

OPERATION AMERICAN FREEDOM

CORPORATION'S FACT SHEETS

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- Digital Globe has close ties with The Boeing Company. Its' CEO Herbert F. Satterlee III spent 19 years with Boeing, holding a senior management position on programs such as the B-1 Bomber Simulator and others.
- CIA Chief George Tenet stated that the Central Intelligence Agency relies on commercial imagery for government projects. Digital Globe is one of two companies, both of which are based in Colorado, which has the capabilities needed for this partnership.
- Satterlee has claimed that Congress has been extremely “supportive” and has agreed to invest in commercial satellites, not just as a cost-saving move, but also as a tool of foreign policy.
- The National Imagery and Mapping Agency has purchased exclusive rights to images from the war regions. Mark Brender, executive director of corporate communications, says the government paid a huge premium over the normal price. A good case can be made that this should be considered corporate welfare. A good case can also be made that this is a form of censorship, pure and simple. The public has a right to see these images.
- Digital Globe works closely with BAE and Northrop Grumman and their National Missile Defense programs.
- Digital Globe profits from military interventions like the war in Iraq by selling their “eye in the sky” satellite images to the armed services (which rely on them for their bombing raids).
- Digital Globe, in an attempt to further their public relations, has given tours to local school groups showing off their video game-like images to impressionable youth.



- International Business Machines Corporation (IBM) manufactures and sells powerful tools for designing nuclear weapons and missiles – “supercomputers”.
- IBM has sold these “supercomputers” to China, India and Russia, all viewed as “bomb-prone” or “problem-proliferants” or, in the official lingo of federal Export Regulations, “Tier Three” nations. In making this technology available, IBM directly contributes to the proliferation of nuclear weapons while continuing to push for new markets for their high tech wares.
- In August 1998, IBM admitted to illegally exporting 16 RS/6000 SP supercomputers to Arzamas-16, a leading Russian nuclear weapons lab, in 1996. Moscow bought the computers for \$2.1 million, claiming they were for “peaceful purposes.” At first IBM denied knowing the computers were destined for Russia’s “Los Alamos” — the site where their first atomic and hydrogen bombs were built—but later revealed that it sent a technician to install the workstations in November 1996. In August 1998, IBM was fined \$8.5 million. But this does not change the fact that the Russians can now design weapons of mass destruction with supercomputers imported illegally from the United States.
- In the spring of 1996, after IBM’s supercomputers were found in China and Russian military facilities, the House of Representatives moved to tighten computer export controls. But Republican leaders in the Senate received urgent calls from IBM CEO Louis Gerstner arguing against stronger controls. The attempt to limit computer exports was defeated. This one anecdote demonstrates the power wielded by Big Blue, the leader in a \$633 billion a year computer industry, which employs more than 1.3 million people in the United States.
- At a time when the government is under-funding veterans benefits, education, health care, housing and many other vital services, over 80% of the subsidies distributed by the Export-Import Bank (100% Taxpayer Funded) goes to Fortune 500 corporations. Among these companies that receive taxpayer support from Ex-Im are IBM, Halliburton, General Electric, Raytheon, Boeing, Enron and others. Many of these same companies receiving taxpayer support, pay exorbitant salaries and benefits to their CEOs. IBM has given its former CEO Lou Gerstner over \$250 million in stock options while they were lining up for their Ex-Im handouts.
- The computer equipment and services industry, which doled out a total of \$67 million in contributions

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in the last decade, is the fourth largest contributing sector to the Democratic National Committee and ninth largest contributor to the Republicans. IBM alone spent \$5.5 million on lobbyists in 1998. And IBM employees contributed more than \$500,000 to political candidates during the 2000 election cycle. President Clinton and Congress responded favorably to this stroking by relaxing export controls on advanced computer technology six times in his eight years as president and abandoned the distinction between military and civilian customers of high tech computers.



- Lockheed Martin is the world's largest weapons contractor, a major player in the areas of nuclear weapons and ballistic missile defense. The company received over \$15 billion in contracts from the Pentagon in FY 2000, plus an additional \$2 billion for nuclear weapons design work from the Department of Energy.
- Lockheed Martin is the prime contractor for the Trident II Submarine-Launched Ballistic Missile (SLBM), a multiple-warhead, long-range missile that is produced for deployment on the Trident submarine. The Trident II is the only long-range U.S. nuclear missile currently in production.
- The company is also involved in the design and production of nuclear warheads through its role as the prime contractor for Sandia National Laboratories, a nuclear weapons engineering and design lab funded by the U.S. Department of Energy.
- Even as it profits from working on the next generation of nuclear weapons, Lockheed Martin is also heavily invested in ballistic missile defense. The company is the lead contractor for the Theater High -Altitude Area Defense (THAAD) program, a system designed to intercept medium-to-long-range ballistic missiles. Even though the THAAD system has failed in 6 out of 8 tests to date, last year the company received a contract extension from the Department of Defense worth up to \$4 billion for continuing work on the system.
- Lockheed Martin is the "leader of the PACs" -- Political Action Committees -- among U.S. weapons manufacturing firms. According to data assembled by the Center for Responsive Politics, the company made over \$10.6 million in campaign contributions to candidates and party committees from 1990 to 2000, including \$3.4 million in donations in the run-up to the year 2000 elections.
- Lockheed Martin was the top corporate contributor to members of the House Armed Services Committee during 1999/2000, and among the top ten contributors to the powerful House Appropriations Committee.
- The company has strong ties to both major parties. Lockheed Martin Vice-President Bruce Jackson was a top fundraiser for the Dole for President campaign in 1996, and he was the chief drafter of the foreign policy platform of the Republican Party for the year 2000 elections. Meanwhile, former Lockheed Martin board member and major shareholder Bernard Schwartz, the CEO of Loral Space, was a top soft money donor to the Democratic Party during the 1996 and 2000 presidential elections, contributing \$601,000 and \$1.1 million to Democratic committees during those election cycles, respectively.
- Lockheed Martin plays a major role in the de-stabilization of the Middle East, being the world's largest arms exporting company. They are cashing in on the over-militarizing of the region in order to increase revenue.

NORTHROP GRUMMAN / TRW

- Northrop Grumman has acquired TRW for an estimated cost of \$7.8 billion dollars. This merger of TRW was motivated in significant part by a desire to secure more ballistic missile defense contracts. Northrop Grumman, is now the nation's third largest defense contractor as a result of its recent acquisition of TRW and Newport News Shipbuilding.
- Northrop/TRW is following closely behind Lockheed with seven former officials, consultants or shareholders in the Bush administration. Northrop's most important link is Secretary of the Air Force James Roche, a former company vice president. The company's influence within the Air Force is reinforced by the presence of Assistant Secretary of the Air Force for Installations, Environment and Logistics Nelson Gibbs, who served as

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NORTHROP GRUMMAN / TRW

corporate comptroller at Northrop from 1991 to 1999. Deputy Secretary of Defense Paul Wolfowitz, Pentagon Comptroller Dov Zakheim and Undersecretary of Defense Douglas Feith all had consulting contracts or served on paid advisory boards for Northrop prior to joining the administration.

- Air Force Secretary James Roche awarded a \$250 billion dollar contract to Northrop Grumman and Lockheed Martin for the production of the new Joint Strike Force combat plane. The order, expected to provide over 40 years' worth of work and revenue, calls for the development and manufacturing of 3,000 fighters to be used by the Air Force, Navy and Marines. It also entails a similar number of planes to be sold abroad to countries like Turkey, Israel, and Canada. At the end of James Roche's tenure at Northrop Grumman, he had been promoted to president of the Electronic Sensors and Systems Sector, a division that, according to the company, will now be a "key" subcontractor for the fighter deal, responsible for the production of an advanced fire-control radar system and primary elements of the aircraft's integrated mission systems. In addition, on the day before Roche's nomination hearing before the Senate's Armed Services Committee, Northrop Grumman made two unusually large donations to sectors within the Republican Party: \$100,000 to the president's 2001 Dinner Committee (a joint trust split between House and Senate Republicans) and an additional \$15,000 to the Republican National State Elections Committee.
- Northrop Grumman is currently being accused of fraud in the fulfillment of multimillion-dollar defense contracts, including parts for the B-2 stealth bomber.
- Northrop Grumman currently has 21 violations, both criminal and civil, and has been fined \$87,876,581 and still receives some of the most lucrative federal contracts available.
- "Defense and intelligence. Terms synonymous with peace of mind." – TRW Website
- TRW is one of the Big Four weapons manufacturers, along with Lockheed Martin, Boeing, and Raytheon. These four companies received one out of every four dollars allocated by the Pentagon. In missile defense, their monopoly is even more complete; these four companies received 60-70% of all the contracts doled out by the Pentagon.
- TRW is a major player in National Missile Defense, responsible for the following programs:
 - NMD Battle Management Command, Control and Communications system
 - Theater Missile Defense family of systems synergy across the full spectrum of missile defense systems
 - Space-Based Infrared System Low (SBIRS Low) program
 - TRW also supports BMDO's Joint National Test Facility
- TRW may be a major player in the national Missile Defense program but it does not mean they are getting it right. TRW faked tests and evaluations of a key component in the NMD system, the "hit-to-kill" vehicle that is supposed to seek out and destroy incoming nuclear warheads against a backdrop of chaff and decoys. The whistle-blower, former TRW senior engineer Dr. Nira Schwartz, served on TRW's anti-missile team in 1995 and 1996. Schwartz found that the proposed interceptor could do so only 5 to 15% of the time rather than 95% of the time, the performance goal established by the BMDO. After repeated appeals to her boss and colleagues to alert industrial partners and the military to her findings, Schwartz was fired.
- You got to give to get: In the last ten years, as TRW solidified its position as one of the Big Four weapons contractors, its political giving has steadily increased, more than doubling since 1990. From 1990 through 2002, TRW donated more than \$2 million to members of Congress. Spending on lobbyists to push their agenda in Washington was even larger, in the last three years for which data is available (1999-1997), TRW spent more than \$3 million on lobbyists.
- TRW also has friends in high places. Vice-president Dick Cheney, who served as defense Secretary under Bush's father, sat on TRW's board. During the Bush/Cheney campaign, Cheney proudly recalled that, "as a congressman, I supported every weapons bill that came down the pike."
- In the recent bombings in Saudi Arabia, the corporation Vinnell was not quit an innocent victim. TRW subsidiary Vinnell built the beloved and historic Dodger Stadium. But it has a dark side too. A Pentagon official described the company as "our own little mercenary army." For the last 22 years, Vinnell's most lucrative contract has been with the Saudi Arabian National Guard, which, according to journalist Ken Silverstein, "protects royal family from internal unrest and guards strategic oil installations." The Saudi Arabian National Guard, according to watchdog groups such as Amnesty International has continued to violate human rights on a grand scale.

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NORTHROP GRUMMAN / TRW

Vinnell has approximately 1,000 employees in Saudi Arabia, including many retired U.S. Army Special Forces and CIA personnel. Vinnell employees were deployed in Saudi units during the Gulf War and received bonus pay for hazardous duty.

HALLIBURTON

- Halliburton is a singularly well-connected defense contractor. The company's former CEO is Dick Cheney, now Vice President. Lawrence Eagleburger, former U.S. Secretary of State under President George H. W. Bush and frequent television commentator on foreign policy issues, sits on the company's board.
- On Vice President Cheney's 2001 income tax return, he reported earning \$3 million from Halliburton (\$1.6 million "deferred compensation" plus \$1.4 million "cash bonus"), a sum 17 times as large as his \$174,475 government salary. Of Cheney's total reported income of \$4.3 million in 2001, 70% of it came from Halliburton!
- Despite the fact that Halliburton is the subject of a formal Securities and Exchange Commission investigation into its accounting practices during Cheney's tenure as CEO, in March, 2003, the company was granted a no-bid, open-ended Army Corps of Engineers contract to fight oil-well fires and reconstruct oil fields in Iraq. The contract could be worth as much as \$9.5 billion over the next 18 months.
- In December 2001, the Pentagon granted the company an exclusive global logistical supply and construction contract. The 10-year contract has no limit on the cost, making it the only logistical arrangement with the U.S. Army that does not have an estimated cost! Halliburton will be reimbursed for every dollar spent plus a guaranteed 1% profit margin, plus incentive bonuses. Contract expert Steve Schooner, a law professor at George Washington University, described the deal as unprecedented, essentially telling the company to "come up with creative ways to spend my money, and the more you spend, the happier I'll be."
- Halliburton's subsidiary Kellogg, Brown, and Root (KBR) defrauded the government of millions of dollars by inflating prices for repairs and maintenance. The General Accounting Office found that KBR billed the Army for questionable charges, including \$85.98 per sheet of plywood that cost \$14.06, and unnecessarily cleaning some offices as many as four times a day. Despite these abuses, Halliburton has been a key recipient of contracts as the Pentagon accelerates the outsourcing of its functions in the global "war on terror."
- Cheney's Halliburton did business with Saddam. According to the Washington Post, "Halliburton held stakes in two firms that signed contracts to sell more than \$73 million in oil production equipment and spare parts to Iraq while Cheney was chairman and chief executive officer." Halliburton has also done business in Azerbaijan, Burma, Indonesia, Libya and Nigeria. As Dick Cheney once said, "The good Lord didn't see fit to put oil and gas only where there are democratic regimes friendly to the United States."
- Tax Havens: Under Cheney's tenure, the number of Halliburton subsidiaries in offshore tax havens increased from 9 to 44. Meanwhile, Halliburton went from paying \$302 million in company taxes in 1998 to getting an \$85 million tax refund in 1999. All told, the IRS loses about \$70 billion a year in offshore tax sheltering by corporations and wealthy individuals - almost enough to cover the \$75 billion Bush has asked for to cover the first six months of war.



- In total, Boeing has supplied more than \$2.3 million in PAC and soft money to candidates and the parties in the 1999/2000 and 2002/2002 election cycles. In addition to campaign contributions, Boeing spent \$8.2 million during the fiscal year 2001 on lobbyists.
- During the 2000 elections, Boeing handed out generous campaign contributions. Soft Money and PAC contributions from the company totaled more than \$1.5 million, with 58% going to Republican candidates. Boeing kicked in \$100,000 for the Bush Inauguration, and \$100,000 for the Democratic National Convention. Clearly, these donations are paying off. The Korean Herald reported that Senator Christopher "Kit" Bond (R - MO), who received \$46,000 in PAC contributions from Boeing in his 1998 election campaign, met with South Korea's defense minister this past January to "pitch" the sale of F-15 fighter planes. While Senator Bond certainly has his constituents to think about, it seems that actively lobbying on behalf of Boeing for a foreign military sale represents a conflict of interest.

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- Boeing is the Prime Contractor for the contentious and dubious National Missile Defense (NMD) system, and working on the Navy's Theater- Wide Missile Defense system and the Airborne Laser program. Boeing also provides guidance systems for the Minuteman and Peacekeeper missiles.
- Boeing was awarded an initial \$1.5 billion contract for the NMD program in 1998, with a contract extension with the potential value of \$6 billion in December 2000. As the Lead System Integrator (or Prime Contractor) for the NMD program, Boeing is responsible for the development and integration of all NMD elements including the ground-based interceptor, ground-based radar, and the battle management command, control, and communications system. The contract has a full potential value of \$13 billion.
- Boeing's Military Aircraft and Missile System division produces some of the most advanced military aircraft in the world, and a wide variety of "precision" munitions including cruise missiles, air-to-ground missiles, and Harpoon missiles.
- Last year, while the world's largest civil aviation manufacturer made more planes and more money than ever before, it cut the number of employees on its US payroll. Boeing has been cutting costs and countering organized labor's threats to its bottom line by moving factories abroad and out-sourcing to non-union subcontractors in the U.S. In China, where Boeing sold 10% of its planes between 1993 and 1995, the company operates at a fraction of its U.S. costs. According to the *Seattle Times*, "Employees live mostly on or next to the factory premises. Workers receive a salary of about \$50 a month. They are forbidden to form independent trade unions. For those who step out of line on the shop floors in China, there is the notorious Lao Gai re-education through labor' prison work camps..."
- The Pentagon entered into a contract to lease at least 100 Boeing 767 tankers at a cost that is nearly \$7 billion more than if the aircraft were purchased. The plan to lease 100 converted Boeing 767 air refueling aircraft for a period of 10 years has all the hallmarks of a big boondoggle. The Office Management and Budget estimates that the lease plan would cost \$22 billion, while purchasing the aircraft outright would cost just over \$15 billion. It doesn't stop there. In the perverse logic of defense contracts, the more complicated the better. The B-767 plan also requires an additional handout from taxpayers, as modifications to existing hangers would be necessary to house B-767s and would cost an estimated \$600 million. "These two handouts are being characterized as good business practices when in fact the U.S. taxpayers are paying more to get less," said Danielle Brian, Executive Director of the Project On Government Oversight, the defense watchdog group.



General Electric Company

- GE was ranked the #1 corporation for fines and judgments in civil and criminal violations (63 total violations worth \$982 million dollars) that are still receiving federal contracts (worth an estimated \$1.6 billion dollars FY1999).
- GE receives subsidies by taxpayer's money through the Export-Import bank. The Ex-Im Bank insured a \$3 million dollar loan to aid General Electric's building of a factory where Mexican workers will make parts for appliances to export back to the United States. This project is directly responsible for the loss of 1,500 American jobs in Bloomington, Indiana.
- General Electric employees went on a strike when they were told that they would have to pay a larger portion of employee benefits to help cut cost. At the same time, GE's revenue has increased due to the large amount of money being awarded for defense contracts in the last two fiscal years. The CEOs get fatter as the company trims down.
- GE is one of the largest manufacturers of military aircraft engines including the infamous B-1 bomber.
- In 200, General Electric ranked as the 9th largest weapons manufacturers in the United States, with \$1.6 billion in sales.
- GE also makes aircraft mounted cannons like the Vulcan and the Avenger (*GE, We Bring Good Things to Life...*).
- Egypt, Israel and Kuwait are three of the company's top customers.
- GE has made \$908,700 in campaign contributions since 1994.
- General Electric also has built circuit components for landmines (contract worth an estimated \$667,000). An Italian company used GE Lexan plastic powder and synthetic rubber components to produce 1.6 million antipersonnel mines and 1.2 million antitank mines with GE's knowledge and approval.

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General Electric Company

- GE's environmental record is no better. They have been ordered to pay \$772 million dollars to clean-up Superfund sites where they have spilled PCBs (cancer causing chemical) into the Hudson River. They spent an estimated \$60 million in a public relations campaign to convince the people of the Hudson Valley that the work did not have to be done and the EPA was incorrect. They lost the battle.

Raytheon

- Raytheon is the third largest defense contractor in the United States, behind Lockheed Martin and Boeing. The Massachusetts-based conglomerate received more than \$6.3 billion in Pentagon contracts in FY 2000, accounting for over 37% of the firm's \$16 billion in revenues. By its own accounting, the company is involved in over 4,000 weapons programs. As Tom Culligan, Raytheon VP for Business Development, put it, "As a top tier defense electronics company, our forte is to be a provider to major platform manufacturers, which means you see Raytheon's brand name everywhere – from tanks and rifles to ships, aircraft and UAVs [unmanned aerial vehicles]."
- Raytheon's best-known product is probably the Patriot air defense missile, which received massive publicity during the 1991 Gulf conflict when it was used to defend against Iraqi Scud missiles. Analyses performed after the conflict by Dr. Theodore Postol of MIT and the Israeli military indicated that the Patriots were far less accurate than U.S. officials had originally claimed, and that in fact they had missed their targets more often than not.
- Another high visibility system produced by Raytheon is the Tomahawk land attack missile, which company promotional materials describe as "the U.S. Navy's weapon of choice." Other Raytheon missile systems include the AIM-65 Maverick, an air-to-surface missile which has been sold to the U.S. armed forces along with more than 20 other nations, including recent controversial offers to Thailand and the United Arab Emirates.
- The company is also a major arms exporter, with billions in overseas arms sales in the past decade to a client list that includes Israel, Egypt, Saudi Arabia, Turkey, Indonesia, Malaysia, Oman, Singapore, Greece, Taiwan and South Korea.
- Along with Boeing, Lockheed Martin, and TRW, Raytheon stands to profit the most from the Bush administration's decision to walk away from the Anti-Ballistic Missile Treaty of 1972 and move full speed ahead towards deployment of a multi-tiered missile defense system. Major Raytheon contracts in the missile defense realm include the following:
 - Prime contractor for the Exo-atmospheric Kill Vehicle (EKV), the component of the land-based missile defense interceptor that is designed to destroy incoming warheads in the midcourse portion of their flight path, while they are traveling through the weightless environment of space before re-entering the earth's atmosphere.
 - Prime contractor for the X-band radar and Upgraded Early Warning Radar, major components of the land-based element of the missile defense program.
 - System integrator for the PAC-3 system, a medium range interceptor missile based on the Patriot missile; producer of the radar system for Lockheed Martin's Theater High-Altitude Area Defense (THAAD) system.
 - Prime integrator for the Navy Theater Wide program, a sea-based missile defense project based on the Standard missile.
- Raytheon has profited well since Sept. 11 – a 26% rise in stock prices and an increase in the backlog of its main military division to \$12.3 billion by the end of 2001.
- Like other major weapons makers, Raytheon has made a significant "investment" in political influence and access in Washington. Since 1996, the firm has made more than \$2.4 million in soft money and Political Action Committee (PAC) donations, ranking third in donations among major defense contractors in the run up to the year 2000 elections, the most recent cycle for which full statistics are available. Their contributions are currently split 72% to 28% Republican to Democratic.

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- GD operates in four main areas:
 - Marine Systems - producing warships and nuclear submarines
 - Aerospace - making business jets
 - Information Systems and Technology – designing command and control systems
 - Combat Systems - making tanks, amphibious assault vehicles, weaponry, and ammunition
- General Dynamics ranks 4th on the list of current DOD contracts.
- The future of General Dynamic's \$50 billion DD-21 Land Attack Destroyer program is uncertain. The ship, which would be the "next generation" warship, has been the subject of intense debate in Congress and the Pentagon. However, this did not deter the Bush administrations 2002 defense request including \$643.5 million for the DD-21 program.
- The Bush administration named three corporate executives to lead the Air Force, Army and Navy. Among the three is Gordon R. England, 63, who recently retired from General Dynamics, who serves as the Secretary of the Navy. The Boston Globe noted, "Gordon England had no military experience, but he had just the right qualification to become President Bush's pick for secretary of the Navy: Two decades in the corporate world."
- A number of former Pentagon officials and members of the armed services serve on the company's Board of Directors (each receives an annual retainer of \$40,000), including Former U.S. Under Secretary of Defense for Acquisition and Technology Paul Kaminski, who reportedly also receives \$200,000 a year for up to 40 business days of his time.
- General Dynamics campaign contributions for the 2000 election totaled \$1.2 million, with about 65% going to Republican candidates. To date, General Dynamics has donated close to half a million dollars for the 2002 election cycle, while lobbying expenditures average about \$4.1 million a year.