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December 13, 2006

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OUR FILE NUMBER:  
2525-02

OF COUNSEL  
SHELLEY M. LIBERTO  
IN RABAT, MOROCCO

The Honorable Nancy Pelosi  
235 Cannon HOB  
Washington, D.C. 20515

**RE: War Profiteering and Blackwater Security Consulting**

Dear Honorable Pelosi:

Please be advised that our office currently represents the families of the four American security contractors who were beaten, burned, killed, dragged through the streets of Fallujah, and strung up over a bridge for all the world to see. Those images, which were broadcast worldwide on March 31, 2004, will be forever etched into the minds of the American people as one of the symbols of the war in Iraq. Those four men were unfortunately working for Blackwater Security Consulting at the time of their death.

Prior to this past November's election, there were a couple of democratic subcommittees that were looking into the issue of war profiteering in Iraq. Blackwater naturally rose to the top of both of these investigations. On the Senate side, the investigation was headed by Senator Byron L. Dorgan (D-ND), who is the chair of the Senate Democratic Policy Committee. On the House side, the investigation was led by Congressman Henry Waxman (D-CA).

Although these congressional investigations into war profiteering and Blackwater seemed to be heading in the right direction, it appears that the prior position of the democrats in Congress led to these private security companies being evasive and recalcitrant toward the committees conducting the investigations. For example, during Blackwater's testimony before the Government Reform Committee, Subcommittee on National Security, Blackwater's Chris Taylor was repeatedly evasive and non-responsive with respect to his answers, and even had to be

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reminded by Congressman Christopher Shays (D-CT) that he was under oath. Blackwater was then asked to produce particular documents, which it has refused to do to date.

In my opinion, these Congressional committees have only begun to scratch the surface of what is deplorable conduct by war profiteers such as Blackwater simply to make a buck. Not only has Blackwater's conduct potentially defrauded the American tax payers out of millions of dollars under government contracts that never even authorized Blackwater to perform security services in Iraq, it has also lead to the death of at least four American citizens -- all in the name of corporate greed. The civil lawsuit that we are currently prosecuting in North Carolina alleges that while Blackwater was being paid exorbitant amounts of money under a murky scheme of subcontracts, Blackwater cut corners and reduced costs in an effort to pad its bottom line.

For example, one of the subcontracts that we have acquired specifically states that all missions in Iraq would be conducted in no less than six-man teams and in armored vehicles. On March 31, 2004, when my clients' loved ones were working for Blackwater in Fallujah that fateful day, they were not working in six-man teams and were not operating in armored vehicles. As our lawsuit alleges, Blackwater pocketed the millions it had been paid to buy armored vehicles, and sent these four men into the most dangerous part of Iraq at the time in nothing more than soft-skin Mitsubishi Pajeros (known in the U.S. as a standard Mitsubishi Montero). Had Blackwater not attempted to increase its profits by not purchasing the armored vehicles required by its own series of contracts, those four Americans would be alive today and the war in Iraq would have taken a slightly different path (as this ambush actually caused the U.S. military to invade Fallujah ahead of schedule in what has been described as the deadliest battle of the war).

There are many other examples alleged in our precedent-setting lawsuit concerning Blackwater's wrongful conduct, including Blackwater not permitting the men to conduct a risk assessment prior to the mission, gather intelligence concerning travel routes, conduct pre-trip inspections of the routes, acquire the necessary weapons, or even obtain a map of the area. Blackwater even sent these men out operational prior to the start date of their own contract.

This particular lawsuit against Blackwater is the first of its kind concerning the lack of accountability for private security contractors operating in Iraq, and is already becoming precedent setting. So far, we have obtained favorable published decisions from the U.S. District Court in North Carolina, as well as the Fourth Circuit Court of Appeals in Richmond, Virginia. As we continue to push this case forward in North Carolina, Blackwater will be also fighting it at the U.S. Supreme Court (where Blackwater has already lost its first motion which was denied by Justice John Roberts).

Nonetheless, as American citizens, we hereby petition to you to initiate, support, and continue the Congressional investigations into war profiteering and specifically Blackwater's conduct. Now that there has been a shift in power in Congress, we are hopeful that your

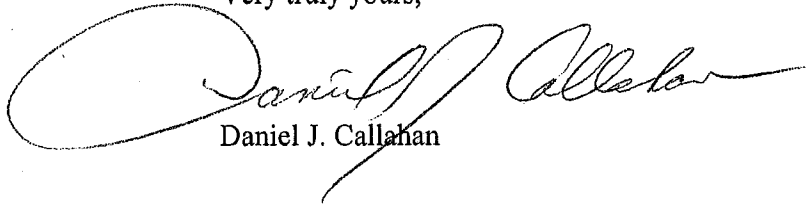
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investigation, as well as the investigations by Senator Dorgan and Congressman Waxman, will be taken seriously by these extremely Republican companies, such as Blackwater, who have been uncooperative to date, and that these investigations will be fruitful and meaningful. To the extent that we can provide any assistance to you or these Congressional committees, we will do so to the extent permitted by law.

We look forward to the New Direction of America, and to your dedication to putting an end to the fleecing of the American taxpayers and death to its citizens in the name of war profiteers such as Blackwater. Please do not hesitate to contact me at any time.

Very truly yours,



Daniel J. Callahan

DJC:jsr

cc: Rep. Nancy Pelosi (District Office)  
Rep. Henry A. Waxman (Washington and Los Angeles offices)  
Senator Byron L. Dorgan  
Senator Harry Reid  
Rep. Chris Van Hollen