Wellesley College
Wellesley College Digital Scholarship and Archive

Honors Thesis Collection

2015

Private Military Contractors as a Risk-Transfer Mechanism: The Case of Plan Colombia

Kendall Bianchi
kbianchi@wellesley.edu

Follow this and additional works at: http://repository.wellesley.edu/thesiscollection

Recommended Citation
Bianchi, Kendall, "Private Military Contractors as a Risk-Transfer Mechanism: The Case of Plan Colombia" (2015). *Honors Thesis Collection.* Paper 284.

This Dissertation/Thesis is brought to you for free and open access by Wellesley College Digital Scholarship and Archive. It has been accepted for inclusion in Honors Thesis Collection by an authorized administrator of Wellesley College Digital Scholarship and Archive. For more information, please contact ir@wellesley.edu.

Private Military Contractors as a Risk-Transfer Mechanism: The Case of Plan Colombia

Kendall Leigh Bianchi

Spring 2015

Submitted in Partial Fulfillment
of the
Prerequisite for Honors
in Political Science

Wellesley College

Table of Contents

1. **Acknowledgements**…….……..…3

2. **Chapter One:** Introduction to Private Military Contractors in Plan Colombia.……...4

3. **Chapter Two:** Private Military Contractors and the Transfer of Risk……....16

4. **Chapter Three:** DynCorp and the Creation of Risk in Plan Colombia…….….29

5. **Chapter Four:** Northrop Grumman and the Creation of Risk in Plan Colombia…...46

6. **Chapter Five:** Further Implications and Speculations…….63

7. **References**…….…..69

Acknowledgements

I would first and foremost like to thank my advisor, Stacie Goddard, for allowing me the freedom to explore while reassuring me that everything would come together in the end. I will resist the urge to use sarcasm, and say that you have been a true inspiration for this project and beyond. I cannot thank you enough for all the various forms of guidance you have provided. Many thanks are also owed to Paul MacDonald, whose perceptive critiques kept me on my toes, and to Russell Rumbaugh, who opened my eyes to the fascinating world of private military contracting.

To my teammates and friends, thank you for your patience, curiosity, support, and Nutella. Your promises to read this thesis have motivated me to finish it--whether or not you intend to follow through on those promises. To my interviewees, thank you for your willingness to share with me your time, experiences, and expertise. And to my mom, thank you for always understanding, and for permanently clearing off a section of your dining room table as a work space.

This project is dedicated to Suzanne Hyers, who introduced me to politics at a young age and without whom this research topic would not captivate me in the way that it thankfully does.

Chapter One: Introduction to Private Military Contractors in Plan Colombia

In fiscal year 2000, the United States pledged $1.3 billion in foreign aid and up to 800 U.S. government personnel toward Plan Colombia, a campaign designed to eradicate the drug trade and combat leftist insurgencies in Colombia. The aid package constituted the newest element of the American War on Drugs, and provided various forms of both military and nonmilitary support for the Colombian state apparatus. The initiative aimed to end the country's decades-long conflict with left-wing rebel groups--the largest and most important of which was known as the Fuerzas Armadas Revolucionarios de Colombia (FARC)--and to destroy the narcotics trade that buoyed the supply of illegal drugs within the United States and provided the local guerillas with financial support. The original aid package has since been supplemented with follow-on programs, and since 2000, the United States has provided Colombia with over $8 billion in assistance to improve security, fight the drug trade, promote the role of law, and achieve development and social objectives. The Washington establishment has largely viewed Plan Colombia as a success, as vast improvements have been made in the areas of insurgent attacks, kidnappings, human rights, governance and security; however, the program has received criticism for its failure to put an end to widespread drug cultivation and government collaboration with brutal paramilitaries.

Plan Colombia was organized as an interagency diplomatic and military assistance program. Although the State Department took the lead, U.S. involvement included an interagency team consisting of members of State, the Department of Defense (DoD), USAID, the Justice Department (DoJ), and other agencies. Day-to-day operations were run by the U.S. Embassy in Bogota, which housed elements of each of these agencies. Plan Colombia as a whole was very much a cooperative effort between U.S. agencies and Colombian government (GoC),

but it was divided into specific programs in which different agencies took the lead. This thesis will focus on the security-oriented programs within Plan Colombia, including the National Police Eradication Program run by State, as well as interdiction efforts led by DoD.

As a result of numerical and operational restrictions on official U.S. involvement in Colombia, the United States has relied heavily upon private military contractors to execute its foreign policy and military assistance programs in the country. Three executive agencies in particular—the State Department, DoD, and USAID—have contracted with private companies to implement specific military and development programs; and as of 2003, over fifteen different private companies had supported U.S. activities in the country.[1] This paper will focus on the use of contractors by the State Department and the Department of Defense in particular. On the ground, industry giant DynCorp supported the State Department's role in running the Colombian National Police Eradication Program, consuming approximately 25% of total Plan Colombia funding in 2002.[2] Its activities were overseen by the Embassy's Air Wing, a branch of Bureau of International Narcotics and Law Enforcement Affairs aimed at combating international crime and drug trafficking.[3] DynCorp provided pilots, medics, trainers, and other functions within the program; and its military-type services included aerial eradication missions, armed escort, search and rescue support, and command-and-control functions in the field.[4]

The Department of Defense, meanwhile, also employed contractors in support of several programs in Colombia. Company employees provided logistical support, maintenance, training, and pilots primarily for air interdiction and other intelligence activities supporting counterdrug

---

[1] U.S. Department of State, "Report on Certain Counternarcotics Activities in Colombia," FY2002.
[2] Matthias Boysen, "Private Military Firms as Instruments of U.S. Foreign Policy: The Case of Colombia," (Masters thesis, Naval Postgraduate School, 2007), 30-31.
[3] U.S. Department of State, "Bureau of International Narcotics and Law Enforcment Affairs: Frequently Asked Questions," http://www.state.gov/j/inl/faqs/.
[4] U.S. Department of State Archives, "Civilian Contractors and U.S. Military Personnel Supporting Plan Colombia," http://2001-2009.state.gov/p/wha/rls/fs/2001/3509.htm.

operations.[5] In particular, Northrop Grumman and its subsidiaries operated on a DoD contract, on an operation called the SOUTHCOM Reconnaissance System (SRS). Northrop's primary military-type services included air interdiction flights designed to gather intelligence for Colombian operations to destroy drug infrastructure. While these missions were risky, they were not as risky as the low-flying DynCorp eradication flights that were often targeted by rebel forces.

Plan Colombia, of course, is not alone in its deployment of contractors. The trend of privatization has gained increasing traction in recent years. Following the Vietnam War, the military's shift to an all-volunteer force left DoD reliant upon contractors to provide support services.[6] Years later, budget reductions following the end of the Cold War resulted in State Department personnel cuts.[7] At the same time, the reductions in force structure during the 1990s optimized the military for short-term missions but lowered its capacity to support longer-term operations.[8] The downsizing of American military and diplomatic infrastructure, therefore, boosted the need for contractors to support non-core government functions, and military doctrine during this time reflected the shift. Both the 1997 Defense Reform Initiative Report and the 1997 Quadrennial Defense Review (QDR) emphasized outsourcing as a way to improve efficiency, largely with regard to non-core functions like logistics. Subsequent QDRs continued the trend. The 2001 report specified that tasks "indirectly linked to warfighting" should be shared by the public and private sectors; and the 2006 report went a step further, for the first time including contractors as an element of "Total Force," alongside the active and reserve military and other

---

[5] Ibid.
[6] Allison Stanger, *One Nation Under Contract: The Outsourcing of American Power and the Future of Foreign Policy* (New Haven: Yale University, 2011), 85.
[7] Ibid, 59.
[8] T.X. Hammes, "Private Contractors in Conflict Zones: The Good, The Bad, and the Strategic Impact," *Strategic Forum* 260, National Defense University (2010): 1.

civilian personnel. The 2010 and 2014 reports, by contrast, focused on reducing DoD dependence on contractors. This shift reflected a reaction to both the military's perceived over-reliance on contractor services, and the fiscal woes that have prompted across-the-board reevaluations of and cuts to government spending.[9]

Although budgetary and doctrinal shifts have helped boost government reliance on contractors as a whole, the employment of contractors in conflict zones is not a new phenomenon. The private sector has provided a variety of support services for armed forces during virtually every major war in the history of the United States; this support has included transportation, food, medical, construction, engineering, and other services. The establishment of the Logistics Civil Augmentation Program (LOGCAP) in 1985 streamlined the process for private contracting, and allowed for the rapid deployment of private forces to augment military personnel during times of conflict. The Balkans Support Contract during the 1990s marked the first time the ratio of contractors to military personnel reached approximately 1:1.[10] The wars in Iraq and Afghanistan, meanwhile, have further expanded the roles of PMCs in conflict zones, with private companies providing everything from transportation, construction, and base support, to security services and police and army training. In their support of U.S. government operations in these theaters, PMCs employ U.S. citizens, third-country nationals (TCNs) and host-country nationals (HCNs), with U.S. citizens usually performing the more important tasks closer to the core of the mission.[11]

Yet precisely because much of the literature on war contracting has been drawn from the wars in Iraq and Afghanistan, relatively little work exists specifically addressing the role of

---

[9] U.S. Department of Defense, "Dempsey: Military Contracting Costs Must Shrink," DoD News, March 6, 2012, http://www.defense.gov/news/newsarticle.aspx?id=67440.
[10] Richard Fontaine and John Nagl, *Contracting in Conflicts: The Path to Reform*, Center for a New American Security (2010): 10.
[11] Mark Cancian, "Contractors: The New Element of Military Force Structure," *Parameters* (Autumn 2008): 62.

contractors in smaller-scale, non-combat engagements—even though they may be used in similarly adventurous fashions in these types of missions. This model of foreign engagement, moreover, has gained increasing popularity in recent years. Recent military doctrine has highlighted the importance of building the capacity of American allies and partners to fight their own wars and combat their own insurgencies.[12] The new Army Operating Concept, released in October 2014, named security cooperation as one of the Army's eleven key missions; despite the Army's frustration with the fact that our interests may not always align with that of our partners, political and budgetary constraints may dictate that we continue to rely on empowering them.[13] The relative dearth of research on contractors in these missions, therefore, represents a significant gap in the literature on PMCs. My thesis will seek to address this gap by examining the effects of using contractors in small-scale contingencies. In particular, how are contractors used in these types of missions, and what are the implications of outsourcing security in these contexts? Colombia provides an interesting case study within which to explore the effects of using private contractors in conflict zones, because it exemplifies the increasingly popular model of foreign intervention described here. As these models are likely to become more common in the future, moreover, this thesis holds implications for the intersection between two growing trends in contemporary warfare: small scale interventions and the outsourcing of security.

Costs and benefits of using PMCs on the battlefield: a literature review

My discussion of the outsourcing trend begs two questions. First, why is it that the U.S. government would turn increasingly to PMCs to support operations abroad? And second, what are the implications of doing so? This section will provide a very brief overview on the

[12] United States Department of Defense, *Quadrennial Defense Review Report,* 2006.
[13] Crispin Burke, "Army #Operating Concept: The Promise and Pitfalls of Partners," Oct. 22, 2014, https://medium.com/the-bridge/army-operating-concept-the-promise-and-pitfalls-of-partners-34b14b33fd99.

literature's theorized costs and benefits of employing private companies on the battlefield. Many of these hypothesized effects are interdependent, but this section will attempt to divide the theories into distinct categories for the sake of simplicity. I will discuss three types of costs and benefits in particular: political, financial, and operational. I will then describe how problems of contract oversight may exacerbate all of the categories of costs related to PMCs. This overview will not provide a full summary of all of the implications of using contractors on the battlefield, but rather a sampling of the most significant considerations for political and military leaders facing outsourcing decisions.

Outsourcing security carries both political costs and political benefits. On the one hand, contractors may reduce the up-front political costs of projecting American power abroad. The availability of PMCs to provide support functions reduces the numbers of troops that the executive branch must request from Congress, thus also lessening the amount of political capital that the president must expend on behalf of a given mission.[14] Congress and the public, moreover, have little say over the contracting practices of the executive agencies implementing policies abroad—and even less say in any subcontracting that occurs—so outsourcing can enable the executive branch to exercise unilateral power without appealing to Congress. But despite the political latitude associated with limited congressional oversight, checks and balances are integral to American democracy; if a given operation cannot gain the support of the American public, perhaps it should not be undertaken.[15] The nature of secrecy carries political costs, and over the long-run, outsourcing may serve to disengage the American public from U.S. missions

[14] Hammes, "Contractors in Conflict Zones," 2; Stanger 2011, 93-4.
[15] P.W. Singer, *Corporate Warriors: The Rise of the Privatized Military Industry* (Ithaca: Cornell University, 2003), 213.

overseas.[16] In addition to these effects, using private forces rather than the military may undermine the perceived legitimacy of U.S. military operations--both at home and abroad.[17]

The use of private companies in war also carries implications related to financial costs. Although experts tend to disagree on the matter, the conventional wisdom holds that outsourcing specialized skills to PMCs is more cost-effective than training government personnel to perform them.[18] The important role of technology in contemporary warfare, moreover, means that weapons system often rely on PMCs to provide the specialized skills required to operate them.[19] Private companies can also subcontract with locals at relatively low cost.[20] In addition, the fact that wartime contractors need not be kept on the payroll during peacetime demonstrates a clear cost advantage of these private forces.[21] Many scholars have argued, moreover, that the private sector is "bred for efficiency," and that financial reward encourages PMCs to perform in a cost-efficient manner in order to secure contracts.[22]

Despite these theorized benefits, there are other ways in which the use of contractors may raise the price of war. While free market incentives may encourage cost-efficiency, they may also create incentives for companies to overbill their government customers for the sake of monetary gain, leading to wasted funding. And while subcontracting with locals can help cut costs, these practices may amount to fraud if these locals have subversive intentions.[23] Still

---

[16] Deborah Avant, "Privatizing Military Training," *Foreign Policy in Focus* 7.6 (2002).
[17] Hammes, "Contractors in Conflict Zones," 6.
[18] Doug Brooks and Jim Shevlin, "Reconsidering Battlefield Contractors," Georgetown Journal of International Affairs VI (2) (Summer/Fall 2005): 106.
[19] Stanger 2011, 93.
[20] Hammes, "Contractors in Conflict Zones," 8.
[21] Ibid, 4.
[22] James Carafano, *Private Sector, Public Wars: Contractors in Combat--Afghanistan, Iraq, and Future Conflicts* (Westport: Praeger, 2008), 37.
[23] In 2009, for instance, congressional oversight committees began an investigation into allegations that contractors hired to provide security for DoD convoys in Afghanistan were paying off the Taliban to gain safe passage; according to then-Secretary of State Hillary Clinton, these payments served as a major source of funding for the

others have argued that military contracting may be far from a free market. Firms with politically-connected leadership--such as DynCorp--may secure contracts despite questionable track-records[24]; meanwhile, long-run training programs that require continuity may render infeasible the reopening of contracting bids for the mere sake of competition.[25] There have even been instances of collusion among military contractor firms.[26] These barriers to competition, therefore, may undermine the theoretical cost benefits of privatized warfare.

The use of private contractors in war may also provide operational benefits for military and political leaders. The potential for a shortfall in military performance and readiness may cause mission degradation by stretching foreign policy resources thin. Shortages in manpower and equipment may result in delayed responses to international crises and reduced staffing in other critical locations as forces are relocated to handle new or emerging issues. Privatized support has the potential to reduce these operational constraints. First, the availability of contractors means that leaders have access to military functions without having to relocate military personnel away from other critical locations. Second, the ease with which contracts may be drawn, extended, and terminated carries enormous benefits. Rapid speeds of deployment may prove useful when crises arise suddenly or when a mission fails to anticipate certain additional needs or issues.[27] In particular, as discussed above, the existence of LOGCAP allows the U.S. government to quickly and efficiently hire a contract workforce to respond to an unexpected

---

Taliban (see Walter Pincus, "Congress Investigating Charges of 'Protection Racket' by Afghanistan Contractors," *Washington Post,* December 17, 2009).

[24] Singer 2003, 152.

[25] Avant, "Privatizing Military Training."

[26] Ibid.

[27] Hammes, "Contractors in Conflict Zones," 1-2

need. Furthermore, high levels of flexibility allow for more continuity than do U.S. military personnel, who must generally rotate every 6-12 months.[28]

Perhaps the most widely acknowledged drawback related to hiring PMCs, however, arises with regard to contract oversight. Oversight may prove complicated for a number of reasons. Because firms are often secretive about their operations, it may be difficult for Congress to obtain the necessary information to provide effective supervision; contracts may also be unspecific and lack outside standards.[29] The practice of subcontracting, moreover, compounds the issue of incomplete information, by creating yet another degree of separation between contractor forces on the ground and their government overseers.[30] The composition of PMC leadership may also undermine oversight. Because this leadership is often composed of retired military officials, contracting officer representatives (CORs) may be tasked with overseeing their former bosses, leading to lax supervision.[31] And despite the increasing volume, value, and complexity of wartime contracts, DoD and other government agencies have not increased the number of officers assigned to overseeing them.[32] These oversight issues directly impact the quality of contractor performance. A lack of oversight may exacerbate the drawbacks of using contractors discussed above, especially cost inefficiencies through wasted funding. Poor oversight may also allow contractors to step outside the roles allotted to them. They may commit abuses, the most notable of which include the Abu Ghraib torture scandal and the 2007 Nisour Square shooting during the Iraq War. Furthermore, companies may cut corners on staffing,

---

[28] Ibid, 2.
[29] Singer 2003, 153.
[30] Hammes, "Contractors in Conflict Zones," 5.
[31] Avant, "Privatizing Military Training"; Singer 2003, 154.
[32] Fontaine and Nagl, *Contracting in Conflicts,* 14.

producing an inadequate final product which could have personnel safety implications that raise the chances of casualties in a given mission.[33]

Given that the use of contractors produces both costs and benefits, it is interesting to ask if there are certain conditions under which policymakers may be more likely to rely on outsourced support. This thesis will argue that the ability of private contractors to shoulder *casualty risks* allows the government to escape some degree of risk exposure. As a result, political leaders may be particularly likely to outsource in operations where high numbers of military casualties are likely to produce unacceptable political costs. Because political support for *small-scale engagements* may be particularly vulnerable to the risk of military casualties, moreover, the use of contractors may be especially attractive to policymakers in these types of missions.

This thesis uses the case of Plan Colombia as an example of a small-scale, non-combat engagement that relied heavily on outsourced support to transfer casualty risks away from the military. The use of contractors as a risk-transfer mechanism in Colombia enabled the United States to operate in the field without exposing American soldiers to significant degrees of risk, thus preserving policy flexibility while guarding against the incursion of high political costs. This transfer, however, increased overall American exposure to risk in several ways. First, it generated moral hazard on the part of the executive agencies operating in Colombia, prompting them to behave more recklessly than they would have without access to outsourced support. Second, it stripped the government of influence over the risks that were taken in the field, reducing the government's ability to control and oversee risk levels and U.S. policy as a whole.

[33] For instance, a 2009 investigative article noted that a number of DynCorp employees performing maintenance on U.S. Army Aircraft had prior experience only as security guards, waiters, store clerks, cooks, and cashiers (see Kelly Patricia O'Meara, "Broken Wings," *Free Republic,* May 28, 2002, http://www.freerepublic.com/focus/f-news/690444/posts).

Third, the presence of profit incentives at the tip of the so-called American spear in Colombia compromised personnel safety, introducing extra and unnecessary casualty risks into the mission. Together, these three dynamics increased overall U.S. exposure to risk even higher than it might have been without access to private companies.

This analysis differs from much of the previous literature in its emphasis on the relationship between the operational concept behind contractors in war on the one hand, and the risks they produce on the other. While previous studies have examined how the characteristics inherent in the private sector are likely to create problems on the battlefield, this thesis focuses on how the specific logic behind the government's contractors (in the case of Colombia, as a risk-transfer mechanism) may generate casualty risks. This approach, unlike many other approaches, places primary responsibility with the principal—rather than the agent. While other authors have focused on how the characteristics inherent in the private sector may spoil U.S. political goals abroad, my analysis puts the onus on the government itself. It asks to what extent government decisions about how, where, and why to use contractors may affect the levels of risk they produce.

The rest of this thesis proceeds as follows. In the next chapter, I begin by framing the use of PMCs on the battlefield through the lens of *risk*. I demonstrate the significance of casualty risks in war, arguing that politicians may have strong incentives to transfer those risks toward private companies, especially in small-scale scenarios. I then lay out in detail the case of Plan Colombia and my argument that the *operational concept* behind the use contractors injected a significant amount of casualty risks into the mission. The following chapters will support this argument through case studies of the two firms mentioned above: DynCorp and Northrop

Grumman. I will conclude by examining the moral implications of using contractors as a risk-transfer mechanism.

Chapter Two: Private Military Contractors and the Transfer of Risk

This section introduces the theoretical framework under which the use of contractors in Colombia will be analyzed. First, I describe what we mean by risk in this context, and why it matters. I then maintain that casualty risks may be particularly politically costly under certain conditions. These conditions include a public perception that the mission serves only peripheral national interests, and an expectation that the mission is likely to fail—both common characteristics of small-scale engagements. Under these conditions, the political atmosphere may be unusually sensitive to any military casualties that occur; and as a result, political support for the mission may be particularly vulnerable to the political costs that high casualty risks tend to generate. As a result, policymakers may have incentives to retain policy flexibility while reducing military casualty risks by *transferring* these risks to members of private companies—whose deaths do not have the same impact on American political consciousness as military casualties do. In other words, political leaders may be tempted to use contractors as a method of risk transfer in scenarios where high levels of risk are politically unacceptable.

This section implicitly draws a distinction between contractors coincidentally bearing high levels of risk, and the *intentional* transfer of risk to employees of private companies. In large-scale contingencies like the wars in Iraq and Afghanistan, the operational concept behind the use of contractors has primarily been to provide support functions to free up military personnel to focus on their core mission. In 2014 in Afghanistan, the largest categories of contractor functions were logistics and maintenance, construction, and base support, respectively.[34] These personnel may face dangerous scenarios, and they may die as a result. Despite the dangers inherent in these tasks, however, and despite the potential for combat

[34] U.S. Department of Defense, "Contractor Support of U.S. Operations in the USCENTCOM Area of Responsibility," October 2014.

situations, these personnel face risks largely by virtue of the theater in which they operate, not *how* they operate. In these contingencies, policymakers do not intentionally put contractors in risky situations to spare military personnel; according to one government official, the higher the danger of the task in Afghanistan, the greater the incentive to use American soldiers.[35] Military casualties in these contingencies were expected—and acceptable—in these wars, and policymakers therefore had few qualms about putting soldiers in harm's way for the sake of an important task. When contractors bore risks, meanwhile, it was largely unintentional. The logic behind outsourcing in Iraq and Afghanistan, however, can be compared to the logic used in small-scale missions such as Colombia, where, as I will demonstrate below, the government deliberately used contractors as a way to reduce the risk-related costs of dangerous operations.

What is risk, and why transfer it?

As discussed, this thesis focuses on the concept of risk as a framework through which to conceptualize the relative merits of using contractors on the battlefield. The modern private military contracting business is closely related to the idea of risk in foreign policy and in war. The dictionary defines risk simply as a situation involving exposure to danger. Risk in the context of international security and war, then, may be defined as a situation or policy that threatens to expose a state or nonstate actor to danger.

The 2005 Rand study *How Should the Army Use Contractors on the Battlefield? Assessing Comparative Risk in Sourcing Decisions* asked the salient question of whether contractors in war are risk minimizers or risk multipliers. The study a provided a useful framework to define and assess risks on the battlefield. It identified risk in warfare as "the probability and severity of loss linked to hazards." Hazards, in turn, were defined as:

[35] Anonymous Pentagon official, interview with the author, December 16, 2014.

> A condition or activity with potential to cause damage, loss, or mission degradation and any actual or potential condition that can cause injury, illness, or death of personnel; damage to or loss of equipment and property; or mission degradation.[36]

The definition of hazard may sound somewhat vague, as it may be difficult to discern what "mission degradation" really means in this case. To clarify this definition, the study identified four elements of risk on the battlefield. The first aspect relates to military performance and readiness—and in particular, the probability and severity of a shortfall in military performance.[37] The second aspect encompasses the probability of captivity, injury, death, or damage to personnel or equipment in the contractor organization.[38] The third element of risk deals with resources: how likely is it that a particular contingency will accrue a high cost?[39] The final aspect may be defined as "other"—and encompasses everything from the prospects for future military performance, to force management, to probability of compliance with the law.[40] This thesis will focus on the second type of risk described here, i.e. the probability of a mission incurring unacceptable levels of military casualties. Below, I will describe in greater detail how this particular type of risk may create problems for policymakers, and how outsourcing may help ameliorate these risks.

The risk of kidnappings, deaths, or damage to soldiers and equipment is significant because it has the potential to generate political costs. More specifically, casualties are viewed as having the potential to reduce political support for or even generate opposition against an engagement. Examples of this dynamic can be seen in the cases of Vietnam and Somalia, where mounting American casualties and gruesome displays of defeat generated substantial debate over

---

[36] Frank Camm and Victoria A. Greenfield, *How Should the Army Use Contractors on the Battlefield: Assessing Comparative Risk in Sourcing Decisions* (Santa Monica, CA: Rand Corporation, 2005), 11.
[37] Ibid., 41.
[38] Ibid., 42.
[39] Ibid., 42.
[40] Ibid., 42.

whether or not these engagements were even worth the trouble. A 1985 Rand study, for instance, showed that in Korea and Vietnam, for every tenfold jump in American casualties, support for the war decreased by approximately 15%.[41] These cases show that mounting casualties can not only reduce support for a given mission—but also damage presidencies, alienate allies, and negatively impact a country's reputation.[42]

Of course, the level of "acceptable" casualties often depends on outside factors related to the nature of the mission. For instance, scholars have suggested that casualty aversion may be strongest within operations that are widely perceived as serving only peripheral national interests.[43] The public may be less willing to accept casualties if they view the U.S. stake in the outcome of the conflict as relatively weak; at the same time, military commanders may be reluctant to waste manpower and resources on missions that do not serve vital political interests.[44] In addition, others have argued that the public's willingness to accept casualties may be directly correlated to the mission's chance of ultimate success; expert Christopher Gelpi characterizes the American people as "defeat-phobic" rather than "casualty-phobic."[45] According to this argument, as a mission's chances of success dwindle, so too does the public's willingness to accept casualties on its behalf. Small-scale, non-combat missions, moreover, may be more likely than total wars to exhibit the two characteristics described here. In fact, these types of contingencies may often be structured as such precisely *because* political leaders anticipate a lack of strong political support behind the proposed policy. As such, they may be unable or

---

[41] Charles Hyde, "Casualty Aversion: Implications for Policymakers and Senior Military Officers," *Aerospace Power Journal* 14 (2000): 18.
[42] Kateri Carmola, *Private Security Contractors and New Wars: Risk, Law, and Ethics* (London: Routledge, 2010): 94.
[43] Hyde 2000, 23.
[44] Peter D. Feaver and Christopher Gelpi, "A Look at Casu-alty Aversion: How Many Deaths Are Acceptable? A Surprising Answer," *Washington Post,* November 7, 1999.
[45] Christopher Gelpi and John Mueller, "The Cost of War," *Foreign Affairs* (January/February 2006).

simply unwilling to mobilize the political resources necessary for total war, and instead choose a low-risk, low-cost way of working toward the desired objectives. The result is likely to be a small-scale, resource-strapped engagement with limited chances of success and a low tolerance for military casualties.

Of course, the reverberations surrounding military casualties may also work in the reverse: if an engagement is limited initially, but suffers casualties as a result of high risk levels, outrage within the American public or within the political and military establishments may leave the political leadership with no choice but to escalate. It is true that this dynamic may prove beneficial if the leadership *seeks* a reason to escalate, but it also has the potential to draw the United States further into conflicts it seeks to avoid. In the words of former ambassador to El Salvador Robert White, "Once there are a few Americans killed, it seems to me that things begin to unravel. And then you can find yourself, indeed, fully involved."[46] In this way, a high risk of casualties may result in unintentional escalation, especially in cases of limited initial involvement. High casualty risks, therefore, have the potential to hijack control over the scope of U.S. involvement in a foreign conflict. As a result, policymakers who want to maintain control and who do not seek escalation may be likely to behave in a particularly casualty-averse manner.

The use of private contractors, however, may dilute the political costs associated with casualty risks in war. The American public tends to care far more about military casualties than it does about PMC casualties. Law expert Steve Schooner has argued that the rapidly increasing deaths of contractors on the battlefield have taken place "beyond the cognizance of the public and, potentially, Congress."[47] This occurs in part because of a lack of public knowledge about

---

[46] Jared Kotler, "U.S. 'Contractors' Fight Colombia Drug War," *Media Awareness Project,* February 26, 2001, available at http://www.mapinc.org/drugnews/v01.n347.a01.html.
[47] Steven L. Schooner and Collin D. Swan, "Dead Contractors: The Un-Examined Effect of Surrogates on the Public's Casualty Sensitivity," *Journal of National Security Law & Policy* 5 (2012): 3.

contractors' roles and sacrifices in war; when contractors are killed in a war zone, for instance, their deaths are not widely discussed in the media or public discourse.[48] Even during the period following the killing and mutilation of four American employees of Blackwater in Fallujah in 2004, media coverage of troops continued to dwarf coverage of PMCs.[49] Furthermore, because employees of private companies are not valued by society in the same way as members of the armed forces, it is possible that even statistics of or stories about their deaths may not register heavily with the American public. While American soldiers are generally seen as upstanding, honorable members of society, private military contractors have earned a shadier reputation over the years and are often regarded as mercenaries. As a result, American society may simply value the lives of individuals soldiers over individual contractors. Because the American public is less informed of, and perhaps less in touch with the experiences of contractors in war, the risks they shoulder and the casualties they suffer may not produce the same political costs as those borne by active-duty soldiers. Assuming a direct correlation between public opinion and political resources, therefore, transferring mortal risks away from soldiers and onto contractors, may provide a way to engage in dangerous operations without the political costs associated with casualty risks.

As a result, it follows naturally that political leaders may have incentives to use contractors as a tool to reduce the casualty-associated political costs of risk in conflict situations, especially in engagements of a limited nature. As discussed above, casualty aversion in the American public and political establishment is likely to be particularly acute in small-scale, non-combat missions. As a result, the incentives to transfer risk away from the military and onto private companies may be particularly strong in these types of scenarios. When private

[48] Ibid, 17.
[49] Deborah Avant and Lee Sigelman, "Private Security and Democracy: Lessons from the US in Iraq?" *Security Studies* 19 (2010): 246.

companies shoulder casualty risks, the government does not have to suffer the political consequences of its policies. The use of contractors can therefore enable policymakers to retain policy flexibility in the face of risk, and to conduct a risky foreign policy that appears to be free of political costs.[50]

The creation of risk: how PMCs increase the risks of conflict

As private military companies become an ever more attractive solution to the problem of risk, it is important to ask whether they are really the risk-free agents of foreign policy they appear to be. While the use of private companies has the potential to loosen the correlation between casualties and political costs, if the use of contractors itself introduces *extra* casualty risks into a mission, this would call into question whether the transfer of risk can actually generate political benefits. The literature on private contractors suggests that the presence of contractors on the battlefield has the potential to actually create risk. As discussed above, the prospect of monetary gain may incentivize companies to cut corners with staffing and resourcing, leading to heightened physical risks for personnel operating in the field. Individual contractors may also engage in thrill-seeking, reckless behavior, as they do not have to answer to the chain of command in the same way an active-duty soldier would. And because oversight is difficult, government overseers may be unable to keep their contract workforce in check. If this is indeed the case, it would suggest that the methods used to decrease risk and increase policy flexibility actually has the potential to do the opposite.

This thesis, however, takes the analysis a step further. While the literature has examined the potential risks inherent in employing profit-driven entities in war, it has not comprehensively examined how the operational concept behind the use of contractors may affect the levels of risk

[50] Carmola 2010, 66.

they produce. This thesis, therefore, analyzes how the intentional use of contractors *as a risk-transfer mechanism* in particular affected the levels of risk the United States faced in Colombia.

To examine the effects and outcomes of risk transfer toward PMCs, this thesis focuses specifically on the use of contractors in Plan Colombia. As mentioned previously, I focus on the activities of two military provider firms that operated in Colombia, DynCorp and Northrop Grumman, because these were the firms that performed the riskiest tasks on a consistent basis throughout the engagement.[51] In the sections that follow, I analyze several ways in which the use of these companies generated risk in Colombia. If, indeed, this risk was a product of the operational concept behind the use of private companies, rather than simply the factors inherent in their presence, we might expect that the specific placement of contractors on the battlefield was what allowed these dynamics to develop. For instance, it is possible that availability of PMCs affected the policy choices and behavior of government officials in the country, rather than just providing support for pre-determined policies. Because contractors operated close to the tip of the spear and carried out the bulk of U.S. operations in the field, we might also expect to see profit incentives assuming an element of control over the execution of policy, rather than simply leading to isolated incidents of contractor missteps. To conduct my case study, I have relied heavily on news articles from the early 2000s as well as a number of interviews with experts and individuals who were involved in the engagement, including both private contractors and government officials. I examine the root causes of the development of these risks, looking

[51] This useful typology comes from expert Peter Singer, whose classification of these companies has become widespread in the contemporary literature on PMCs. Singer distinguishes between *military support* firms, which provide logistical, mechanical, and intelligence support; *military consultants*, which offer advice and training; and *military providers*, which supply troops for tactical operations in the field. Many firms fall into more than just one of these categories in the range of services they perform. This paper's case study will focus specifically on the two companies that provided military provider functions in Colombia.

beyond the characteristics of private military companies to what factors allowed these characteristics to assume any sort of control.

I argue that the use of PMCs as a risk-transfer mechanism in Colombia increased risk in three distinct ways. First, the use of contractors in this manner introduced moral hazard on the part of the principal, the U.S. government. When principal-agent problems are discussed in relation to wartime contracting, scholars usually focus on the moral hazard of the *agent.* According to economic theorists, moral hazard may arise on the part of the agent when the principal is unable to fully monitor the agent's actions.[52] If the agent is insulated from risk but the principal is not, it may be difficult for the latter to hold the former accountable to its wishes. However, the reverse possibility also exists: a principal's reliance on the agent to do its dirty work and shield it from risk introduces moral hazard on the part of the *principal*. In Colombia, contractors provided what was essentially an insurance policy against engaging in riskier behavior; their activities were also not governed by strict oversight by Congress or the American public. As a result, Embassy officials were able to use contract employees to expand the activities of the United States in Colombia beyond what those back home likely would have tolerated. Expert Kateri Carmola described the dynamic well: "Whenever someone retains control over an activity after having shed the downside of risk… he has a strong incentive to try to increase the overall riskiness of the activity."[53] As a result, risk-reduction techniques employed by governments may in fact promote, rather than minimize, risky behavior.[54] I examine this dynamic within the context of DynCorp support for aerial eradication efforts in Colombia.

---

[52] Andreu Mas-Colell, Michael Whinston, and Jerry Green, *Microeconomic Theory*. Chapter 14, 'The Principal-Agent Problem', (Oxford: Oxford University, 1995), 477.
[53] D.A. Moss, *When All Else Fails: Government as the Ultimate Risk Manager* (Cambridge: Harvard University, 2002): 37.
[54] Carmola 2010, 66.

Second, the use of contractors to perform tasks that the government could not sacrificed a degree of government control over risk. Because the government lacked the operational flexibility to perform dangerous tasks themselves, they transferred some operational control over these tasks to private companies; this arrangement, however, stripped the government of the capability to conduct oversight and perform damage control in the field. It put control over risk in the hands of individual employees of private companies, who were much less risk-averse than their government clients. In this way, the operational concept behind the use of contractors increased the probability of casualties by surrendering control over risk to a relatively non-risk averse entity. This dynamic proved particularly salient within the DynCorp eradication and SAR programs, as American contract pilots sent out into the field were authorized to make strategically significant decisions about how much risk was too much. It is important to note that private companies' lack of risk aversion only mattered because their employees were put in the position of making decisions about how much risk was acceptable.

Third and finally, the transfer of risk onto profit-driven entities made certain tasks even more risky than they should have been. The introduction of profit incentives anywhere on the battlefield is likely to generate risk, but when those profit-driven entities are used at the tip of the spear, they start to influence the execution of policy in the field, making casualties more likely. This dynamic developed within the Northrop Grumman interdiction program in Colombia. Profit incentives and cost-efficiency concerns drove firms to increase the scope and pace of their missions while simultaneously downgrading safety standards, adding extra and unnecessary physical safety risks to the American engagement in Colombia. While this dynamic may develop no matter how contractors are employed, it it particularly problematic when the very mechanism

charged with shouldering and managing the bulk of the risk is concerned more with monetary gain than reducing risk exposure for the government.

Plan Colombia and the transfer of risk: an overview

Consistent with the theory laid out above, access to privatized support as a risk-transfer mechanism did indeed allowed policymakers to conduct risky missions in Colombia despite the tight political and operational restrictions on official personnel. These restrictions were a result of a U.S. reluctance to involve itself fully in Colombia's conflict. At the onset of Plan Colombia, U.S. interest in the country extended solely as far as drugs were concerned. Members of Congress had zero interest in getting involved in Colombia's decades-long insurgency; in their opinion, it had the potential to devolve into a Vietnam-esque quagmire that they were eager to avoid.[55] Few Americans cared about Colombia's conflict or even knew that the aid program existed; as such, political backing for the mission would have been highly sensitive to military casualties, or to any other signal of deepening involvement in the conflict. The resulting restrictions on USG personnel were both numerical and operational in nature. Fiscal year 2001 Appropriations legislation limited the number of in-country U.S. military personnel in support of Plan Colombia to 500, and the number of American civilian contractors to 300; American citizens were also barred from participating in direct combat with Colombian insurgent groups except in self-defense.[56] The legislation further required that the president report regularly to Congress on the numbers, locations, and activities of all American military personnel and civilian contractors supporting counternarcotics activities in Colombia. Up until 2002, moreover, legislation designated U.S. aid solely for counternarcotics assistance and prohibited it from being

[55] Michael Shifter, "Plan Colombia: A Retrospective," *Americas Quarterly* (Summer 2012).
[56] Title III, Chapter 2, of the Emergency Supplemental Act, 2000, as enacted in the Military Constructions Appropriations Act, 2001, P.L. 106-246, see http://2001-2009.state.gov/p/wha/rls/fs/2001/3509.htm.

used for counterinsurgency efforts.[57] Although there were U.S. Special Forces stationed in Colombia, these soldiers were there primarily to train Colombian security forces and provide other support functions, and they did not operate in the field.

The United States, however, retained policy flexibility in the face of restrictions by assigning the most dangerous tasks to private companies that contracted with executive agencies in Colombia. Company employees were authorized to perform the full spectrum of operations short of direct combat. As discussed above, they were permitted to fly drug interdiction missions, provide intelligence support to HN security forces, maintain technical systems, perform search and rescue missions, and fly dangerous drug fumigation missions over rebel territory, among other tasks. This risk transfer allowed the U.S. government to engage in activities that would have been otherwise off-limits to them due to casualty aversion in the political leadership.[58]

In Colombia the hiring of contractors was fully intended to actually *circumvent* operational restrictions on official personnel in the theater by transferring risks to a private entity. This meant that risk transfer was not only a byproduct of their presence, but also a rationale behind it; in other words, policymakers intentionally used contractors to shift casualty risks away from the military and toward the private sector. One reporter who covered Bogota at the time was told by individuals on the inside of the U.S. Embassy that DynCorp had been hiring ex-Special Forces personnel specifically to operate in Colombia. According to them, "The entire concept was to let them take the risk that would normally be taken by active-duty U.S. military

---

[57] Singer 2003, 207.

[58] It is worth noting that a casualty risk-transfer mechanism was not the only political benefit contractors afforded policymakers in Colombia. Private companies also also allowed for low up-front political costs by providing manpower that did not count against congressionally-imposed caps; Because caps applied only to American citizens, private companies could hire Colombians and other foreign nationals to work alongside Americans without breaking the law. In 2001, fewer than a third of DynCorp employees working on on Plan Colombia were U.S. citizens. In addition, company employees based in neighboring countries who made flights over Colombia were also not counted against the caps. In addition, the use of private contractors in Colombia helped maintain military readiness at other bases within the theater by preventing the relocation of other military personnel.

personnel."[59] Even a former U.S. Ambassador to Colombia publicly recognized that the availability of private contractors was a handy tool: "If somebody gets killed… you can say it's not a member of the armed forces."[60] The ability of private contractors to shoulder risk allowed [the government] to "shape the way they took the war to the drug traffickers and the guerillas in a way that they couldn't if they faced the restrictions," said one reporter.[61] As a result, private contractors operated close to the so-called "tip of the spear" in the Colombian mission, rather than close to the tail, as they tend to do in large-scale wars; that is to say, they carried out the full scope of American involvement in the country.

The use of contractors as a risk-transfer mechanism in Colombia exacerbated risk in three ways, which I will reiterate once more here and analyze below. First, it induced moral hazard on the part of the government; because the government was shielded from potential casualty risks of the mission, it behaved more adventurously than it would have otherwise. Second, risk transfer involved a slight shift of operational control away from risk-averse government officials and toward private company employees who were more prone to high-risk behavior. And third, the placement of profit incentives near the "tip of the spear" caused safety standards to deteriorate and mission profiles to become more and more dangerous.

---

[59] Tod Robberson, Interview with the author, January 9, 2015.
[60] Myles Frechette, quoted in Paul De La Garza and David Adams, "Military Aid… From the Private Sector," *St. Petersburg Times,* December 3, 2000.
[61] Tod Robberson, Interview with the author, January 9, 2015.

Chapter Three: DynCorp and the Creation of Risk in Plan Colombia

This chapter discusses several ways in which the transfer of risk from the government to private entities heightened the risk of casualties within the U.S. engagement in Colombia. It will analyze these problems in the context of DynCorp support to the National Police Eradication Program. First, I will show how risk transfer to private companies generated moral hazard on the part of the executive agencies, leading them to behave more recklessly than they might have otherwise. Second it will demonstrate how State's propensity to transfer military risks led it to contract beyond its internal capacity, undermining micro-level oversight on the ground and thus risking the safety of contractor personnel and increasing the risk of casualties. Finally, it will analyze how these extra personnel safety risks—combined with the government's inability to handle risk in this context—transferred control over risky activities in the field away from the Embassy and toward an entity that was far less risk-averse than the government: private companies.

Risk transfer and moral hazard

The first section of this chapter argues that in Colombia, the risk transfer to private companies introduced moral hazard on the part of the executive agencies controlling them. It will show how access to contractors provided executive agencies with both an insurance policy for dangerous behavior *and* a way to circumvent congressional oversight of their activities. Insurance against risk, combined with reduced oversight, helped introduce moral hazard on the part of these agencies—in particular, the Embassy—prompting them to behave perhaps more adventurously than they would have otherwise. This adventurous behavior, in turn, increased

casualty risk levels in Colombia beyond what Congress and the American public likely would have tolerated.

In Colombia, the policy flexibility provided by the use of private contractors amounted to what was essentially an insurance policy against engaging in risky behavior. Contractors, unlike government personnel, were authorized to perform the risky missions that formed the so-called "tip of the spear" in Colombia. As demonstrated in the previous chapter, while military casualties register heavily with the American public, contractor injuries, kidnappings, or deaths often go relatively unnoticed. As a result, contingencies that use PMCs to perform risky tasks—such as Plan Colombia—may be able to do so without the political costs that would be incurred with military casualties. This dynamic allows decision-makers to use contractors to insure themselves against the risk-related costs of certain policies.

In addition to removing casualty risks from the public sphere of consciousness, the use of PMCs also restricted congressional oversight capabilities of American activities in Colombia. Although Congress appropriates money to executive agencies, it does not have a say in who the agencies contract with; often, it does not even have access to critical information about government contractors.[62] In Colombia, this proved salient. Since proprietary information was secret according to the "trade secrets exemption" of the Freedom of Information Act, the State Department was not obligated to provide Congress or the public with information on its contracts; on the flip side, the companies themselves neglected to provide details without government approval.[63] As a result, congressional inquiries directed at either party were often

[62] Avant and Sigelman "Private Security and Democracy," 250-1.
[63] Jason Vauters and Michael L.R. Smith, "A Question of Escalation - From Counternarcotics to Counterterrorism: Analysing US Strategy in Colombia," *Small Wars and Insurgencies* 12 (June 2006): 177

evasively redirected toward the other. Under the law, in fact, executive agencies were not even required to *notify* Congress of contracts valued at under $50 million.[64]

Indeed, Congress lacked the necessary information to oversee the program. Members of Congress and their staffers repeatedly expressed frustration with the State Department's evasiveness regarding the activities of private companies in Colombia; according to a former aide to longtime congresswoman Jan Schakowsky, attempts to contact the State Department regarding DynCorp's activities in Colombia often went unanswered.[65] Schakowsky herself, who introduced a bill in the early 2000s that would have prohibited the use of civilian contractors in the Andean region, says that outsourcing counternarcotics assistance "shrouds in secrecy very sensitive activities in the Andean region that may be pulling the U.S. into violence."[66] Furthermore, she argued that "this seems to be a loophole around the cap … Every time we find out more about what goes on in Colombia, a dozen more questions are raised."[67] According to former Representative Bill Delahunt, moreover, contract work in Colombia lacked sufficient transparency to "ensure accountability."[68] Considering that lawmakers had greater access to information about the CIA than about PMCs, one can imagine their frustration at trying to provide oversight for such a heavily outsourced mission.[69] In Colombia, Congress could not limit activities that they did not even know existed. This lack of knowledge, according to scholars,

---

[64] Ibid, 177.
[65] Jason Vest, "State Outsources Secret War," *The Nation,* May 2001, http://www.labournet.net/world/0105/colomb3.html#1.
[66] Washington Post Interview with Rep. Jan Schakowsky, "Privatizing the Drug War," *The Washington Post,* May 31, 2001, http://www.washingtonpost.com/wp-srv/liveonline/01/world/world_schakowsky0531.htm.
[67] T. Christian Miller, "Firms in Drug Effort Thwart Congress' Rules," *The Chicago Tribune,* August 18, 2001, available at http://articles.chicagotribune.com/2001-08-18/news/0108180212_1_cocaine-growing-colombia-terms-of-congressional-interest.
[68] Juan Forero, "Role of U.S. Companies in Colombia is Questioned," *The New York Times,* May 18, 2001.
[69] John Otis, *Law of the Jungle: The Hunt for Colombian Guerillas, American Hostages, and Buried Treasure* (New York: HarperCollins, 2010): 26.

effectively limits the legislative branch's influence as a veto point in American foreign policy.[70] And because contractors carried out the core of the U.S. mission in Colombia, a lack of oversight over contractor activities equated to a lack of oversight over U.S. involvement as a whole.

Risk transfer to contractors therefore created circumstances under which Congress was unable to provide effective oversight and restrict behavior, and political leaders were unlikely to face political costs for any casualties in the field. It is not surprising, therefore, that moral hazard may have arisen on the part of executive agencies. The Embassy used contractors not only to fill the roles that government personnel could not—but also to *push the envelope.* During the late 1990s, U.S. officials pushed hard for the inclusion of American contract pilots in dangerous eradication missions, despite hesitation from the Colombian side.[71] At the onset of direct American involvement in these flights, moreover, U.S. officials advertised DynCorp pilots' abilities to "fly under adverse conditions including hostile fire"; they also explicitly rejected a Colombian proposal to allow American pilots to fly only in safe zones.[72] The State Department's relative secrecy about its activities in Colombia, moreover, suggests that it knew that the political establishment in Washington and the American people would not have approved of the extent of its involvement in the country.

Indeed, the Embassy used contractors for missions that involved levels of risk far higher than Congress or the American public likely would have tolerated.While the State Department's contract with DynCorp authorized contractors to perform drug fumigation flights and SAR, it did not reveal just how dangerous these missions could be. DynCorp personnel involved in the eradication program regularly encountered contact with rebel forces, whether that meant dodging

---

[70] Avant and Sigelman, "Private Security and Democracy," 249.
[71] U.S. Embassy Colombia cable, "OV-10's for the Colombia Aerial Eradication Program," September 19, 1996, Confidential, 3 pp.
[72] State Department cable, "NAS/GOC Aerial Drug Eradication Program," September 25, 1996, Unclassified, 8 pp, at http://nsarchive.gwu.edu/NSAEBB/NSAEBB69/part2.html.

ground fire from drug traffickers who "do not like to have their livelihood eliminated," or rescuing crews that had crashed over rebel territory.[73] As is the case anywhere around the world, contractors on the receiving end of guerilla fire were authorized to shoot back.[74] "We engaged in direct combat very often. We had weeks where we came back with holes in our aircraft every day," said one DynCorp pilot.[75] Government statistics support this allegation: according to GAO reporting, between mid-2002 and mid-2003, the eradication program averaged between 20 and 30 holes in their aircraft per month. Every time DyCorp pilots encountered rebel fire, there existed a potential for direct combat between contractors and Colombian guerillas. At the peak rate with which this occurred, therefore, the potential direct combat situations arose *every day.* This is not to say that Embassy officials wanted private contractors to encounter potential combat situations--but rather that moral hazard prompted them to use contractors for tasks where this was likely.

As for actual violations of the contact, the picture is murkier--in part because few of these contracts are available for the public to view. While there is little evidence that company personnel regularly performed tasks that fell squarely outside the scope of their contracts, the text of the contracts and the legislation did leave significant gray area. For instance, although the State Department's contract with DynCorp specified that hired pilots had the authority to perform search and rescue missions, lawmakers would likely not have permitted search and rescue crews to fly directly into rebel fire, as they sometimes did.[76] Overall, access to contractors removed legal and risk-related constraints on executive agencies, introducing moral hazard and

---

[73] United States Embassy Bogota [Colombia], *Americans in Danger in Colombia. How Many? Where? What Do They Do?*, April 5, 2001, Confidential, 8 pp.
[74] Anders Sømme Hammer, "The Control of Private Security Companies: The Relationship between the United States and Private Actors in Plan Colombia," University of Oslo, May 22, 2006.
[75] Jorge Sanjines, Interview with the author, February 19, 2015.
[76] Juan O. Tamayo, "Colombian guerillas fire on U.S. rescuers," Miami Herald, 2001, available at http://cryptome.org/gao-01-435R.htm.

allowing them to conduct a more adventurous foreign policy than Congress and the American public likely would have tolerated. Although the effect on net risk is difficult to discern, it is at least apparent that the strategy of reducing risk through the employment of private companies was not effective.

This section has demonstrated that the operational concept behind contractors as a risk-transfer mechanism produced extra risk in at least one way: by inducing moral hazard in the agencies in charge of them. Because the agencies use contractors in a manner that allowed them to evade congressional oversight over tasks that comprised the core of the mission, and to avoid political costs associated with casualty risks, their behavior was perhaps less sensitive to political consequences than it should have been. In this case, it was not the mere presence of contractors that generated risk, but rather the impact of their operational concept on the behavior of the U.S. government.

Outsourcing beyond internal capacity

This section argues that the ability of the government to transfer risk onto private contractors meant that executive agencies operating on the ground in Colombia--the State Department in particular--could outsource tasks that were beyond their internal capacity. Because the government chose to use contractors near the "tip of the spear," the Embassy itself often did not have the internal capabilities to provide effective supervision for the risky tasks it delegated to contractors. As a result, ineffective supervision often led to unnecessary physical safety risks for the contractors involved in the program. In this way, placing contractors on the outer edges of scope of U.S. involvement in a country left the government unable to effectively manage the risks it permitted.

Using contractors on the front lines of the U.S. mission in Colombia allowed the government to carry out a security-heavy program without a heavy military presence in the country. Because the government hired contractors with military backgrounds to perform dangerous missions, they could carry out what was essentially a military and police assistance program under the cover of a diplomatic engagement--reducing the political costs of mobilization. According to some estimates, approximately 80% of U.S. aid was directed toward the military and the police.[77] American assistance included reconnaissance, air transport, search and rescue, and command and control functions.[78] Plan Colombia's leadership, however, was lodged in the State Department and day-to-day operations were run by the U.S. Embassy in Bogota. According to one contract pilot, the Embassy would not even allow any military officers who outranked the Ambassador into the country.[79] This was not a shady arrangement; since counternarcotics support was considered a police operation, it fell under the jurisdiction of the State Department.[80] Still, its significance was that it afforded the Embassy an element of military muscle despite a lack of internal military capacity.

Because the State Department contracted beyond its internal capacity in Colombia, however, it was unable to provide sound supervision for the DynCorp eradication program. Simply put, INL did not have what it took to oversee the aerial eradication program run by DynCorp; and as a result, risk transfer toward contractors proved even more dangerous than it should have been. As discussed in the introduction, the literature on outsourcing theorizes that one of the benefits of privatization is that it gives the government access to specialized skills

---

[77] Amnesty International, "U.S. Policy in Colombia," http://www.amnestyusa.org/our-work/countries/americas/colombia/us-policy-in-colombia.
[78] U.S. Department of State contract with DynCorp, http://s3.amazonaws.com/corpwatch.org/downloads/dyncorpsec1c.pdf.
[79] Anonymous interview with the author, January 7, 2015.
[80] Tod Robberson, email to author, February 12, 2015.

without having to invest significant time and resources to develop them.[81] One drawback to this approach, however, is that it may produce information asymmetry. If a principal outsources a given task because it does not have the capability to perform it g, it may also lack the capability to effectively oversee it.

The state of INL and the Narcotics Affairs Section of the U.S. Embassy-Bogota during the early years of Plan Colombia suggests that this problem proved salient within the State Department. While the number of Air Wing personnel stationed in Colombia increased from 3 in 2001 to 10 in 2003, the number of DynCorp personnel in Colombia supporting the aerial eradication program increased from 176 to 281 in the same period.[82] According a 2003 State Department memo, moreover, the Air Wing was, at the time, "at its lowest level of readiness"--plagued by curtailed training, reduced staffing and safety standards, high structural fatigue, and failure to protect air crews from gunfire.[83] The personnel running State's Air Wing had been promoted based on rank alone, and did not necessarily have a background in aviation.[84] In a telling self-indictment, then-INL chief John McLaughlin wrote in a State Department internal memo that his own branch of the State Department was fundamentally incapable of overseeing an aviation program. "Dodging trees and ground fire over jungle terrain at 200mph is not diplomacy, and diplomats cannot be expected to fully comprehend the complexity of the task and the level of support required," said McLaughlin.[85] INL might have been able to task missions

---

[81] Doug Brooks and Jim Shevlin, "Reconsidering Battlefield Contractors," 106.
[82] U.S. GAO, Report to the Honorable Charles E. Grassley Co-Chairman, Caucus on International Narcotics Control, U.S. Senate, *Drug Control: Aviation Program Safety Concerns in Colombia Are Being Addressed, but State's Planning and Budgeting Process Can Be Improved* (GAO-04-918) (Washington, DC: U.S. Government Accountability Office, 2004), 16, http://www.gao.gov/new.items/d04918.pdf.
[83] Robert Novak, "Ground the Flying Diplomats," *CNN,* September 25, 2003, http://www.cnn.com/2003/ALLPOLITICS/09/25/column.novak.opinion.diplomats/.
[84] Anonymous interview with the author, February 12, 2015.
[85] State Department internal memo, cited in Novak 2003.

and collect measurements, but their lack of relevant technical knowledge and their relatively few numbers no doubt prevented them from providing full oversight of DynCorp's activities.

Improper oversight resulted in increased levels of risk exposure for contractors. Because INL personnel tasked with overseeing the aerial eradication program lacked certain technical and operational knowledge, they had trouble minimizing unnecessary risks faced by DynCorp. One factor was a failure to identify and provide air crews with suitable equipment to ensure their safety. For instance, the eradication program used Huey helicopters, which were much more vulnerable to ground fire than Blackhawks would have been. Pilots were often forced to sit atop their helmets in the aircraft because bullet holes would penetrate the fusilage where they were sitting.[86] While aircraft were always equipped with armor, moreover, significant modifications to protect pilots were not added until the early-to-mid 2000s.[87] At certain points, the Pentagon even had to get involved to provide State with guidance on how to provide for the aviation program's needs.[88] Furthermore, problems with INL's budgeting process sometimes reduced the availability of necessary aircraft parts.[89] In 2003, the director of INL's Office of Aviation announced that strained resources and staffing meant that he could no longer guarantee the operational safety of the DynCorp eradication program.[90] However, INL's oversight-related shortcomings were not limited to their inability to identify and provide proper equipment.

INL's oversight deficiencies also manifested in a failure to acquire and make use of available intelligence. The DynCorp eradication program began during the late 1990s, before the official escalation of U.S. assistance to Colombia in 2000. In 1996, the U.S.-Embassy Bogota began pushing for the inclusion of U.S. "instructor pilots" in the CNP's eradication missions;

---

[86] Tod Robberson, email to author, February 12, 2015.
[87] U.S. GAO, *Drug Control* (GAO-04-918), 13.
[88] Tod Robberson, email to author, February 12, 2015.
[89] U.S. GAO, *Drug Control* (GAO-04-918), 19.
[90] Ibid, 2.

although initially opposed, Colombian officials eventually agreed to this arrangement.[91] Within several months of the program's debut, however, contract pilots and Embassy officials realized that it was more dangerous than they had initially anticipated. "We were not expecting this to turn out the way it did," said one pilot, adding that "The intelligence we had at the moment we initiated those missions was not all that efficient… we never thought the guerillas would be there protecting the coca farms."[92] Intelligence failures did not stop there.

Throughout the early 2000s, as the pace of the program picked up, gunfire became ever more frequent. This increased frequency was due not only to more flights, but also to the *accidental* increased proximity of eradication flights to rebel areas. It was not until 2003, when two U.S. aircraft crashed and two others were forced to land because of ground fire, that Embassy actively began to address this problem.[93] In 2003, INL hired extra government and contract personnel to collect, analyze, and share intelligence, and by reviewing its protocol for intelligence sharing between agencies. New protocol that year also required that the NAS director approve all eradication flights in order to reduce the chances of encountering rebel fire.[94] It seems no coincidence that gunfire holes in aircraft reduced substantially thereafter. In the interim, however, INL's outsourcing of tasks that were beyond its internal capacity left it inherently unable to properly oversee the eradication program, produced extra and unnecessary risks for American contractors carrying out the program. In this way, it was not the mere battlefield presence of the companies themselves that produced risk--but rather their employment as a substitute, rather than a supplement, for the military.

---

[91] State Department cable, "NAS/GOC Aerial Drug Eradication Program," September 25, 1996, Unclassified, 8 pp; U.S. Embassy Colombia cable, "NAS/GOC Aerial Drug Eradication Program," September 26, 1996, Confidential, 13 pp, at http://nsarchive.gwu.edu/NSAEBB/NSAEBB69/part2.html.
[92] Jorge Sanjines, Interview with the author, February 19, 2015.
[93] U.S. GAO, *Drug Control* (GAO-04-918), 3.
[94] Ibid, 4.

Loss of government control over the agent

In Colombia, the government's transfer of risk to contractors also sacrificed a degree of government control over the hired guns and the engagement as a whole. As discussed above, the government's adventurous behavior and lack of oversight in Colombia boosted overall levels of risk within the mission. Due to security restrictions, however, the Embassy was unable to provide cover for the contractors taking those risks. Because the government chose to create levels of risk that it could not handle, it hired *more* contractors to respond to the mishaps that would inevitably arise as a result of risk transfer. Employing contractors in this manner produced even more risk in two ways. First, it linked the risks that contractors faced; risk created by the use of one contractor was likely to necessitate the use of more contractors in a dangerous situation--creating a vicious cycle. Second, it further reduced the government's control over risk, placing decisions about whether or not to seek out combat situations in the hands of the contractors aboard SAR aircraft. The contractors tasked with making these decisions, moreover, were often much less risk-averse and less politically motivated than their government overseers. This dynamic essentially involved a transfer of control over risk away from a highly risk-averse entity (the government) and toward a less risk-averse entity (private contractors).

If a lack of oversight boosted risk, an inability to *handle* that risk put even more American lives in greater danger. After debut of the DynCorp eradication program in the late 1990s, it became clear that force protection would be necessary—but security restrictions prevented the government from providing force protection itself. The government's transfer of risk to contractors meant that (a) dangerous situations were bound to arise, and (b) it could not respond adequately when they did. INL's solution, therefore was to bring in six new U.S.

aircraft into Colombia that were designated for armed security escort for eradication missions.[95] These aircraft would be staffed by Colombians and—of course—American contractors, to make sure that any aircraft and personnel shot down during an eradication mission could be recovered on the spot. The Americans on board would be armed, but could only open fire at the orders of their Colombian copilots. A U.S. Embassy Cable at the time categorized these missions as "possibly the most dangerous flying in the so-called drug war."[96] Because the government could not handle the risk it had initially created, its only recourse was to create a program that was potentially *more* dangerous than eradication had even been in the first place.

Of course, it is worth noting that having armed escort and SAR aircraft accompanying eradication missions helped reduce the risk of captivity and death without having to put active-duty military personnel in harm's way. However, the use of contractors for this tasks created risks within itself. Once out in the field, contractors faced very few real constraints on their behavior once out in the field. SAR missions were always authorized *in advance*, so that if an eradication plane went down, the rescue would be immediate.[97] The Embassy, moreover, had no real way of overseeing SAR and escort activities aside from direct oral and written communication with the contract workforce.[98] Furthermore, contractors had been provided with immunity, meaning that they would not face negative consequences for violations of Colombian law.[99] These factors put the initiative in the hands of the contractors, and stripped the Embassy of any real control over operations in the field. Because the U.S. government was not present in the

---

[95] U.S. Embassy Colombia, "NAS [Narcotics Affairs Section] Bogotá Monthly Narcotics Report: August – November," December 3, 1997, Unclassified, 21 pp, at http://nsarchive.gwu.edu/NSAEBB/NSAEBB69/part2.html.
[96] Ibid.
[97] Jorge Sanjines, email to author, March 18, 2015.
[98] U.S. GAO, Report to the Honorable Charles E. Grassley Co-Chairman, Caucus on International Narcotics Control, U.S. Senate, *Drug Control: State Department Provides Required Aviation Program Oversight, but Safety and Security Should Be Enhanced* (GAO-01-1021) (Washington, DC: U.S. Government Accountability Office, 2001), 5, http://www.gao.gov/assets/240/232678.pdf.
[99] Irene Cabrera and Antoine Perret, "Colombia: Regulating Private Military and Security Companies in a 'Territorial State'," (National Reports Series 19/09, PRIV-WAR Report -- Colombia, 2009): 15.

field, they had no tangible control over risky situations that developed there. A few years after its debut, the Embassy tried to reverse U.S. involvement in eradication altogether, arguing that it had become a serious "force protection" issue. Perhaps it was too late. Instead of tapering, American involvement expanded. Risk, it seems, was getting out of hand.

The commencement of the eradication program, and subsequently the armed escort and SAR programs, demonstrate one of the problems associated with transferring risk to a different entity. When anyone, agent or principal, bears risks, accidents are bound to happen. As the above paragraphs have shown, however, risk transfer to an agent may make these mishaps more likely--for a variety of reasons. As the likelihood of an accident increases with this risk transfer, so does the need for rescue missions. But if the principal is not allowed to bear the risk of force protection, it transfers even *more* risk and more initiative to the agent to provide that additional service. This puts more Americans in the line of fire, increasing the odds that someone will go down. It also creates a vicious cycle, as risks become correlated: Risk transfer to Agent X is likely to result in more risk transfer to Agent Y for force protection. Because Agent Y is an *agent,* this transfer may produce more risks than it would if force protection were provided by the principal itself. This correlation further reduces the government's control over risk in the mission as a whole.

As mentioned above, the dynamics within the eradication and SAR program in Colombia transferred a degree of operational control from a highly risk-averse to a less risk-averse entity. Private contractors within these programs were not driven by the political calculations that informed the risk-averse behavior of policymakers at the top of the chain of command. As former U.S. soldiers tasked with dangerous responsibilities, their behavior in the field was likely driven more by military imperatives rather than political constraints. According to Peter Singer,

DynCorp crew members often viewed their contracts as a "continuing military mission."[100] They also had a local reputation as being far too willing to engage in frequent combat and firefights.[101] Many of these men have, in fact, cited the perilous thrills of their jobs as one of its biggest perks.[102] It is clear that contractors in Colombia saw their activities as a full combat engagement—which, in certain cases, they were. "Any time that you're part of a combat mission, you have to depend on the people you have around you," said DynCorp pilot Jorge Sanjines.[103]

The government's inability to provide force protection for the risky missions it tasked likely also fueled the military mindset and behavior of private contractors. Because contractors operated independently in the field without government force protection, they knew that they could only depend on each other for backup. They knew that the government could not bend over backward to cover them—and in the opinion of another pilot, many government personnel on hand viewed contractors as "disposable."[104] This is not to say that no one cared; after the kidnapping of three American contractors in 2003, one Embassy employee said, "We were in meetings 24/7, we had briefings at 6:00am and 6:00pm every day—we called them 'alphabet soup' briefings because *everyone* was there."[105] Still, the fact remained that political and operational constraints precluded official personnel from actually going to get the hostages. Over time, therefore, contract pilots developed an "unsaid oath" that if any mishaps occurred, they would be there to bail each other out.[106] The informal understanding encompassed not only DynCorp crews aboard fumigation aircraft, but also the DoD contractors flying interdiction

---

[100] Singer, quoted in Otis 2010, 8.
[101] Singer 2003, 208.
[102] Otis 2010, 27.
[103] Jorge Sanjines, interview with author, February 19, 2015.
[104] Anonymous interview with the author, January 7, 2015.
[105] Anonymous Embassy official, interview with the author, March 8, 2015.
[106] Jorge Sanjines, interview with the author, February 19, 2015.

missions aboard the California Microwave Cessna aircraft.[107] American contractors also operated extremely closely with Colombian security forces, moreover, and were sometimes responsible for getting them out of trouble as well. "The government asked us to provide help, but they were not there," said one pilot involved in armed escort. "Would they save us? Yes, but the question becomes when. In situations like that, the 'when' becomes very important."[108] If contractors knew that the government would not come to their assistance in times of need, their only recourse was to depend on each other. The military mindset of these contractors, therefore, combined with their ultimate dependence on each other for survival, made it all the more likely that in the heat of the moment, military and situational imperatives would trump political and risk-related constraints.

Indeed, certain events in Colombia do suggest that this was sometimes the case. Through 2001 alone, it is believed that American SAR teams engaged in about 15 rescues, about half of them in combat zones.[109] In early 2003, moreover, DynCorp SAR crews tried to launch to rescue four American Northrop Grumman contractors that had crashed over enemy territory, but were held on the ground at gunpoint by government personnel. One can imagine what might have happened had they not been at the base at the time. In February 2001, a Colombian crew crashed over enemy territory and called DynCorp pilot Jorge Sanjines in need of urgent help. Sanjines was not at the base at the time, and passed along a message to his manager to get clearance from the Embassy—but his crew was going in no matter what. Once on the scene, Sanjines and his crew exchanged direct fire with the Colombian rebels present. He survived, but was almost fired for his decision. The incident was reported in the press as the first indication that American

[107] Otis 2010, 27.
[108] Jorge Sanjines, interview with the author, February 19, 2015.
[109] Juan O. Tamayo, "Colombian guerillas fire on U.S. rescuers."

contractors had engaged in direct firefights with Colombian rebels.[110] After the fact, Sanjines admitted that the Embassy had tried to get him to turn back, but hadn't been able to reach him: "We were not supposed to engage in an offensive manner--only defensive. And this was definitely offensive."[111] When questioned about his decision to launch without Embassy permission, Sanjines speaks as if his course of action was the only one available to him: "This was serious. You can't play that kind of [political] game; we had to go."[112] But although Sanjines took the honorable high road—knowingly risking both his life and his job on behalf of stranded Colombian security forces—the Embassy likely would have disputed the idea that launching was an imperative.

These, of course, were isolated incidents, but they hinted at a broader trend. The Embassy had set up a dynamic in which military-minded contractors depended on each other for force protection; and as a result, military imperatives were likely to shape their behavior--no matter the risks. Furthermore, because the government was not present in the field, there was no way to enforce adherence to political constraints on U.S. involvement in Colombia. In short, a transfer of operational control away from the highly risk-averse, politically-motivated entity of U.S. government, and toward the less risk-averse, militarily-motivated entity of private military contractors, increased operational risk within the mission and boosted the probability of casualties.

This chapter has demonstrated how the transfer of risk toward private companies induced moral hazard on the part of their government overseers. At the same time, the government's inability to handle the risks it created stripped the Embassy of operational control over risk in the field. Instead, it placed a great deal of control in the hands of an entity that was far more willing

[110] Singer 2003, 208.
[111] Jorge Sanjines, interview with the author, February 19, 2015.
[112] Ibid.

to take risks than the Embassy: private companies. Risk transfer, it is important to remember, is not only a transfer of consequences—but also a transfer of control. A transfer of control to agents that are less risk-averse than the principal, moreover, has the potential to create even more risks. As a whole, this dynamic created substantial risks of death or damage to personnel and equipment within the program.

Chapter Four: Northrop Grumman and the Creation of Risk in Plan Colombia

This chapter examines Northrop Grumman's activities in Colombia activities to trace how the use of contractors at the tip of the spear heightened the risk of the American engagement there. Throughout the first several years of Plan Colombia, the privatization of interdiction activities introduced market competition that drove Northrop to push for riskier flights while simultaneously downgrading their safety standards. This combination yielded increasingly perilous missions that threatened to unintentionally draw American forces deeper into Colombia's conflict if mishaps occurred. It is worth noting that although Northrop could be classified as a military provider firm in Colombia, its missions were considered far safer than the low-altitude eradication flights performed by DynCorp. Indeed, other official U.S. personnel performed reconnaissance tasks similar to those performed by Northrop in Colombia. Still, the use of contractors to perform these tasks *introduced* safety risks into the program where they were perhaps altogether unnecessary. Furthermore, the fact that these profit incentives were placed at the tip of the spear created more operational risk than it would have if they had been placed in a more behind-the-scenes role. The first section of this chapter will describe the specific processes by which risk expansion occurred within the interdiction program, and the disastrous consequences that ensued. The second section attempts to explain *why* this dynamic was able to develop, despite the theorized beneficial impacts of market competition on contractor performance.

Accepting dangerous missions

The first several years of Plan Colombia saw a considerable degree of mission creep within the counternarcotics assistance program. From almost the very beginning, the mission

profiles of the pilots working the drug interdiction program began to undergo changes. One such change involved a shift away from counternarcotics-only aid and toward both counternarcotics *and* counterinsurgency assistance. Because Plan Colombia began as a part of the War on Drugs, its American participants were forbidden from using its aid for anything other than counternarcotics purposes. After the attacks of September 11, 2001, however, things began to change, as the U.S. defense community's renewed focus on counterterrorism and counterinsurgency manifested not only in Afghanistan, but also in Latin America; for the first time, a portion of U.S. aid was authorized to be used for counterinsurgency assistance. After September 11, according to pilots, the Embassy started to authorize flights in search of not only drug infrastructure, but also rebel movements and targets.[113] This shift had the potential to put contract pilots in greater danger; however the impetus was legitimate, as it came from the very top of the ladder and was codified in law. Still, the shift toward counterinsurgency was not the only change that took place in the early years of Plan Colombia.

Between 2001 and 2003, interdiction flights also became increasingly risky and daring. The immediate success of the program soon led to an expansion of the envelope spearheaded by company management and Embassy personnel. The interdiction program scored several quick successes within the first few months of its debut, including one mission that unintentionally involved some nighttime flying and a brief yet dangerous encounter with guerilla forces. The ultimate success of that flight, however, sparked the ambitions of those who wanted the program to expand its reach. In the words of a former California Microwave Systems pilot, "One day, for a high priority target, we went a little further out into the mountains at night, and that established an envelope for our performance." From then on, according to the pilot, the Embassy began

[113] Mark Bowden, "Flight Risk," *The Atlantic,* July/August 2009.

authorizing more frequent night missions--despite JIATF's explicit ban on nighttime flying.[114] Once a rare occurrence, pilots allege that night flying made up about a fifth of the missions undertaken in 2002.[115] Before long, the ban on mountain flying was also disregarded.[116] Pilots also flew longer distances—sometimes 300 miles from the base—at higher altitudes, and often carried heavy loads. [117] According to one interdiction pilot, the pushing of the envelope in Colombia led the program to exceed its limitations.[118] The program had not been designed for nighttime missions over rebel territory, but pilots continued to accept them.

Unlike the shift toward counterinsurgency, the impetus for increasingly adventurous missions came not from legislation but from the profit-seeking motives of the private companies involved. The Colombia contracts were highly competitive, and site management was eager to show the Embassy that no other company could compete in terms of cost-efficiency. According to California Microwave Systems (CMS) pilot Paul Hooper, "It wasn't so much that the Embassy pushed. We had company guys over there every day asking for more missions … The company wanted the folks in charge to know we were up for anything."[119] Company leadership also instilled within pilots the need to perform at a high level in order to sustain their livelihood. Site management was often vague about how long pilots' contracts would last, and about whether or not they would still have jobs several weeks down the road.[120] This ambiguity only fueled the pilots' suspicions that another company was waiting in the wings to steal the contract away. During a staff meeting in October 2002, Marc Gonsalves, a technician whose plane would crash over rebel territory just four months later, encouraged other pilots to accept dangerous

---

[114] Anonymous interview with the author, January 7, 2015.
[115] John McQuaid, "Fatal Mission," *New Orleans Times-Picayune,* November 9, 2003.
[116] Otis 2010, 8.
[117] Juan Forero, "Private U.S. Operatives on Risky Missions in Colombia," *New York Times,* February 14, 2004.
[118] Ibid.
[119] Paul Hooper quoted in Bowden, "Flight Risk."
[120] Otis 2010, 8.

mission lest the company be stripped of the contract.[121] In one pilot's words, "it's really kind of an absurd deal. We proved immediately that we were the most cost effective asset going."[122] And yet, the chest-beating continued.

Competition and the creation of risk

Company management not only pushed pilots to accept more dangerous missions, but also had a hand in *creating* those dangers. Evidence suggests that profit incentives pushed company site management to choose missions according to market imperatives, rather than tactical priority. This method of selecting missions, however, prioritized cost-efficiency over personnel safety. When pilots embarked on a flight, the company's goal was to have them fly for 3.5 hours before returning to base, so as to appear cost-efficient in the eyes of the customer--the U.S. government. According to one pilot involved, although site management did not actually select targets for the interdiction program, they would stand over the shoulder of the personnel in the Tactical Analysis Team (TAT) who had the targets, and make suggestions that TAT personnel would then approve.[123] The priority of the target, therefore, was often obscured by the imperative to fly a fixed number of hours at a time. As a result, pilots sometimes performed *low-priority* tasks in dangerous conditions in order to complete the target amount of flight time.[124] In 2002, Hooper and the unit's lead pilot at the time, Doug Cockes, detailed their frustrations to company management in a letter:

> We must express deep concern with the current in-country site manager who routinely volunteers for night missions regardless of weather and terrain. There is a priority system in place that should take care of the majority of this issue. If the target has a low priority

[121] McQuaid, "Fatal Mission."
[122] Anonymous interview with the author, January 7, 2015.
[123] Anonymous interview with the author, January 7, 2015.
[124] Ibid.

> it should not be flown at night. Due to the extreme risk of night flying in this environment with this aircraft, night targets should be carefully selected and the mission planned to support a specific target or targets of only the highest priority.[125]

According to one pilot, however, company management continued to determine "the importance of a night mission based on how much it costs." Furthermore, "Everything in the world is based on performance. So rather than the quality of the product we're producing being the measure, it became how many targets we were fulfilling."[126] Within the interdiction program, it seems, site management pushed the envelope as a means of improving their reputation in the eyes of their customer. Market competition motivated company leadership to both select riskier missions *and* to push pilots to accept them at their own risk. Unfortunately, however, the same profit-based incentives that pushed the performance envelope also prevented safety precautions from keeping pace with the rapidly-expanding mission profiles.

Cost-efficiency and safety standards

Over the course of two years, safety concerns regarding the interdiction programs went from bad to worse. The Northrop Grumman pilots performing interdiction missions flew single-engine Cessna Caravans, which many pilots argued were unsuitable for their needs. According to DynCorp pilot Jorge Sanjines, "Any single-engine airplane by itself over the jungle is dangerous. Any single-engine airplane over the jungle when they're shooting at you is extremely dangerous … That's because you only need one, tiny, itty-bitty bullet to take you down."[127] Thus even before the mission creep began to occur, there were questions as to the Cessna Caravan's suitability for the program. The Federal Aviation Administration had previously granted the aircraft a special exemption to fly *five hundred pounds* overweight in Colombia, and contract

[125] Douglas C. Cockes and Paul C. Hooper, "Re: Safety of Flight Issues," Letter to James Cassady, Roslyn Smith, Douglas L. Tate, Northrop Grumman Corporation/California Microwave Systems, November 14, 2002.
[126] Anonymous interview with the author, February 12, 2015.
[127] Jorge Sanjines, quoted in Otis 2010, 6.

pilots often brought along thick ropes in case they crashed and needed to lower themselves down from treetops.[128] Moreover, planes often took off with their engines only half full, as a full tank of gas would have made them too heavy to rise above the mountains that separated Bogota from the drug labs.[129] As the missions grew more dangerous, therefore, concern understandably grew regarding the aircraft's adequacy for long flights at high altitudes, sometimes at night, and other times through mountainous territory.

Throughout 2002 and early 2003, profit concerns led company leadership to ignore the repeated warnings by contract pilots that their flights had become too risky. During the summer of 2002, Hooper and Doug Cockes raised their concerns surrounding the Cessnas with their immediate superiors, but their concerns were dismissed and the pilots threatened with termination.[130] They responded in November 2002 with a letter (mentioned above) to Northrop Grumman and CMS leadership, detailing their frustrations regarding the single-engine Cessna and the general lack of safety precautions within the interdiction program:

> The mission aircraft could not reach any suitable landing area if the engine failed over most of the terrain over which the SRS mission is flown. The continued use of this platform invites a catastrophic impact in mountainous terrain if there is an engine failure or a controlled flight into terrain, because of a lack of power and a limited service ceiling to avoid weather …. When SRS pilots and flight crews are successful in mission performance, the payload, distance, and location are added or stretched to more difficult scenarios …. We are now telling you that this mission creep coupled with the SRS Management Team's attitude towards safe flight operations has made this mission very dangerous and creates unnecessary risk to the flight crews.[131]

Although some pilots disdained of Hooper and Cockes' complaints, the pair's concerns were far from unfounded. In June 2001, pilot Tommy Janis experienced an engine failure while flying over the ocean, but managed to glide the plane to safety.[132] Because there were no

---

[128] Otis 2010, 6.
[129] Ibid.
[130] Bowden, "Flight Risk."
[131] Cockes and Hooper, "Re: Safety of Flight Issues," November 14, 2002.
[132] Otis 2010, 6; McQuaid, "Fatal Mission."

casualties, no one paid much attention. Shortly after the plane's engine was replaced, its turbine blades were found to be cracked and misshapen during a routine inspection--a possible result of overheating and stressed blades. But despite the fact that mechanics were unsure as to the cause of the problems, the other Cessna kept flying.[133]

The company's responses to the pilots' letters indicate that monetary incentives guided their behavior--and prevailed over safety concerns. Hooper and Cockes suggested upgrading the platform to a twin-engine Beechcraft King Air; however, this plane would have cost the company several million dollars more, and these requests were ignored.[134] Furthermore, the management's treatment of the pilots who voiced complaints seem characteristic of an enterprise attempting to preserve its market reputation at all costs. Not only did the company ignore their concerns; but they also did their best to silence Hooper and Cockes. After the initial verbal complaint in October of 2002, Cockes was stripped of his position as lead pilot.[135] Following the November 2002 letter, moreover, the site manager Lawrence McCune informed Cockes that Northrop Grumman was considering suing the concerned pilots for interfering with its "right to contract."[136] Both pilots were scolded for their "negative attitude" and lack of "team spirit." While Hooper and Cockes resigned in January of 2003, another pilot, Phil Bragg, was fired around the same tonight because he had been in agreement with the other two.[137] Tragically, the pilots' warnings ultimately proved prescient. On February 13, 2013, four American contractors were performing routine surveillance when their plane crashed due to engine failure over enemy territory. One American and one Colombian onboard were killed on the spot, and three American civilian contractors were taken into captivity by the FARC.

---

[133] McQuaid, "Fatal Mission."
[134] Otis 2010, 7.
[135] Bowden, "Flight Risk."
[136] Ibid.
[137] Ibid.

Profits and market reputation incentives had driven company management to behave in a way that resulted in the death of one American and the kidnapping of three others; still, it seems, they did not learn their lesson. Just weeks after the first plane went down, California Microwave Systems managers quickly distanced themselves from the SRS program and immediately set about forming and transferring the men to a new company: CIAO, Inc. The company, which did not even have the time to set up life insurance for its employees before flights began over the Colombian jungle, was comprised of the same personnel that had previously worked for California Microwave.[138] One of the employees' primary responsibilities was to work toward recovering the three Americans in captive by performing search and rescue missions over the jungle--which the Pentagon announced would continue "round the clock."[139] The new company's management and the goal of rescuing the captured pilots, however, caused safety standards to deteriorate even further. In its last days holding the contract, CMS had hired increasingly inexperienced pilots to compensate for those who had left the program in protest.[140] After the February crash, moreover, flights grew more dangerous. SAR missions over the jungle increased in frequency--and were usually launched at night, when it would be easier for the aircraft's FLIR technology to detect the rebels' body heat.[141] On March 25, the second--and only remaining--Grand Caravan clipped the top of a tree and crashed into the ground, killing all three American contractors aboard. A U.S. Navy Investigation following the crash accused CMS and CIAO of "unprofessional, unsafe, and undisciplined practices."[142]

---

[138] McQuaid, "Fatal Mission."
[139] Lisa Myers, "The toll of the drug war in Colombia: U.S. families mourn victims of anti-drug campaign," *NBC News,* October 24, 2003, available at http://www.nbcnews.com/id/3225977/t/toll-drug-war-colombia/#.VThAwRbt3KN.
[140] Otis 2010, 68-9.
[141] Ibid, 70.
[142] U.S. Navy investigation (redacted), cited in Otis 2010, 71.

The companies' carelessness may stretch even further than previously imagined. Although the bulk of CIAO's resources were diverted toward rescuing the three pilots in captivity, evidence suggests that this may not even have been possible. The pilots aboard had no data link capability, so even if they had been able to locate the hostages, by the time they returned to the base they would have no timely information about the hostages' whereabouts.[143] Furthermore, the FLIR technology used to detect body heat would have been unable to distinguish between the guerilla forces and their captives.[144] According to former hostage Keith Stansell, "It was absolute lunacy to send [them] out to look for us. They could do nothing for us."[145] CIAO's night flights over the jungle did have one benefit, however: They allowed the pilots and management formerly employed by CMS to hold onto the contract and keep a steady stream of income. In the words of an ex-pilot, "They crashed and died because they wanted to be in Colombia to hold the contract."[146] Of course, the speculation of program participants provides no definitive conclusion, but evidence presented throughout this chapter does suggest that company leadership may have succumbed to profit incentives even after the initial catastrophe these incentives created. The placement of profit incentives within such a strategically significant task, moreover, meant that the resulting dangers to personnel safety was likely to have a strategic impact on the course of American involvement in Colombia.

Government signaling and safety standards

By late March 2003, market competition had resulted in the deaths of four American civilian contractors and the captivity of three others. Why was this dynamic able to develop? How did profit-based incentives result in the simultaneous expansion of contractor missions and

[143] Anonymous interview with the author, January 7, 2015.
[144] Otis 2010, 70.
[145] Keith Stansell, quoted in Otis 2010, 71.
[146] Anonymous interview with the author, January 7, 2015.

reduced safety standards? The case of Colombia is interesting in part because it contradicts what theory might predict. As mentioned in the introduction, many scholars have argued that the competitive nature of the private industry should encourage companies to produce a reputable product. The private sector, they argue, is "bred for efficiency," as financial reward encourages PMCs to perform well in order to secure contracts.[147] Similarly, DoD doctrine often promotes the privatization of defense in order to achieve the best possible products in a cost-efficient manner.[148] Some scholars have disputed this claim, arguing that defense contracting is far from a free market, and companies may thus lack the incentive to do the job efficiently.[149] However, the scholarly literature and government doctrine do generally agree that true free market competition will encourage companies to perform at a high level and in a cost-efficient manner.

Theory also suggests that companies' desire to preserve their market reputations should prevent them from undertaking missions that involve too much risk. To illustrate this dynamic, it is helpful to consider the career concerns model offered by the literature on principal-agent problems. According to this model, an agent's choice of projects may be influenced by market perception of its capabilities. Specifically, an agent will invest in projects that it believes will make it appear more capable among market participants.[150] A classic example can be found in the situation of a doctor deciding how to treat a sick patient. The doctor can either choose to administer medication, which has known benefits and side-effects, or to perform a surgery, whose outcomes are more ambiguous. The doctor's choice may be influenced not only by her desire to improve the patient's well-being, but also by the potential reputation effects of

[147] Carafano 2008, 37.
[148] For an example, see U.S. Department of Defense, "Guidelines for Creating and Maintaining a Competitive Environment for Supplies and Services in the Department of Defense," (Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics: August 2014), available at http://bbp.dau.mil/docs/BBP%202-0%20Competition%20Guidelines%20(Published%2022%20Aug%202014).pdf.
[149] Singer 2003, 152.
[150] Andrea Prat, "The Wrong Kind of Transparency," *The American Economic Review* 95.3 (June 2005): pp. 862-877.

performing the surgery. Some models theorize that because market participants may not fully realize the difficulty of successfully completing riskier projects, choosing to take a chance and subsequently failing is likely to adversely affect the agent's reputation perhaps more than it should.[151] Therefore, agents with career concerns in mind are likely to *under*-invest in risky behavior. Applied to Colombia, this model would suggest that private firms are likely to behave in a risk-averse manner in order to protect their market reputation.

In Colombia, these theories failed. Although market competition succeeded in reducing costs, it clearly failed to yield a sound, fail-safe product. Moreover, career concerns did not produce risk aversion; instead, private companies *over*-invested in risky behavior in a chest-beating maneuver to improve their reputation in the eyes of the U.S. government. The following paragraphs will argue that the theory failed as a result of both overzealous competition produced by government signaling, and a lack of oversight on the part of both the government and the companies involved.

First, government agencies likely accelerated market competition and fueled cost-efficiency concerns by signaling they wanted to carry out the program as cheaply as possible. As shown above, companies' desire to improve their own cost efficiency statistics led them to select riskier missions and to cut costs where they could—such as in their choice of aircraft. California Microwave's surveillance program even earned the nickname "Econ-Recon" among many of it employees.[152] Of course, these dynamics are inherent in the business world, and may take hold no matter how the government oversight apparatus behaves. However, the government likely also bears some responsibility for fueling the cost-efficiency concerns of the private companies involved. With taxpayers unwilling to provide unlimited funding for a conflict of little interest to

[151] Ying Chen, "Career Concerns and Excessive Risk Taking," *Journal of Economics & Management Strategy* 24.2 (Spring 2015), 110.
[152] Otis 2010, 7.

them, the U.S. government sought to assist the Colombian security apparatus at the lowest possible financial and political cost. Companies, therefore, had incentives to operate cheaply not only to maximize their own profit, but also to beat out the competition. According to George Washington law professor Steve Schooner, "It's easy to blame the contractor for doing it on the cheap … but the government is the one paying."[153] Moreover, the fact that the Embassy allowed for the transfer of the contract from CMS to CIAO signaled that firms could get away with operating cheaply and at low standards. It seems plausible, therefore, to argue that the political imperative to operate cheaply combined helped yield overzealous market competition that actually damaged the quality of the final product.

The government's use of inputs-based success measurements to justify the U.S. engagement in Colombia also signaled that the quantity of the companies' inputs mattered more than the quality of the outcomes. An inputs-based measure of success was utilized across multiple programs in Colombia. Within the eradication program, for instance, government officials repeatedly cited the number of hectares sprayed by aircraft as an indicator of success, and assumed that higher spray numbers correlated with smaller quantities of cocaine passing from Colombia into the United States.[154] In 2005, State and DynCorp established a new "performance-based" contract, designed to assess contractor performance through a number of input-based indicators--including hectares sprayed, percentage of total aviation fleet available, and hours of HN training completed.[155] "Because they were determining success based on the number of hectares sprayed, lots of planes would go up, and they would spray whether they were

---

[153] Steven Schooner, quoted in Otis 2010, 65.

[154] For examples, see: *Plan Colombia: Major Successes and New Challenges: Hearing Before the House International Relations Committee*, 109th Cong., 1 (May 11, 2005) (Statement of Jonathan D. Farrar, Deputy Assistant Secretary for International Narcotics and Law Enforcement Affairs); Robert Charles, "2005 International Narcotics Control Strategy: Remarks At Special Briefing," Washington, DC, March 4, 2005.

[155] U.S. GAO, Report to Congressional Committees, *State Department: State Has Initiated a More Systematic Approach for Managing Its Aviation Fleet,* (GAO-07-264) (Washington, DC: U.S. Government Accountability Office, 2007), 21, available at http://www.gao.gov/assets/260/256254.pdf.

spraying identified coca fields or not," says Latin America expert John Lindsay-Poland.[156] Proponents of the program often overlooked outcome-related evidence surrounding drug trafficking; for instance, statistics show that between 2000 and 2005, inflation and purity-adjusted cocaine retail prices in the United States *fell* by almost $60 per gram.[157] It is telling that this indiscriminate spraying continued despite the fact that it sometimes resulted in the destruction of *licit* crops—yielding negative strategical and political consequences.

Embassy officials also signaled the importance of inputs as a measure of performance within the interdiction program. Program success, for instance, was often justified during congressional hearings by the number of metric tons of cocaine seized thanks to American efforts, among other things.[158] As discussed above, the objective of the CMS-run interdiction program quickly became fulfilling the highest possible number of targets, even despite the heightened risk involved. According to one CMS pilot, "Basically, everything in the world is based on performance … so the means of measuring becomes the goal rather than actually getting work done."[159] This dynamic was present across the board in Colombia. The government's use of inputs as a measure of contractor performance and overall program success likely signaled to companies that quantity of inputs mattered perhaps even more than the quality of political outcomes. As a result, the highest priority for companies may have been simply to maximize their inputs—no matter the strategic or risk-related consequences. This focus on maximizing inputs, combined with cost efficiency concerns, seemingly detracted from the quality of the final product and safety standards in particular.

---

[156] John Lindsay-Poland, interview with the author, December 15, 2014.
[157] United Nations Office on Drugs and Crime, "Cocaine retail prices," available at https://www.unodc.org/unodc/secured/wdr/Cocaine_Heroin_Prices.pdf.
[158] For an example, see *Counternarcotics Strategy in Colombia: Hearing before the House Foreign Affairs Committee,* 110th Cong., 1 (April 24, 2007) (Statement of Anne W. Patterson, Assistant Secretary for Bureau of International Narcotics and Law Enforcement Affairs).
[159] Anonymous interview with the author, February 12, 2015.

Convoluted Oversight and Safety Standards

In theory, government oversight should have preserved high levels of safety precautions and guaranteed a sound product. In reality, however, the failure of oversight at multiple levels facilitated the disastrous outcome that eventually occurred. The highest level of oversight, as discussed in the previous chapter, was that of Congress and the American public; but for reasons listed above, these bodies were often unable to even access the information necessary for effective supervision. The next level of contract oversight should have been provided by the Department of Defense, as Northrop Grumman contracts were managed by DoD. However, the convoluted command structure of the executive agencies operating in Colombia likely stripped DoD of an element of control over their contracts with Northrop Grumman and California Microwave Systems. Although the companies themselves were tasked with monitoring mechanical problems and some safety concerns, operational control over the interdiction program lay with Joint Interagency Task Force -- South, a multi-agency task force based in Florida. Safety and upkeep, meanwhile, were the responsibility of another DoD office based in Virginia.[160] On the ground in Colombia, however, the country team within the State Department--made up of civilian officers--retained the most authority, and often had the final say about which operations were permissible. Despite JIATF-South's initial explicit ban on nighttime and mountain flying, for instance, a series of quick successes by interdiction pilots led Embassy officials to start authorizing—and even encouraging—these more dangerous missions.[161] Even when DoD and the military were technically authorized to oversee programs, the convoluted command structure of Plan Colombia prevented complete and thorough supervision.

---

[160] McQuaid, "Fatal Mission."
[161] Anonymous interview with the author, January 7, 2015.

Incomplete oversight by the government left supervision largely in the hands of the companies themselves. In theory, companies should have incentives to maintain high safety standards; but when one considers the government signaling discussed above, it seems possible that operating inexpensively and maximizing inputs were greater priorities. Moreover, in the early 2000s, the wartime contracting business was undergoing a period of rapid expansion, and major corporations were rapidly accumulating smaller military service subsidiaries to diversify their portfolios. The larger companies, however, struggled to provide adequate oversight for all their new acquisitions.[162] According to Peter Singer of the Brookings Institution, "My sense is that if you shook awake the CEOs of these companies at night and said, 'Name all the businesses in your conglomerate,' they'd get about four or five." Northrop, moreover, used subcontracting as a way to reduce potential liability--and likely would not face serious consequences if something went wrong. [163] As a result, small subsidiaries like California Microwave may have been able to operate under the Northrop Grumman name without substantial oversight.

Low levels of oversight at all levels meant that the pilots themselves were often tasked with determining how much risk was too much. "Nobody put a gun to anybody's head … Every pilot decides what his life is worth, and if something happens you have no one to complain to," said one ex-pilot.[164] Some Northrop pilots initially operated in Colombia as an employee of a company subcontracted by Northrop Grumman to fly interdiction missions. "The reason we didn't do stupid things," according to one pilot, "was that if [Northrop] suggested something stupid, I'd just check with my company."[165] The separation between Northrop and their subcontractors originally served as a protective barrier against undertaking ill-advised missions.

---

[162] Otis 2010, 65.
[163] Anonymous interview with the author, January 7, 2015.
[164] Ex-pilot, quoted in McQuaid, "Fatal Mission."
[165] Anonymous interview with the author, January 7, 2015.

But in late 2001, the subcontracted company was thrown off the contract, and some of its employees were hired directly by Northrop; this time around, pilots lacked this buffer. Even if they could technically turn down missions they deemed too dangerous, there were strong incentives not to do so. CMS pilots were paid $150,000 annually to reflect the high levels of risk their jobs involved. Many contractors are ex-military, moreover, and Hooper and Cockes were thus unusual for their aversion to heightened levels of risk. According to Peter Singer, "[Company personnel] have a can-do attitude: 'OK. This is a bad idea. But sir, yes sir, let's get it done.'"[166]

At every level, oversight was lacking. In Colombia, therefore, pilots that carried out missions in the field were essentially tasked with providing their own oversight and determining how much risk was too much. These pilots were not accountable to the American public; their considerations were personal and professional—not political. Still, they were put in a position to make *highly political* decisions that had the potential to create additional risks and draw the American public ever further into Colombia's civil war.

The role of operational concept in the creation of risk

At first glance, there might be no reason to believe that the manner in which contractors are used should impact how profit incentives affect safety standards. Wherever contractors are used on the battlefield, the latter may fall victim to the former. Instances of this dynamic have, indeed occurred in cases where contractors were serving logistical functions in Iraq and Afghanistan. The infamous 2004 Fallujah ambush, in which Iraqi insurgents attacked a convoy of Blackwater contractors, beat and burned their bodies, and hung them from a bridge, may be one such instance. The contractors had been sent out into one of the most dangerous

[166] Peter Singer, quoted in Otis 2010, 8.

neighborhoods in the country with unarmored vehicles, no machine guns or even maps, and too few personnel.[167] It is worth noting that during the leadup to the event, Blackwater employees had protested against personnel cuts and the lack of more expensive armored cars; but they were silenced with threats against their job--in much the same way Paul Hooper and Doug Cockes were threatened in Colombia.[168] A congressional report after the fact noted that "These actions raise serious questions about the consequences of engaging private, for-profit companies to engage in essentially military operations in a war zone."[169] A 2007 Presidential Airways plane crash in Afghanistan set off a large-scale congressional investigation into its causes; it has been suggested that the company failed to enforce adequate safety precautions in an attempt to get the contract up and running as soon as possible.[170]

Although profit concerns may damage safety standards no matter how contractors are used, this dynamic is likely to have greater significance when PMCs and their profit incentives are placed in a position to have a strategic impact in U.S. involvement in the conflict. Simply put, cutting corners with regard to safety *matters* more when contractors are being used for high-risk, strategically significant tasks. In Colombia, Embassy officials put employees of private companies in a position to make politically important decisions, so it is no surprise that their presence created political risks.

---

[167] Majority Staff of the Committee on Oversight and Government Reform, *Private Military Contractors in Iraq: An Examination of Blackwater's Actions in Fallujah,* United States House of Representatives, 110th Cong., 1 (September 2007): 10.
[168] Ibid.
[169] Ibid., 17.
[170] House Committee on Oversight and Government Reform Holds a Hearing on Private Security Contracting in Iraq and Afghanistan," *Washington Post,* October 2, 2007, available at http://www.washingtonpost.com/wp-srv/politics/articles/blackwater_hearing_100207.html.

Chapter Five: Further Implications and Speculations

Implications for future small-scale contingencies

As policymakers struggle to balance risk in future engagements that follow the Plan Colombia model, they might do well to avoid the pitfalls described throughout this thesis. In small-scale interventions, policymakers may be particularly tempted to transfer risk onto PMCs; but as the previous chapters have demonstrated, the use of private military contractors specifically as a risk-transfer mechanism is likely to create even more casualty risks. This is not to say that policymakers should avoid outsourcing altogether in these types of missions, but rather that succumbing to the temptation to preserve operational flexibility by using contractors at the tip of the spear may be a particularly dangerous venture.

The use of contractors for dangerous tasks has the potential to sacrifice control over not only the levels of risk present in the mission, but also the scope of U.S. policy in the country. In Colombia, PMCs walked the tightrope between activities inside and outside the scope of American involvement—a dangerous position, given that private employees are neither accountable to the public nor bound by the same rules as military personnel might be. Private companies, therefore, yielded exceptional power over the extent of U.S. involvement in Colombia. In 2013, a DoD report summarized the list of inherently governmental functions in part as "actions that determine or decide national and mission policy and objectives."[171] In Colombia, the position of PMCs on the outer fringes of U.S. involvement put them in a position to perform this very function. In other words, the actions and risks taken by contractors in small

[171] Task Force on Contractor Logistics in Support of Contingency Operations, *Report of the Defense Science Board,* U.S. Department of Defense, June 2014, available at http://www.acq.osd.mil/dsb/reports/CONLOG_Final_Report_17Jun14.pdf.

scale missions where involvement is limited have a greater ability to actually impact policy than in a mission where PMCs do not serve on the outer edges of American involvement.

It is true, of course, that risks created by PMCs can have resounding effects even when private corporations are not in a position to toe the boundaries of U.S. foreign policy. Well-publicized failures in Iraq—including the Abu Ghraib torture scandal and the 2007 Nisour Square shooting—have definitively impacted the course of the conflict. Still, although these events were likely rooted in problematic conceptions of contractor responsibilities (and basic human decency), they were isolated incidents whose revelations prompted immediate condemnation by oversight agencies, the public, and Congress alike. Meanwhile, contractors in small-scale, non-combat missions who push the boundaries of U.S. involvement are unlikely to receive the same backlash. The most obvious reason for this is that due to tight restrictions on U.S. involvement, contractors may overstep their boundaries with seemingly insignificant actions. In addition, however, low levels of public scrutiny may also reduce the potential consequences of stretching the limits. As a result, risks taken by private companies in small scale missions may have the capacity to *quietly* increase the scope of U.S. foreign policy, perhaps even without Washington's approval.

The moral implications of risk transfer

This paper has thus far avoided discussing the moral implications of transferring risk to contractors. This conclusion, however, will use elements of just war theory to examine the morality of Plan Colombia-style risk transfer to civilian contractors rather than members of the military. It will compare the transfer of risk to private companies to the transfer of risk to technology that has gathered so much steam in the last several decades.

In recent years, American wars have required increasingly little sacrifice from the American public. With the shift to an all-volunteer force in 1973, only those individuals who chose to enter the military would be required to risk their lives on behalf of the United States abroad. And with the advent of new and more advanced technologies, robots have begun to replace soldiers on the battlefield more and more frequently. Technology not only enables risk aversion (and subsequently, risk transfer)—but also may fuel it. If the technology exists to achieve the desired short-term objectives at a low human cost, leaders have strong political incentives to take advantage of this option.[172] In the words of a former assistant secretary of defense under the Reagan Administration, "People are more likely to support the use of force if they view it as costless."[173] If a political leader has the capacity to engage in warfare in a low-human-cost manner, she is therefore likely to choose that path. A result, according to Christopher Coker, is that the American public becomes "intoxicated" with "precise, risk-free warfare."[174]

The availability of technology as a risk-transfer mechanism has, therefore, amplified risk aversion to a height it has perhaps never before achieved. Jeffrey Record distinguishes between casualty *aversion* and casualty *phobia*—the latter being defined as an "aversion so strong as to elevate the safety of American troops above the missions they are assigned to accomplish."[175] The implication of Record's argument is that risk transfer may be both a cause and an effect of the reality that the American political establishment is unwilling to make human sacrifices to achieve its ends. Technology, taken to its logical endpoint, allows us to go to war without human sacrifice.

---

[172] John Gordon IV and Jerry Sollinger, "The Army's Dilemma," *Parameters* (Summer 2004).
[173] Lawrence Korb, quoted in P.W. Singer, *Wired for War* (New York: Penguin, 2009): 316.
[174] Christopher Coker, *Human Warfare* (London: Routledge, 2001): 150.
[175] Jeffrey Record, "Collapsed Countries, Casualty Dread, and the New American Way of War," *Parameters* (Summer 2002).

This idea, however, has serious implications for the morality of war--and in particular, *jus in bello*, or, the law that governs the conduct of war. Michael Walzer's theory of battlefield equality posits that the individual soldier "can be personally attacked only because he is already a fighter."[176] This idea also suggests that soldiers are permitted to kill because they themselves are also risking their own lives. Scholar Kateri Carmola theorizes that "the military is only justified in doing what it does because it risks the lives of soldiers: killing and maiming others is only allowable—i.e. legal—because soldiers have agree to be killed themselves."[177] Robots, however, cannot die. Their use on the battlefield, therefore, may violate the laws of *jus in bello*, since they do not require any sort of human sacrifice.

The use of technology in war, scholars have argued, also has implications for *jus ad bellum*—the criteria that govern the legitimacy of entering a war. Because robots reduce the human costs of engaging in warfare, they at least partially remove one of the main deterrents against doing so. This has the potential to reduce political barriers to warfare, and therefore, to undermine the central principle of "just cause." If going to war is easy, the danger is that a broader set of justifications has the potential to cause it.

The transfer of risk to technology shares remarkable similarities with the trend of outsourcing—and in particular, with the Colombia-style risk transfer to private companies. In large-scale engagements, as discussed previously, contractors are likely to be used primarily to support the armed forces as they march into battle; but in non-combat contexts, contractors are more likely to be used to circumvent operational restrictions and bear the risks of operating under dangerous conditions. Although they are not intended to engage in combat, the dangerous activities they perform *in lieu of soldiers* make it likely that they will. In this way, contractors in

---

[176] Michael Walzer, *Just and Unjust Wars,* (New York: Basic Books, 2000): 145
[177] Carmola 2010, 90.

these contexts are intended to allow the transfer of mortal risks away from active duty soldiers, in much the same way technology does so more broadly. Because of these similarities, we can draw an analogy between technology and private companies to examine the moral implications of wartime contracting in future contingencies similar to the Colombia model.

The use of contractors does not seem to create the same violation of *jus in bello* described above. Whereas risk transfer to technology transfers risk onto non-human entities, risk transfer to contractors still involves humans putting themselves at risk for the sake of national objectives. Moreover, in small-scale situations, it is unlikely that any American personnel will actually be tasked with the job of killing the enemy, as these responsibilities are usually designated to HN forces in simple advise-and-assist missions.

When we think about *jus ad bellum*, however, the story changes. Transferring mortal risks to contractors has perhaps not as strong an effect, but nevertheless a similar effect, as transferring those risks to robots. There reasons for this are twofold: first, information on the activities of contractors is relatively unavailable, and it is impossible to limit what we do not know is happening; second, because the American public cares less about risks to contractors than it does about risks to soldiers. As a result, the risk transfer of contractors may, like the use of technology, facilitate violations of the law of *jus ad bellum.* This idea reveals an ugly truth about American society. While politicians have criticized private military contracting as a way of waging war under the radar, they often ignore the fact that in doing so, executive agencies are also playing upon the general public's disdain for company employees and American indifference toward their sacrifices. As discussed in previous chapters, while the American public feels a strong connection with the active-duty military and lauds their contributions to

society as a whole, it is at best indifferent toward private contractors who make similar or even identical contributions.

Risk transfer toward private companies is essentially a way of shifting mortal risks away from a group of individuals that society cares about, and toward a group of individuals that society does not. Contractors are humans—and yet their assumption of mortal risk may effectively be akin to blowing up a piece of metal. Outsourcing removes barriers to war not only because we do not know about these contractors' activities, but also because we do not care about their sacrifices.

References

"Army #Operating Concept: The Promise and Pitfalls of Partners — The Bridge." *Medium*. Accessed April 23, 2015. https://medium.com/the-bridge/army-operating-concept-the-promise-and-pitfalls-of-partners-34b14b33fd99.

Avant, Deborah. "Privatizing Military Training." *Foreign Policy In Focus* 7, no. 6 (May 2002). http://www.du.edu/korbel/sie/media/documents/faculty_pubs/avant_2002_privatizing_military_training.pdf.

Avant, Deborah, and Lee Sigelman. "Private Security and Democracy: Lessons from the US in Iraq." *Security Studies* 19, no. 2 (May 21, 2010): 230–65. doi:10.1080/09636412.2010.480906.

Bowden, Mark. "Flight Risk." *The Atlantic*, 2009. http://www.theatlantic.com/magazine/archive/2009/07/flight-risk/307492/.

Boysen, Matthias. "Private Military Firms As Instruments of U.S. Foreign Policy: The Case of Colombia." Master's Thesis, Naval Postgraduate School, 2007.

Brooks, Doug, and Shevlin, Jim. "Reconsidering Battlefield Contractors." *Georgetown Journal of International Affairs* VI, no. 2 (Summer/Fall 2005).

Cabrera, Irene, and Perret, Antoine. *Colombia: Regulating Private Military and Security Companies in a "Territorial State."* National Reports Series, PRIV-WAR Report, 2009. http://psm.du.edu/media/documents/reports_and_stats/think_tanks/privwar_national-report_cabrera.pdf.

Camm, Frank, and Greenfield, Victoria. *How Should the Army Use Contractors on the Battlefield? Assessing Comparative Risk in Sourcing Decisions*. Santa Monica: RAND Corporation, 2005. http://www.rand.org/content/dam/rand/pubs/monographs/2005/RAND_MG296.pdf.

Cancian, Mark. "Contractors: The New Element of Military Force Structure." *Parameters*, Autumn 2008. http://strategicstudiesinstitute.army.mil/pubs/parameters/Articles/08autumn/cancian.pdf.

Carafano, James. *Private Sector, Public Wars: Contractors in Combat--Afghanistan, Iraq, and Future Conflicts*. Westport: Praeger, 2008.

Carmola, Kateri. *Private Security Contractors and New Wars: Risk, Law, and Ethics*. London: Routledge, 2010.

Charles, Robert. "2005 International Narcotics Control Strategy: Remarks At Special Briefing." Washington, DC, March 4, 2005.

Chen, Ying. "Career Concerns and Excessive Risk Taking." *Journal of Economics & Management Strategy* 24, no. 1 (March 1, 2015): 110–30. doi:10.1111/jems.12085.

Coker, Christopher. *Human Warfare*. London: Routledge, 2001.

Committee on Oversight and Government Reform, Majority Staff. *Private Military Contractors in Iraq: An Examination of Blackwater's Actions in Fallujah*. U.S. House of Representatives, September 2007. http://abcnews.go.com/images/Blackwater_Fallujah_Waxman_Report_070926.pdf.

Contractor Support of U.S. Operations in the USCENTCOM Area of Responsibility. U.S. Department of Defense, October 2014. http://www.acq.osd.mil/log/PS/reports/CENTCOM%20Census%20Reports/5A_October_2014_Final.pdf.

De La Garza, Paul, and Adams, David. "Military Aid... from the Private Sector." *St. Petersburg Times Online*, December 3, 2000. http://www.sptimes.com/News/120300/Worldandnation/Military_aid____from_.shtml.

Department Of State. The Office of Electronic Information, Bureau of Public Affairs. "Civilian Contractors and U.S. Military Personnel Supporting Plan Colombia." Accessed April 23, 2015. http://2001-2009.state.gov/p/wha/rls/fs/2001/3509.htm.

Department Of State. The Office of Website Management, Bureau of Public Affairs. "Bureau of International Narcotics and Law Enforcement Affairs: Frequently Asked Questions," February 11, 2011. http://www.state.gov/j/inl/faqs/.

Douglas C. Cockes, and Paul C. Hooper. "Re: Safety of Flight Issues, Letter to James Cassady, Roslyn Smith, Douglas L. Tate, Northrop Grumman Corporation/California Microwave Systems," November 14, 2002.

Farrar, Jonathan D. *Plan Colombia: Major Successes and New Challenges*. Washington, DC, 2005.

Feaver, Peter D., and Gelpi, Christopher. "A Look At... Casualty Aversion: How Many Deaths Are Acceptable? A Surprising Answer." *Washington Post*, November 7, 1999. http://www.washingtonpost.com/wp-srv/WPcap/1999-11/07/061r-110799-idx.html.

Fontaine, Richard, and Nagl, John. *Contracting in Conflicts: The Path to Reform*. Center for a New American Security, June 2010. http://www.cnas.org/files/documents/publications/CNAS_Contracting%20in%20Conflicts_Fontaine%20Nagl.pdf.

Forero, Juan. "Private U.S. Operatives on Risky Missions in Colombia." *The New York Times*, February 14, 2004, sec. World. http://www.nytimes.com/2004/02/14/world/private-us-operatives-on-risky-missions-in-colombia.html.

———. "Role of U.S. Companies in Colombia Is Questioned." *The New York Times*, May 18, 2001, sec. World. http://www.nytimes.com/2001/05/18/world/role-of-us-companies-in-colombia-is-questioned.html.

Gelpi, Christopher, and John Mueller. "The Cost of War." *Foreign Affairs*, February 2006. http://www.foreignaffairs.com/articles/61222/christopher-gelpi-and-john-mueller/the-cost-of-war.

Gordon, John IV, and Sollinger, Jerry. "The Army's Dilemma." *Parameters*, no. Summer 2004 (2004). http://strategicstudiesinstitute.army.mil/pubs/parameters/Articles/04summer/gor&soll.pdf.

Hammer, Anders Sømme. "The Control of Private Security Companies: A Study of the Relationship between the United States and Private Actors in Plan Colombia." Master's Thesis, University of Oslo, 2006. https://www.duo.uio.no/bitstream/handle/10852/14167/41363.pdf?sequence=1.

Hammes, T. X. "Private Contractors in Conflict Zones: The Good, the Bad, and the Strategic Impact." *Strategic Forum* 260 (2010): 13.

"House Committee on Oversight and Government Reform Holds a Hearing on Private Security Contracting in Iraq and Afghanistan." *The Washington Post*, October 2, 2007. http://www.washingtonpost.com/wp-srv/politics/articles/blackwater_hearing_100207.html.

Hyde, Charles K. "Casualty Aversion: Implications for Policy Makers and Senior Military Officers." *Aerospace Power Journal* 14 (2000): 28.

Kotler, Jared. "Colombia: US 'Contractors' Fight Colombia Drug War." *Media Awareness Project*. Accessed April 23, 2015. http://www.mapinc.org/drugnews/v01.n347.a01.html.

Mas-Colell, Andreu, Whinston, Michael, and Green, Jerry. *Microeconomic Theory*. Oxford: Oxford University, 1995.
McQuaid, John. "Fatal Mission." *The Times-Picayune*, November 9, 2003. http://www.nola.com/speced/fatalmission/index.ssf?/speced/fatalmission/planecrash09.html.
Miller, T. Christian. "Firms in Drug Effort Thwart Congress' Rules." *Tribunedigital-Chicagotribune*, August 18, 2001. http://articles.chicagotribune.com/2001-08-18/news/0108180212_1_cocaine-growing-colombia-terms-of-congressional-interest.
Moss, D.A. *When All Else Fails: Government as the Ultimate Risk Manager*. Cambridge: Harvard University, 2002.
Myers, Lisa, and the NBC Investigative Team msnbc.com. "The Toll of the Drug War in Colombia." *Msnbc.com*. Accessed April 23, 2015. http://www.nbcnews.com/id/3225977/t/toll-drug-war-colombia/.
Novak, Robert. "Ground the Flying Diplomats." *CNN*, September 25, 2003. http://www.cnn.com/2003/ALLPOLITICS/09/25/column.novak.opinion.diplomats/.
O'Meara, Kelly Patricia. "Broken Wings." *Insight Magazine*, April 29, 2002. http://www.freerepublic.com/focus/f-news/690444/posts.
Otis, John. *Law of the Jungle: The Hunt for Colombian Guerillas, American Hostages, and Buried Treasure*. New York: HarperCollins, 2010.
Parrish, Karen. "Dempsey: Military Contracting Costs Must Shrink." *DoD News*. March 6, 2012. http://www.defense.gov/news/newsarticle.aspx?id=67440.
Patterson, Anne W. *Counternarcotics Strategy in Colombia*. Washington, DC, 2007.
Pincus, Walter. "Congress Investigating Charges of 'Protection Racket' by Afghanistan Contractors." *The Washington Post*, December 17, 2009, sec. World. http://www.washingtonpost.com/wp-dyn/content/article/2009/12/16/AR2009121604126.html.
Prat, Andrea. "The Wrong Kind of Transparency." *The American Economic Review* 95, no. 3 (June 1, 2005): 862–77.
Quadrennial Defense Review Report. United States Department of Defense, May 1997. http://www.dod.mil/pubs/qdr/.
Quadrennial Defense Review Report. United States Department of Defense, September 30, 2001. http://www.defense.gov/pubs/qdr2001.pdf.
Quadrennial Defense Review Report. United States Department of Defense, February 6, 2006. http://www.defense.gov/qdr/report/Report20060203.pdf.
Quadrennial Defense Review Report. United States Department of Defense, February 2010. http://www.defense.gov/QDR/QDR%20as%20of%2029JAN10%201600.pdf
Quadrennial Defense Review Report. United States Department of Defense. http://www.defense.gov/pubs/2014_Quadrennial_Defense_Review.pdf.
Record, Jeffrey. "Collapsed Countries, Casualty Dread, and the New American Way of War." *Parameters*, no. Summer 2002 (2002). http://strategicstudiesinstitute.army.mil/pubs/parameters/Articles/02summer/record.htm.
Rep. Jan Schakowsky. Privatizing the Drug War. Transcript, May 31, 2001. http://www.washingtonpost.com/wp-srv/liveonline/01/world/world_schakowsky0531.htm.
Schooner, Steven L., and Collin D. Swan. *Dead Contractors: The Un-Examined Effect of Surrogates on the Public's Casualty Sensitivity*. SSRN Scholarly Paper. Rochester, NY: Social Science Research Network, April 1, 2012. http://papers.ssrn.com/abstract=1826242.

Shifter, Michael. “Plan Colombia: A Retrospective | Americas Quarterly.” Accessed April 23, 2015. http://www.americasquarterly.org/node/3787.

Singer, P.W. *Corporate Warriors: The Rise of the Privatized Military Industry*. Ithaca: Cornell University, 2003.

———. *Wired for War*. New York: Penguin, 2009.

Stanger, Allison. *One Nation Under Contract: The Outsourcing of American Power and the Future of Foreign Policy*. New Yaven: Yale University, 2011.

“State Department Cable: NAS/GOC Aerial Drug Eradication Program,” September 25, 1996. http://nsarchive.gwu.edu/NSAEBB/NSAEBB69/col35.pdf.

State Department: State Has Initiated a More Systematic Approach for Managing Its Aviation Fleet. Washington, DC, 2007. http://www.gao.gov/assets/260/256254.pdf.

Tamayo, Juan O. “Colombian Guerillas Fire on U.S. Rescuers.” *Miami Herald*, 2001. http://cryptome.org/gao-01-435R.htm.

Task Force on Contractor Logistics in Support of Contingency Operations. *Report of the Defense Science Board*. U.S. Department of Defense, June 2014. http://www.acq.osd.mil/dsb/reports/CONLOG_Final_Report_17Jun14.pdf.

United Nations Office on Drugs and Crime. “Cocaine Retail Prices,” n.d. https://www.unodc.org/unodc/secured/wdr/Cocaine_Heroin_Prices.pdf.

United States Department of State. *Report to Congress on Certain Counternarcotics Activities in Colombia, Fiscal Year 2002*, n.d.

“United States Embassy Bogota [Colombia]: Americans in Danger in Colombia. How Many? Where? What Do They Do?,” April 5, 2001. http://nsarchive.gwu.edu/NSAEBB/NSAEBB90/dubious-20.pdf.

United States Government Accountability Office. *Drug Control: Aviation Program Safety Concerns in Colombia Are Being Addressed, but State’s Planning and Budgeting Process Can Be Improved*, August 3, 2004. http://www.gao.gov/assets/250/243592.pdf.

———. *Drug Control: State Department Provides Required Aviation Program Oversight, but Safety and Security Should Be Enhanced*. Washington, DC, 2001. http://www.gao.gov/assets/240/232678.pdf.

U.S. Department of Defense, Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics. “Guidelines For Creating and Maintaining a Competitive Environment for Supplies and Services in the Department of Defense,” August 2014. http://bbp.dau.mil/docs/BBP%202-0%20Competition%20Guidelines%20%28Published%2022%20Aug%202014%29.pdf.

“U.S. Embassy Colombia Cable: NAS/GOC Aerial Drug Eradication Program,” September 26, 1996. http://nsarchive.gwu.edu/NSAEBB/NSAEBB69/col36.pdf.

“U.S. Embassy Colombia Cable: OV-10s for the Colombia Aerial Eradication Program,” September 19, 1996. https://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB69/col34.pdf.

“U.S. Embassy Colombia, NAS Monthly Narcotics Report: August - November,” December 3, 1997. http://nsarchive.gwu.edu/NSAEBB/NSAEBB69/col41.pdf.

“U.S. Policy in Colombia.” *Amnesty International USA*. Accessed April 23, 2015. http://www.amnestyusa.org/our-work/countries/americas/colombia/us-policy-in-colombia.

“U.S. State Department Contract with DynCorp,” n.d. http://s3.amazonaws.com/corpwatch.org/downloads/dyncorpsec1c.pdf.

Vauters, Jason, and MichaeL L. R. Smith. “A Question of Escalation - From Counternarcotics to Counterterrorism: Analysing US Strategy in Colombia.” *Small Wars & Insurgencies* 17, no. 2 (June 1, 2006): 163–96. doi:10.1080/09592310600562928.

Vest, Jason. “State Outsources Secret War.” *The Nation*, May 2001. http://www.labournet.net/world/0105/colomb3.html#1.

Walzer, Michael. *Just and Unjust Wars*. New York: Basic Books, 2000.