

Five year criminal investigation found contractor threatened national security through repeated, systematic violations of U.S. laws and regulations

Washington, DC (Sept. 11, 2012)— Washington, DC – Today, Congressman John Tierney, Ranking Member of the House Oversight Committee’s Subcommittee on National Security, Homeland Defense and Foreign Operations, called on the

[State Department](#)

and the

[Department of Defense](#)

to seriously consider the suspension and debarment of Academi/Blackwater.

Following a multimillion dollar settlement with the [U.S. Attorney for the Eastern District of North Carolina](#) detailing multiple alleged violations of arms export controls and federal firearms laws, Ranking Member Tierney expressed concern that Academi/Blackwater is still eligible for future U.S. government contracts. Congressman Tierney also sent a letter to the U.S. Attorney for the Eastern District of North Carolina requesting additional information about the details of the settlement.

“I am deeply troubled by Academi’s ongoing eligibility for U.S. government contracts given that Academi’s actions have put our national security at risk through what the FBI has described as ‘systemic disregard for U.S. government laws and regulations.’ I strongly urge the Departments of Defense and State to re-evaluate the case and consider contract suspension or debarment. The settlement with the U.S Attorney is nothing more than a slap on the wrist, an inadequate penalty that sends the wrong message to other government contractors who deal with sensitive national security equipment every day.” Congressman Tierney said.

The facts uncovered during the criminal investigation raise serious concerns about Academi/Blackwater’s fitness as a contractor and its ability to comply with U.S. laws and regulations that protect national security. In fact, the U.S. Attorney’s Office essentially found that Academi/Blackwater engaged in repeated, systematic violations of U.S. laws and regulations designed to protect national security over an extended period of time. For example:

- Academi/Blackwater admitted that it exported ammunition and body armor without license or written authorization to Iraq and Afghanistan “on multiple occasions” between October 2004 and March 2006. The U.S. government has yet to determine the whereabouts of these items.

- The company admitted that it provided encrypted satellite phones to the Government of South Sudan between November 2005 and February 2006 while attempting to obtain security contracts worth up to \$300 million per year. At the time, Academi/Blackwater transshipped the equipment through Kenya “so as not to violate any sanction/import laws,” according to an Academi/Blackwater employee.

- Furthermore, Academi/Blackwater may have exported armored helicopters without approval. Not only do such unauthorized exports undermine U.S. foreign policy objectives, they create the potential for restricted items to transfer into the hands of insurgents or terrorists since they are shipped without approval and fall outside proper channels for oversight.