

Booz Allen Not An Independent Check On SWIFT Surveillance

A Memo by the American Civil Liberties Union and Privacy International

For the Article 29 Working Party of the European Commission

September 14, 2006

QuickTime™ and a
TIFF (Uncompressed) decompressor
are needed to see this picture.



Summary

Booz Allen Hamilton, Inc., a prominent defense and intelligence consulting and engineering firm, has been hired as an outside "independent" auditor of the CIA and Treasury Department's Terrorist Finance Tracking Program ("TFTP"), which monitors banking transactions made through the Society for Worldwide Interbank Financial Telecommunication (SWIFT). Though Booz Allen's role is to verify that the access to the SWIFT data is not abused, its relationship with the U.S. Government calls its objectivity significantly into question. Booz Allen is one of the largest U.S. Government contractors, with hundreds of millions of dollars in U.S. Government contracts awarded each year. Booz Allen has a history of working closely with U.S. Government agencies on electronic surveillance, including the Total Information Awareness program. Among Booz Allen's senior consulting staff are several former members of the intelligence community, including a former Director of the C.I.A. and a former director of the N.S.A. In its private consulting practice, Booz Allen has been at the forefront of the push to increased information sharing, calling for private businesses to provide more information to the U.S. Government.

Booz Allen's role in the SWIFT surveillance program

In June 2006 media reports revealed that the U.S. Government had been monitoring international banking transactions carried out through the Belgian banking cooperative SWIFT, beginning shortly after the terrorist attacks of September 11, 2001. Over time, SWIFT officials had become concerned with the potential for abuse of the information obtained by the U.S. Government through SWIFT. Booz Allen Hamilton, Inc. was then hired to monitor the program and to address these concerns. According to SWIFT, Booz Allen Hamilton reviews records of searches run against the SWIFT data to verify that the searches were appropriate and that access to the SWIFT data was not abused.

About Booz Allen Hamilton, Inc.

Booz Allen Hamilton (hereafter Booz Allen) is a prominent consulting firm in the U.S., described by the *Washington Post* as "an international technology and management

consulting firm that is one of the U.S. government's main contractors."¹ Booz Allen is a privately held corporation, and is one of the largest and most profitable consulting firms. Its revenue has risen sharply in recent years, to \$3.6 billion in 2005, up from \$2.5 billion in 2003. Because Booz Allen is a privately held corporation, precise information about its corporate finances is limited.²

Here is how Booz Allen describes itself on its website:

“Booz Allen works with **government agencies**, institutions, and infrastructure organizations worldwide, providing a broad range of management consulting, engineering, information technology, and systems development/integration services. Booz Allen combines a deep understanding of the client's mission and environment with expert services and an absolute commitment to client success.

on outside consultants to provide critical services to the Defense Department. From 1998-2003, Booz Allen received more than \$3 Billion in contracts from the Department of Defense, increasing at an average of \$100 million each year.⁷ Of the Federal contracts won by Booz Allen during this time period, 26% were awarded with no open bidding process. Of this nearly \$800 million dollars in no-bid contracts, over half were national security contracts.⁸

In 2003, Booz Allen was named Government Contractor of the Year in the \$500+ million annual revenue category. The award, given by the Professional Services Council, the Fairfax County Chamber of Commerce, and *Washington Technology* magazine, recognizes the firm for its outstanding contributions to the Federal government and to the government contracting industry.⁹

In June 2005 Booz Allen was rated first in overall performance and customer satisfaction for the General Services Administration's Millennia Contract. The Millennia contract is a 10-year \$25 billion multiple award contract to provide information technology services to all Federal agencies. Booz Allen received special recognition from the director of the Information Management for the Office of the Under Secretary of Defense for Personnel and Readiness of the Department of Defense, who praised the Booz Allen team for the cooperative partnership formed between the Department of Defense staff and Booz Allen.¹⁰

Booz Allen involved in controversial surveillance programs

Booz Allen has been involved with some of the most controversial federal surveillance programs in the last ten years.

Most recently, Booz Allen played a significant role in the plans for the U.S. Government's Total Information Awareness (TIA) program. Between 1997 and 2002, Booz Allen was awarded 13 contracts to work on this program, totalling more than \$23 million.¹¹

In 2002 it was announced that Booz Allen had won a TIA contract potentially worth \$62 million if all of the contract's options were exercised.¹² Booz Allen's tasks included

⁷ Brown, Elizabeth. "Outsourcing the Defense Budget" The Center for Public Integrity, 07/29/2004. Available at www.publicintegrity.org/report.aspx?aid=363. Last visited on 09/12/06.

⁸ <http://www.publicintegrity.org/pns/db.aspx?act=cinfo&coid=006928857>. Last visited on 09/12/06.

⁹ <http://www.boozallen.com/about/article/658795?lpid=825646>. Last visited on 09/12/06.

¹⁰ http://www.boozallen.com/capabilities/services/services_article/658521?lpid=660262. Last visited on 09/12/06.

¹¹ Mayle, Adam and Alex Knott, "Outsourcing Big Brother: Office of Total Information Awareness Relies on Private Sector to Track Americans" The Center for Public Integrity, 12/07/02. Available at <http://foi.missouri.edu/totalinfoaware/outsourcing.html>. Last visited 09/13/06.

¹² <http://www.public-i.org/report.aspx?aid=106>. Last visited 09/13/06.

assisting the project management for the scheme and conduct "analysis of new legislation and executive orders" to assess "their impact on current and future business."¹³

Other reports have described Booz Allen's involvement in the development of *Magic Lantern*

Wilhelm acknowledged that there are other issues at play, including privacy and economic vitality, but that “tradeoffs” are necessary. Wilhelm stated that he has learned through his government work that balancing national security interests, industry interest

For more detailed information on their professional backgrounds, please see the appendix.

Appendix 1

1. Mike McConnell¹⁹

- Senior Vice President at Booz Allen
- 1992-1996, Director of the National Security Agency (NSA)
- Intelligence Officer (J-2) for the Chairman, Joint Chiefs of Staff (JCS-J2) during the dissolution of the Soviet Union and Operation Desert Storm.
- Holds the highest award for service in the intelligence community in addition to many military awards.

2. James Woolsey²⁰

- Vice president at Booz Allen
- Director of Central Intelligence from 1993 to 1995
- Ambassador to the Negotiation on Conventional Armed Forces in Europe (CFE), Vienna, from 1989 to 1991
- Under Secretary of the Navy from 1977 to 1979
- Currently Co-Chairman (with former Secretary of State George Shultz) of the Committee on the Present Danger²¹
- Member of National Commission on Energy Policy
- National Commission on Terrorism, 1999–2000
- Commission to Assess the Ballistic Missile Threat to the U.S. (Rumsfeld Commission), 1998
- President's Blue Ribbon Commission on Defense Management (Packard Commission), 1985–1986
- President's Commission on Strategic Forces (Scowcroft Commission), 1983.

3. Dale Watson²²

- Principal at Booz Allen
- Former F.B.I. Executive Assistant Director for Counter-terrorism since from 1999 to 2002, with responsibility for overall direction and management of the international and domestic terrorism programs, and the National Infrastructure Protection Center.

4. Joan Dempsey²³

¹⁹ Booz Allen bio page. http://www.boozallen.com/about/article_people/mcconnell?lpid=658116. Last visited on 09/12/06.

²⁰ Booz Allen bio available at http://www.boozallen.com/capabilities/Industries/industries_article/woolsey. Last visited on 09/12/06.

²¹ See www.fightingterror.org. From Committee on the Present Danger mission statement: "The Committee on the Present Danger is dedicated to protecting and expanding democracy by supporting policies aimed at winning the global war against terrorism and the moviRibbo gs02 0 0a0.0015 Tcp -5(al war ag)-5(Dr a)-5(r Tc 0.

- Vice President at Booz Allen
- Appointed by President Bush in 2003 to be Executive director of the President's Foreign Intelligence Advisory Board. Served two years.
- Deputy Director of Central Intelligence for Community Management, 1998-2003