after 560 deployed days.

2. SCOPE.

On 22 September 2006 at approximately 0200 hrs, Sebastian Kucharski was involved in an alcohol related incident which resulted in a physical altercation between himself and another Blackwater Independent Contractor.

Mr. Kucharski's actions and lack of prudent judgment in the consumption of alcohol resulted in an incident culminating in a physical altercation between himself and another Independent Contractor. After the physical altercation, Mr. Kucharski attempted to continue the confrontation and was once again stopped by Guard Force Personnel. Mr. Kucharski then verbally threatened the other Independent Contractor and Guard Force Personnel.

3. RECOMMENDATION.

Sebastian Kucharski conduct failed to meet the professional standard expected by all Blackwater IC's. His actions are an embarrassment to himself and Blackwater USA; therefore, there can be no other recommendation other than the immediate termination of his contract and subsequent removal from this area of operation.

Best Regards,

Mark Peddy
Regional Coordinator for Iraq
WPPS Department of State Programs for Blackwater

From: Tony Valusek
Sent: Monday, September 25, 2006 5:53 PM
To: 'isaacp; Redacted'
Cc: Conner, Billy M; 'Bennett; Redacted; Mass, Craig E; Strong, Lionel H; 'DS HTPOPS'; Victor Esposito; Danielle L. Morrison
Subject: Memorandum of Termination for Sebastian Kucharski

Sir,

At your convenience, please review the attached Letter of Termination for Sebastian Kucharski who had served 560 total days on contract up to the time of his termination.

It appears that Kucharski became involved in an alcohol related incident which escalated into a physical altercation between himself and another Blackwater Independent Contractor. Kucharski reportedly threatened another Blackwater Independent Contractor as well as Guard Force personnel who responded to assist with the incident.

As a result of his actions Kucharski's Independent Contractor Services Agreement was terminated effective this date.

Should you require additional information please do not hesitate to contact me.

Respectfully submitted,

Anthony Valusek
Special Projects Manager
WPPS Programs
Blackwater USA

Redacted

TAB 19

DNU RECOMENDATION FORM

Program Manager: Hugh Middleton

IC Name: Johnnie Walker

Description of Incident: Mr. Walker was terminated from his position as in-country PM for Paravant primarily for violating General Order 1, no drinking. By doing so repetitively, he cultivated an environment that indirectly lead to a serious incident which occurred 05 May '09 in Kabul. Additionally, he was an exceptionally ineffective PM. He failed to attend schedule meetings with DoD and NATO counterparts involved in fielding weapons and training to the Afghan National Army. He was consistently late on all required reporting to the Director of Paravant. He failed to provide the Director with meeting notes from a meeting with the CSTC-A Commanding General when asked by the Director to do so. All of the above, to which he admitted fault in doing. He signed his termination letter for alcohol use on 06 May '09.

PM Signature:

Date: 20 May 2009

Use additional sheets if necessary. Statements may be attached.

Exhibit A

Proprietary and Confidential

SASC014581

TAB 20

Raytheon

David C. Dickman
Vice President
Contracts & Supply Chain

Raytheon Technical Services Company LLC
12100 Sunrise Valley Drive
Reston, Virginia 20191
USA
703.295.2545
703.295.2579 fax

June 9, 2009

Paravant LLC
850 Puddin Ridge Road
Moyock, NC 27958

Attention: Jim Sierawski, Director of Contracts

Subject: Show Cause Notice

Ref: (1) U.S. Army Prime Contract W900KK-07-D-0001 ("Warfighter FOCUS Contract")
(2) Subcontract Master Agreement, dated September 17, 2008, Between RTSC and Paravant ("Subcontract")
(3) RTSC Task Order No. 4500372417 to Paravant, dated October 22, 2008 ("Task Order")

Dear Mr. Sierawski:

Raytheon Technical Services Company LLC ("RTSC") hereby gives notice to Paravant LLC of Paravant's failure to perform the Task Order, issued under the Subcontract, in accordance with its terms and conditions. Accordingly, RTSC directs Paravant to show cause in writing, by 12:00 p.m. Eastern Time on Monday, June 15, 2009, why RTSC should not terminate the Subcontract for default under Article 5 (Termination for Default) of Section D.01 of the Subcontract. Nothing in this letter is intended to waive, or should be construed as waiving, any of RTSC's rights under the Subcontract or the Task Order.

Reference is made to the Paravant shooting incident that occurred around 9 p.m. local time in Kabul on May 5, 2009. The available evidence concerning the incident shows the following: (1) that after consuming alcoholic beverages at a going-away party at the Kabul Military Training Center ("KMTC"), four Paravant personnel checked out two Paravant SUVs and several weapons, including at least one AK-47 assault rifle, and drove off the training center, all without authorization; (2) that one of the SUVs, while speeding and trying to swerve around a slow or stopped truck on Jalalabad Road, rolled over and left the road; and (3) that the two Paravant personnel in the second SUV fired their weapons, including the AK-47, at a car being driven by an innocent Afghan local national, causing the death of a passenger in the car and serious injuries to the driver of the car and to a bystander who is in a coma and not expected to live.

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Based on this incident, Paravant is in default of the terms of the Subcontract and Task Order in the following respects:

1. Paravant personnel possessed weapons outside the KMTC on May 5, 2009, without authority or permission and in contravention of (a) DFARS Clause 252.225-7040 (Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States), as incorporated in Subsection D.03 of the Subcontract, (b) Section 4.2 of the Statement of Work, which is incorporated in and made a part of the Subcontract ("SOW"),¹ and (c) Subsections B(i), (iv), and (v) of Section K of the Subcontract.²
2. Paravant personnel consumed alcoholic beverages on May 5, 2009, in contravention of Section 4.2 of the SOW and Subsections B(i), (iv), and (v) of Section K of the Subcontract;³
3. Paravant personnel drove vehicles off-base for reasons unrelated to the performance of the Subcontract, in contravention of Section 4.2 of the SOW and Subsections B(i), (iv), and (v) of Section K of the Subcontract;
4. Paravant failed to report the May 5, 2009, incident in a timely manner to RTSC or the U.S. Army, in contravention of Section 4.2 of the SOW and Subsections B(i), (iv), and (v) of Section K of the Subcontract; and

¹ SOW Section 4.2 obligates Paravant to ensure that its personnel perform "in a competent, quiet, and lawful manner . . . in a way that does not cause contractor to break any laws or . . . cause . . . CSTC-A . . . any embarrassment. Contracted employees will follow and obey any and all rules [and] regulations . . . devised by the contractor, CSTC-A, and the ANA."

² These provisions state in part that "Subcontractor will ensure that its personnel, representatives, and agents behave at all times in accordance with the highest professional and ethical standards" and that "Subcontractor will comply with, and shall cause all of its personnel, representatives, and agents to comply with, all applicable laws, regulations, treaties, and directives in the performance of this Subcontract."

³ CENTCOM General Order 1B, incorporated into the Subcontract by DFARS 252.225-7040(d)(4), prohibits the "possession . . . or consumption of any alcoholic beverage in . . . Afghanistan."

5. Paravant failed to exercise sufficient command, control, and oversight of its personnel, resulting in the multiple violations of applicable contract requirements associated with the incident, in contravention of Section 4.2 of the SOW, Subsections 7.1 and 7.9.1 of Section A of the Subcontract,⁴ paragraph 20 of Subsection D.01 of the Subcontract,⁵ and Subsections B(i), (iv), and (v) of Section K of the Subcontract.⁶
6. Paravant has caused grievous embarrassment and other reputational damage to the U.S. Army and RTSC in violation of Section 4.2 of the SOW.

As a result of the foregoing, RTSC may terminate the Subcontract for default in accordance with paragraph (a) of Article 5 of Section D.01 of the Subcontract. Before making a final decision in this matter, RTSC directs Paravant to deliver to the undersigned a submission in writing addressing RTSC's right to terminate the Subcontract for default. RTSC may consider Paravant's failure to present such a submission by 12:00 p.m. Eastern Time on Monday, June 15, 2009, as an admission of the contents of this notice.

Sincerely,


David C. Dickman

⁴ Subsection 7.1 provides that Paravant "shall organize, coordinate, and control its program activities to ensure compliance with the Subcontract requirements in a professional manner." Subsection 7.9.1 provides in part that Paravant "shall be responsible for and have control over the acts, errors and omissions of its lower-tier subcontractors and any other persons performing any of Subcontractor's obligations under this Subcontract."

⁵ Paragraph 20 provides in part that "Seller shall be responsible for the actions and failure to act of all parties retained by, through, or under Seller in connection with the performance of this Purchase Order."

⁶ Subsection B(i) warrants that Paravant "will be fully responsible for the effective and responsive management and direction of all Subcontractor personnel, representatives, and agents."

TAB 21



June 15, 2009

Mr. David C. Dickman
Vice President
Contracts & Supply Chain
Raytheon Technical Services Company, LLC
Reston, Virginia 20191

RE: Show Cause Notice dated June 9, 2009

Dear Mr. Dickman:

This letter responds to your correspondence dated 9 June 2009 requesting Paravant LLC ("Paravant") to show cause why Raytheon Technical Services LLC ("RTSC") should not terminate for default the Subcontract Master Agreement between RTSC and Paravant dated 17 September 2008 ("Subcontract"). Paravant has not defaulted under Article 5 of Section D.01 of the Subcontract based on the events of 5 May 2009 described in your letter (the "Show Cause Notice"). These events, while tragic and unfortunate, either do not constitute a breach of the Subcontract or RTSC waived or is otherwise estopped from terminating the Subcontract based on RTSC's full knowledge and consent to Paravant's actions.

A. *The Actions of the Four Off-Duty Independent Contractors Are Outside the Scope of the Subcontract and Are Unrelated to Subcontract Performance*

Although the four individuals were independent contractors performing services for Paravant prior to 5 May 2009,¹ it is hornbook law that an entity is not liable for misconduct of one of its employees or that occurs beyond the scope of that individual's employment. An entity is likewise not liable for actions of an independent contractor involving conduct beyond the scope of the contractor's engagement. Accordingly, such conduct provides no basis for RTSC claiming the right to terminate the Subcontract by default.

¹ At the time of the incident, two of the four independent contractors may not have been a subcontractor to Paravant. On 5 May 2009 at 0941 hours Kabul time, Messrs. McClain and Amando submitted a joint e-mail with the subject line entitled stationary "5 may 2009 letter of intent" and stating that "it is time to move on" and expressing "appreciat[ion for] the opportunity . . . to work for this company." Paravant reserves its rights on this topic.



The clauses in the Subcontract cited in the Show Cause Notice do not hold Paravant contractually responsible for the conduct of independent contractors, let alone Paravant's "personnel, representatives or agents," when those individuals are engaged in conduct unrelated to the performance of the Subcontract or their contracted duties:

- Section 7.1 of the Subcontract applies only to "program activities."
- Section 7.9.1 of the Subcontract only applies to the performance of the "Subcontractor's obligations under this Subcontract."
- Section 4.2 of the Subcontract's Statement of Work ("SOW") applies only to "the performance of the "jobs" and the "tasks . . . to be accomplished" under the Subcontract. Moreover, Section 4.2 also expressly limits its application to the contractor's "employees" and does not extend to Paravant's subcontractors, including independent contractors.
- Section 4.3 of the SOW only applies to "training" under the subcontract.
- Subsections B(i), (iv), and (v) of Section K of the Subcontract only apply to actions taken "during the performance of this Subcontract." Indeed, the reference the "management and direction" and the "behav[io]r" of "personnel, representatives, agents," is in the context of the "Subcontractor's obligations under the Subcontract" and the Subcontractor's "performance of this Subcontract."
- Paragraph 20 of Subsection D.03 of the Subcontract only applies to Paravant's obligation to maintain insurance for certain acts and omissions. Paragraph 20 contains no affirmative, contractual obligation to supervise, control, or prevent poor judgment of off-duty individual engaged in activities unrelated to the performance of the Subcontract.

At all times relevant to the 5 May 2009 incident, the four off-duty independent contractors were not engaged in "program activities" (Subcontract, Section 7.1), were not "performing any of the Subcontractor's obligations" (Subcontract, Section 7.9.1), were not performing any "job" or accomplishing any "task" under the Subcontract (SOW, Section 4.2), were not engaged in any "training related incident" (SOW, Section 4.3) or other contracted task "during performance of this Subcontract" (Subsections B(i), (iv), and (v) of Section K of the Subcontract). The terms of the Subcontract do not obligate Paravant to be the guarantor of personal, off-duty, out-of-scope behavior of all independent contractors and other subcontractor personnel 24 hours a day, seven-days-a-week.²

² If RTSC believes that Paravant has an obligation to supervise all subcontractor personnel at all times, Paravant provides notice under Section 15 of the Subcontract (Changes) that RTSC has requested a change to the contract that will "cause an increase . . . in the cost of performance of this Purchase order." Paravant will need to submit a request for equitable adjustment for the additional personnel, security, and other costs of providing such "24-7" supervision throughout Afghanistan.



That the Subcontract provisions cited in the Show Cause Notice do not cover individual conduct unrelated to the performance of the contract is of no surprise. A company is not liable for the acts of its independent contractors that cause harm to others except in limited circumstances that are inapplicable here. See *Norfolk & Western Ry. Co. v. Johnson*, 207 Va. 980 (Va. 1967).³ There is no dispute that these four independent contractors were off-duty and not engaged in any training or other task required under the contract. Indeed, as discussed *infra* regarding use of the vehicles involved in the 5 May 2009 incident, RTSC admits in the Show Cause Notice that the entire trip by the four independent contractors was "unrelated to the performance of the Subcontract."

This conclusion is evident, even if the individuals responsible for the May 5 2009 incident were employees of Paravant, rather than independent contractors. It is axiomatic that employers are not liable for the actions of their employees taken beyond the scope of employment. Virginia case law establishes that, even in the extreme situation where an employee shoots other individuals ostensibly while the employee is on duty, the employer is not liable where the conduct is clearly outside the scope of the employee's duties. *Kensington Assoc. v. West*, 234 Va. 430 (Va. 1987); *Cary v. Hotel Rueger, Inc.*, 195 Va. 980 (Va. 1954). As discussed above, the Subcontract's terms do not go beyond this basic hornbook law.

Because the termination for default provision of the Subcontract applies only to activities within the scope of the Subcontract's performance, the conduct of the four off-duty independent contractors cannot constitute a breach for an alleged failure "to exercise sufficient command, control, and oversight of its personnel." Other specific allegations in the Show Cause Notice are addressed below.

B. Possession of Weapons

RTSC has ratified the use of weapons, waived any right to claim breach, and is equitably estopped from seeking termination of the Subcontract on the grounds that "Paravant personnel possessed weapons outside the KMTC on May 5, 2009, without authority or permission" At all times relevant to the Show Cause Notice, RTSC's Country Manager, Mr. Brian McCracken, had full knowledge of the possession and use of such weapons by the Paravant independent contractors.

³ Section 7 of Subsection D.01 of the Subcontract specifies that "the Purchase Order will be construed and interpreted according to the laws of the State where the Purchase Order is issued, without resort to said State's Conflict of Law Rules." The Purchase Order was issued in the Commonwealth of Virginia. Although the legal status of the relationship vis-à-vis Paravant and its independent contractors is not controlled by the terms of Subcontract, Paravant cites Virginia law as for illustrative purposes. The laws of other relevant states are similar on this point.



The record is undeniable that Mr. McCracken, when functioning as Paravant's Vice President and setting up this program, directly participated in the planning and equipping of Paravant independent contractors with weapons for personal protection. Mr. McCracken worked directly with the personnel in charge of a company-owned armory in Kabul, operated by U.S. Training Center ("USTC"), an affiliate of Paravant, to obtain those weapons. When requesting weapons in an internal e-mail on October 17, 2008, Mr. McCracken stated, "As for weapons. We only want them so that we are armed while transiting from the Airport to Eggers, Phoenix, flying to Jbad, Kandahr, [and] Gardeyz." He further stated in the same e-mail that the weapons were needed for "making regular trips to the airport, Eggers and KMTC in vehicles." Not only was it Mr. McCracken's intent for the weapons to be carried and used for personal security off the training range, Mr. McCracken had personal knowledge that such weapons were used by Paravant independent contractors when driving vehicles outside of KMTC. Mr. McCracken himself carried a weapon in the same manner while in Kabul working for Paravant while lacking authority to possess a weapon under his then existing Letter of Authorization ("LOA").

The record is also clear that Mr. McCracken sought to change the ("LOAs") to permit the possession of weapons, even after leaving Paravant and working as RTSC's Country Manager. After Paravant replaced Mr. McCracken, the new Vice President of Paravant learned that Paravant's independent contractors possessed weapons without the proper authorization under the LOAs. The new Paravant Vice President promptly sent an e-mail to Mr. McCracken on 11 March 2009 asking, "Did Raytheon approve carrying weapons for Paravant? Are they, Raytheon, actively seeking to provide us with an LOA for weapons?" Mr. McCracken replied that as RTSC's new Country Manager, "I will be the one actively seeking a change in the LOA to carry weapons." He further replied, "COL Wakefield apparently did not do this [i.e., request a change to the LOA's] correctly. Again, *this is something that falls on the new Raytheon Country Manager to get as no one at CSTC-A knows how to make the request, although all agree it needs to be done.*" (Emphasis added.) The only limitation mentioned by Mr. McCracken in the same e-mail was to "not carry weapons when [the independent contractors] were going to the chow hall, work out rooms etc. . . ."

Therefore, RTSC's Country Manager had full knowledge of Paravant possession and use of weapons and ammunition for personal protection outside of KMTC, including their use when driving vehicles off the base. That knowledge is imputed to RTSC. Section 8.3 of the Subcontract, under the Section entitled "RTSC Responsibilities," states, "If RTSC observes or otherwise becomes aware of a defect or deficient in Subcontractor's performance, RTSC shall give prompt written notice to the Subcontractor." Notwithstanding Mr. McCracken's first-hand knowledge, neither he nor any other official at RTSC instructed Paravant to discontinue the possession or use of the weapons for personal security prior to the 5 May 2009 incident. RTSC has ratified the use of such weapons, waived any alleged violation of the Subcontract, and is equitably estopped from terminating the Subcontract based



on "Paravant personnel possess[ing] weapons outside the KMTC on May 5, 2009, without authority or permission"⁴

C. Consumption of Alcoholic Beverages

While Paravant acknowledges that the individuals involved in the 5 May 2009 incident violated Paravant's written no-alcohol policy, those violations provide no basis for termination of the Subcontract. As discussed above, the four independent contractors were off-duty and not performing any obligation under the Subcontract. To the extent that each of the four individuals possessed or consumed alcoholic beverages on 5 May 2009, those individuals violated the terms of Paravant's independent contractor agreement as well as CENTCOM's General Order 1B. However, such actions are those of the four individuals and not of Paravant. Moreover, by its terms General Order 1B applies only to individuals ("This General Order 1B is applicable to all United States Military Personnel, and to all civilians, including contingency contractor personnel"). In addition, Paravant did not supply or have knowledge of the alcohol. Not only did each of the four independent contractors sign Paravant's no-alcohol policy, each one received at least one in-country briefing regarding that policy.⁵

Paravant's ability to monitor and enforce its own no-alcohol policy has been undermined by the actions of RTSC's management personnel in Afghanistan. For example, Paravant and USTC personnel have been informed that RTSC's management personnel consumed alcohol in Kabul with Paravant's then-In Country Manager during the evening of 22 April, 2009 at Becochios Restaurant in Kabul. Paravant subsequently terminated the contract with that In-Country Manager for violation of Paravant's alcohol policy and other reasons, only to be instructed by RTSC Country Manager that Paravant must continue contracting for the services of this individual for 30 days, even "if you make him a bus driver." Paravant did not follow this instruction.

⁴ Nor was the government customer unaware that Paravant independent contractors possessed weapons. It appears that Col. Bradford Wakefield had knowledge that Paravant independent contractors possessed such weapons, had purportedly taken action to request that the LOAs be modified (according to Mr. McCracken), and agreed that they were needed (according to Mr. McCracken). Likewise, on 8 January 2009, Paravant received an e-mail inquiry stating that "the Commander of ARSIC-S [Afghanistan Regional Security Integration Command - South] wanted to know why Paravant instructors "are carrying the AK[-47] when they are teaching M16 Rifle marksmanship," further explaining that "[s]eeing the [instructors] carrying [the AK-47] weapons [that] they [i.e., the Afghans] are used [sic] to and don't want to part with sends a mixed message" and further reporting that the Commander of ARSIC-S "asked what solution is possible and how soon it could be implemented."

⁵ The lead Army investigator verbally informed Paravant personnel during a debriefing on 19 May 2009 in Kabul that it was his conclusion that alcohol was not a contributing factor in the 5 May 2009 discharge of weapons.



Similarly, RTSC's Country Manager told a USTC Vice President in a telephone conversation occurring at approximately between 1000 and 1100 hours (EDT) on 29 April 2009, that he had a "case of Corona" beer in his room and looked forward to a toast to "Flashman" (a character in a loaned book from the USTC Vice President). Even assuming the Subcontract obligated Paravant to supervise and monitor all off-duty conduct of an independent contractor, the conduct of RTSC's own management regarding the use of alcohol sends the wrong message and has materially interfered with Paravant's ability to monitor and enforce its no-alcohol policy. As a result, RTSC has waived or is estopped from terminating the Subcontract for "Paravant personnel consum[ing] alcoholic beverages on 5 May 2009 . . ."

D. Use of Vehicles Off-Base for Reasons Unrelated To the Subcontract

Paravant agrees with RTSC that the use of the two vehicles by the four off-duty independent contractors on the evening of 5 May 2009 was "unrelated to the performance of the Subcontract" (Show Cause Notice, at 2.) By this statement, RTSC admits that the actions of the four off-duty independent contractors after leaving the base on the evening of 5 May 2009 were also "unrelated to the performance of the Subcontract" as discussed above. Therefore, for the same reasons as previously discussed, RTSC cannot terminate Paravant's Subcontract based on the use of a vehicle unrelated to the Subcontract. Moreover, the Subcontract provisions cited in the Show Cause Notice do not restrict Paravant's use of vehicles.

In addition, notwithstanding that the off-duty behavior of independent contractors is outside the scope of the terms of the Subcontract, Paravant on its own initiative issued an internal policy regarding the use of vehicles in December 2008. That policy states:

Official Use Only. Official use is defined by vehicle use that is required to accomplish your mission. Movement to and from work areas's [sic], i.e. ranges/classrooms, movement to official meetings/briefings, movement to and from airports to drop off or pick up personnel and movement to and from to pick up supplies.

Paravant Vehicle Use Policy, dated 1 December 2008.

The independent contractor's use of the vehicles on the evening of 5 May 2009 was not for official use and, as acknowledged by RTSC, was unrelated to the Subcontract. After the incident, as a responsible contractor, Paravant recognized the need to establish additional restrictions on the access to vehicles, but those restrictions were taken for internal purposes only and not to remedy a breach of the of the Subcontract.



E. Reporting Of the 5 May 2009 Incident in a Timely Manner

Paravant provided actual or constructive notice of the 5 May 2009 incident to RTSC and the U.S. Army in a timely manner.⁶ The incident occurred at approximately 2130 hours local Kabul time. In a further error in judgment, the four independent contractors contacted Mr. Johnnie Walker, the recently terminated Paravant In-Country Program Manager, rather than contacting the new Paravant In-Country Program manager, Mr. Tom Adams.

At approximately 0030 hours (Kabul time) on 6 May 2009, the USTC In-Country Program Manager, Mr. Mike Bush, first learned, indirectly from a source in the U.S. Embassy, that an incident occurred hours earlier that may have involved Paravant independent contractors. Mr. Bush notified headquarters in Moyock, NC, by telephone at approximately 0045 hours local time (1615 hours EDT on 5 May). However, little hard facts were known at the time and company personnel in Kabul were in the process of attempting to obtain hard facts on the incident.

At approximately 2045 EDT on 5 May 2009 (4 and ½ hours after USTC first receives notice of the incident), Mr. Jim Sierawski, Senior Vice President of USTC, telephoned Ms. Jennifer Joy at RSTC and informed her that an incident occurred and that the company was investigating.

In addition, approximately three hours later at 2330 EDT on 5 May 2009, company personnel in Moyock asked its managers in Kabul if RTSC's Country Manager, Mr. McCracken, had been notified of the incident but were told that he was believed to be in Mazaar and out of reach of communications. The next morning Mr. McCracken returned from Mazaar and called Paravant's new in-country Program Manager at approximately 2000 local Kabul time. Paravant understands this telephone call occurred shortly after Mr. McCracken landed in Kabul and after learning of the incident from another source. Paravant's In-Country Program Manager, Mr. Adams, discussed the incident with Mr. McCracken during the telephone call. Therefore, Paravant informed RTSC's Country Manager upon the first opportunity after learning that he had returned to Kabul with access to communications.

⁶ The Subcontract provisions cited in the Show Cause Notice do not contain any express requirement to provide RTSC and the Army notification of an incident, let alone an off-duty incident unrelated to actual performance of the Subcontract. While reserving all rights, whether a contractual obligation to provide such notice exists becomes a moot issue because Paravant provided actual or constructive notice in a timely manner.



Mr. Sierawski again telephoned Ms. Joy on 6 May 2009 at approximately 1800 hours (EDT). Ms. Joy informed Mr. Sierawski that no one within RTSC, including Mr. McCracken, had informed her of the incident. At that time, Mr. McCracken had knowledge of the incident for approximately 6 hours. In comparison, Mr. Sierawski notified Ms. Joy within 4 and ½ hours of USTC's In-Country Program Manager first obtaining knowledge of the incident. In other words, Paravant/USTC provided more timely notice to Ms. Joy than did RTSC's own Country Manager. Therefore, Paravant timely reported the incident to RTSC.

In addition, at approximately 1300 hours (Kabul time) on 6 May 2009, USTC's In-Country Program Manager, Mr. Bush, met with a representative of the Afghan National Police and disclosed the incident. At approximately 1500 hours (Kabul time) on 6 May 2009, Mr. Bush met with Lt. Col. Nikkila (CSTC-A). Paravant and USTC immediately cooperated with the U.S. Army's investigation. Given U.S. Army's prior knowledge of the incident, further notification by Paravant to the U.S. Army was not necessary. Paravant's cooperation and sharing of information with Lt. Col. Nikkila is constructive and timely notice of the incident. Based on the foregoing, RTSC has no grounds to terminate the Subcontract based on an alleged failure to timely notify RTSC or the Army.

F. Paravant Did Not Cause Grievous Embarrassment or Damage to the Reputation of RTSC or the U.S. Army

The Show Cause notice alleges that "Paravant has caused grievous embarrassment and other reputational damage to the U.S. Army and RTSC in violation of Section 4.2 of the SOW." Section 4.2 of the SOW states, "The tasks are to be accomplished in a way that does not . . . cause the contractor, CSTC-A or the ANA any embarrassment."⁷ While Paravant agrees the 5 May 2009 incident produced tragic and unfortunate consequences, the proximate cause of the incident was the conduct of four off-duty individuals engaged in activities outside the scope of the Subcontract and not in connection with any contracted "tasks." Therefore no basis exists for RTSC to terminate the Subcontract on this ground.

⁷ Strictly interpreted, Section 4.2 of the SOW does not reference RTSC.



Moreover, the President of Paravant's parent company, Xe Services LLC, Mr. Joseph Yorio, traveled to Kabul and met with General Formica, the Commander of CSTC-A, and other U.S. Army officials. Various U.S. Army officials uniformly praised Paravant's contracted work in Afghanistan as "outstanding." During his visit, no U.S. Army personnel indicated that Paravant caused grievous embarrassment or damage to the reputation of the U.S. Army.⁸ In addition, when the General Counsel of Xe Services traveled to Kabul in response to the 5 May 2009 incident, the Army Sergeant in Public Affairs informed him after the 19 May 2009 debriefing that "the company's response has been great and very professional." Mr. Yorio also met with high-ranking officers from the Afghanistan National Army, Air Force, Border Patrol, and Police, all of which praised Paravant's performance and never expressed any grievous embarrassment allegedly caused by Paravant.

Paravant suggests that RTSC focus on the company's actions in response to the off-duty conduct of the independent contractors, all of which supports the conclusion that Paravant is a responsible contractor. As described in Paravant Director Hugh Middleton's letter to Mr. Lorenzo Verniani, dated 3 June 2009, a copy of which is attached for your convenience, Paravant instituted multiple corrective actions and improvements both prior to and after the May 5th incident. These actions reflect changes to internal policies to correct and improve performance, not to remedy deficiencies in performance under the Subcontract.

Paravant's actions include terminating Paravant's In-Country Program Manager, Mr. Johnnie Walker, just days before the incident, and terminating and replacing the Team Leader and Assistant Team Leader with direct supervision over the four independent contractors on the morning of 5 May 2009 – prior to the incident – for substandard performance. Paravant's management in Moyock also directed that all weapons be collected from Paravant independent contractors prior to being directed to do so by RTSC. Both Paravant and RTSC quickly recognized that the collection of weapons should not wait for the efforts of RTSC's Country Manager to revise the LOAs to authorize the possession of such weapons.

⁸ Paravant understands that Colonel Curly the CSTC-A J7 recently requested that Paravant provide another 11-man team. The request was made through Mr. McCracken to Mr. Adams.



Given Paravant's swift and appropriate response to the 5 May 2009 incident, it would be improper for RTSC to terminate the Subcontract, under which Paravant has met all of its obligations. Paravant reserves all of its rights under the Subcontract, but looks forward to continuing its successful relationship with RTSC through this Subcontract. If you have any continuing concerns, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Hugh Middleton".

Hugh Middleton
Director

Enclosure

cc: Joseph Yorlo, President, Xe Services LLC
Danielle Esposito, Chief Operating Officer, Xe Services LLC
Jim Sierawski, President, U.S. Training Center
David Hammond, General Counsel, Xe Services LLC

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TAB 22



Raytheon Technical Services Company LLC
 Warfighter FOCUS Program
 12792 Research Parkway
 Orlando, FL 32826-2718

July 02, 2009

Paravant LLC
 850 Puddin Ridge Road
 Moyock, NC 27958

Attention: Jim Sierawski, Director of Contracts

Subject: Interim Reply Concerning Show Cause Notice

Ref: (1) Subcontract Master Agreement, dated September 17, 2008, Between RTSC and Paravant ("Subcontract")
 (2) RTSC Task Order No. 4500372417 to Paravant, dated October 22, 2008 ("Task Order")
 (3) U.S. Army Prime Contract W900KK-07-D-0001 ("Warfighter FOCUS Contract")

Dear Mr. Sierawski:

Raytheon Technical Services LLC ("RTSC") has received Paravant's response of June 15 to RTSC's show cause notice of June 9, issued under the reference (1) subcontract and reference (2) task order, issued under the reference (3) prime contract with the U.S. Army. RTSC is reviewing your response and reserves the right to respond further. However, we are sufficiently troubled by certain of the assertions contained in your response that we feel the need to reply to them on an interim basis, pending further developments and the ultimate resolution of this matter.

Especially troubling is Paravant's legal position regarding the limits of its contractual responsibility for its trainers, grounded on the assertion that they are "independent contractors." Even if that assertion were correct (and Paravant never sought the contractually required consent to subcontract any of the work, let alone all of it), Subsection 7.9.1 of Section A of the Subcontract states that Paravant "shall be responsible for and have control over the acts, errors and omissions of its lower-tier subcontractors and any other persons performing any of Subcontractor's obligations under this Subcontract." The terms of this obligation are clear and unqualified. Accordingly, RTSC rejects Paravant's attempt to disclaim its contractual responsibility for its trainers and to deny its clear breaches of the Subcontract based on their asserted status as independent contractors.

Equally troubling is Paravant's assertion that bears no contractual responsibility for the actions of its trainers at any time other than during the performance of training activities. To the contrary, reflecting the obvious fact that the Paravant trainers are operating alongside the U.S. Army in "24/7" war zone, Subsections B(i), (iv), and (v) of Section K of the Subcontract state in relevant part that "Subcontractor will ensure that its personnel, representatives, and agents behave *at all times* in accordance with the highest professional and ethical standards" and that "Subcontractor will comply

7/2/2009

Page 1 of 2

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Raytheon Technical Services Company LLC
 Warfighter FOCUS Program
 12792 Research Parkway
 Orlando, FL 32826-2718

with, and *shall cause all of its personnel, representatives, and agents to comply with*, all applicable laws, regulations, treaties, and directives in the performance of this Subcontract." (Emphasis added.) Given this unambiguous language and its obvious intent to avoid bringing discredit onto the U.S. Army, Paravant's responsibilities cannot and do not end when its trainers clock out. Thus, on May 5, Paravant violated its responsibilities when it permitted four of its trainers to retain or reacquire their Paravant-issued weapons after the training day ended, and when it allowed them to drive Paravant-owned vehicles out of the Kabul Military Training Center and onto a public highway while under the influence of alcohol, with tragic consequences.

Finally, the fact that an Army public affairs official praised Paravant six weeks ago for its after-action investigation of the May 5 incident has nothing to do with the question of whether Paravant's breaches have caused embarrassment to the U.S. Army, not to mention Raytheon. Section 4.2 of the Statement of Work obligates Paravant to ensure that its personnel perform "in a competent, quiet, and lawful manner . . . in a way that does not cause contractor to break any laws or . . . cause . . . CSTC-A . . . any embarrassment." Even leaving aside the reputational consequences for the Army in Afghanistan (where the extent of civilian casualties caused by U.S. military operations has undercut the effectiveness of U.S. foreign policy in the country), the embarrassment to the U.S. Army and to Raytheon includes an avalanche of negative press, special scrutiny of PEO STRI by the Commission on Wartime Contracting, a DCAA inquiry, a Department of Justice request for documents in connection with a MEJA case, and a Congressional inquiry. These consequences, which are still unfolding, flow directly from Paravant's breaches of contract on May 5 and the ensuing incident, as described in the show cause notice.

In short, RTSC rejects Paravant's unfounded interpretations of its contractual obligations, denies that RTSC has waived its rights under the Subcontract or task order, and denies that RTSC is estopped from raising any of Paravant's breaches of contract. To the contrary, RTSC reasserts the validity of each of the bases for termination that we enumerated in the show cause notice. As indicated, RTSC is continuing its review of the situation, and reserves the right to respond more fully at a later date.

Sincerely,

Lorenzo Verniani
 Manager, Subcontracts
 Raytheon Technical Services Company LLC

Redacted

7/2/2009

Page 2 of 2

RAY_SEN_109341

TAB 23

Redmon, Brian C USA LTC USA KMTC 33rd BCT TAG Commander

From: Merriman, Peter W Mr ARMY GUEST NG NGB GBR
Sent: Thursday, February 12, 2009 1:43 PM
To: Redmon, Brian C USA LTC USA KMTC 33rd BCT TAG Commander
Cc: brian.sherden@Redacted
Subject: Re: 22 Bunkers

Brian,

There should be some form of C2 relationship established. CTAG reports through CHTF-P for this reason.

Brian S - please investigate what the C2 of each of the U/m is. Unless TACON to KMTC mentor GP I'd agree with Brian's assessment.
 PWM

----- Original Message -----

From: "Redmon, Brian C USA LTC USA KMTC 33rd BCT TAG Commander"

<brian.c.redmon@Redacted>

Date: Thursday, February 12, 2009 7:50

Subject: 22 Bunkers

To: "Merriman, Peter W GBR COL GBR ARMY CSTC-A CTAG"

<Peter.Merriman.GBR@Redacted>

Cc: "Nikkila, Sean C USA LTC USA KMTC 33 BCT TAG"

"Ekman, Craig R USA LTC USA 33rd BCT CJTF Phoenix"

> Sir,
 > I have been asking who 22 Bunkers works for since my arrival. To
 > date, I have not received an official answer. According to them, they
 > get very little guidance from anyone, but when they do, it is someone
 > from CSTC-A CJ4, never the same person. The incident yesterday
 > highlights the issue. We have the following organizations living at
 > Camp Alamo who do NOT report to the KMTC Mentor Group:
 >
 > 22 Bunkers ANA (?)
 > 22 Bunkers ANP (?)
 > NCOTT (CTAG - TBD?)
 > SGM Academy (CSM Coleman)
 > Biometrics Spt Im (CSTC-A CJ2)
 > Paravant NATO Wpn Fielding Contract (CSTC-A CJ7) Literacy Contract
 > (CSTC-A CJ7) SECFOR (TF Phoenix)
 >
 > I am unclear as to my responsibilities to these groups with respect to
 > incident reporting. My belief is that if one of the above has an
 > incident, not on KMTC or Cp Alamo, then THEY report it through THEIR
 > Chain of Command. I don't believe I should have a responsibility for
 > their actions unless it occurs on KMTC or Cp Alamo. For situational
 > awareness, they could let me know what happened, but it should not be
 > my responsibility to police up their reports.
 >
 > Your guidance?
 >
 > BRIAN C. REDMON
 > LTC (P), AR
 > Commander, KMTC
 > Mentor Group

Redacted

TAB 24

Alexis Smith

From: ParavantAWPM [REDACTED]
Sent: Tuesday, May 05, 2009 5:24 AM
To: Alexis Smith
Cc: Hugh Middleton
Subject: Re: FW: Leave

Alexis, wow where to begin. Hugh emailed you about firing two personnel in Team 1(Newman the TL, and the Asst Team leader) who is in charge will only be a temp guy until I can find a new guy and put him in the position, I am well aware this will change his pay and I will inform you as soon as I have some new blood come in.

There will be no more moving people between Teams if you don't cut it with one Team you are gone another Team will have the same issues, a dirt bag is a dirt bag. I will send you MFR will the two people we fired today and I want to insure with the Memo I send you its added to there packet back home and we due not hire them again

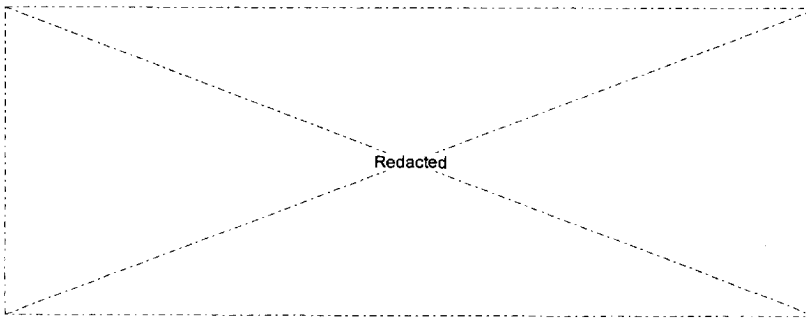
Team 1 is down in the dumps and only a acting TL will be in place today ,I have not chosen one yet because they all are so average and the US Army cant stand any of them.(my Problem not yours) But I know to keep you guys informed. Wehr I am trying to get some documentation on about getting arrested but I will and hopefully he will not come back

Schedule changes you and I are just going to have to push the hard right answer, fill out the request and I see your email traffic to the TL on forecasting, hopefully Alexis the Firm stance I have taken in a couple weeks will take over ,people are still testing the waters.

I have sent you a copy of the guidance I have given the TLs and CSTC-A guidance, this can also be added to the packet I want to create for you to give the new member, he does not need the TL only's notes but the CSM guidance is important. So the packet I would like you to give all contractors coming down range would consist of Welcome letter(not done) SOWV4, CSM guidance, Team Leader brief(power point) slide show.

I will finish the welcome letter ASAP, tell me if I missed anything!!!!!!!

More later Thanks and I will call you tonite to insure we are straight on people and who moved where and why, Tom



TAB 25



**DEPARTMENT OF DEFENSE
COMBINED SECURITY TRANSITION COMMAND – AFGHANISTAN
KABUL, AFGHANISTAN
APO AE 09356**

REPLY TO
ATTENTION OF:

CSTC-A CTAG

10 JUL 2009

MEMORANDUM FOR CG CSTC-A

SUBJECT: KMTC Contractor Oversight Report

Reference:

A. CG CSTC-A memorandum dated 23 June 2007.

1. You directed at Reference A that in the wake of the Paravant shooting incident in May 2009, the Chief Mentor of the KMTC Mentor Group conduct a review of policies at KMTC regarding alcohol prohibitions, movement control, contractor oversight, and general standards of conduct.
2. The Chief Mentor has completed his review and his report is attached. I am satisfied that in most areas, adequate policies existed before the incident, but he has nevertheless taken the opportunity to tighten up and improve procedures where more can be done. He has also been proactive in re-emphasising existing policies to those under his command.
3. Lt Col Redmon's report highlights one area concerning contractor oversight and management that continues to be problematic. This situation is not unique to KMTC, but I suspect applies to the whole of CSTC-A. It certainly applies across CTAG. At its root lies uncertainty amongst Senior Mentors as to what their authorities and responsibilities are over contractors working within their AOR when they have not been the contracting officer. This is particularly true for disciplinary type issues. The reasons for this are twofold. There is an inadequate system for briefing mentors upon handover on their relationships and responsibilities to those contractors working within their areas, and secondly, it is difficult to find the military/contractor chain of command explicitly laid out within most contracts through the appointment of a formal contracting officer representative (COR).
4. In the case of KMTC, Lieutenant Colonel (P) Redmon addressed the narrower question of non-carriage of weapons by contractors at KMTC. Notwithstanding, I am concerned that grey areas remain relating to wider issues of responsibility and authority when it comes to policing contractor behaviour. There is a need for explicit guidance from CSTC-A on this issue and future contracts must be more specific on the lines of responsibility for policing issues of conduct and discipline, either through the contract or under an MOU with the head of the establishment in which the contractor resides.

RAY_SEN 190621

CSTA-CTAG

SUBJECT: Request for Exception to Policy for Foreign National Travel on DOD Aircraft
Training Assistance Group Mobile Training Teams

5. In the wake of this incident, CTAG has taken the opportunity to conduct the same review across all the school houses it mentors. A report summarizing the findings is attached which confirms that adequate policies are in place for military personnel. However, careful reading of the CTC-A reply on contractor travel provides a good example of a case where, although contractors in these establishments may abide by the general provisions of the military code of conduct while in these sites, it is by no means clear what binds them to the full range of military standards other than personal choice if they are not laid out explicitly in the contract.

6. In conclusion, I recommend, for immediate effect, CSTC-A disseminate an information paper to inform all commanders of the issues and challenges concerning contractor oversight and to be used as a resource to improve that oversight and resolve contractor-related disciplinary issues. For the longer term, I recommend CSTC-A require all civilian contracts to have a COR appointed at each location where the contract is executed. That COR should spell out the requisite oversight required to help alleviate discipline and work-related issues with the primary COR. Finally, I recommend CSTC-A formalise the mentor handover process to minimize loss of continuity on contract-related issues and ensure all assigned COR are fully aware of their responsibilities.

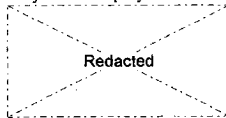
NEIL BAVERSTOCK
Brigadier, GBR
Commanding General, CTAG

TAB 26

From: William Rebarick
Sent: Wednesday, December 3, 2008 1:18 PM (GMT)
To: Dave Christensen; Redacted; Linda Comfort
Cc: Jasminka Hadziabdic; Redacted
Subject: Paravant LOA update - critical

A couple of weeks ago we talked about updating the LOAs for the Paravant employees to allow them to carry arms in Afghanistan. This is now critical as they are routinely getting stopped and having to surrender weapons. Can you guys please check on this?

William Rebarick
Senior Manager
Raytheon Company



TAB 27

From: Robert Meyle [Redacted]
Sent: Wednesday, January 7, 2009 1:21 PM (GMT)
To: Michael David Brown [Redacted]
Cc: Liz Owen [Redacted]; Lekessa Feagen [Redacted];
 NR [Redacted]; Marm, Joe [Redacted]; <Joe.Marm [Redacted]>
Subject: RE: Need Approval from CENTCOM for weapons authorization in SPOT (UNCLASSIFIED)
Attach: MONTHLY Civilian Arming Program GREEN and RED Report 31 December 08.xls; Red green report.pdf

Mike,

This email seems to be about Paravant in Afghanistan, we (MPRI) do not have anyone nor have requested anyone to be armed in Afghanistan under WFF. In Iraq our WFF team is armed and has been before they moved to WFF. Per your request, I asked our Program Manager in Iraq for what documentation we use and below is the response with attachments.

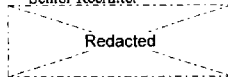
"CENTCOM does not give blanket approval for MPRI employees to carry weapons, only for individuals. To get this approval, each individual's arming packet needs to contain a number of items - a contract authorizing weapons, a SPOT LOA authorizing weapons, a certification that the employee has never been convicted of a felony or domestic abuse, a certification that the employee has been briefed on the Rules of Force (RUF) and other mandatory training, and a weapons qualification card for the weapons being carried. Please note that the requirement PRIOR TO gaining this approval is a SPOT LOA.

I am sending you a copy of our most recent Red/Green Report, which is sent to the Arming Office at MNF-I at the beginning of each month after being signed by the CAATT Chief of Staff. Due to bandwidth limitations at CAATT HQ, they can only send one sheet back .pdf, so the report is the excel spread sheet and the .pdf file merely shows that the Chief of Staff has reviewed the full document. The Red side shows those personnel who have left the contract and who will be deleted from their arming database. The Green tab shows those currently authorized to be armed. This should meet the requirement, but I reemphasize that there is no blanket arming authorization - we have to apply for each one for the individual - and that the SPOT LOA with "Arming Authorized" is a prerequisite to applying for the permit from MNF-I (CENTCOM's arming POC in Iraq)."

Please let me know what else I can provide, MPRI employees are in compliance with all regulations and policies in regards to being armed in Iraq.

v/r

Bob Meyle
MPRI, an L-3 Division
Senior Recruiter



-----Original Message-----
From: Michael David Brown
Sent: Tuesday, January 06, 2009 1:29 PM
To: Meyle, Robert @ MPRI-HQS
Cc: Liz Owen; Lekessa Feagen
Subject: Fw: Need Approval from CENTCOM for weapons authorization in SPOT (UNCLASSIFIED)

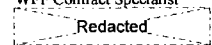
Bob,
Please send Liz Owen a copy of the CENTCOM memo authorizing MPRI employees to carry weapons in Iraq as soon as you can.
V/r
Mike

----- Original Message -----
From: "Owen, Elizabeth"
Sent: 01/06/2009 01:04 PM EST
To: Michael Brown; Lekessa Feagen; Phillip Acree
Subject: FW: Need Approval from CENTCOM for weapons authorization in SPOT (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Just making sure you guys got the word that the LOA's I will be approving will not include weapons authorization until CENTCOM approval received.

Liz Owen
WFF Contract Specialist



-----Original Message-----
From: Cruthers, James
Sent: Tuesday, January 06, 2009 8:15 AM
To: Owen, Elizabeth
Subject: Need Approval from CENTCOM for weapons authorization in SPOT

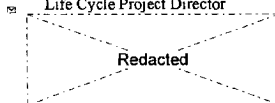
Classification: UNCLASSIFIED
Caveats: NONE

Please see below.

I spoke with Mike Brown and he will pass the word

V/R, Jim

James R. Cruthers (Jim)
PEO STRI, OPS-C
Life Cycle Project Director



-----Original Message-----

From: Christensen, David
Sent: Tuesday, January 06, 2009 7:53 AM
To: Cruthers, James
Cc: Comfort, Linda
Subject: Fw: List of Paravant Employees in Afghanistan (UNCLASSIFIED)

Jim,
Fyi

Dave
Redacted

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Comfort, Linda
To: Christensen, David
Sent: Tue Jan 06 07:46:02 2009
Subject: RE: List of Paravant Employees in Afghanistan (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Dave,

Just talked to COL Wakefield, we cannot change the LOA's until he has received approval from CENTCOM/HQDA.

He will e-mail us with the go ahead.

Linda

-----Original Message-----
 From: Wakefield, Bradley V USA Col USA CJ7 T&E
 [mailto:Bradley.V.Wakefield@redacted]
 Sent: Monday, January 05, 2009 10:07 PM
 To: Comfort, Linda
 Subject: RE: List of Paravant Employees in Afghanistan (UNCLASSIFIED)

Linda, still do not have CENTCOM/HQDA approval.

V/R
 Brad Wakefield
 COL, USA
 CSTC-A, CJ7
 Chief, Training and Education

[Redacted]

-----Original Message-----
 From: Comfort, Linda [mailto:Linda.Comfort@redacted]
 Sent: Tuesday, January 06, 2009 2:35 AM
 To: Wakefield, Bradley V USA Col USA CJ7 T&E
 Subject: FW: List of Paravant Employees in Afghanistan (UNCLASSIFIED)

Classification: UNCLASSIFIED
 Caveats: NONE

COL Wakefield,

Request your assistance in clarification on the weapons authorization for the Paravant employees in attachment #1.

We will update their LOA's to reflect weapons authorization but need your concurrence from a command standpoint on what is currently authorized in country.

Are the employees authorized to carry a weapon 24/7 or is it during the workday only?

Thank you,
 Linda

-----Original Message-----
 From: Jasminka H Hadziabdic [mailto:J.Hadziabdic@redacted]

Sent: Wednesday, December 17, 2008 11:32 AM
To: Comfort, Linda
Cc: William Rebarick
Subject: List of Paravant Employees in Afghanistan

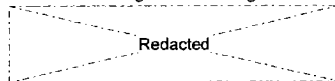
Linda,

Please see the list of Paravant employees whose LOAs need to be revised to reflect the weapons authorization.

Thank you,
J.

Jasminka Hadziabdic-Ottom
Operations Manager, OCONUS

Raytheon Technical Services Company
Warrior Training Alliance/Warfighter FOCUS Program



Classification: UNCLASSIFIED
Caveats: NONE

Classification: UNCLASSIFIED
Caveats: NONE

Classification: UNCLASSIFIED
Caveats: NONE

Classification: UNCLASSIFIED
Caveats: NONE
- MONTHLY Civilian Arming Program GREEN and RED Report 31 December 08.xls - Red green report.pdf

TAB 28

[Information retained in committee files.]

TAB 29

U.S. Department of State
CONTRACTOR PAST PERFORMANCE EVALUATION

Contract Information	
Contract Number <u>S-AQMPD-05-1098</u>	Dollar Value <u>\$1,200,000,000.00</u>
Contractor Name <u>Blackwater</u>	
Division/Contracting Office <u>DS/OPO/HTP and A/LM/AQM</u>	
Contract Start Date (mm-dd-yyyy) <u>07-19-2005</u>	Contract End Date (mm-dd-yyyy) <u>07-18-2010</u>
Type of Contract (FP, CPFF, TM, etc.) <u>IDIQ with Firm Fixed Price and Cost Reimbursable elements</u>	
Type of Award (SBSA/(e), IFB, Negotiated, Competitive/Noncompetitive) <u>Noncompetitive</u>	
Subject of Contract <u>Worldwide Personal Protective Services (WPPS II) Task Order 1 (PMU)</u>	
Ratings Information	
Quality - Numerical Rating (Low 0 - High 5) Narrative: <u>See Attachment</u>	Timeliness of Performance - Numerical Rating (Low 0 - High 5) Narrative: <u>See Attachment</u>
Cost Control - Numerical Rating (Low 0 - High 5) Narrative: <u>See Attachment</u>	Customer Satisfaction - Numerical Rating (Low 0 - High 5) Narrative: <u>See Attachment</u>
Business Relations - Numerical Rating (Low 0 - High 5) Narrative: <u>See Attachment</u>	Would you recommend that the contractor be used again? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Narrative: <u>See Attachment</u>
Key Personnel	
Name <u>Jim Reese</u> Title <u>LPMO</u> Start Date <u>01-08-2008</u> End Date <u>(mm-dd-yyyy)</u> Rating (0-5) <u>4</u>	
Name <u>Vic Esposito</u> Title <u>LPMO</u> Start Date <u>(mm-dd-yyyy)</u> End Date <u>12-13-2008</u> Rating (0-5) <u>1</u>	
Name <u>Tony Valusek</u> Title <u>ALSSL</u> Start Date <u>02-01-2008</u> End Date <u>(mm-dd-yyyy)</u> Rating (0-5) <u>4</u>	
Name <u>Danielle Esposito (Morrison)</u> Title <u>ALSSL</u> Start Date <u>(mm-dd-yyyy)</u> End Date <u>02-01-2008</u> Rating (0-5) <u>4</u>	
COR/Program Officer Name <u>Paul Isaac</u> Paul Isaac <u>7-1-08</u> Title <u>HTP Division Chief, COR</u>	
Reviews	
Contracting Officer Name/Title <u>Kiara Morrison Branch Chief / CO</u>	
Date Signed (mm-dd-yyyy) <u>7/3/08</u>	Phone/Fax/E-Mail <u>(mm-dd-yyyy)</u>
Response Information	
Date Review Sent (mm-dd-yyyy) <u>(mm-dd-yyyy)</u>	Response Date (mm-dd-yyyy) <u>(mm-dd-yyyy)</u> Receive Date (mm-dd-yyyy) <u>(mm-dd-yyyy)</u>
Contractor Review Comments	
Respondent <u>(mm-dd-yyyy)</u> Phone/Fax/E-Mail <u>(mm-dd-yyyy)</u>	
Reviewed at Level above Contracting Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No Date (mm-dd-yyyy) <u>(mm-dd-yyyy)</u>	
Name/Title <u>(mm-dd-yyyy)</u> Phone/Fax/E-Mail <u>(mm-dd-yyyy)</u>	
Comments For period of performance from July 19, 2007 to July 18, 2008.	

DS-1771
06-2006

Page 1 of 1

PROPRIETARY AND
CONFIDENTIALExempt From Disclosure Under
FOIA Exemption (b) (4)

SASC030081

CONTRACTOR PAST PERFORMANCE EVALUATION (continuation page)**S-AQMPD-05-D-1098 WPPS II****Task Order 1, Local Program Management Office (LPMO)****Paul Isaac, DS/OPO/HTP Division Chief, COR** *Paul Isaac 7-1-08*

Quality / Business Relations / Customer Satisfaction: During the late summer and fall of 2007, actions by Blackwater WPPS management personnel, concerning two task orders, caused the program office to lose confidence in their credibility and management ability. Blackwater management's lack of communication and handling of the two separate incidents disrupted Program Office and Regional Security Office operations. While the Program Office was in the process of requesting the removal of the Local Program Manager, the Director and Deputy Director of WPPS Operations, and two project managers, the personnel in question resigned from the WPPS program.

Recently appointed Blackwater personnel have been making steady progress in restoring confidence in the LPMO and it is expected that the next past performance evaluation will be substantially improved.

**PROPRIETARY AND
CONFIDENTIAL****Exempt From Disclosure Under
FOIA Exemption (b) (4)****SASC030082**

TAB 30



DEPARTMENT OF THE ARMY
PROGRAM EXECUTIVE OFFICE
SIMULATION TRAINING AND INSTRUMENTATION
12350 RESEARCH PARKWAY
ORLANDO, FLORIDA 32826-3276

REFLECT REF ID

4200
SFAE-STRI-KOC
28 July 2009

Raytheon Technical Services LLC
ATTN: Mr. Kent Wong
2603 Challenger Parkway, Suite 150
Orlando, FL 32826

Dear Mr. Wong:

Please reference Raytheon Technical Services Company (RTSC) letter dated 11 June 2009, entitled, "RTSC's Response to PLO STRI's Letter of Concern Regarding Paravant Shooting Incident," RTSC letter dated 11 June 2009, entitled, "Contract W900KK-07-D-0001, Task Order 22, CLIN 0015; Corrective Action Plan", and RTSC letter dated 17 July 2009 to Paravant, subject, "Notice of Intention to Transition ANA NET Task Order to Successor Subcontractor"

Raytheon Technical Services failed to perform Contract No. W900KK-07-D-0001 Task Order 0022 in accordance with the terms and conditions contained therein. Raytheon failed to provide sufficient oversight of its subcontractor, Paravant LLC, on Task Order 0022 as required by the basic Warfighter Focus Contract.

As stated previously in the Government's letter dated 01 June 2009 to RTSC, the failure was a result of non-compliance with DFARS 252.225-7040 Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States.

The Government reviewed RTSC's responses of 11 Jun 2009 to the request for information enabling the Government to determine if your failure to perform arose from causes beyond your control and without fault or negligence on your part. The information provided in your initial response was not satisfactory. Raytheon was aware of the conditions present for performance of work in Afghanistan, was provided a performance based Statement of Work to perform services in support of the Afghan National Army (ANA), and was aware of the terms and conditions which apply to contractor support provided to U.S. Armed Forces deployed outside of the United States. RTSC accepted and performed work under this Task Order, CLIN 0015, in support of ANA with the resources awarded for the effort. If, as stated in your letter, the "limited PMO resources" presented undue risk to performance of this work, RTSC should not have accepted the work and performed it.

In addition, the information concerning Col. Wakefield is irrelevant. RTSC did not follow the proper procedure spelled out in the DFARS clauses embedded in their competitively awarded Warfighter FOCUS contract. Basic FAR/DFARS and contracting principals apply; Col

RAY_SEN_111666

Wakefield did not have the authority to change terms and conditions of your contract. In accordance with FAR 1.602, the Contracting Officer has the sole responsibility for obligating the Government and/or changing the terms and conditions in any contract.

The Government also requested a "Verifiable Corrective Action Plan" from RTSC. The responses of 11 Jul 2009 essentially restated the basic requirements already contained in the contract. Your communication to PEO STRI and letter to Paravant both of 17 Jul 2009 regarding the transition of the ANA NET Task Order to a successor subcontractor does present an acceptable recovery plan to continue to perform without future occurrences and without additional cost to the Government. PEO STRI reserves the right, however, to take any necessary action that may be required when the results of the IS-6 and/or Department of Justice investigation(s) become available.

Should you have any questions or wish to discuss the above, please contact the undersigned at

Sincerely,



STEVEN M. OGRAYENSEK
Contracting Officer

RAY_SEN_111667

TAB 31

Employer's First Report of Injury
or Occupational Illness

(See instructions on reverse - Leave items 1 and 2 blank)

U.S. Department of Labor

Employment Standards Administration
Office of Workers' Compensation Programs

OMB No. 1215-0031

1. OWCP No.		2. Carrier's No.		3. Date and Time of Accident (mm/dd/yyyy) * (hh:mm/pm)	
				12/09/2008	
4. Name of Injured/Deceased Employee (Type or print - first, M.I., last) First Name * M.I. Last Name * SONNY J STILLITANO			5. Employee's Address (No., street, city, state, ZIP, country) *		
6. Injury is Reported Under the Following Act (Mark one) A <input type="checkbox"/> Longshore and Harbor Workers Compensation Act B <input checked="" type="checkbox"/> Defense Base Act C <input type="checkbox"/> Nonappropriated Fund Institutional Act D <input type="checkbox"/> Outer Continental Shelf Lands Act			7. Indicates Where Injury Occurred (Longshore Act only) (Mark one) A <input type="checkbox"/> Aboard Vessel or Over Navigable Waters B <input type="checkbox"/> Pier/Wharf C <input type="checkbox"/> Dry Dock D <input type="checkbox"/> Marine Terminal E <input type="checkbox"/> Building Way F <input type="checkbox"/> Marine Railway G <input type="checkbox"/> Other Adjoining Area		
8. Sex * <input checked="" type="checkbox"/> M <input type="checkbox"/> F			9. Date of Birth (mm/dd/yyyy) *		
10. Social Security No. (Required by Law) *			11. Did Injury Cause Death? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - If yes, skip to 16		
12. Did Injury Cause Loss of Time Beyond Day or Shift of Accident? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			13. Date and Hour Employee First Lost Time Because of Injury Date (mm/dd/yyyy) Time (hh:mm/pm)		
14. Did Employee Stop Work Immediately? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			15. Date & hour empl returned to work (mm/dd/yyyy) (hh:mm/pm)		
17. Did Injury/Death Occur on Employer's Premises? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			18. Dept. in Which Employee Normally Works(ed) NON CNTPO		
19. Occupation PSS			20. Date and Hour Pay Stopped (mm/dd/yyyy) (hh:mm/pm)		
21. Which Days Usually Worked Per Week? (Mark (X) days) S M T W T F S <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>			22. Date employer or foreman first knew of accident. (mm/dd/yyyy) * (hh:mm/pm) 12/09/2008		
23. Wages or Earnings (include overtime, allowances, etc.) a. Hourly b. Daily \$388.00 c. Weekly d. Yearly			24. Exact Place Where Accident Occurred (See instructions on reverse). This item should specify area if accident was in maritime employment and occurred in area adjoining navigable waters. * DUBBS, AFGHANISTAN		
25. How was Knowledge of Accident or Occupational Illness Gained? REPORTED INJURY TO SUPERVISOR.			26. Describe in full how the accident occurred (Relate the events which resulted in the injury or occupational disease. Tell what the injured was doing at the time of the accident. Tell what happened and how it happened. Name any objects or substances involved and tell how they were involved. Give full details on all factors which led or contributed to the accident.) WHILE DEPLOYED ON A GOVERNMENT CONTRACT, MR. STILLITANO WAS STRUCK IN THE HEAD BY A ROUND THAT WAS ACCIDENTALLY DISCHARGED FROM A TEAM MEMBER'S WEAPON DURING A TRAINING EXERCISE.		
27. Nature of Injury (Name part of body affected - fractured left leg, bruised right thumb, etc.) If there was amputation of a member of the body, describe AS A RESULT, MR. STILLITANO SUSTAINED A GUNSHOT WOUND TO THE HEAD. INITIALLY THOUGHT TO HAVE ONLY GRAZED HIS HEAD, HOWEVER, UPON FURTHER MEDICAL EVALUATION, IT WAS DETERMINED THAT HE HAD FRAGMENTS LODGED IN HIS BRAIN AND PARTIAL PARALYSIS TO THE LEFT SIDE OF HIS BODY. WAS TRANSFERRED TO LANSTHUL, GERMANY. FRAGMENTS HAVE BEEN REMOVED AND VITAL SIGNS ARE GOOD, HE IS COHERENT.			28. Has Medical Attention Been Authorized? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
29. Enter Date of Authorization (mm/dd/yyyy) 12/09/2008			30. Was First Treating Physician Chosen by Employee? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
31. Has Insurance Carrier Been Notified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			32. Physician		
33. Hospital			34. Insurance Carrier * AIG		
35. Employer * BLACKWATER USA			36. Employer's Business SECURITY SERVICES		
37. Signature of Person Authorized to Sign for Employer			38. Official Title of Person Signing This Report * CLAIMS ADMINISTRATOR		
39. Name of Person Signing This Report * KRISTIE L. COLE			39. Date of This Report (mm/dd/yyyy) 09/15/2009		

Form LS-202
Rev. Oct. 1999

Proprietary and Confidential

SASC024002

Go to Form

This report is to be filed in duplicate with the District Director in the appropriate district office of the Office of Workers' Compensation Programs and is required by 33 U.S.C. 930(a). File form within 10 days from the date of injury or death or from the date the employer first has knowledge of an injury or death. Under the law all medical treatment and compensation must be furnished by the employer or its insurance company. Treatment must be by a physician chosen by the employee.

unless the physician is on a list of physicians currently not authorized by the Department of Labor to render medical care under the Act. Compensation payments become due and are payable on the 14th day after the employer first has knowledge of the injury or death. Penalties may be charged for failure to comply with provisions of the law. The information will be used to determine entitlement to benefits. Persons are not required to respond to this collection of information unless it displays a currently valid OMB control number.

REPORTABLE INJURY - Any accidental injury which causes loss of one or more shifts of work or death allegedly arising out of and in the course of employment, including any occupational disease or infection believed or alleged to have arisen naturally out of such employment, or as a natural or unavoidable result from an accidental injury. If the employer controverts the right to compensation it must also file a notice of controversion with the District Director within 14 days after it has knowledge of the alleged injury or death.

< Item 6 - A. Longshore and Harbor Workers' Compensation Act covers employees injured while engaged in maritime employment upon the navigable waters of the United States (including any adjoining pier, wharf, dry dock, terminal, building way, marine railway, or other adjoining area customarily used by an employer in loading, unloading, repairing, or building a vessel); - employees injured upon the navigable waters of the United States and other described areas who at the time of injury were engaged in maritime employment and are not otherwise specifically excluded under the Act (33 U.S.C. 902).

B. Defense Base Act covers any employment (1) of military, air, and naval bases acquired by the United States from foreign countries; (2) on lands occupied or used by the United States for military or naval purposes outside the continental limits of the United States; (3) upon any public work in any Territory or possession outside the continental United States under a contract of a contractor with the United States; (4) under a contract entered into with the United States where such contract is to be performed outside the continental United States, and at places not within the areas described in (1), (2), and (3) above for the purpose of engaging in public work; (5) under certain contracts approved and financed by the United States under the Mutual Security Act of 1954, as amended; and (6) in the service of American employers providing welfare or similar services for the benefit of the Armed Forces outside the Continental United States.

C. Nonappropriated Fund Instrumentalities Act covers employees of nonappropriated fund instrumentalities of the Armed forces, e.g., post exchanges, motion picture service, etc.

D. Outer Continental Shelf Lands Act covers employees of private employers engaged in operations conducted on the Outer Continental Shelf for the purpose of exploring for, developing, removing, or transporting by pipeline the natural resources of submerged lands.

NOTE: FILING THIS FORM DOES NOT CONSTITUTE AN ADMISSION OF LIABILITY UNDER THE COMPENSATION ACT. Any employer, insurance carrier, or self-insured employer who knowingly and willfully fails to submit this report when required or knowingly or willfully makes a false statement or misrepresentation in this report shall be subject to a civil penalty not to exceed \$10,000 for each such failure, refusal, false statement, or misrepresentation. [33 U.S.C. 930(a)] This report shall not be evidence of any fact stated herein in any proceeding in respect to any such injury or death on account of which the report is made. [33 U.S.C. 930(c)]

Public Burden Statement

We estimate that it will take an average of 15 minutes to complete this collection of information, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection of information, including suggestions for reducing this burden, send them to the U. S. Department of Labor, Division of Longshore and Harbor Workers Compensation, 200 Constitution Avenue, N.W., Room C-4315, Washington, D.C. 20210. **DO NOT SEND THE COMPLETED FORM TO THIS OFFICE**

< Item 24 - "Exact place where accident occurred" requires the nearest street address, city and town. - In addition -

- If on a vessel,
Give place on vessel where injury happened (Deck, hold, tweendeck, engine room, etc.) Name of vessel
- If either on an adjoining pier, wharf, dry dock, terminal building way, marine railway, or other area customarily used in loading, unloading, repairing, or building a vessel

Name or number of pier, dry dock, marine railway, etc.
Name of the terminal or shipyard
Nearest street address - City and State
- If on a military or Defense Base,

Give exact place on base where injury happened
Name of base
Location of base - town or country
- If on the Outer Continental Shelf,

Give drilling site and block number
Area name (e.g. West Delta Area)
Federal Lease Number, State Lease Number
Distance from and name of nearest land,
name of State

Proprietary and Confidential

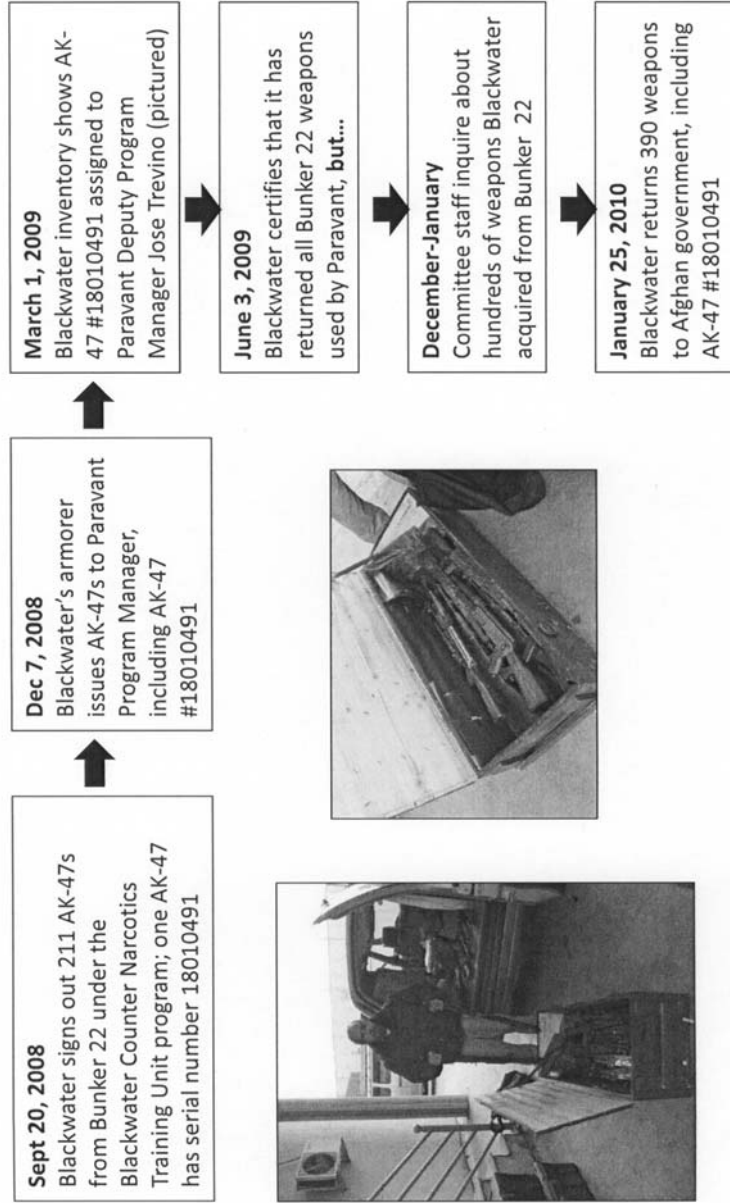
SASC024003

TAB 32

[Information retained in committee files.]

TAB 33

Tracking a Blackwater AK-47 from Bunker 22



TAB 34

From: Ricky Chambers [REDACTED]
Sent: Friday, October 23, 2009 10:46 PM
To: Cohen, Ilona (Armed Services)
Cc: Bryan, Joe (Armed Services); Hoege, Howard (Armed Services); Morriss, David (Armed Services)
Subject: RE: Interview request

Ms. Cohen! Thanks for your email. I would be happy to assist with the inquiry in anyway that I can. I resigned from Blackwater/US Training on Oct 16th. I am currently in Dubai, UAE and I have taken a job with another company serving as the MiddleEast/Asia Regional Director. I have a trip scheduled to India Nov 4-7 so I can make myself available Oct 26th-30th. Please let me know if next week will work for you.

R Chambers/CT
Remember Life is Good

From: Ilona_Cohen@armed-services.senate.gov
To: [REDACTED] (RICKY CHAMBERS)
CC: Joe_Bryan@armed-services.senate.gov; Howard_Hoege@armed-services.senate.gov;
David_Morriss@armed-services.senate.gov
Date: Fri, 23 Oct 2009 17:16:00 -0400
Subject: Interview request

Dear Mr. Chambers,

As you may be aware, the Senate Armed Services Committee has initiated an inquiry into the role of armed contractors in Afghanistan. As part of this inquiry, we would like to schedule a time to speak with you about your work for Blackwater and its affiliated units, including information about Paravant's acquisition and use of weapons in Afghanistan. We expect an interview will take approximately four hours and would be held at the Senate Armed Services Committee offices in 228 Senate Russell Office Building in Washington, DC.

Please advise me by close of business Monday when you will be available over the next two weeks. You may reach me at this email or at the phone number below.

Sincerely,

Ilona R. Cohen
Counsel
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510
Phone: (202) 224-5089

From: Cohen, Ilona (Armed Services)
Sent: Wednesday, October 28, 2009 8:03 PM
To: 'dschertler'; [REDACTED]
Cc: 'donorato'; [REDACTED]
Subject: Re: Ricky Chambers
Attachments: image001.jpg

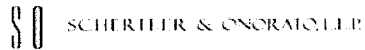
David,

Per your request, we will postpone tomorrow's call with Mr. Chambers.

Please call me tomorrow at 9:30 am.

Ilona Cohen

From: David Schertler <dschertler@schertlerandonorato.com>
To: Cohen, Ilona (Armed Services)
Cc: Danny Onorato <donorato@schertlerandonorato.com>
Sent: Wed Oct 28 18:58:59 2009
Subject: Ricky Chambers



Ms. Cohen,

We have just been retained to represent Mr. Chambers. We respectfully ask to postpone the scheduled telephone interview set for tomorrow morning at 9:00 so that we can get up to speed on the case.

Thank you for your consideration,

Dave Schertler

David Schertler
Attorney at Law
[REDACTED]
[REDACTED]
www.schertlerlaw.com

601 Pennsylvania Avenue, N.W.
NORTH Building, 9th Floor
Washington, D.C. 20004

From: Ricky Chambers [REDACTED]
Sent: Thursday, October 29, 2009 2:29 AM
To: Cohen, Ilona (Armed Services)
Cc: Bryan, Joe (Armed Services); Hoege, Howard (Armed Services); Morriss, David (Armed Services)
Subject: RE: Interview request

Ms. Cohen! I was contacted by Mike Bush I guess after you attempted contact with him and some how Mr. Hammond, General Counsel for BW/USTC found out that I had been contacted by your office. I was advised that legal counsel at my choice could be provided to me on the matter of my service with BW/USTC and to include the Paravant issue in connection with the committee's inquiry. So I have an attorney appointed. I still look forward to speaking with the committee and assisting in anyway that I can. I believe my historical prospective and institutional knowledge working in Afghanistan for BW/USTC will be of help to the committee.

Just recieved another that Mr. David Schertler has made contact with you as of yesterday. His contact is provided below.

David Schertler
 Attorney at Law

[REDACTED]
 [REDACTED]
www.schertlerlaw.com

Remember Life is Good
 RChambers

From: Ilona_Cohen@armed-services.senate.gov
To: [REDACTED] (RICKY CHAMBERS)
CC: Joe_Bryan@armed-services.senate.gov; Howard_Hoege@armed-services.senate.gov;
 David_Morriss@armed-services.senate.gov
Date: Tue, 27 Oct 2009 12:47:35 -0400
Subject: RE: Interview request

Mr. Chambers,

In advance of our phone call, please send us your bio. Also, I wanted to let you know that the call will be transcribed and to let you know the names of the Committee staff expected on the call.

Committee staff expected: Ilona Cohen, Joe Bryan, Howard Hoege, David Morriss, and Christine Lang.

Please let me know if you have any questions.

Ilona Cohen

From: Danny Onorato [donorato@armed-services.senate.gov]
Sent: Friday, November 06, 2009 5:42 PM
To: Cohen, Ilona (Armed Services); David Schertler
Cc: Bryan, Joe (Armed Services); Hoege, Howard (Armed Services); Morriss, David (Armed Services)
Subject: RE: Ricky Chambers

Ms. Cohen:

Thanks for your email. As you are aware, our firm represents Mr. Chambers. As I told you over the telephone today, Chambers will not appear voluntarily for an interview. In addition, and as I mentioned in our conversation, Mr. Chambers would invoke his Fifth Amendment rights under the Constitution if he were to be subpoenaed to testify before the Committee. He would do so "in response to all questions from Committee staff and/or the Committee relating to his tenure at Blackwater." I am sorry that we cannot provide you additional information about Mr. Chambers' decision to invoke the privilege. I trust this is the clarification sought in your email.

Best,
 Danny Onorato

From: Cohen, Ilona (Armed Services) [mailto:Ilona_Cohen@armed-services.senate.gov]
Sent: Friday, November 06, 2009 4:08 PM
To: Danny Onorato; David Schertler
Cc: Bryan, Joe (Armed Services); Hoege, Howard (Armed Services); Morriss, David (Armed Services); Cohen, Ilona (Armed Services)
Subject: Ricky Chambers

Mr. Onorato,

As you know, Committee staff has been seeking to schedule a voluntary interview with your client, Mr. Ricky "CT" Chambers, since October 23, 2009. On October 23, 2009 Mr. Chambers agreed to a voluntary interview, which was scheduled for October 29, 2009. On the evening of October 28, 2009, however, your office contacted SASC staff requesting that the interview be postponed. Mr. Chambers contacted SASC staff directly on October 29, 2009 with the following message: "I still look forward to speaking with the committee and assisting in any way that I can. I believe my historical perspective and institutional knowledge working in Afghanistan for BW/USTC will be of help to the committee."

This morning, you informed me that Mr. Chambers "respectfully declines" the request for a voluntary Committee staff interview. You also advised me that should the Committee decide to subpoena Mr. Chambers, that you would advise him to invoke his rights under the Fifth Amendment.

Before we speak to the Chairman about possible Committee action, please confirm in writing, that Mr. Chambers does not intend to appear for a voluntary interview. In your correspondence, please address how that decision squares with Mr. Chambers' statement to Committee staff that he looks forward to speaking with the Committee and that he wishes to be helpful to the Committee in any way that he can. In light of Mr. Chambers' representation to the Committee, your stated intention to advise Mr. Chambers to assert the Fifth Amendment, if subpoenaed, does not establish that Mr. Chambers would, in fact, do so or that he would do so in response to all questions from Committee staff and/or the Committee relating to his tenure at Blackwater. Accordingly, we would appreciate a clarification of your client's position on all of these matters by no later than Tuesday, November 10, 2009.

Thank you.

CARL LEVIN, MICHIGAN, CHAIRMAN

ROBERT C. BYRD, WEST VIRGINIA	JOHN MCCAIN, ARIZONA
JOSEPH I. LIBERMAN, CONNECTICUT	JAMES M. INHOFE, OKLAHOMA
JACK REED, RHODE ISLAND	JEFF SESSIONS, ALABAMA
DANIEL K. AKAKA, HAWAII	SAXBY CHAMBLISS, GEORGIA
BILL NELSON, FLORIDA	LINDSEY GRAHAM, SOUTH CAROLINA
E. BENJAMIN NELSON, NEBRASKA	JOHN THUNE, SOUTH DAKOTA
EVAN BRYN, INDIANA	ROBERT F. WICKER, MISSISSIPPI
JIM WEBB, VIRGINIA	GEORGE S. LAMARCA, FLORIDA
CLARE McCASKILL, MISSOURI	RICHARD BLUMENTHAL, CONNECTICUT
MARK UDALL, COLORADO	DAVID VITTER, LOUISIANA
KAY R. HAGAN, NORTH CAROLINA	SUSAN M. COLLINS, MAINE
MARK REID, ALASKA	
ROLAND W. BURRIS, ILLINOIS	
PAUL G. KIRK, JR., MASSACHUSETTS	

RICHARD D. DEBOES, STAFF DIRECTOR
JOSEPH W. BOWEN, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON ARMED SERVICES
WASHINGTON, DC 20510-6050

February 1, 2010

Mr. Ricky B. Chambers
c/o Mr. Danny Onorato, Esq.
601 Pennsylvania Avenue NW
North Building - 9th Floor
Washington, DC 20004-2601

Dear Mr. Chambers:

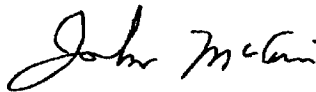
We are writing to request your appearance before the Senate Committee on Armed Services on Wednesday, February 24, 2010 at 9:30 a.m. in Room 216 of the Hart Senate Office Building to discuss issues relating to the Committee's inquiry into armed contractors operating in Afghanistan.

The hearing will explore (1) the conduct of Paravant personnel in Afghanistan, including actions relating to the acquisition, distribution and use of weapons by company personnel and (2) the government's oversight of the Raytheon prime contract and Paravant subcontract. The Committee seeks your testimony relative to Blackwater's acquisition of weapons from 22 Bunkers, the subsequent distribution of those and other weapons to Paravant personnel, and incidents involving the use of weapons by Paravant personnel.

Consistent with Committee rules, you may be accompanied by counsel of your choosing to advise you during the hearing. The Committee does not require non-government witnesses to provide a prepared statement. If you would like to provide such a statement, however, please provide your statement on disk (in Microsoft Word format) or via email at least 48 hours before the hearing.

Please advise the Committee by Monday, February 8, 2010 whether you intend to appear voluntarily for the February 24, 2010 hearing. Should you have any questions about this hearing, please contact Ilona Cohen of the majority staff at (202) 224-5089 or Jay Heath of the minority staff at (202) 224-9537.

Sincerely,



John McCain
Ranking Member



Carl Levin
Chairman



February 8, 2010

VIA FIRST CLASS MAIL & ELECTRONIC MAIL

The Honorable Carl Levin
Chairman
Senate Committee on Armed Services
228 Russell Senate Office Building – Room SR
Washington, D.C. 20510-6050

The Honorable John McCain
Ranking Member
Senate Committee on Armed Services
228 Russell Senate Office Building – Room SR
Washington, D.C. 20510-6050

Re: February 24, 2010 Inquiry into Armed Contractors Operating in Afghanistan

Dear Chairman Levin and Senator McCain:

We write to respond to your letter from February 1, 2010, requesting the appearance of Ricky B. Chambers at the Senate Committee on Armed Service's ("Committee") hearing, scheduled for February 24, 2010.

While we respect the Committee's purpose and efforts in conducting the hearing, Mr. Chambers respectfully declines to participate in the inquiry.

Please let us know if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Danny Onorato'.

Danny Onorato
Counsel for Ricky C. Chambers

ATTORNEYS AT LAW

600 Pennsylvania Avenue, N.W.
North Building, 11th Floor
Washington, D.C. 20004-2601

A redacted area containing contact information, likely a phone number and email address, obscured by black bars.
www.schertlerlaw.com

From: Danny Onorato [donorato@armed-services.senate.gov]
Sent: Tuesday, February 09, 2010 1:43 PM
To: Cohen, Ilona (Armed Services)
Cc: Heath, Jay (Armed Services); Aimee Simpson; Bryan, Joe (Armed Services); Hoege, Howard (Armed Services)
Subject: RE: February 24, 2010 Inquiry into Armed Contractors operating in Afghanistan

Ms. Cohen:

We are not authorized to accept service of a subpoena for Mr. Chambers.

Best,
 Danny

From: Cohen, Ilona (Armed Services) [mailto:Ilona_Cohen@armed-services.senate.gov]
Sent: Monday, February 08, 2010 4:33 PM
To: Danny Onorato; Aimee Simpson
Cc: Heath, Jay (Armed Services); Bryan, Joe (Armed Services); Hoege, Howard (Armed Services)
Subject: FW: February 24, 2010 Inquiry into Armed Contractors operating in Afghanistan

Mr. Onorato,

Please advise me if you are authorized and will accept service of a subpoena to compel Mr. Chambers's testimony, should the Committee choose to issue one.

Sincerely,
 Ilona Cohen

From: Aimee Simpson [mailto:asimpson@armed-services.senate.gov]
Sent: Monday, February 08, 2010 4:30 PM
To: Cohen, Ilona (Armed Services)
Cc: Danny Onorato
Subject: February 24, 2010 Inquiry into Armed Contractors operating in Afghanistan

Dear Ms. Cohen:

Attached please find our response to the Committee's letter to Mr. Chambers, dated February 1, 2010.

Please let us know if you have any questions.

Sincerely,

Aimee M. Simpson
 Attorney at Law

[Redacted Signature]

601 Pennsylvania Ave., N.W.
 North Building, 9th Floor
 Washington, D.C. 20004-2601

TAB 35

From: jerry stratton [REDACTED]
Sent: Saturday, October 03, 2009 9:55 AM
To: Cohen, Ilona (Armed Services)
Cc: John Shellnutt; SNAKE; Jack Westman; Pat Ferrel
Subject: RE: SASC Inquiry

Mrs Cohen, How about a phone call will that do. Jerry D Stratton

From: Ilona_Cohen@armed-services.senate.gov
To: strattonjd [REDACTED]
Date: Thu, 1 Oct 2009 15:53:58 -0400
Subject: RE: SASC Inquiry

Mr. Stratton,

We appreciate you agreeing to speak with us. Rather than waiting until December, we would like to schedule a Video Teleconference (VTC) for the week of October 12, 2009. As I mentioned, we expect the interview to take approximately four hours.

Please let me know of a time during that week that would work for your schedule. In addition, please let me know your location in Afghanistan and the closest FOB to that location. If you do not have access to a VTC at your current location, we will try to make other arrangements. You may reach me at this email or at the phone number below. Thank you.

Ilona Cohen

From: jerry stratton [REDACTED]
Sent: Thursday, September 17, 2009 10:01 AM
To: Cohen, Ilona (Armed Services)
Subject: RE: SASC Inquiry

Sir, I am deployed to Afghanistan and will be back December 14, I will be more than happy to meet with you on the 16th of December. Please let me know if this will be ok. Thank you for your time. Jerry D Stratton

From: Ilona_Cohen@armed-services.senate.gov
To: Strattonjd [REDACTED]
CC: David_Morriss@armed-services.senate.gov; Joe_Bryan@armed-services.senate.gov;
Howard_Hoege@armed-services.senate.gov
Date: Wed, 16 Sep 2009 13:03:15 -0400
Subject: SASC Inquiry

Mr. Stratton,

As you may be aware, the Senate Armed Services Committee has initiated an inquiry into the role of armed contractors in Afghanistan. As part of this inquiry, we would like to schedule a time to speak with you about your work at the Blackwater armory, including about the acquisition of weapons by that armory and the distribution and use of those weapons. We expect an interview will take approximately four hours and would be held at the Senate Armed Services Committee offices in 228 Senate Russell Office Building in Washington, DC.

Please advise me by close of business Monday when you will be available over the next two weeks.
You may reach me at this email or at the phone number below.

Sincerely,

Ilona R. Cohen
Counsel
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510
Phone: (202) 224-5089

From: Gregory Poe [REDACTED]
Sent: Thursday, October 08, 2009 11:01 AM
To: Cohen, Ilona (Armed Services)
Subject: JD Stratton

Ilona –

It was nice speaking with you today. As we discussed, I represent JD Stratton in connection with your investigation. Please ensure that all communications with Mr. Stratton are through me.

As we also discussed, I'll call you at 10:00 a.m. on Wednesday, October 14, 2009.

My contact information is below.

Regards,

Greg

Law Offices of Gregory L. Poe PLLC
1025 Connecticut Avenue, N.W.
Suite 1000
Washington, D.C. 20036
Telephone: [REDACTED]
Fax: [REDACTED]
Mobile: [REDACTED]
Web Site: www.gpoelaw.com
Blog: <http://blog.gpoelaw.com/>

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From: Gregory Poe [REDACTED]
Sent: Monday, October 26, 2009 5:41 PM
To: Cohen, Ilona (Armed Services)
Subject: RE: Interview of Mr. Stratton
Attachments: Letter to Ilona Cohen -- 102609.pdf

Ms. Cohen –

Please see the attached letter.

Regards,

Greg

Law Offices of Gregory L. Poe PLLC
 1025 Connecticut Avenue, N.W.
 Suite 1000
 Washington, D.C. 20036
 Telephone: [REDACTED]
 Fax: [REDACTED]
 Mobile: [REDACTED]
 Web Site: www.gpoeilaw.com
 Blog: <http://blog.gpoeilaw.com/>

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From: Cohen, Ilona (Armed Services) [mailto:Ilona_Cohen@armed-services.senate.gov]
Sent: Thursday, October 22, 2009 1:48 PM
To: 'gpoeilaw.com' [mailto:gpoeilaw.com]
Cc: Bryan, Joe (Armed Services); Hoege, Howard (Armed Services); Morriss, David (Armed Services)
Subject: Interview of Mr. Stratton

Mr. Poe,

As you know, Committee staff has been seeking to schedule a voluntary interview with your client, Mr. Jerry D. Stratton, since September 16, 2009. Mr. Stratton initially agreed to a voluntary interview on September 16, 2009. Mr. Stratton later suggested a phone interview on October 3, 2009, but then declined to provide his availability for the interview. On October 20, 2009, you informed me that Mr. Stratton "respectfully declines" the request for a voluntary Committee staff interview. You declined to offer any reason for Mr. Stratton's decision.

Before we speak to the Chairman about possible Committee action, please confirm, in writing, that Mr. Stratton does not intend to appear for a voluntary interview. In your written response, you are again invited to provide any basis for that decision. We would appreciate a response no later than Monday, October 26, 2009.

Sincerely,

Ilona R. Cohen
Counsel
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510
Phone: (202) 224-5089

201

LAW OFFICES
GREGORY L. POE PLLC
1025 CONNECTICUT AVENUE, N.W.
10TH FLOOR, SUITE 1000
WASHINGTON, D.C. 20036
www.gpoelaw.com

Tel: [REDACTED]
Fax: [REDACTED]

gpoelaw.com

October 26, 2009

Via Email (Ilona.Cohen@armed-services.senate.gov)

Ilona R. Cohen
Counsel
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510

Re: Jerry D. Stratton, Jr.

Dear Ms. Cohen:

This letter confirms that Mr. Stratton respectfully declines your request for a voluntary Committee staff interview. As I informed you when we spoke on October 8, 2009, my representation of Mr. Stratton commenced during the week of October 5, 2009. My understanding is that he was not represented by counsel during all earlier communications that he had with you. My further understanding is that the entirety of his communications with you before my conversation with you on October 8 are as follows: (1) a September 16 email from you to Mr. Stratton; (2) a September 17 email from Mr. Stratton to you; (3) a very brief telephone conversation between you and Mr. Stratton shortly after September 17; (3) an October 1 email from you to Mr. Stratton; and (4) two separate October 3 emails from Mr. Stratton to you.

Sincerely,



Gregory L. Poe

UNITED STATES SENATE
 COMMITTEE ON ARMED SERVICES
 WASHINGTON, DC 20510-6050
 TELEPHONE: (202) 224-5089
 FAX: (202) 224-5090
 E-MAIL: armedservices@senate.gov
 INTERNET: armedservices.senate.gov
 OFFICE OF THE CHIEF OF STAFF
 1000 PENNSYLVANIA AVENUE, N.W.
 WASHINGTON, DC 20540
 TELEPHONE: (202) 224-5089
 FAX: (202) 224-5090
 E-MAIL: chief@armedservices.senate.gov
 INTERNET: armedservices.senate.gov
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 WASHINGTON, DC 20540
 TELEPHONE: (202) 224-5089
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 E-MAIL: clerk@armedservices.senate.gov
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 FAX: (202) 224-5090
 E-MAIL: general@armedservices.senate.gov
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 OFFICE OF THE CHIEF OF STAFF
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 E-MAIL: general@armedservices.senate.gov
 INTERNET: armedservices.senate.gov

United States Senate
 COMMITTEE ON ARMED SERVICES
 WASHINGTON, DC 20510-6050

November 17, 2009

Mr. Gregory L. Poe PLLC
 1025 Connecticut Avenue, N.W.
 10th Floor, Suite 1000
 Washington, D.C. 20036

Dear Mr. Poe:

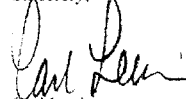
By phone on October 20, 2009 and by letter dated October 26, 2009, you informed Committee staff that your client, Mr. Jerry D. Stratton, Jr., did not wish to appear for a voluntary staff interview in connection with the Committee's investigation into private security contracting in Afghanistan and Iraq. You have twice declined to provide any further information as to the basis for Mr. Stratton's decision.

In light of Mr. Stratton's decision to decline the staff's request, I am considering asking the Committee to authorize a subpoena to compel his testimony. Before the Committee takes that step, I would like to understand the basis for his decision to decline a voluntary staff interview so that I may determine whether he has any legitimate concerns that could be resolved by the Committee without issuance of a subpoena.

Accordingly, please advise me in writing of the basis for his decision by no later than Tuesday, November 23, 2009. If you have any questions about this request, please feel free to contact Ilona Cohen of the Committee staff at (202) 224-5089.

Thank you for your assistance in this matter.

Sincerely,


 Carl Levin
 Chairman

cc: Senator John McCain, Ranking Member

LAW OFFICES
GREGORY L. POE PLLC
1025 CONNECTICUT AVENUE, N.W.
TENTH FLOOR, SUITE 1000
WASHINGTON, D.C. 20036
www.gpoelaw.com

Tel: [REDACTED]
Fax: [REDACTED]

gpoe [REDACTED]

November 23, 2009

Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, D.C. 20510-6050

Dear Senator Levin:

I have received your letter dated November 17, 2009 concerning my client, Jerry D. Stratton, Jr. A member of your staff had requested a voluntary interview with Mr. Stratton to "speak with [him] about [his] work at the Blackwater armory" in Afghanistan, "including about the acquisition of weapons by that armory and the distribution and use of those weapons." That request was made in a September 16, 2009 email to Mr. Stratton. After I began representing Mr. Stratton in October 2009, I informed your staff that Mr. Stratton respectfully declines a voluntary interview.

Let me note at the outset that Mr. Stratton served our Nation in the United States Navy as an Aviation Ordnanceman for more than two decades. When he retired in August 2003, Mr. Stratton had achieved the rank of Petty Officer First Class. Mr. Stratton's recognitions include Aviation Warfare Specialist, three Navy Commendation Medals, five Navy Achievement Medals, five Good Conduct Medals, four Armed Services Expeditionary Medals, a Navy unit commendation, four sea service deployment ribbons, two Battle "E" ribbons, a meritorious unit commendation, and four other letters of commendation. Since leaving the Navy in 2003, Mr. Stratton has been an independent contractor for Xe Company (formerly known as Blackwater). Mr. Stratton is currently stationed in Kabul, Afghanistan.

If the Committee issues a subpoena to compel Mr. Stratton's testimony, he will invoke his Fifth Amendment privilege against self-incrimination. The Fifth Amendment's privilege against self-incrimination, of course, "protects the innocent as well as the guilty." *Ohio v. Reiner*, 532 U.S. 18, 18 (2001). One of its "basic functions . . . is to protect *innocent* men . . . 'who otherwise might be ensnared by ambiguous circumstances.'" *Reiner*, 532 U.S. at 21 (quoting *Grunewald v. United States*, 353 U. S. 391, 421 (1957) (in turn quoting *Slochower v. Board of Higher Ed. of New York City*, 350 U. S. 551, 557-558 (1956)) (emphasis in original)).

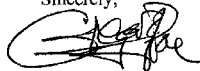
LAW OFFICES OF GREGORY L. POE PLLC

Honorable Carl Levin
November 23, 2009
Page 2

The privilege extends to witnesses who have “reasonable cause to apprehend danger from a direct answer.” *Reiner*, 532 U.S. at 21 (quoting *Hoffman v. United States*, 341 U. S. 479, 486 (1951)).

Because Mr. Stratton will invoke his Fifth Amendment privilege if he is served with a subpoena, I hope that you and your staff agree that the appropriate course of action is not to issue a subpoena at all. See, e.g., *Watkins v. United States*, 354 U.S. 178, 187 (1957) (“We have no doubt that there is no congressional power to expose for the sake of exposure.”). If you do not agree that it is inappropriate to issue a subpoena in these circumstances, I would appreciate receiving a written explanation before any action is taken. I would also respectfully request a sufficient opportunity to respond.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregory L. Poe', with a stylized flourish at the end.

Gregory L. Poe

cc: Senator John McCain, Ranking Member

CARL LEVIN, MICHIGAN, CHAIRMAN
 ROBERT C. BYRD, WEST VIRGINIA
 JOSEPH I. LIEBERMAN, CONNECTICUT
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 KAY H. HAGAN, NORTH CAROLINA
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 PAUL G. KRIB, JR., MASSACHUSETTS
 RICHARD D. DURBES, STAFF DIRECTOR
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 JOHN MCCAIN, ARIZONA
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 JOHN THUNE, SOUTH DAKOTA
 ROGER F. WICKER, MISSISSIPPI
 GEORGE S. LUMMEX, FLORIDA
 RICHARD BLUM, NORTH CAROLINA
 DAVID VITTER, LOUISIANA
 SUSAN M. COLLINS, MAINE

United States Senate
 COMMITTEE ON ARMED SERVICES
 WASHINGTON, DC 20510-6050

February 1, 2010

Mr. Jerry D. Stratton, Jr.
 c/o Mr. Gregory Poe, Esq.
 1025 Connecticut Avenue, NW
 10th Floor, Suite 1000
 Washington, DC 20036

Dear Mr. Stratton:

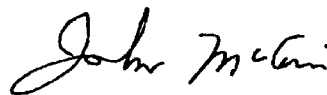
We are writing to request your appearance before the Senate Committee on Armed Services on Wednesday, February 24, 2010 at 9:30 a.m. in Room 216 of the Hart Senate Office Building to discuss issues relating to the Committee's inquiry into armed contractors operating in Afghanistan.

The hearing will explore (1) the conduct of Paravant personnel in Afghanistan, including actions relating to the acquisition, distribution and use of weapons by company personnel and (2) the government's oversight of the Raytheon prime contract and Paravant subcontract. The Committee seeks your testimony relative to Blackwater's acquisition of weapons from 22 Bunkers, the subsequent distribution of those and other weapons to contractors for Blackwater/Paravant, and incidents involving the use of weapons by personnel on the Paravant subcontract.

Consistent with Committee rules, you may be accompanied by counsel of your choosing to advise you during the hearing. The Committee does not require non-government witnesses to provide a prepared statement. If you would like to provide such a statement, however, please provide your statement on disk (in Microsoft Word format) or via email at least 48 hours before the hearing.

Please advise the Committee by Monday, February 8, 2010 whether you intend to appear voluntarily for the February 24, 2010 hearing. Should you have any questions about this hearing, please contact Ilona Cohen of the majority staff at (202) 224-5089 or Jay Heath of the minority staff at (202) 224-9537.

Sincerely,



John McCain
 Ranking Member



Carl Levin
 Chairman

LAW OFFICES
GREGORY L. POE PLLC
1025 CONNECTICUT AVENUE, N.W.
TENTH FLOOR, SUITE 1000
WASHINGTON, D.C. 20036
www.gpoelaw.com

Tel: [REDACTED]
Fax: [REDACTED]

gpoe@[REDACTED]

February 8, 2010

Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, D.C. 20510-6050

Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate
Washington, D.C. 20510-6050

Dear Senators Levin and McCain:

I have received your letter dated February 1, 2010, addressed to my client, Jerry D. Stratton, Jr., care of me. On November 17, 2009, Senator Levin wrote directly to me as Mr. Stratton's counsel, and I responded on November 23, 2009. A copy of my November 23 letter is enclosed for your convenience. As Mr. Stratton's counsel, I am responding directly to your February 1 letter. Please address future communications concerning Mr. Stratton, if any, directly to me.

Your February 1 letter requests Mr. Stratton's "appearance before the Senate Committee on Armed Services on Wednesday, February 24, 2010 at 9:30 a.m. in Room 216 of the Hart Senate Office Building[.]" As you or your staff may already know, Mr. Stratton is in Afghanistan working in support of the United States. He is not scheduled to return to the United States for many months. Given the circumstances, he is not in a position to appear before the Committee on February 24. Accordingly, it is not necessary for me to address whether Mr. Stratton would appear voluntarily if he were in a position to make that choice. At the same time, let me make clear that Mr. Stratton stands by the position stated (and representations made) in my November 23 letter.

LAW OFFICES OF GREGORY L. POE PLLC

Honorable Carl Levin
Honorable John McCain
February 8, 2010
Page 2

As stated in my November 23 letter, Mr. Stratton served our Nation in the United States Navy for more than two decades. He was well-recognized for that service. I respectfully request that the Committee show appropriate sensitivity to Mr. Stratton's reputation in connection with this matter – both at the February 24 hearing and otherwise. See, *e.g.*, *Watkins v. United States*, 354 U.S. 178, 187 (1957) (“We have no doubt that there is no congressional power to expose for the sake of exposure.”).

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory L. Poe", with a stylized flourish at the end.

Gregory L. Poe

Enclosure

From: Gregory Poe [REDACTED]
Sent: Tuesday, February 09, 2010 8:37 AM
To: Cohen, Ilona (Armed Services)
Cc: Heath, Jay (Armed Services); Bryan, Joe (Armed Services); Hoege, Howard (Armed Services)
Subject: RE: Witness letter

Dear Ms. Cohen –

I am not in a position to accept service of a subpoena to compel Mr. Stratton's testimony should the Committee choose to issue one.

Let me emphasize my November 23, 2009 letter to Senator Levin and, in particular, its final two sentences, which state: "If you do not agree that it is inappropriate to issue a subpoena in these circumstances, I would appreciate receiving a written explanation before any action is taken. I would also respectfully request a sufficient opportunity to respond." Please understand that request to apply both to committee members and staff.

Sincerely,

Gregory L. Poe

Law Offices of Gregory L. Poe PLLC
 1025 Connecticut Avenue, N.W.
 Suite 1000
 Washington, D.C. 20036
 Telephone: [REDACTED]
 Fax: [REDACTED]
 Mobile: [REDACTED]
 Web Site: www.gpoelaw.com
 Blog: <http://blog.gpoelaw.com/>

This communication is intended solely for the use of the addressee. It may contain information that is privileged, confidential, exempt from disclosure under applicable law, and/or attorney work product. Any dissemination or copying of this communication is strictly prohibited except by the addressee and employees or agents responsible for delivering it to the addressee. If you have received this communication in error, please notify us immediately by reply e-mail and by telephone at [REDACTED].

From: Cohen, Ilona (Armed Services) [mailto:Ilona_Cohen@armed-services.senate.gov]
Sent: Monday, February 08, 2010 4:10 PM
To: 'Gregory Poe'
Cc: Heath, Jay (Armed Services); Bryan, Joe (Armed Services); Hoege, Howard (Armed Services)
Subject: RE: Witness letter

Mr. Poe,

Please advise me if you are authorized and will accept service of a subpoena to compel Mr. Stratton's testimony, should the Committee choose to issue one.

Sincerely,
 Ilona Cohen

TAB 36

CARL LEVIN, MICHIGAN, CHAIRMAN

ROBERT C. BYRD, WEST VIRGINIA
JOSEPH I. LIEBERMAN, CONNECTICUT
JACK REED, RHODE ISLAND
DANIEL K. AKAKA, HAWAII
BILL NELSON, FLORIDA
E. BENJAMIN NELSON, NEBRASKA
DIAN BAHR, INDIANA
JIM WEBB, VIRGINIA
CLARE McCASKILL, MISSOURI
MARK UDALL, COLORADO
KAY R. HAGAN, NORTH CAROLINA
MARK BEGICH, ALASKA
ROLAND W. BURRIS, ILLINOIS
PAUL G. KIRK, JR., MASSACHUSETTS

JOHN MCCAIN, ARIZONA
JAMES M. RHODES, OKLAHOMA
JEFF SESSIONS, ALABAMA
DICK CHABLES, GEORGIA
LINDSEY GRAHAM, SOUTH CAROLINA
JOHN THUNE, SOUTH DAKOTA
ROBERT F. WICKER, MISSISSIPPI
GEORGE J. LUTHER, FLORIDA
RICHARD BURR, NORTH CAROLINA
DAVID VITTER, LOUISIANA
SUSAN M. COLLINS, MAINE

RICHARD D. DUBOIS, STAFF DIRECTOR
JOSEPH W. BOWEN, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON ARMED SERVICES
WASHINGTON, DC 20510-6050

February 1, 2010

Chief Warrant Officer 4 Gregory Sailer, USN
CSTC-A CJ-4
APO AE 09356

Dear CWO4 Sailer:

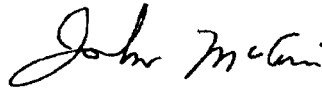
We are writing to request your appearance before the Senate Committee on Armed Services on Wednesday, February 24, 2010 at 9:30 a.m. in Room 216 of the Hart Senate Office Building to discuss issues relating to the Committee's inquiry into armed contractors operating in Afghanistan.

The hearing will explore (1) the conduct of Blackwater personnel in Afghanistan, including actions relating to the acquisition, distribution and use of weapons by company personnel and (2) the government's oversight of the Raytheon prime contract and Paravant subcontract. The Committee seeks your testimony relative to the purpose and function of 22 Bunkers (including rules and policies applicable to the acquisition from and use of weapons from the facility) and the acquisition of weapons by Blackwater personnel from 22 Bunkers.

Consistent with Committee rules, you may be accompanied by counsel of your choosing to advise you during the hearing. Committee rules require that we receive your written statement (1 copy and an electronic copy on computer disk in Microsoft Word format) no less than 48 hours before you appear before the Committee. Please provide letter size copies of any charts or handouts for distribution to Members and staff.

Please advise the Committee by Monday, February 8, 2010 whether you intend to appear voluntarily for the February 24, 2010 hearing. Should you have any questions about this hearing, please contact Ilona Cohen of the majority staff at (202) 224-5089 or Jay Heath of the minority staff at (202) 224-9537.

Sincerely,



John McCain
Ranking Member



Carl Levin
Chairman

cc: Honorable Robert M. Gates, Secretary of Defense



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1300

FEB 12 2010

The Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

This letter responds to your request for CW04 Gregory Sailer and Steven Ograyensek as witnesses at the Committee's February 24, 2010 hearing exploring (1) the conduct of Blackwater personnel in Afghanistan, including actions relating to the acquisition, distribution and use of weapons by company personnel and (2) the government's oversight of the Raytheon prime contract and Paravant subcontract.

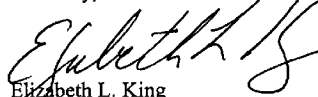
It is the longstanding policy of the Department of Defense that deployed military personnel should not be distracted or removed from their duties to respond to Congressional inquiries. As CW04 Gregory Sailer is deployed in Afghanistan he is not currently available for a hearing on February 24. The Committee has been provided with documents and information related to the Combined Security Transition Command - Afghanistan (CSTC-A) in response to specific questions from the Committee's investigators.

In addition the incident which is the subject of this hearing is currently being investigated by the FBI and DOJ. In January two individuals were charged with the murders from this incident and are currently awaiting trial. We are in the process of consulting with the FBI and DOJ regarding your requests to assure that the Department's responses do not interfere with the ongoing investigation.

The Committee has also requested Mr. Ograyensek, an employee at the Program Executive Office for Simulation Training and Instrumentation (PEO STRI), to be a witness at the hearing. Though Mr. Ograyensek is a contracting officer for PEO STRI, he is not in the best position to provide the Committee with information about PEO STRI's or the Army's oversight of contracts and subcontracts or the carriage and use of weapons by Paravant personnel. The Department would like to offer Deputy Secretary of the Army for Procurement Edward Harrington, or his designee, as an alternative witness to assist the Committee in its oversight investigation at the hearing.

The Department continues to support the Committee and its oversight activities. If you have any questions or concerns, please contact CDR James Aiken of my office at (703) 697-6210.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth L. King". The signature is fluid and cursive, with a large, stylized "E" and "K".

Elizabeth L. King
Assistant Secretary of Defense
(Legislative Affairs)

cc: The Honorable John McCain
Ranking Member

TAB 37



March 10, 2010

The Honorable Carl Levin
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510-6050

Re: *Hearing on the "Blackwater-Paravant Contract"*

Dear Mr. Chairman:

I write following the Committee's February 24, 2010, hearing "Contracting in a Counterinsurgency: An Examination of the Blackwater-Paravant Contract and the Need for Oversight." This letter provides information that I agreed to provide during my appearance before the Committee. I would like to note that I have also received the Committee's list of questions for the record, and we will respond to that request in the future.

With regard to the creation of Paravant, you asked "who was it at Raytheon who told you they didn't want to deal with a Blackwater?" I testified that I did not know the identity of that person because I did not participate in the relevant communications with Raytheon.

Based on a review by outside counsel, I have been informed that it is the company's understanding that an early contact concerning Raytheon's prime contract was between Jim Sierawski, then a vice president at Blackwater Worldwide, and Jennifer Joy, with Raytheon Technical Services Company ("RTSC"). In December 2007, Mr. Sierawski sent an e-mail to Ms. Joy from a Blackwater e-mail address and using his Blackwater title and telephone number (see attachment 1). Ms. Joy responded to this e-mail and indicated that she tried to reach him by phone. Mr. Sierawski recalls that, in a subsequent telephone conversation, Ms. Joy expressed some level of concern about having the Blackwater name appear on RTSC's approved list of vendors for the Warfighter FOCUS contract. Mr. Sierawski recalls Ms. Joy asking if Blackwater had considered changing its name.

During the hearing, you asked about a letter from General Petraeus related to weapons in Bunker 22 (or "22 Bunkers"). I have reviewed General Petraeus's November 19, 2009, letter, which states "[t]here is no current or past written policy, order, directive, or instruction that allows U.S. Military contractors or subcontractors in Afghanistan to use weapons stored at 22 Bunkers." I am advised by counsel that the letter itself is not a regulation, directive, instruction, policy, or procedure contractually binding on contractors accompanying U.S. armed forces deployed outside the United States. Nonetheless, in stating that there is no current or past policy related to Bunker 22, it does not indicate that there is a current or past policy that prohibits the use of Bunker 22 weapons by contractors. Indeed, documents provided by the Committee at the hearing indicate that other contractors also obtained weapons from Bunker 22. I would like to reiterate, as I did in my testimony, that the new management of Xe Services shares the

The Honorable Carl Levin
 Chairman, Committee on Armed Services
 March 10, 2010
 Page 2

Committee's concern regarding the lack of sufficient policies, procedures, and oversight at the time that Paravant obtained these weapons.

Senator McCaskill requested an organizational chart including the names of Xe Services subsidiaries. I am told that an organizational chart was already provided to the Committee and that it is document number SASC014704.

Senator McCaskill also asked "[h]ow many personnel do you have on the ground in Afghanistan right now? Through all the various named companies?" The number of personnel in Afghanistan fluctuates somewhat on a daily basis in response to U.S. government staffing requirements. Nonetheless, as of March 4, 2010, Xe Services and its subsidiaries had 632 U.S. and foreign national employees and independent contractors working on unclassified contracts for the U.S. government as well as 573 foreign national personnel working for subcontractors providing construction, operations and maintenance, and static site security services. An additional 35 U.S. and foreign national employees and independent contractors were in Afghanistan as of the same date engaged in a subcontract with a non-governmental organization. Six U.S. and foreign employees and independent contractors provide logistics support to both the company's commercial and U.S. government work.

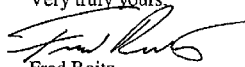
Senator McCaskill asked the following: "[Y]ou used the *légal* representation that they were independent contractors to say, 'Not us. Not our fault. We've got no responsibility.' Isn't that a fair statement?" The question involves a legal issue and I am not a lawyer. However, I have been advised by legal counsel that it would not be a fair statement because the company's primary position in its response of June 15, 2009 to RTSC's show cause notice was that it was not responsible for personal conduct that took place while off-duty and that was unrelated to the contracted services. This would be true whether the individuals were independent contractors or employees. As I indicated in my testimony, the May 5, 2009, incident occurred outside the scope of the contracted services and the individuals failed to follow clear company policies, such as alcohol use, unofficial vehicle use, and weapons policies.

Related to the number of independent contractors, I testified about the number of Afghan National Army ("ANA") troops trained by the company in 2009. As indicated in my testimony, we trained more than 38,000 troops, which represents the number of ANA personnel that attended weekly courses or training modules taught by a Paravant instructor in 2009, as reflected in weekly "Sitrep" reports prepared by Paravant personnel and submitted to CSTC-A. More specifically, the totals in the Sitrep reports were based on the actual or estimated number of trainees attending a course or module during the given week. Additionally, because the records do not identify each ANA member, the total would include personnel that attended more than one training module or a training module that lasted more than one week.

The Honorable Carl Levin
Chairman, Committee on Armed Services
March 10, 2010
Page 3

Finally, I wanted to share with you the enclosed letter that Xe Services' President and Chief Executive Officer, Mr. Joseph Yorio, sent to Secretary of Defense Robert Gates today in response to your letter to the Secretary of February 25, 2010, concerning the company (see attachment 2).

Very truly yours,



Fred Roitz
Executive Vice President & Chief Sales Officer

Attachments

From: Jennifer C Joy
Sent: Monday, December 10, 2007 1:35 PM
To: Jim Sierawski
Subject: Re: Blackwater

Jim,

Tried to call you earlier. Please call me at the contact information below when you get a chance.

Thanks

Jennifer Joy
 Strategic Alliance Manager WTA
 Small Business Federation
 Raytheon Technical Services Company LLC
 2603 Challenger Tech Court, Suite 150
 Orlando, FL 32828

"Jim Sierawski"
 12/08/2007 01:48 PM

To: jennifer.joy
 cc
 Subject: Blackwater

Jennifer

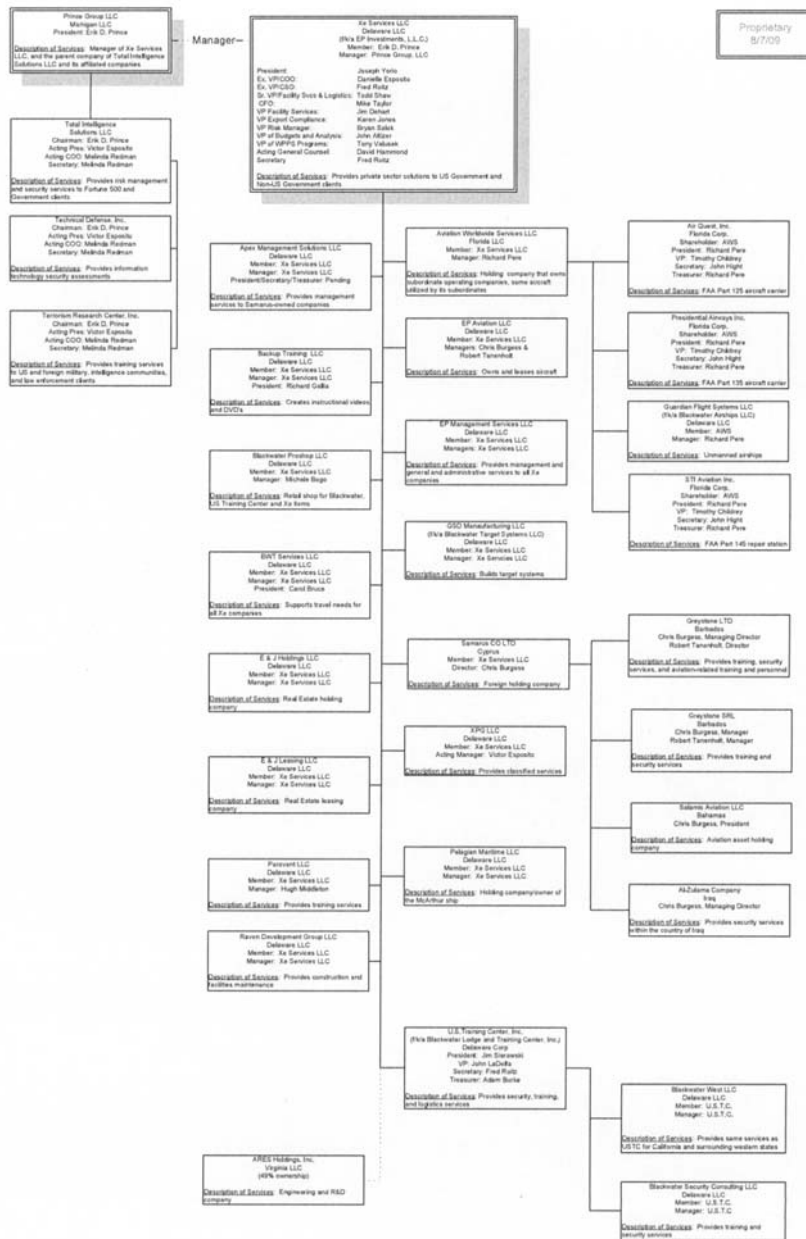
I was referred to you and Ratheon's War Fighters contract by the Navy's Center for Security Forces. During the past five years we have been providing training, range rental and instructor services to the Center and other military units. We have two range complexes that support these services, one in the Norfolk area, which is over 7000 acres, and the other in the San Diego area. In the last five years we have trained over 20,000 Navy students. Our range complex trains over 30,000 students a year from all branches of the service. Our infrastructure allows us to provide unique training services that most military ranges can not provide.

The purpose of this email is to learn how our company can become part of the vendor list that supports the War Fighter's contract. I can provide you more information regarding our company's training capability at your earliest convenience. I am confident our company can add a tremendous amount of value to the War Fighter's contract.

Please feel free to contact me at anytime.

Jim Sierawski
 VP of Domestic Training and Operations
 Blackwater Worldwide
 PO Box 1029
 Moyock, NC 27958

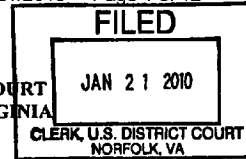
MN03262296



TAB 38

Case 2:10-cr-00001-RGD-FBS Document 30 Filed 01/21/2010 Page 1 of 12

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Norfolk Division

**UNITED STATES OF AMERICA**

v.

Crim. No. 2:10cr01**JUSTIN H. CANNON,**

and

CHRISTOPHER A. DROTTLEFF,**Defendants.****ORDER**

This matter comes before the Court for review of a detention order, pursuant to 18 U.S.C. §3145(b). Defendant Christopher A. Drotleff ("Drotleff") was indicted on January 6, 2010, and stands accused of serious firearm and homicide charges. On January 14, 2010, Drotleff appeared before Magistrate Judge Miller for a detention hearing pursuant to 18 U.S.C. §3142(f). Judge Miller found "that the credible testimony and information submitted at the hearing establishes by clear and convincing evidence that the defendant is a danger to the community and by a preponderance of the evidence that he is a risk of flight." Accordingly, Judge Miller ordered Drotleff detained pending trial in this case.

On January 13, 2010, Drotleff filed a Motion for Review of Detention Order. The Court held a hearing on Drotleff's Motion on January 19, 2010. The Court received information by proffer, and heard argument by the parties. Having considered the information submitted at the hearing and the parties' arguments, the Court **FINDS** by clear and convincing evidence that

Drotleff is a danger to the community. The Court further **FINDS** by a preponderance of the evidence that he is a risk of flight. Therefore, it is hereby **ORDERED** that Defendant Christopher A. Drotleff be detained pending trial.

I. Factual and Procedural Background

The charges against Drotleff arise from an incident which occurred in Kabul, Afghanistan on the night of May 5, 2009. Certain facts are presently undisputed. Drotleff and his co-defendant, Justin H. Cannon, were traveling in a two-vehicle convoy when the other car in their convoy was struck by an Afghan vehicle. (Tr. 5–6, 16–17).¹ Drotleff and Cannon stepped out of their car on foot. (Tr. 6, 16–17). Shortly thereafter, Drotleff and Cannon opened fire on an Afghan vehicle, killing one of the its occupants and wounding another. (*Id.*). Another Afghan citizen, who was walking along the street, was struck by a stray bullet and killed. (*Id.*).

Although the parties agree on these essential details as to what happened on May 5, they vigorously dispute the reason why Drotleff and Cannon opened fire. Drotleff claims that the shooting was in self-defense. (Tr. 16–18). According to his account, he and Cannon were driving Afghan translators to the translators' home in Kabul when the other vehicle in their convoy was struck at a high rate of speed by an Afghan car. (Tr. 16). The Afghan vehicle then made a U-turn and started speeding towards Drotleff and Cannon. (Tr. 17). Drotleff and Cannon opened fire to protect themselves, and the car continued past them without stopping. (*Id.*).

The United States gives a different account of the shooting. According to the United States, Drotleff had been drinking throughout the day of the shooting. (Tr. 5). Drotleff and

¹Unless otherwise noted, all references to "Transcript" or "Tr." refer to the official transcript of the proceedings before Magistrate Judge Miller, conducted on January 12, 2010.

Cannon left their base without authorization, and their convoy was involved in an accident. (Tr. 5–6). Another Afghan vehicle arrived at the scene. (Tr. 6). The two unarmed passengers in this vehicle saw that Drotleff and Cannon were agitated, and decided to turn around and drive away. (Id.). Drotleff and Cannon then opened fire on the departing vehicle, without any provocation. (Id.). The bullets struck the back of the departing car and hit one of its passengers in the back, passing through his chest. (Tr. 6–8).

On January 6, 2010, a grand jury returned a 13-Count indictment charging Drotleff and Cannon with numerous violations of federal law. Drotleff faces eight charges: two counts of second degree murder, in violation of 18 U.S.C. §1111; one count of attempted murder, in violation of 18 U.S.C. §1113; three counts of use and discharge of a firearm during and in relation to a crime of violence, in violation of 18 U.S.C. §924(c); and two counts of murder resulting from the use and discharge of a firearm during and in relation to a crime of violence, in violation of 18 U.S.C. §924(j). Drotleff was arrested on these charges on January 7, 2010.

On January 12, 2010, Judge Miller held a detention hearing, pursuant to 18 U.S.C. §3142(f). The parties presented information by proffer. At the conclusion of the hearing, Judge Miller found “that the credible testimony and information submitted at the hearing establishes by clear and convincing evidence that the defendant is a danger to the community and by a preponderance of the evidence that he is a risk of flight.” Accordingly, Judge Miller ordered Drotleff detained pending trial.

On January 13, 2010, Drotleff filed the instant Motion for Review of Detention Order, pursuant to 18 U.S.C. §3145(b).

II. LEGAL STANDARD

Pursuant to 18 U.S.C. §3145(b), a “defendant ordered detained by a magistrate may seek de novo review in the district court.” United States v. Clark, 865 F.2d 1433, 1436 (4th Cir. 1989). Although the Court must make an independent determination of the proper pretrial detention or conditions of release, the Court may consider the record of the proceedings before the magistrate judge. Id.; see also United States v. Toler, 684 F. Supp. 436, 437 (S.D.W. Va. 1988).

The Court **FINDS** that there is probable cause to believe that Drotleff committed an offense under §924(c). Therefore, a rebuttable presumption arises that “no condition or combination of conditions will reasonably assure the appearance of the person as required and the safety of the community.” 18 U.S.C. §3142(e)(3).

In a presumption case, the

defendant bears a limited burden of production — not a burden of persuasion — to rebut that presumption by coming forward with evidence he does not pose a danger to the community or a risk of flight. Once a defendant has met his burden of production relating to these two factors, the presumption favoring detention does not disappear entirely, but remains a factor to be considered among those weighed by the district court. Even in a presumption case, the government retains the ultimate burden of persuasion by clear and convincing evidence that the defendant presents a danger to the community. The government retains the ultimate burden of persuasion by the lesser standard of a preponderance of the evidence that the defendant presents a risk of flight.

United States v. Blankenship, 2008 WL 1925137 (S.D.W. Va. 2008) (quoting United States v. Mercedes, 254 F.3d 433, 436 (2d Cir. 2001)); see also United States v. Boyd, 484 F. Supp. 2d 486, 488 (E.D. Va. 2007). In determining whether the presumption has been rebutted, the Court considers the factors set forth in 18 U.S.C. §3142(g):

- (1) the nature and circumstances of the offense charged, including whether the offense is a crime of violence, a violation of section 1591, a Federal crime of terrorism, or involves a minor victim or a controlled substance, firearm, explosive, or destructive device.
- (2) the weight of the evidence against the person;
- (3) the history and characteristics of the person including :
 - (A) the person's character, physical and mental condition, family ties, employment, financial resources, length of residence in the community, community ties, past conduct, history relating to drug or alcohol abuse, criminal history, record concerning appearance at court proceedings and
 - (B) whether, at the time of the current offense or arrest, the person was on probation, on parole, or on other release pending trial, sentencing, appeal or completion of sentence for an offense under Federal, State, or local law; and
- (4) the nature and seriousness of the danger to any person or the community that would be posed by the person's release.

18 U.S.C. §3142(g); see also Mercedes, 254 F.3d at 436.

III. ANALYSIS

1. *Nature and Circumstances of the Offense*

The charges in the pending indictment against Drotleff are serious indeed. Among other charges, Drotleff faces two counts of murder resulting from the use and discharge of a firearm during and in relation to a crime of violence, in violation of §924(j). These offenses are crimes of violence and involve the use of a firearm—two factors specifically identified by Congress for the Court to consider. See 18 U.S.C. §3142(g)(1). While the Court presumes that Drotleff is innocent of these charges, this presumption “does not necessarily provide reasonable assurance that [Drotleff] will not flee if released from detention.” United States v. Levine, 770 F. Supp. 460, 465 (N.D. Ind. 1991). The nature and circumstances of the offense—and the possibility of a sentence of death if convicted—create a powerful incentive to flee. See United States v. Ross, No. 1:05cr160, 2007 WL 1295995 (W.D. Mich. Apr. 6, 2007) (“[C]ourts have given

considerable weight to the prospect of the death penalty in assessing whether a defendant has an incentive to flee.”); United States v. Gonzalez, 995 F. Supp. 1299, 1302 (D.N.M. 1998) (death penalty creates “strong incentive to flee prior to trial”). This factor weighs against Drotleff’s release.

2. *Weight of the Evidence*

Some courts, including the Ninth Circuit, have held that “the weight of the evidence is the least important of the various factors.” United States v. Hir, 517 F.3d 1081, 1090 (9th Cir. 2008); *see also* United States v. Jones, 566 F. Supp. 2d 288, 292 (S.D.N.Y. 2008). *But see* United States v. Calabrese, 436 F. Supp. 2d 925, 927 n.3 (N.D. Ill. 2006) (“The statute does not instruct that one or another factor is less important.”). In the present case, the weight of the evidence is even less important because the evidence of Drotleff’s guilt is not clear.

There is no dispute that Drotleff and Cannon both fired their weapons and that two unarmed Afghans died as a result. In its proffer, the United States asserts that Drotleff had consumed alcohol on the evening of the shooting, that he was driving off the base without authorization, and that he fired on a vehicle without provocation. (Tr. 5–7). Perhaps most importantly, the United States claims that “[n]umerous bullet holes in the victim’s car indicate that the car was fired upon from the rear.” (Tr. 7). But the United States’ description of the incident is radically at odds with Drotleff’s account. Drotleff claims that he fired on a vehicle that had intentionally rammed another car in his convoy, and that he did so only after the vehicle had turned around and started speeding towards him. (Tr. 17–18). Drotleff has cooperated fully with the investigation into his conduct.

At this preliminary stage, it is difficult to assess the strength of the evidence against Drotleff. As the strength of the evidence is neither overwhelming nor tenuous, this factor weighs neither for nor against Drotleff's release.

3. *History and Characteristics of the Defendant*

The Court finds that this factor weighs heavily against Drotleff's release. Drotleff's poor military record and his extensive criminal history demonstrate a lack of respect for authority and a propensity for violence. Although Drotleff's ties to the community and financial condition do militate in favor of his release, they do not outweigh his past conduct.

Drotleff enlisted in the Marine Corps on June 10, 1998. (Tr. 7). His military record is, to quote Judge Miller, "abysmal." (Tr. 40). On March 18, 1999, he received nonjudicial punishment for Assault, in violation of Uniform Code of Military Justice (UCMJ) Article 128. On September 28, 1999, he received nonjudicial punishment for Insubordinate Conduct Toward Warrant Officer, in violation of UCMJ Article 91. He received a summary court martial on February 10, 2000 for two charges of Absence Without Leave, in violation of UCMJ Article 86. He was confined for thirty days for these charges. On June 28, 2000, he received another nonjudicial punishment for Absence Without Leave and Failure to Obey Order or Regulation, in violation of UCMJ Articles 86 and 92. Finally, on November 30, 2000, he received a special court martial for Absence Without Leave, Larceny and Wrongful Appropriation, and for a False or Unauthorized Pass Offense, in violation of UCMJ Articles 86, 121, and 134. Through an agreement not to be tried, Drotleff was administratively given an other than honorable discharge from the Marine Corps in January 2001. (Govt.'s Ex. 2). In addition to these matters, Drotleff

was given counseling for a false check offense and two incidents of insubordinate conduct.²

After his discharge, Drotleff moved to Virginia Beach, Virginia. Since moving to Virginia Beach, Drotleff has been convicted of numerous misdemeanor offenses. In December 2001, he was charged with Reckless Driving. He was convicted and fined. In October 2002, he was charged with two Counts of Disturbing the Peace, and sentenced to ten days in jail and a year of supervised release. In May 2003, he was charged with Assault and Battery. He was sentenced to a brief jail term and to anger management counseling. In August 2003, he was charged with Reckless Driving. The charge was dismissed. In October 2003, he was charged with Reckless Driving for driving 82 mph in a 55 mph zone. He was found guilty and fined. On June 2004, he was charged with Resisting Arrest and Trespassing. He was found guilty on both counts, and fined. On January 21, 2006, he was charged with Driving While Intoxicated, Illegal Radar Detector, and Disregard Red Light. He was found guilty of the Driving While Intoxicated offense, and fined. In February 2006, he was again charged with Reckless Driving. He was found guilty and fined. In November 2007, he was charged with a second DWI offense. He was again fined. Finally, in July 2008, he was charged with two counts of Disturbing the Peace and Assault and Battery. These charges were dismissed.

The picture that emerges from Drotleff's criminal and military records is not a favorable one. Drotleff appears to have a problem with physical violence and anger, as exemplified by his

²The United States argues that Drotleff made false statements concerning his termination in his interview with Pretrial Services. (*See* Tr. 9). As Drotleff's record contains numerous incidents of insubordination, however, the Court cannot be sure that Drotleff was lying to Pretrial Services. It is possible that one of Drotleff's insubordination charges related to his refusal to take an anthrax shot, and that Drotleff believed his termination was the result of this insubordination charge.

four assault charges and his sentence for anger management in 2003. The Court is particularly concerned with the police records from Drotleff's October 2002 Disturbing the Peace offense. According to police records, Drotleff nearly hit two pedestrians who were crossing the street. He turned his car around, and told one of the pedestrians that he would "shoot him in front of his wife in his own neighborhood." When the one of the pedestrians started writing down Drotleff's license plate number, Drotleff told her "you have no idea who you're messing with." The Court is also concerned with Drotleff's history relating to alcohol abuse. Finally, although Drotleff has never failed to appear in court to face charges, the Court is concerned about the AWOL and insubordination charges in his military record. These charges show that Drotleff has a defiant attitude towards authority and a demonstrated willingness to disregard orders.

The Court is not unmindful of the arguments in favor of Drotleff's release. Drotleff has strong family ties to the community. His wife and two young children live in the community, and his parents live in Tappahanock, Virginia. He lacks financial resources to fund an escape, and has surrendered his passport. He has a history of stable employment and an open job offer, although he was unemployed between May 2009 and his arrest in January. Drotleff has cooperated with the investigation into his conduct, and also assisted in an unrelated investigation into illegal arms sales by Blackwater contractors. (See Tr. 18-19). The Court is also aware that this matter may not go to trial for some time, and that Drotleff will be unable to financially support his family while awaiting trial.

Even considering these facts, the Court finds that Drotleff's nature and characteristics show him to be a risk of flight and a danger to the community if released. Drotleff has been violent and defied authority in the past, and "current and past behavior are the best predictors of

how he would perform, if released.” United States v. Carswell, 144 F. Supp. 2d 123, 137 (N.D.N.Y. 2001). Accordingly, this factor weighs against Drotleff’s release.

4. Danger to the Community

As described above, Drotleff has shown himself to be a danger to the community in the past. In addition to his poor criminal history, the Court is extremely concerned about an incident which occurred on September 9, 2009.

On Wednesday, September 2, 2009, Drotleff e-mailed FBI agent Viet Nguyen, stating “I understand you are investigating me” and inviting Agent Nguyen to contact him. (Def.’s Ex. 1). On Thursday, September 3, 2009, Drotleff called Agent Nguyen and left a voice mail again urging Agent Nguyen to contact him. (Def.’s Ex. 3). According to the United States, Agent Nguyen called Drotleff on September 3, 2009 and scheduled a meeting for 9:00 a.m. on Wednesday, September 9. The United States claims that the meeting was scheduled to occur at Drotleff’s home in Virginia Beach. (See Ct. Ex. 1). Drotleff, however, claims that he “told the FBI he did not want them coming to his house.” (Tr. 19).

On September 9, 2009, three FBI agents arrived at Drotleff’s home. Although the agents heard voices and movement, no one answered when they knocked on the front door and announced their presence. The agents entered Drotleff’s garage through an open garage door, and knocked on the interior door inside the garage. No one answered the door, and the agents heard the deadbolt shut. They also noticed a gun lying on a tire in the garage. The agents left the scene, and called Drotleff from their vehicle. According to the United States, Drotleff was agitated on the phone, and asked “What would you do had I come to the door with a gun in my hand?” (Ct. Ex. 1).

Drotleff then called 911 and reported "two armed men outside my house." (Def.'s Ex. 2) When asked if he knew the men, Drotleff replied "I'm a contractor; I've got some government issues going on. I don't know who they are, but they're not here for something peaceful. You need to get someone over here pretty quick." (*Id.*). Drotleff stated that "if they start trying to open the interior door, I'm staying in here with something for them." (*Id.*). When asked if he was armed, Drotleff replied "absolutely, yeah." (*Id.*). He also claimed to have a "200 pound Rottweiler sitting in the living room with me." (*Id.*). Drotleff described the armed men as "government contractors." When asked if he "had a company name they were with," Drotleff stated that "for legal reasons," he could not name the company. (*Id.*).

The Virginia Beach dispatched armed police officers to Drotleff's home. One of these officers contacted FBI Agent Nguyen, explaining that Drotleff had provided him with Agent Nguyen's cellular phone number. (Ct. Ex. 1). Drotleff called Agent Nguyen at 1:00 p.m. on September 9, and stated that he no longer wished to meet with the FBI after the FBI brought "three people to my house, doing things the way you did this morning." (Def.'s Ex. 4).

This incident weighs extremely heavily against Drotleff's release pending trial. In Drotleff's call to 911, he described the armed men at his house as "government contractors," and he gave the Virginia Beach police department Agent Nguyen's phone number when they arrived on the scene. There is no question, therefore, that Drotleff was aware that the armed men at his home were FBI agents. Whether or not Drotleff had invited the agents to interview him at his home, his response to the situation was reckless and dangerous. In his calls to Agent Nguyen and to 911, Drotleff stated that he would have pulled a gun on the agents if they had attempted to enter his home. Drotleff called the Virginia Beach Police Department and claimed that armed

men were attempting to enter his home, and pointedly refused to inform the police that the men were FBI agents. Fortunately, the agents did not attempt to enter Drotleff's home, and the Virginia Beach Police Department did not arrive on the scene and open fire on the FBI. But the fact remains that Drotleff placed the FBI agents and the officers of the Virginia Beach Police Department at grave risk. The only plausible explanation for Drotleff's conduct is an effort to place the FBI agents and the police in a confrontation which may have been dangerous.

IV. CONCLUSION

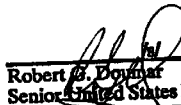
For the reasons stated above, the Court finds that three of the four factors enumerated in §3142(g) weigh against Drotleff's release pending trial. The serious nature and circumstances of Drotleff's alleged offenses, his violent and insubordinate nature and characteristics, and the danger to the community he presents all counsel for detention pending trial. The Court must also consider the presumption against Drotleff's release. Considering all these factors, the Court finds that the United States has carried its burden of persuasion. The Court **FINDS** by clear and convincing evidence that Drotleff is a danger to the community. The Court further **FINDS** by a preponderance of the evidence that he is a risk of flight. Therefore, it is hereby **ORDERED** that Defendant Christopher A. Drotleff be detained pending trial.

The Clerk of the Court is **DIRECTED** to deliver a copy of this order to all counsel of record.

IT IS SO ORDERED

Norfolk, Virginia

January 21, 2010


Robert B. Downum
Senior United States District Judge

[Whereupon, at 1:22 p.m., the committee adjourned.]