THE RETURN OF ERIK PRINCE
TRUMP’S KNIGHT IN AMERICA’S NEW CRUSADE?
On January 20, 2017, Donald J. Trump assumed office as America’s 45th president. His political platform based on bigotry, xenophobia, and contempt for immigrants and other minority groups, along with his projected image as a Washington outsider who will “drain the DC swamp,” landed him in the White House.

Trump’s Presidential cabinet has, however, already overturned his campaign pledge to “reduce the corrupting influence of special interests on our politics.” His picks include billionaires Wilbur Ross and Betsy DeVos, ex-Goldman Sachs banker Steve Mnuchin, oil industry-connected Rick Perry, Scott Pruitt, and the CEO of ExxonMobil, Rex Tillerson, as the Secretary of State.

Selection of Tillerson consolidated a resolutely pro-oil cabinet, and was reportedly pushed by personalities connected to the George W. Bush administration and to Exxon, including Dick Cheney, Condoleezza Rice, and James Baker III.

While the centerpiece of Trump’s foreign policy is the annihilation of ISIS, he has been candid about eyeing the Middle Eastern oil reserves.

“I would knock the source of their [ISIS] wealth, the primary source of their wealth, which is oil. [...] I would knock the hell out of them, but I’d put a ring around it and I’d take the oil for our country.”

Emerging from the Shadows

As foreign policy became a central theme of the presidential campaign, Clinton’s diplomacy record came under fierce attack. An ardent detractor was no other than Erik Prince, the founder of Blackwater, the notorious private military company.

Under the Bush administration, Blackwater won over a billion dollars worth of government contracts to carry out missions for the State Department, the Pentagon, and the CIA in Iraq and Afghanistan. Blackwater’s rise among the government’s top private military contractors signaled the privatization of war, influenced by a free-market ideology and the Bush administration’s belief that private companies ensure greater efficiency.

The threats associated with a private army were however soon exposed. Following the Nisour Square massacre, where 17 Iraqi civilians were killed by the Blackwater guards in Baghdad, the lack of accountability of defense contractors and no-bid contracts to firms with ties to the Republican administration, came under heavy scrutiny and criticism. Embroiled in multiple lawsuits, Blackwater doled out millions of dollars in legal fees every month in the 2000s.

In 2010, after the indictment of five former Blackwater employees for violating federal firearms law, Prince sold the company and moved to the United Arab Emirates (UAE). Many interpreted this move as a way for him to avoid further legal proceedings, given the UAE does not have an extradition treaty with the US.

Erik Prince was perhaps out of favor in the US, but he was far from finished. He launched new business ventures abroad, notably a private equity fund, Frontier Resource Group (FRG), to invest in natural resources in Africa, and a logistics company, Frontier Services Group (FSG), listed on the Hong Kong stock exchange.

Having maintained a low profile during the Obama administration, Prince resurfaced in late 2015 as the Presidential race gained steam. Establishing himself as an expert on the US foreign policy, he became a leading critic of the Obama-Clinton policies in the Middle East on the alt-right media outlet Breitbart.

His June 2016 opinion piece outlined Obama and Clinton’s complicity in the creation of ISIS, despite the documentation of the origin of ISIS dating back to the Bush era. Prince suggested having met Kurd fighters stationed near Mosul, who favored Trump’s presidency to make America “strong again” to fight ISIS. He even backed Trump’s proposal to take Iraq’s oil as repayment for deposing Saddam as being “doable, and very plausible.”

Prince concurred that the US should ally with President Putin to defeat “Islamic fascism,” and put forward a three-point plan to destroy ISIS, recommending to “get after ISIS on the ground” with a small “indigenous or contracted force.”

“If I were in the Trump administration, I would say the Pentagon does not have a leading role to play, battling non-state actors. It should be an intelligence function.”

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Prince’s emphasis on light logistics to fight the terrorist groups in the Middle East is timely, given Trump’s criticism of expensive military contracts (Boeing, Lockheed Martin). It also provides him an opportunity to be rehabilitated as a US government collaborator, advisor, or a defense contractor. Reports allege Prince was already an advisor to the Trump transition team, and that his wife Stacy DeLuke was at the Trump campaign headquarters on the election night.

Prince’s deep connections to the Republican establishment during the Bush administration are well known. Prince reportedly secured early CIA contracts through Alvin Bernard “Buzzy” Krongrad, the former CIA director who knew his father. There was a significant revolving door between the CIA and Blackwater – in 2005, Prince employed former CIA officials, Cofer Black and Rob Richer, in top executive positions. Joseph Schmitz, Bush’s former Inspector General of the US Department of Defense, who oversaw the Pentagon’s military contracts, later took a position with the Prince Group, a holding company of Blackwater Worldwide, while Condoleezza Rice’s State Department was accused of covering up of Blackwater’s Iraqi fatalities.

Prince frequents the Bohemian Grove, a discreet gathering of politicians, businessmen, and artists, where his connections to Republican heavyweights include Donald Rumsfeld, James Baker III, Ed Meese (mentor of Joseph Schmitz), Ken Starr, and others.

During the presidential campaign Prince helped propagate conspiracy rumors about Clinton’s involvement in money laundering, underage sex, pay-for-play, and other morally reprehensible activities. He stated having confirmed these allegations through a source in the New York Police Department (NYPD), which had purportedly discovered incriminating emails in the laptop of former Congressman Anthony Weiner – a computer that the NYPD then passed on to the FBI for investigation.

While the “discoveries” were later revealed to be mostly duplicates of emails already investigated by the FBI, the scheme reportedly helped manipulate FBI director James Comey into making a public announcement about the NYPD so-called “new emails.” Before the FBI could confirm the emails received had no evidentiary value and close the investigation, Prince’s conspiracy theories had been tweeted by General Mike Flynn – Donald Trump’s future Chief National Security Advisor, and were spread to a large number of voters.

In addition to his activism in media to promote Trump’s candidacy, Prince also contributed $200,000 to the pro-Trump super PACs “Make America Number 1” and “Trump
Victory,”43 and nearly $64,000 to state Republican campaign committees and parties in October 2016.44 His former employee, Joseph Schmitz, was a key foreign policy adviser to the Trump campaign.45

Prince has also long financed the political career of Vice President Mike Pence, his important ally and support in the Congress following the Nisour Square massacre.46 Prince and his family align with Pence in the defense of radical religious right-wing causes, including criminalization of abortion and blocking LGBTQI rights.47

Prince’s “Christian” agenda also brought him close to James Dobson, the founder of “Focus on the Family,”48 a member of Trump campaign’s Evangelical Executive Advisory Board.49 A catholic convert, Prince supported the political career of Rick Santorum50 and met with Bush’s former ambassador to the Vatican, Jim Nicholson, who told Prince that he was a great admirer of his and his sister.51 Both Santorum and Nicholson are among the 34 prominent Catholic advisers recruited by Trump in September 2016.52

Last but not the least, Prince’s sister, Besty DeVos, is Trump’s pick as Secretary of Education.53 And on several occasions, Prince has been interviewed by Steve Bannon himself, Trump’s White House Chief Strategist, on Breitbart’s radio shows.54

Prince’s Trump Card: Business in the United Arab Emirates

In addition to the vast support among the Republicans, Prince has assets to carve out an influential position for himself in the Trump administration. This includes a network of high-level connections in the United Arab Emirates (UAE), a strategic US ally in the Middle East.

Donald Trump’s official strategy to defeat ISIS, which includes working “with our Arab allies and friends in the Middle East” and “pursue aggressive joint and coalition military operations,”53 makes the UAE a key partner. The country has been one of the most active members in the US and Saudi-led fight against Houthi rebels in Yemen56 and has expressed willingness to send troops to Syria to fight ISIS as part of a US-led coalition.57

In 2011, Prince reportedly had the backing of the UAE government to develop two private security projects.58 He helped set up an antipiracy security force in Somalia (the Puntland Maritime Police Force or PMPF) with alleged zakat (Muslim charity) contributions from the Emirati royal family.59 He was also involved in the creation of a private army for Abu Dhabi’s Crown Prince, Mohammed bin Zayed al Nahyan, through Reflex Responses (R2).60

In 2015, the R2 contingent, now taken over by the UAE military, was sent to support the US-Saudi coalition in Yemen.61 Mostly comprised of Colombian recruits – a choice allegedly influenced by Prince’s view that Muslim soldiers cannot be counted on to kill fellow Muslims62 – R2 recruits could now possibly be used as a powerful contracted force against the ISIS.

Though Prince has largely concealed his ties to R2, he has a close relationship with Michael Roumi, the head of the company,63 and with Emirati Saeed Al Shamsi, the former Senior Adviser to the company.64 Al Shamsi provided visa, administrative, and business assistance to Prince when he launched FRG with an office in the UAE.65 Al Shamsi is now the Deputy Director of Economic Affairs and Trade at the Ministry of Foreign Affairs and International Cooperation, in the UAE government.66

But this is not the only access to the Emirati government that Prince enjoys. In 2012, his equity fund FRG concluded its first close of $50 million with an external investor: the UAE-based Royal Group,67 a large conglomerate chaired by the brother of Abu Dhabi’s ruler, Sheikh Tahnoon bin Zayed Al Nahyan.68

With the establishment of FRG, Prince also communicated with Mohamed Mubarak Al Mazrouei, Undersecretary of Abu Dhabi’s Crown Prince Court,69 as well as with other powerful businessmen, including Mohammed Alabbar,70 founder and chairman of Emaar properties, one of the UAE’s largest real estate companies.71 In response to Trump’s threat to ban Muslims from entering the US, Alabbar said, “I don’t think that will happen. It’s so ridiculous […] I think at the end of the day America has great institutions and I think the result is going to be fine.”72 Given Trump’s significant business interests in the UAE, with a Dubai-based Trump golf course and housing project under construction,73 Alabbar and cohorts in the UAE know that Trump will need to bolster the support of US allies in the Middle East to achieve his foreign policy plans.

### Excerpt from FRG’s brochure for investors

I. Investment Opportunity

The FRG Fund will leverage unique political relationships throughout the target markets, as well as existing investment and management experience, security and logistics capabilities, in-depth knowledge of the current geo-political environment and substantial on-country networks to create a unique value opportunity for investors.
Following the election, the Emirati royal family, holding no grudge against Trump’s overt Islamophobia, was quick to congratulate him. Unsurprisingly, UAE citizens were not included in Trump’s executive order banning travel to the United States from seven predominantly Muslim countries in January 2017. Abu Dhabi’s Crown Prince, Mohammed bin Zayed Al Nahyan, reportedly did not mention the controversial ban in recent phone calls with Trump, in which the US reaffirmed its intention to “strengthen cooperation on fighting radical Islamic terrorism.”

Potential conflict of interest between business and foreign policy agenda has never been as likely as under the Trump administration and, with individuals like Erik Prince in the presidential circle, vigilance around private business interests influencing US foreign policy is key.

**Erik Prince as a Private Security Contractor for the US Government?**

Prince has spent most of his post-Blackwater years building rapidly deployable logistics, intelligence, and security capacity. His new logistics company, Frontier Services Group (FSG), has outposts in Africa, the Mediterranean region, and will soon be present in Central Asia.

Before launching FSG, Prince began assembling logistics assets in Africa to back his financial investments within his equity fund FRG. The fund advertised to external investors its ability to “leverage unique relationships and experienced management, as well as existing security and logistics capabilities,” allegedly a competitive advantage to access untapped subsoil resources in risky and infrastructure-lacking areas of Africa.

With FRG’s first venture, Prince secured an agreement to build an oil refinery in South Sudan’s Upper Nile State, in the locality of Thiangrial. This was a project with heavy logistics and security needs, for which Prince tapped his network of private security connections. A long time colleague, John “JP” Palen, was asked to help coordinate plane transportation for surveys and oil sampling at the site. Palen, a former US Air Force pilot, worked at Prince’s Presidential Airways from 2006 to 2010 before being employed at Transerv, an aircraft company linked to Prince’s R2 and PMPF projects.

In 2012, Palen was involved in the custody and use of a plane, a Pilatus PC6 Porter. The plane was then identified with the registration number N181DA, and was registered by a Blackwater affiliate, EP Aviation LLC in 2008 before being transferred to Xe Aviation LLC (Xe being Blackwater’s new name in 2009) and finally to TST Humanitarian Surveys, a Colorado-based firm owned by Palen.

The PC6 later served FRG’s transportation and exploration needs in Africa. It was allegedly equipped with aeromagnetic material to conduct airborne surveys with help of technicians from FRG’s portfolio company Bridgeporth. Prince further strengthened his logistics capacity through the purchase of the Kenyan aviation company Kijipwa, a former flying school business with sufficient air service licenses to offer passenger and freight air services, flying instructions, aircraft mechanics, and more.

Assisting with the Kijipwa deal and coordination of South Sudan oil surveys was Ric Peregrino, a former Director at Blackwater and Greystone – the offshore arm of Blackwater – who assumed responsibility for security and logistics at FRG. Peregrino later joined FSG as the Head of Security, along with Palen and another former aviation consultant for Transerv and a Blackwater employee, David McPeak. Many other private security connections of Prince have navigated between FRG and FSG.

This roster of former military and security men has allowed Prince to build a unique company, with security elements directly integrated in FSG’s logistics capacity. With FSG listed in the Hong Kong stock exchange in late 2013, the firm expanded quickly. In 2014, FSG bought 25 aircrafts for the Kijipwa airstrip and purchased another Kenyan aircraft company, Phoenix Aviation. The firm later invested in an aircraft company based in Malta. FSG also owns a trucking company in the Democratic Republic of Congo (formerly a subsidiary of FRG) and a South African transportation group that provides freight across road, rail, sea, and air.

Though FSG originally distanced itself from the private security business, investigations by *The Intercept* in 2016 allege that Prince used the firm as a vehicle to broker military services to Libya and other African countries and build illegal war aircrafts. According to 2017 news reports, North American pilots employed by Prince are now in Libya to support the UAE’s operations in the country. The mercenaries are reported to be using war aircrafts stationed at the Al Khadim’s base – less than a hundred kilometers east of Benghazi – to help the UAE-favored General Khalifa Haftar and his militia, the Libyan National Army (LNA), which backs the House of Representatives regime in Tobruk.

Recently, Russia started showing support for Haftar too, inviting him to discuss counter-terrorism policies with its Defense Minister. Haftar’s anti-Islam agenda, combined with Prince’s affirmation that “some smart diplomacy” to bring about “a unifying leader” should result in a “quick win for the Trump administration” in Libya, might be enough to convince Trump to support the Russian and UAE-backed leader. This would give Haftar enough leeway to wage a war against the Islamic factions that oppose him, a highly beneficial scenario for Prince, who is...
already supporting military efforts against Libya-based Islamist militias and looking to expand his influence in the country. In January 2017, Prince publically offered his services to European governments to stop the refugee crisis by setting up private contractor-led anti-immigration force on the Southern border of Libya.\(^{113}\)

**Bush-Style Crusades: Trump’s Foreign Policy?**

Trump’s cabinet picks and his foreign policy stance bring back key elements of the Bush era’s geopolitics. With Erik Prince’s return to the political scene, one of the most controversial characters from the Bush period has resurfaced.

Given Prince’s past as a former private contractor for Washington and a CIA asset,\(^ {114}\) and his strategy proposing that US interventions against ISIS be intelligence-led and contractor-dominated,\(^ {115}\) there is a high possibility that he is seeking to cater to future US defense needs.

Prince’s company FSG has now openly added intelligence and security consulting services to its roster of activities,\(^ {116}\) and announced its intention to build two new operational bases to “provide training, communications, risk mitigation, risk assessment, information gathering, medevac and joint operations centers that coordinate security, logistics and aviation services.”\(^ {117}\)

One of these bases will be located in China’s Xinjiang Uyghur autonomous province,\(^ {118}\) which shares the border with Afghanistan. This strategic placement near the Middle East will be highly beneficial for Prince if Trump’s launches his promised crusade on ISIS, encouraged by the oil-connected and Christian supremacist-filled government.

A return to privatized warfare however raises serious questions about accountability, conflict of interest, and the possibility of public scrutiny. The military contractors-led wars in Iraq and Afghanistan are grim moments in the US and world history, marked by civilian killings and the rise of anti-US sentiments abroad. Trump’s foreign policy agenda might well perpetuate this legacy.
This brief was authored by a team of researchers at the Oakland Institute. The views and conclusions expressed in this publication are those of the Oakland Institute alone and do not reflect opinions of the individuals and organizations that have sponsored and supported the work.

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Endnotes


On Breitbart, Prince advocated for using “guys in pickup trucks” with “few elements of technology” to fight non-state, terrorist groups. See: Ibid.


For more information see Royal Group’s website at: http://www.royalgroupuae.com/ (accessed December 6, 2016).


Ibid.


Specifically, Kijipwa had an Air Operator Certification (AOC), a maintenance license (Approved Maintenance Organization, AMO), and an Air Service License (ASL). See: Ibid.


* Daniel Wanjohi: former Office Manager at Greystone, he was later employed as Project Control Officer for Reflex Responses before becoming Administrative Director at Mwongozi East Africa (a firm directed by Ric Peregrino). Wanjohi has been the Facilities Management Coordinator for FSG since May 2015. See Linkedin. Daniel Wanjohi. http://bit.ly/1nJxFxB (accessed December 6, 2016).


* Jens Schlegel: former military (German Army), was later employed as Advisor/Trainer at Reflex Responses in the UAE, then as the Risk Manager for FSG in South Sudan. See Linkedin. Jens Schlegel. http://bit.ly/2hfd6q6 (accessed December 6, 2016).

* Tom Rembielinski: former military (German Armed Forces), Linkedin profile indicated that he was a Training Advisor for Reflex Responses in the UAE from May 2010 to January 2012, and later was employed as Security Specialist for FSG from October 2014 to August 2015. The profile was recently modified, but the Oakland Institute has a conserved screen capture of its former version, dated December 2015. See Linkedin. Tom Rembielinski. http://bit.ly/1PRU8X6 http://bit.ly/1Q5SMnl (accessed December 6, 2016).


109 Ibid.


115 Hayward, J. “Erik Prince: Clinton’s ‘Foreign Policy Record Is a Disaster’, Trump Is ‘Willing to Take a Different Direction’.” [Interview with Erik Prince], opinion/Trump-Putin-and-Libya.636989 (accessed January 24, 2017).


118 Ibid.