

MAY 2009

Dear CorpWatch Supporter,

The year 2008 saw the high-water mark of decades of conservative efforts to impose an anti-government ideology on the United States. With a lethal combination of greed and arrogance, its practitioners sought to strip away responsibility, oversight and accountability – particularly in the financial and broader corporate sectors.

The ultimate cost of such hubris is increasingly exposed as the waters recede – both figuratively and, in the case of Hurricane Katrina, literally. Left behind are broken homes, broken lives and a broken economic system. For a privileged few, the policies created unprecedented wealth. But most of the world – the poor, working people, and communities around the globe – is reaping loss upon loss.

The root of the problem lies deep within the financial system, but the Bush administration's embrace of outsourcing as a fundamental principle of governing, has exacerbated and in some cases created many aspects of the current crisis.

Just as a private company moves its headquarters offshore to escape the prying eyes of government, Washington itself has outsourced traditional responsibilities. Through this strategy, it has not only escaped democratic oversight, but made its cronies rich beyond counting. While initially heralded as a panacea to “big government” spending, outsourcing has now proven a bankrupt policy, literally. It has failed to reduce the financial cost to government, while simultaneously incurring even greater human, economic and political costs.

By divesting itself of the responsibility for executing government functions, the Bush administration conveniently side-stepped the caution and oversight that are designed to help keep corruption and incompetence in check. This dismantling of government management in favor of private sector “efficiency” fundamentally shifted the key measure of accountability from the “good of the people” to the avarice of profit margins. In doing so, the administration undermined the fundamental keystone of our democratic principles: the system of checks and balances intended to deter the indulgences of absolute power. Restraints removed, the results have been disastrous.

Throughout its tenure, the administration continued a trend of lifting regulation and oversight of the financial markets, ef-



fectively outsourcing accountability through “self-regulation.” Like kids in a candy store, financiers filled their pockets till they split the seams of the economy.

In the case of military intelligence and logistics, outsourcing was proffered as a way to cut costs – proudly exalted as proof positive of a leaner, meaner military. Unfortunately, the privatization process was rampant with corruption as opportunistic contractors fleeced the taxpayer. They stuck ordinary Americans with multimillion dollar contracts awarded to the highest bidder. These deals delivered everything from sub-standard equipment to sub-standard intelligence. Companies including Halliburton and L-3 Communications made millions while the vast majority of Iraqi and Afghan civilians collected death, destruction and wasted years.

The current global financial crisis offers few silver linings, but one it does present is an opportunity for progress on issues of corporate accountability and transparency. It has been a long time since an angry public eye has so keenly focused on corporate welfare, excesses and widespread abuse.

We may be a small shop, but CorpWatch's mission and potential for impact have never been stronger.

Our special reporting on war and disaster profiteering throughout 2007 and 2008, led by managing editor Pratap Chatterjee, continued to shed a critical light on waste, fraud, abuse and just plain incompetence in outsourced government contracting from Louisiana to Iraq and Afghanistan. Our report on Barrick Gold's damaging impact on indigenous

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**OUR MISSION:** CorpWatch investigates and exposes corporate violations of human rights, environmental crimes, fraud and corruption around the world. We work to foster global justice, independent media activism and democratic control over corporations.

# PROGRAM HIGHLIGHTS

communities and the environment in countries spanning the world evolved into a powerful, independent campaign. See [www.protestbarrick.net](http://www.protestbarrick.net).

CorpWatch's latest major initiative, the Crocodyl.org Wiki website (Crocodyl is an acronym for Collaborative Research On Corporations), has proven even more timely than we anticipated. Launched in September 2007, Crocodyl.org is an evolving online compendium of expertly researched profiles detailing the accountability and transparency track records of the world's most powerful, and sometimes most obscure, multinational corporations.

Taking a bite out of corporate greenwashing and making the mud stick, our team is creating a resource that is global in scope. Easy to use and access, Crocodyl aggregates disparate and hard to find information on corporations and places it in

the hands of impacted communities around the globe. During 2009 we will be deepening and broadening the site, adding new features, and putting in place our first research teams from the Global South.

Inside this report you'll find much more detail about our team's work over the last two years.

Thanks to all of you who support our unique brand of investigative journalism, and who use our stories and research to support your own struggles for justice around the world.

Sincerely,

Tonya Hennessey  
Project Director

crocodyl.org



## Collaborative Research on Corporations

Multinational corporations exert tremendous influence and control on all levels of societies worldwide. The typical citizen, journalist or representative of a NGO finds it practically impossible to easily track even a small fraction of corporate activity.

The Crocodyl Wiki was initiated by CorpWatch in partnership with the Center for Corporate Policy and the Corporate Research Project. Our aim is to stimulate collaborative research among NGOs, journalists, activists, whistleblowers and academics from both the global South and North in order to develop publicly-available profiles of the world's most powerful corporations. Crocodyl.org is utilizing both community contributions as well as existing public information such as Securities and Exchange Commission (SEC) filings, political contribution and lobby records, corporate web sites and publications. The result is an evolving compendium of critical research, posted to the public domain as an aid to anyone working to hold corporations accountable.

With a resource like Crocodyl.org, groups and individuals are both able to access easy-to-use information on multinationals,

as well as to connect in real time about current campaigns occurring globally and share resources. Our CorpWatch.org website has been a critical resource for investigations into corporate malfeasance, and now we introduce Crocodyl as a core part of creating an even deeper online community hub for corporate accountability. A Global North-South joint initiative, our first team of researchers is now working from southern India, and plans for a seed project with allies in South Africa.

We are very excited with the positive reception the Crocodyl project has been getting with allies, old and new, and in the Global South. And we are especially pleased that some of the first organizations that have begun to use the site, contributing research and helping promote it, come from labor (for example, the International Labor Rights Forum), affirming our belief that this living compendium of critical corporate research can help bridge some of the historical gap between the environmental and labor communities. Through collaborative research, our movements will be stronger.

*Be sure to visit the site, create a log-in account,  
and join join our community!*

# INVESTIGATIVE REPORTING

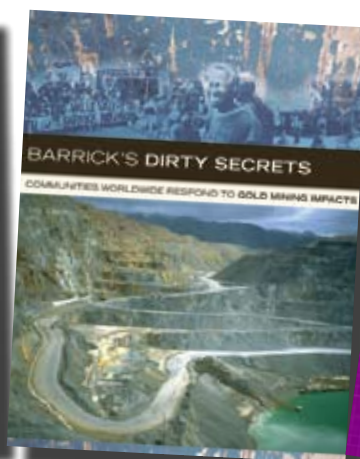
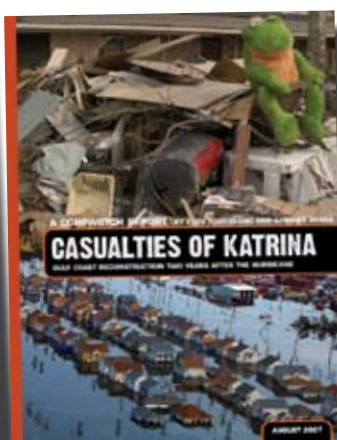
Our CorpWatch.org site has four main functions:

- \* Original investigative reporting, exposés, analysis and first-person accounts
- \* Updates on CorpWatch advocacy and interlinking to Crocodyl.org profiles
- \* Extensive on-line research archives of “fair use” re-posted news articles – our site includes 10’s of 1,000’s of corporate malfeasance-related articles
- \* Hands-on tools for doing your own on-line corporate research

During 2007 and 2008, our 35 feature articles covered pressing issues ranging from US private military contracting in Iraq and Afghanistan, to controversy surrounding plans for a coal plant on Navajo nation lands, US-Mexico border fencing boondoggles, titanium mining by Tata in India, and a look at the ineffectiveness of Corporate Voluntary Codes of Behavior. CorpWatch also published four special reports detailed below which have been available for download on our website.

Our investigations have strengthened corporate accountability as evidenced through our role in congressional hearings. CorpWatch played a pivotal role in a July 2007 hearing to examine contractor abuse in interrogations for the House Judiciary Committee Subcommittee on Crime, Terrorism, and Homeland Security, and prepared witnesses for the Senate Democratic Policy Committee Hearing on the September 16 Blackwater shootings in Iraq.

Pratap Chatterjee also traveled back to Afghanistan with videographer Ronald Nobu Sakamoto to continue from-the-field investigations into the successes and failures of reconstruction and security contracting. Due to security reasons on the ground, they were unable to conduct live video and blog reporting as planned, but have now produced five video interviewing a range of Afghans, from everyday citizens to academics and parliamentarians. And, we will release a database of private intelligence contractors, researched by veteran investigative journalist and “Spies for Hire” author Tim Shorrock in May 2009.



**Outsourcing Intelligence in Iraq: A CorpWatch Report on L-3/Titan, Updated December 2008 with Recommendations from Amnesty International:** When U.S. troops or embassy officials want to investigate Iraqis – such as interrogating prisoners – the principal intermediary is a Manhattan based-company named L-3. CorpWatch’s Pratap Chatterjee produces hard-hitting facts and anecdotal evidence drawn directly from the experiences of numerous military and civilian interrogators and translators who have come forward as anonymous whistle-blowers.

**Goodbye Houston:** The fourth in the series, “Goodbye Houston” was issued on the eve of Halliburton’s annual general meeting in Woodlands, Texas in May 2007, their last to be held in the U.S., as the company has moved its headquarters to Dubai. An in-depth, hard-hitting report, “Goodbye Houston,” provides a detailed look at Halliburton’s military and energy operations around the world as well as its political connections. It includes a series of recommendations for the company and its shareholders as well as for the United States policymakers.

## **Casualties of Katrina:**

This CorpWatch report, by Eliza Strickland and Azibuike Akaba, tells the story of corporate malfeasance and government incompetence two years after Hurricane Katrina struck New Orleans. Following our initial investigation – “Big, Easy Money” by Rita J. King – “Casualties” digs into a slew of new scandals. This report chronicles the struggle by ordinary residents to return home, the major effort to fix the broken Gulf Coast infrastructure, and finally – what the future looks like for a regional revival.

**Barrick’s Dirty Secrets: Communities Respond to Gold Mining’s Impacts Worldwide:** Canadian-owned Barrick Gold, the world’s largest gold producer, is exploring, building and operating huge, open-pit gold mines on nearly every continent on the planet. This collaborative CorpWatch report details the operations of Barrick gold in nine different countries, focusing on the efforts on the part of the communities to seek justice from this powerful multinational.



*Our heartfelt thanks to the many people and foundations who made CorpWatch's work possible in 2006, and to the many courageous communities and advocates fighting corporate malfeasance around the world!*

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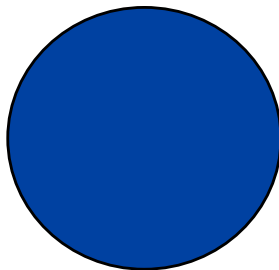
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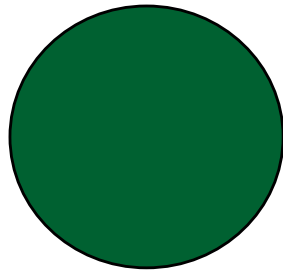
**Interns/Volunteers:** Sam Finn Cate-Gumpert, Louise Bleakley

**Advisory Board:** China Brotsky, Antonio Diaz, Joshua Karliner (Founder), Lisa Hoyos, Mele Lau, Aditi Vaidya

**INCOME:**



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*\* CorpWatch is a project of the Tides Center.*