

The founder of Blackwater USA defended his private security company to a congressional panel Tuesday, rejecting claims that his employees are trigger happy as they protect State Department personnel in Iraq.

"I believe we acted appropriately at all times," Erik Prince, a 38-year-old former Navy seal, told the House Oversight and Government Reform Committee.

The FBI is investigating Blackwater personnel for their roles in a Sept. 16 shootout that left 11 Iraqis dead. That incident and others — including a shooting by an allegedly drunk Blackwater employee after a 2006 Christmas party — has raised questions by lawmakers about the role of contractors when it comes to protecting government employees.

"Privatizing is working exceptionally well for Blackwater," said Rep. Henry Waxman (D-CA) committee chairman. "The question for this hearing is whether outsourcing to Blackwater is a good deal to the American taxpayer, whether it's a good deal for the military and whether it's serving our national interest in Iraq."

#### Committee's Questions Limited

Waxman said he agreed not to ask specific questions about the Sept. 16 shootout because the Justice Department asked him to wait until the FBI investigation is complete. But Waxman said it was still appropriate to ask about Blackwater's company policies and whether the State Department helped the company cover up Iraqi deaths.

In particular, Waxman said he was concerned to learn the State Department advised the company on how much to pay the family of an Iraqi security guard shot by a drunken Blackwater employee in 2006. Internal e-mails later revealed a debate within the State Department on the size of the payment, Waxman said.

"It's hard to read these e-mails and not come to the conclusion that the State Department is acting as Blackwater's enabler," Waxman said.

Administration officials, speaking on condition of anonymity, said the incident was referred to federal prosecutors in Seattle, where the former Blackwater employee now lives. There has been no public announcement of any charges, but Prince said the individual was immediately fired and fined.

"But we, as a private organization, can't do anything more. We can't flog him, we can't incarcerate him," said Prince.

#### September Shootout

Regarding the Sept. 16 shootout, Prince said guards were responding to hostile fire while protecting a U.S. convoy. He said Blackwater guards reacted appropriately after a car bomb exploded near a diplomatic convoy they were protecting.

After the bomb detonated, the guards came under small-arms fire, and some of them returned fire at "threatening targets," which included vehicles that appeared to be suicide car bombers. Only five of approximately 20 Blackwater guards involved fired their weapons, Prince said.

Blackwater helicopters assisted in directing the convoy to safety, but the choppers did not fire their weapons, he said.

"Despite the valiant missions our people conduct each day with great success, in this September 16 instance, Blackwater and its people have been the subject of negative and baseless allegations reported as truth," Prince said.

#### Americans Protected

Blackwater has nearly 1,000 employees working in Iraq. Prince said 30 of its contractors have been killed while protecting U.S. diplomats, and no Americans have died while under the company's watch.

"There is no better evidence of the skill and dedication of these men," Prince said, adding, "there has been a "rush to judgment based on inaccurate information."

Prince refuted a claim in a congressional report released Monday, saying Blackwater does not engage in "offensive or military missions, but performs only defensive security functions."

#### FBI Investigating

On Monday, the FBI opened an investigation of the Sept. 16 incident - the latest fatal shootings in Iraq involving Blackwater guards. The FBI team was sent at the request of the State Department and its findings will be reviewed for possible criminal liability.

Blackwater has had more shooting incidents than the other two companies combined, according to a report written by the House Oversight and Government Reform Committee ahead of Tuesday's hearing. The company has been paid more than \$1 billion in federal contracts since 2001 and is embroiled in a host of controversies over the conduct of its guards.

The Democratic staff of the House committee issued a scathing 15-page report on the company's conduct Monday, portraying the company as unchecked by the State Department.

Among the report's most serious charges was that Blackwater contractors sought to cover up a June 2005 shooting of an Iraqi man and the company paid - with State Department approval - the families of others inadvertently killed by its guards.

Blackwater has had to fire 122 guards - one-seventh of the personnel it has in Iraq - over the past three years for problems ranging from misuse of weapons, alcohol and drug violations, inappropriate conduct, and violent behavior, the committee report said.

It also said that Blackwater has been involved in 195 shooting incidents since 2005.

In more than 80 percent of the incidents, called "escalation of force," Blackwater's guards fired the first shots even though the company's contract with the State Department calls for it to use defensive force only, the report said.

"In the vast majority of instances in which Blackwater fired shots, Blackwater is firing from a moving vehicle and does not remain at the scene to determine if the shots resulted in casualties," the report added.

The report said there is no evidence that "the State Department sought to restrain Blackwater's actions, raised concerns about the number of shooting incidents involving Blackwater or the company's high rate of shooting first, or detained Blackwater contractors for investigation."

### Lucrative Contract

Blackwater was founded in 1997 by Prince and is headquartered in Moyock, N.C. It is the largest of the State Department's three private security contractors. The others are Dyncorp and Triple Canopy, both based in Washington's northern Virginia suburbs.

The staff report says Blackwater has made huge sums of money despite its questionable performance in Iraq, where Blackwater guards provide protective services for U.S. diplomatic personnel.

Blackwater has earned more than \$1 billion from federal contracts since 2001, when it had less than \$1 million in government work. Overall, the State Department paid Blackwater more than \$832 million between 2004 and 2006 for security work, according to the report.

Blackwater bills the U.S. government \$1,222 per day for a single "protective security specialist," the report says. That works out to \$445,891 on an annual basis, far higher than it would cost the military to provide the same service.

From NPR reports and The Associated Press