

Story Proposal:

DynCorp: The Creepiest Company You Never Heard Of

By Dan Baum

We propose a story introducing Wired readers to an extraordinary IT corporation: DynCorp, based in Reston, Virginia.

At first glance DynCorp is a low-profile information technology company that lives mostly off government contracts. Begin peeling the onion, though, and you find a shadow government that not only runs the databases of most significant federal agencies but also is the ultimate government outsource in a wide array of seemingly unrelated businesses.

A look at DynCorp's client list is a first clue to its size and influence. The company manages IT and email for, among many others, the Departments of Defense, Treasury, Justice, Interior, and HHS; the DEA, FBI, INS, Customs Service, IRS, U.S. Attorneys, U.S. Marshals, FDA, NASA, the Office of National Drug Control Policy, the CDC and all four branches of the military – in other words, just about every agency with responsibility for law enforcement and national security. It also has a substantial piece of the General Accounting Office's \$25 billion Millenia contract, a massive upgrade of the GAO's IT capabilities. DynCorp is building the infrastructure of the FBI's "Trilogy" program, which will bring multimedia case files onto every agent's PC. It is providing face-recognition software to Dallas-Fort Worth Airport. It has the contract to convert the federal government's entire emergency phone network to wireless.

It's worth investigating DynCorp just to see how one company has so thoroughly cornered the market on government's security-related IT business. (That one of its directors is a former undersecretary of defense for acquisition and technology is one clue...) Several reports maintain DynCorp is a user of the notorious PROMIS software, which, its inventor William Hamilton of Inslaw Inc. maintains, was stolen by Ed Meese's Justice Department. (Wired covered this controversy in its first-ever issue.) That one company does so much IT work for so many security-related agencies also raises disturbing questions about the merging of so many security and police files into a dreaded One Big Database.

The story goes beyond IT. DynCorp, which has 23,000 employees and had returned \$1.8 billion in revenue last year, also has a \$343 million contract from the Defense Department to mass-produce and stockpile vaccines against anthrax and smallpox. The company manages the Strategic Petroleum Reserve. It

maintains and refuels Air Force One, runs the Johnson Space Center and the White Sands Missile Range, and operates border stations for the INS. It is designing the “next generation of undersea weapons” for the Navy. It recently bought GTE Information Services, which specializes in communications satellites. It runs a commercial space-launch center on Wallops Island, Virginia, with “access to the NASA launch range.”

Who are these guys?

Here the story gets truly weird. DynCorp performs mercenary-style services for the federal government. Among its most flamboyant operations is spraying defoliants on coca fields in Colombia. That contract made DynCorp the subject of a class-action lawsuit filed September 11 by 10,000 Ecuadoran Indians, who claim to have suffered illness, crop failures, livestock deaths, and birth defects as a result. That suit is pending. As DynCorp’s website puts it:

When the Department of State (or other public sector entities) needs personnel to reconstitute, establish and maintain rule of law in emerging democracies, they come to DynCorp.

"We don't carry the guns, but we support the logistics, supply chain, we fuel base camps, build roads, run telecommunications," (CEO Paul) Lombardi says. "We're all over the place in the [Persian] Gulf states."

But DynCorp people do carry guns. The company runs what it calls “International Police Missions” to maintain order, train police, and investigate war crimes in such places as Bosnia, Kosovo, and East Timor. DynCorp officers earn as much as \$90,000 a year, according to the DynCorp website, and in Kosovo and East Timor are issued 9mm handguns.

Some IT company...

The Bosnia operation has been particularly troubling. Last year, two American DynCorp policemen publicly charged that UN peacekeepers there were involved in selling women and little girls into brothels, which held them as slaves. DynCorp quickly fired the two, and the UN quashed the investigation. But that isn’t the end of it; the two Americans have sued DynCorp for wrongful dismissal.

We have here a fine cast of characters. DynCorp’s former chairman, and current board member, is Herbert “Pug” Winokur, who is also an outside director of Enron Corp. Remember: DynCorp manages all Justice Department emails and computer files, including those pertaining to Enron. Also on DynCorp’s board is Dudley Mecum, managing director of Capricorn Holdings, which specializes in restructuring “distressed” companies and was implicated in fraud involving Section 8 housing. Director Paul G. Kaminski a former

undersecretary of defense for acquisition and technology, is CEO of Technovation Inc., a developer of 21st century warfighting technologies.

Other than the two lawsuits, I know of no other controversy surrounding DynCorp, so I am not suggesting that we necessarily paint this corporation as the font of all evil. Clearly, though, Dyncorp is a shockingly huge and powerful IT company that appears to be doing a tremendous amount of security and police-related government work. It is the kind of corporation I thought existed only in James Bond novels – a vast, faintly threatening, occasionally armed, and fabulously well-connected leviathan. I would imagine most Wired readers don't know it exists. As a former Wall Street Journal reporter, I am equipped to turn this company inside out in a thorough corporate profile.

DynCorp doesn't get much press in the mainstream media, but technical and IT business journals are full of snippets. It also gets some attention from the leftist and conspiracy-theory press, which at least provide leads to run down. I don't know whether DynCorp officials will agree to be interviewed. It is a publicly traded company, however, so ample SEC filings are available and a certain amount of information is public, if difficult to ferret out.