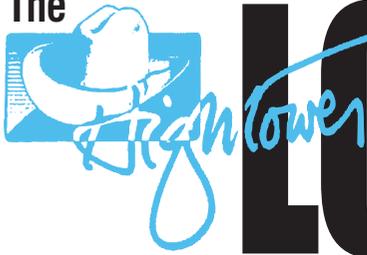


The



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LOWDOWN

EDITED BY JIM HIGHTOWER AND PHILLIP FRAZER

“[This] increasing privatization of US intelligence work calls into question whether the federal workforce includes too many people obligated to shareholders rather than the public interest—and whether the government is still in control of its most sensitive activities.”

—2010 WASHINGTON POST article on the increasing privatization of US intelligence agencies and the military

A corporate “foreign legion” has taken over America’s intelligence and military functions

Our taxes pay spies to work for rich shareholders—and pay for the corporatization of war itself

ON THE LAST DAY of last year, Austin’s daily newspaper led with a story that it tagged as an “Internet Privacy” report. “Hackers leak Stratfor data,” hollered the front-page headline in bold type.

It’s likely that 99.9 percent of readers had never heard of Stratfor, Inc. (including me), and the story really wasn’t all that newsy. The main point seemed to be that the hack attack was pulled off by Anonymous. This amorphous global collective of incognito, anarchistic “hactivists” has shown a remarkable techno/politico ability and agility, having penetrated deeply into the supposedly secure computer networks of a wide range of big targets, including Visa, the Church of Scientology, Monsanto, the Egyptian government, Universal Music, the Justice Department, the Tunisian government, Sony, PayPal, and the Bay Area Rapid Transit system.

According to the story, the group had grabbed and publicly released 860,000 email addresses and 75,000 credit card numbers of the obscure firm’s customers.

While this swipe certainly could be a pain for the customers and an embarrassing mess for Stratfor, such computer invasions are hardly uncommon these days, and this one didn’t seem to be very large or significant (perhaps the story’s front-page placement stemmed from an editor’s civic pride: “By golly, our little city is big enough to be hit by Anonymous.” More likely, Stratfor got top billing because this was a Saturday, New Year’s Eve paper with mighty slim pickings for news).

The firm’s full name is Strategic Forecasting, Inc., blandly described in the newspaper as a “geopolitical analysis and security intelligence company” that merely “gathers open source information on international crises,” which it repackages and sells to clients. Okay, but why would its database be a target of Anonymous, much less cause the group to boast on its website that it would cause “mayhem” by publishing

the information? The article offered no insight, concluding that “Anonymous’ motives for the attack remain hazy.”

Out of the haze

Luckily, non-establishment media—watchdog bloggers, Democracy Now! (Amy Goodman’s intrepid tv/radio show), *Mother Jones*, *Rolling Stone*, *The Nation*, et al.—were both more knowledgeable and more curious, and they soon made clear that the true import of the Anonymous/Stratfor story was not the hack, but the hackee. Digging through the names “liberated” by the hactivists, these investigative journalists reported that far from being just another internet privacy story, the Stratfor hack offers a public peek into the dark and deep netherworld of the fast-expanding privatization of our nation’s intelligence, foreign policy, and military responsibilities.

Among the corporation’s customers were such prominent names from Ye Olde Spookesville as Henry Kissinger, as well as such oddities as Dan Quayle (whose link to any sort of “intelligence” has always been considered tenuous). Of much greater interest was the fact

that Stratfor’s secret list of email addresses included 19,000 officials from the US military, 212 from the FBI, 71 from DIA (the Pentagon’s own spy operation), 29 from the National Security Agency (another global eavesdropping apparatus, attached to the White House), and 24 from the CIA. In addition to these national governmental officials, the range of email listings stretched from Apple Inc. to the Miami Police Department.

After disgorging this intriguing file of names, Anonymous tweeted tauntingly to Stratfor:

“Not so private and secret anymore?” But the exposé had only begun. Stratfor was flushed even further out of the darkness in late February when WikiLeaks, the whistle-blowing website, published five million of the secretive corporation’s internal emails, dated from July 2004 to the end of 2011. Also obtained from Anonymous, this email trove revealed that the company posing as a compiler and pub-



THE DIRTY SECRET OF KEYSTONE

"IT'S CERTAINLY TRUE," declared Energy Secretary Steven Chu, "that having Canada as a supplier for our oil is much more comforting than to have other countries supply our oil."

He was referring to the Canadian tar sands oil that TransCanada Corporation intends to move through the Keystone XL pipeline it wants to build from Alberta to refineries on the Texas Gulf Coast. He and lobbyists for the pipeline assert that filling America's gas tanks with fuel derived from Canadian crude will cut US dependency on the oil we get from unstable and unfriendly nations.

Good point—if it were true. However, ask yourself this question: why pipe this stuff 2,000 miles through six states, endangering water supplies and residents with inevitable toxic spills, when there are oil refineries much closer to Canada in the Midwest? What's the advantage of sending Canadian crude to refineries way down in Port Arthur, Texas? Aha—because it's a port!

What the pushers of Keystone want to keep from you and me is that this oil will not be made into gasoline for our vehicles—it is mostly going to be refined into diesel and jet fuel and exported to Europe, China, and Latin America. Yes, the claim that the pipeline will reduce our reliance on OPEC is an outright lie. Such oil giants as Valero, Motiva, and Total have already rejiggered their Port Arthur refineries to make diesel and jet fuel, nearly all of which will be piped into tanker ships and sent abroad. Valero's ads even feature a map with boats whizzing across the oceans.

You'd think our energy secretary would come clean with the American people.

The Stratfor File

WHAT:

Stratfor Forecasting, Inc. is a for-profit, mini-CIA. It uses a web of paid informers around the world to gain confidential information and conduct spy-ops against groups of citizen activists at the request of Fortune 500 corporations and governmental clients.

WHO:

Stratfor was founded in 1996 and headquartered in Austin, Texas, by George Friedman, its current CEO and chief intelligence officer. An author, PhD, and former designer of computerized war games, Friedman spent 20 years in academia before founding Stratfor, where he is billed as an expert in geopolitical conflicts and trends. The firm has about a hundred staff members.

lisher of publicly available information actually operates as a snoop-for-hire intelligence agency for military contractors, Big Oil, high-tech giants, Wall Street financiers, global food marketers, electric utilities, and other major corporations, as well as universities and government agencies. Reuters news agency dubbed the firm a "shadow CIA," and each of its clients plunks down tens of thousands of dollars a year to buy services from Stratfor.

What sort of services? WikiLeaks' pile of emails—sorted out by *Mother Jones* national security reporter, Adam Weinstein, in a Feb. 27 article [www.motherjones.com/politics/2012/02/wikileaks-stratfor-leak-corporate-intelligence—shows clients purchasing surveillance reports on the activities of their global competitors, personalized analyses of potential threats to their international expansion plans, and clandestine monitoring of their political "enemies." For example:

- **Northrop Grumman** wanted the inside scoop on Japan's nuclear weapons program.
- **Intel wanted intel** (sorry, I couldn't resist) on Hezbollah's "general ability to blow things up" in Latin America.
- **Archer Daniels Midland** wanted Stratfor to track the movements of animal rights activists and environmental protestors.
- **Dow Chemical** and Union Carbide even wanted a surreptitious watch put on the "Yes Men"—a fun group of satirists who protest corporate excesses by doing skits and holding press conferences in which they pose as corrupt and clueless CEOs, politicians, bankers, etc.

Stratfor's corporate emails also depict its use of a "web of informers," including government insiders, embassy staffers, and journalists located in the US and various regions of the world. According to WikiLeaks' website, the emails disclose the corporation's use of pre-paid credit cards, Swiss bank accounts, and "payment laundering techniques" to pay off informants. Other emails offer tips to staffers on squeezing more particulars out of informants—for example, a Dec. 6, 2011 email from Stratfor CEO George Friedman instructs one of his "analysts" on ways to exploit an Israeli informant: "You have to take control of him. Control means financial, sexual, or psychological control."

This little-watched world of corporate intelligence is shrouded in a fog of ethical permissiveness in which a rogue-ish, anything-goes ethic can flourish. One who

SOME PROMINENT CLIENTS:

- ◆ Archer Daniels Midland
- ◆ Goldman Sachs
- ◆ Bank of America
- ◆ Hunt Oil
- ◆ Bechtel
- ◆ Hyatt International
- ◆ BellSouth
- ◆ Intel
- ◆ Chevron
- ◆ Kimberly-Clark
- ◆ Coca-Cola
- ◆ Knights of Columbus
- ◆ Department of Homeland Security
- ◆ Lucent Technologies
- ◆ Dow Chemical
- ◆ Merrill Lynch
- ◆ Dow Corning
- ◆ Northrop Grumman
- ◆ Duke Energy
- ◆ Turkish Industry and Business Assoc.
- ◆ Embassy of Japan
- ◆ Union Carbide
- ◆ General Dynamics
- ◆ US Marine Corps
- ◆ Georgetown University

seems to relish the fog is Fred Burton, the former deputy chief of counterterrorism for the state department's diplomatic service. In 2009, he slipped through the revolving door between official spookdom and the for-profit version to become Stratfor's VP of intelligence, where he is touted to clients as "one of the world's foremost experts on security, terrorists, and terrorist organizations." Modesty is not a virtue in the spy-for-hire game.

Burton plays up his many connections deep inside government intel circles, including those he refers to as his "CIA cronies," and he periodically erupts with assertions that seem to place him on both sides of the revolving door at once. One instance of this parallel existence surfaced in an email, since published by WikiLeaks, in which Burton blurted to his fellow Stratfor operatives that "We have a sealed indictment on Assange."

That would be Julian Assange, the Australian founder of WikiLeaks. He is loathed by the White House, CIA, FBI, et al. for his derring-do ability to obtain and publish bales of embarrassing emails, cables, and other documents written by government policymakers and corporate officials. He is also intensely detested by Stratforites, who venomously demonize him in emails as an inhuman monster who should face "a bajillion-thousand counts of espionage," be waterboarded, "get the death sentence," and otherwise be destroyed.

Their fulminations and incantations are pretty ironic, however, for what Assange & Group do is, in essence, the same kind of extractive work that Stratfor has turned into a business. WikiLeaks, however, distributes its findings to the public for free, rather than to powerful clients for profit, thus helping us commoners learn about some of the nasty secrets that power elites don't want us to know.

Certainly no outsiders (including Assange or any media source) knew the official top-secret information that, curiously, Burton apparently was given—namely that the US attorney general has a grand-jury indictment tucked in his pocket, thus allowing his agents to jail Assange as soon as they can grab him. Thus, when Burton wrote the grand "We" in his exultant Stratfor email, he signaled that his corporation and our government are now one.

Bad enough that the shadowy intelligence function of government is being privatized, but far worse that the privatizers—who have no oversight by Congress, practically no scrutiny from the media, and no enforceable professional standards—are proving to be stun-

ningly careless and incompetent. Following the Wikidump of Stratfor's email cache, CEO Friedman played the outraged victim and ducked into his we-are-a-private-business shell to hide from any inconvenient inquiries by customers, media, or authorities:

“This is a deplorable, unfortunate—and illegal—breach of privacy. Some of the emails may be forged; some may be authentic. We will not validate either. Nor will we explain the thinking that went into them. Having had our property stolen, we will not be victimized twice by submitting to questioning about them.”

Really, George? Well, one question that inquiring minds think you really need to answer is this: Why was it so easy for Anonymous to get so much information from an outfit that markets itself as a “security intelligence company?”

The answer is embarrassing, even shocking: Stratfor failed to follow Rule Number One in computer security—encrypt your data! Yes, this private CIA stupidly left its most valuable property (confidential information) sitting on an open windowsill, completely unprotected. Any government agent would be fired and even prosecuted for such gross irresponsibility.

After the December hack by Anonymous, Friedman not only failed to inform customers of his own security lapse, but he zapped an email to them saying that his company was diligently investigating itself, assuring them that “the confidentiality of subscriber information [is] very important for Stratfor and me.” Not important enough, however, for him to have bought elementary encryption software that would have protected them. In an instance of almost hilarious irony, one of the emails that Anonymous liberated was from Friedman on April 24, 2010, rejecting an employee's recommendation that he spend \$40,000 for encryption. No go, he replied, calling it “a lot of money to spend.”

The corporatization of war

The rise of the corporate spook is only one part of the dangerous drift that is steadily pushing the public out of “public affairs.” The *Lowdown* regularly covers the private seizure of government's domestic functions (see last month's report on postal privatization, for example). But it's equally important to focus on the rapidly occurring separation of the public from control of and even involvement in such basic international work as intelligence gathering, foreign policy, and war itself.

Oddly, our nation's mass media have shown little

interest in the Stratfor revelations (with a few notable exceptions, such as the McClatchy newspaper chain). An *Atlantic* magazine editor even called the imbroglia and all of its key players a joke, which speaks volumes about our incurious media. As investigative reporter Michael Hastings of *Rolling Stone* wrote about *Atlantic*'s dismissal of the story: “To advertise a complete lack of interest in the inner workings of a major private intelligence firm... seems, to say the least, rather un-journalistic. If Stratfor is a joke, what does that say about the government agencies like the CIA and other intel shops that supply Stratfor with employees?”

In fact, the Stratfor story is a thread that leads to a much bigger and truly alarming eye-opener, namely that Washington has ever-so-quietly been handing the super-sensitive national job of spying over to for-profit entities. This even appears to be against federal law, which prohibits contractors from performing “inherently government functions.” If not illegal, it should be, for this poses an obvious and profound conflict of interest: The number-one obligation of corporate hires is not to America's national interest, but to a handful of profiteering shareholders.

The extent of this privatization is stunning—so obviously wrong that no less of an establishment media company than the *Washington Post* has expressed alarm. Two of its reporters, Dana Priest and William Arkin, have been doing an excellent investigative series entitled, “Top Secret America” [www.projects.washingtonpost.com/top-secret-america]. Two years ago, they found that a third of the CIA's workforce had already been privatized, employed not by us citizens, but by 114 corporate contractors.

These contract workers are not merely serving as administrative personnel, but as full-fledged agents. They spy on foreign governments and terrorist networks, advise four-star generals and help craft war plans, snatch and interrogate detainees, pay bribes, recruit and train other spies, and—yes—kill enemy fighters. In their 2010 investigation, Priest and Arkin discovered that of 854,000 people with top-secret clearances in the federal government, 265,000 are corporate employees.

Well, argue apologists, the private sector is always cheaper, so this is a budget necessity. Wrong—completely bogus. Contractors pay much higher salaries than the feds can pay (often double), plus offering such perks as BMWs and \$15,000 signing bonuses. Worse, these signees largely are well-trained, experienced

PROSECUTING MASSEY MINE BOSSES

EVERY DAY on the job, hundreds of miners descend deep into the earth. And every time they go down, each of them wonders: “Will I make it back to the top today?”

Today, miners are wondering if federal prosecutors will make it to the top—specifically, they're wondering whether justice will catch up to top honchos of Massey Energy who're responsible for killing 29 mine workers in a horrific methane explosion deep inside the corporation's Upper Big Branch mine two years ago.

So far, no—but even the odious former CEO of Massey, Don Blankenship, must now be having some sleepless nights, for the Justice Department has steadily been climbing up the corporate ladder. Prosecutors have gone from indicting a couple of lower-level Massey managers to now nailing Gary May, who was superintendent of Upper Big Branch when it blew.

May allegedly directed workers to falsify official safety record books, and he used codes to warn workers that inspectors had arrived, calling out, “Bringing in a load of blocks.” and “There's a hailstorm outside.” So warned, workers were expected to act quickly to hide such violations of safety laws as rigging the ventilation system to make the air in the mine seem better than it really was. May is also charged with ordering the rewiring of a methane monitor to keep miners working, even as levels of explosive methane rose dangerously.

Superintendent May appears to be cooperating with prosecutors, which makes it likely that he will not be the Justice Department's final target. I believe that the deadly conspiracy to subvert safety laws will be revealed to have been directed from the very top of the corporation.

The **LOWDOWN**

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SUPERPAC SILLINESS

SUPERPACS, the new money beasts of American politics, have already funneled more than \$100 million into this year's presidential election.

The über-wealthy are allowed to dump unlimited sums of cash into whichever SuperPAC is backing their favored candidate. The Supreme Court said this is OK because they ordered that superPACs' operations be completely independent of their candidates.

To see how splendidly this is working, let's go to Suite 555 in an Alexandria, VA, office building. You'll find Target Point Consulting there, headed by Alexander Gage, a top staffer in Mitt Romney's 2008 presidential run. This year, Target Point is consulting with the Romney campaign—but it's also consulting with Romney's superPAC. Gage admits that this might look "ridiculous," but he promises that Target Point staff working for Romney are kept separate from those working for Romney's PAC.

Uh-huh, but, what about WWP Strategies, headed by Romney's deputy campaign manager, Katie Gage? Yes, she's married to Alexander, and her firm is in Suite 555 too. Cozy huh?

Then there's Black Rock Group, headed by Carl Forti, who was Romney's 2008 political director. Today, Carl is senior strategist for Romney's superPAC. Guess where Forti's Black Rock Group is headquartered? Right—Suite 555.

Mr. Gage explains that while his and Ms. Gage's firms are in the same suite, they don't talk about Romney's campaign or his PAC. And he says that while Target Point and Black Rock also share the space, the two firms are separated by a conference room. "It's not like we're a commingled office," he says.

Pick a word for this: silly? fraud? corrupt?

agents plucked from the CIA itself, having been lured to the more lucrative and cushier corporate side of the revolving door.

Once outside though, these privatized agents keep one foot on the government side of the door, not only maintaining their old-buddy contacts inside the spy agency, but also drawing a federal pension to supplement their corporate paycheck. In other words, corporations like Stratfor are subsidized by us taxpayers—it's a scam and a scandal.

This privatization of America's conduct of international affairs extends all the way to the battlefields, with contractors performing tasks that literally amount to the government's gravest responsibility. Here, too, the stated rationale for corporatization is the old myth of the private sector's superior "efficiency," which, again, is a gross lie—corporate employees cost us taxpayers much more for performing the same duties that our troops used to (and still could) perform.

In addition, corporations go to war for profit, and their executives will cut corners and resort to outright cheating to pad their bottom lines. Last year, the bipartisan Commission on Wartime Contracting reported flagrant and widespread waste and fraud by often unsupervised war corporations [www.wartimecontracting.gov].

Yet, these corporate warriors have deployed battalions of their lobbyists and planeloads of their campaign cash to the crucial political battlefield of Washington, so their numbers in our military keep climbing. In Afghanistan, for example, there are now about 90,000 American soldiers—but they are outnumbered there by more than 113,000 employees of military contractors. The private takeover, from top to bottom of America's military, is so extensive that former Pentagon chief Robert Gates made what he termed "a terrible confession" in 2010: "I can't get a number on how many contractors work for [my own office]."

Military privatization has now reached Kafkaesque levels of absurdity. Get this: **Even dying is being outsourced!** A February *New York Times* story reported that "more civilian contractors working for American companies than American soldiers died in Afghanistan last year." (Another 1,777 for-hire warriors were seriously wounded.) The true number of corporate dead and wounded is assumed to be far higher, for the firms don't have to report the killing

and maiming of their employees to the Pentagon—and frequently do not.

Our own "foreign legion"

As explained in an excellent February article by Tom Engelhardt of The Nation Institute on his blog: [www.tomdispatch.com/blog/175507/tomgram%3A_engelhardt%2C_the_arrival_of_the_warrior_corporation] What's really taking place here is the demobilization of the American citizenry—an intentional effort to remove you and me from personal involvement in (or even paying attention to) the blood, sweat, tears, horrors, and costs of our country's perpetual wars. Notice that "The United States of America" no longer goes to war. Instead, our professional "volunteer" soldiers and their families go. Our corporations go—forming what one analyst calls "the coalition of the billing." Our robots, drones, computer-targeted-and-fired missiles, and other corporate-peddled weapons go. And our embedded media cheerleaders go.

But roughly 99 percent of Americans do not. "Get down to Disney World in Florida," George W urged us, two weeks after 9/11. "Take your family and enjoy life the way we want it to be enjoyed." This signaled that We the People were henceforth to be un-citizens—uninvolved in the Big Matters that our "leaders" would handle for us, while we play at Disney World.

Pathetic. Yet, too many Americans blissfully bought into this corporate, no-pain fantasy of civic responsibility. By disengaging, we've unwittingly surrendered our nation's historic, democratic belief in a citizen's army, allowing what amounts to a for-profit "foreign legion" to arise in our midst—a corporatized army always in need of another war. This has not gone well—it is militarizing our nation's public treasury, undermining our most fundamental democratic values, turning war into America's leading export, and dragging our flag into any slime the profiteers choose.

The first step for reversing course is to wake up and see this fantasy as the power-sapping theft that it is. Then mobilize, in this election year, to at least confront the thieves. Next, keep organizing to take power back from the profiteering privatizers and reassert our citizens' authority over all aspects of the machinery of war, from intelligence gathering to killing and getting killed. We can stop the mindlessness and immorality of corporate war only if the public—i.e., you and me—assume our rightful place in public affairs.

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OUR TAXES PAY SPIES TO WORK FOR RICH SHAREHOLDERS—AND PAY FOR THE CORPORATIZATION OF WAR ITSELF

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