

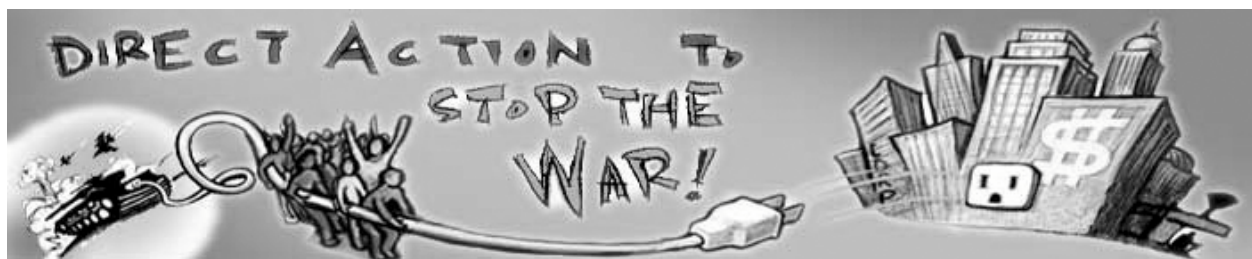
Bechtel's Dubious Connections

Bechtel Group Inc. is a privately held corporation founded at the turn of the twentieth century, which undertakes massive construction projects globally. Bechtel's projects include petroleum and chemical plants, nuclear power and weapons facilities, oil pipelines, mining and metal projects, water management and a host of other construction works. In 2002, Bechtel booked new work totaling US \$12.7 billion with gross revenues of US \$11.6 billion. From 1999-2002, Bechtel contributed \$1,297,465 to federal campaigns and candidates, 59% of which went to Republicans. Bechtel consistently uses insider connections at the highest levels of government to obtain its contracts. Moreover, this corporation's history of environmental degradation, human rights abuse, cost overruns at taxpayers expense, and privatization of public resources is notoriously dismal.

In April, the Bush administration awarded Bechtel a US \$680 million contract for the "reconstruction" of post-Hussein Iraq. Bechtel was selected behind closed doors without open bidding. We oppose this selection based on Bechtel's miserable record of putting profit before people and its means of gaining contracts through unfair insider connections. It is imperative that the humanitarian needs of the Iraqi people—particularly the right to self-determination—take precedence in the rebuilding effort. The corporate invasion must be stopped.

Bechtel's Insider Status

- **Riley Bechtel**, multi-billionaire Bechtel CEO, was sworn in as a member of President Bush's Export Council in April. The President's Export Council, President Bush's advisory committee on international. Soon after Riley Bechtel's appointment, **Terry Valenzano**, director of Bechtel's construction business in Saudi Arabia, flew to Kuwait City to meet with Jay Garner, the initial official appointed by the Pentagon to oversee "reconstruction" in post-Hussein Iraq. Also shortly after Riley's appointment, President Bush announced plans for a U.S.-Middle East Free Trade Area by 2013. With Bechtel's new contract in Iraq, the opportunity for expansion throughout the region would be greatly advanced through such a deal.
- **Jack Sheehan**, a retired Marine Corps general and senior vice president at Bechtel, is a member of the Defense Policy Board, a secretive group that advises Secretary of Defense Donald Rumsfeld and lobbied for the Iraq war.
- **Andrew Natsios**, the administrator of USAID, who awarded the reconstruction contract for Iraq, oversaw Bechtel just two years ago as the chairman of the Massachusetts Turnpike Authority. The MTA is the organization that hired the company to complete the Boston Central Artery, a project infamous for delays and cost overruns.
- **Ross Connelly**, former CEO of Bechtel Energy Resources Corporation, was appointed by George Bush in June of 2001 to the Overseas Private Investment Corporation (OPIC) as its Executive Vice President and Chief Operating Officer. The OPIC is an U.S. government agency that provides risk insurance and loans to American businesses.
- **L. Paul Bremmer** became an assistant to Secretary of State George Schultz after serving as Director of Bechtel. Currently, Bremmer is senior counsel on Bechtel's board. Bremmer recently replaced Jay Garner as leader of post-Hussein Iraq, and though he has no experience in the Middle East, possesses essentially dictatorial powers there. Bremmer failed to warn the public of the threat of an imminent attack against a Pan Am jet as posted at the U.S. Embassy in Moscow, which resulted in the death of 189 Americans in the bombing of Pan Am Flight 103 over Lockerbie, Scotland in 1988.
- **Donald Rumsfeld** in 1983 went to Iraq to lobby on behalf of Secretary of State George Schultz and Bechtel for the construction of a pipeline from Iraq to the port of Aqaba, Jordan.
- **Daniel Chao**, another Bechtel Senior Vice President, currently serves on an advisory board of the Export-Import Bank.



Human Need Not Corporate Greed Must Take Precedence in Iraq. Bechtel Must be Held Accountable.

Bechtel and the CIA

- **John McCone** and Stephen Bechtel Sr. built ships in a business partnership during WWII. They were later investigated for war profiteering. John McCone chaired the Atomic Energy Commission in the fifties, awarding Bechtel contracts for nuclear plants and supplying them with classified nuclear technology. During that time, four high-level AEC officials left to work for Bechtel in what has been described as an “incestuous” relationship. John McCone later became director of the CIA.
- **John Simpson**, a financial advisor for Bechtel, had close personal ties with **Alan Dulles**, a director of the CIA, and his brother, **John Foster Dulles**, who was Secretary of State in the early fifties. Steve Bechtel Sr. served as the CIA liaison with the Business Council, an organization composed of leading businessmen in the nation. Bechtel’s close relationship with the CIA helped influence the overthrow of several foreign governments perceived as unfriendly to American business goals, creating enormous opportunities for Bechtel. Bechtel intelligence gathering helped the CIA overthrow the Syrian government in 1949 and replace it with a military dictatorship. The CIA, with the help of Bechtel, also replaced Iran's Mossadeq in 1953 and Indonesia's Sukarno in 1965 with the pro-Western depots Reza Shah Pahlavi and Suharto respectively.
- **Richard Helms** was CIA director under Nixon and became a Bechtel consultant thereafter.
- **William Casey**, a Bechtel consultant, served in a number of government positions including Chairman of the Securities Exchange Commission under Nixon, head of the Export-Import bank under Ford, and Director of the CIA under Reagan.

Bechtel and the Export-Import Bank

One of Bechtel's most lucrative relationships may be with the Export-Import Bank. Stephen Bechtel Sr. developed a great friendship with Henry Kearns. Under Kearns’ chairmanship of the Import-Export bank, Bechtel received numerous lucrative contracts. Kearns also convinced the board to drop the requirement that approval of loans should be relaxed. Thereafter, Kearns could personally approve loans of US \$30 million or less directly to Bechtel. During Stephen's Bechtel Sr.’s tenure on the board, the Export-Import Bank lent hundreds of millions of dollars to several countries, including Indonesia, the Phillipines, Brazil, Egypt, and Algeria for the financing of Bechtel-related projects. Corporate watchdogs weren't the only ones to criticize this clear conflict of interest. Wisconsin Congressman Les Aspin told The Washington Post, “Obviously, Bechtel's firm benefited while [Stephen Bechtel Sr.] was on the committee and since he left,” noting in particular that a liquid natural gas project in Algeria “never would have gone forward” without the loan from the Export-Import Bank. Daniel Chao, another Bechtel Senior Vice President, presently serves on an advisory board of the Export-Import Bank.

Other Bechtel Insiders, Past and Present

- **Caspar Weinburger**, former Bechtel general counsel, was also Reagan’s Secretary of Defense.
- **W. Kenneth Davis** was a Bechtel Vice President for Nuclear Development before he was appointed as Reagan's Deputy Secretary of Energy and head of the Atomic Energy Commission.
- **Peter Flannigan**, White House political advisor under Nixon, became a senior partner in the Bechtel-owned investment house Dillon, Read and Company.
- **Stew Burkhammer**, a current Bechtel executive, is also a member of the OSHA Advisory committee on Construction Safety and Health.
- **Robert L. Hollingsworth**, AEC's manager under Nixon, became manager of manpower services at Bechtel.
- **Sam Ruosso**, who had been employed by one of Bechtel's affiliates, was appointed to the Department of Energy Evaluation Board and oversaw the awarding of a US \$1 billion construction contract to a consortium led by a subsidiary of Bechtel less than a year after being employed by the corporation. However, Bechtel lost the contract when the U.S. Court of Claims nullified it because of the obvious conflict of interest.