

<http://huachuca-usaic.army.mil/mipb/HTML%20July-Sep99/brooks/brooks.htm>

From the July-September 1999 Military Professional Intelligence Bulletin

## **The Business End of Military Intelligence: Private Military Companies**

by Douglas J. Brooks

Situation: On short notice you are to provide intelligence for a combat operation in a remote, impoverished country with virtually no infrastructure to speak of and no useful intelligence resources in place. Your military assets are miniscule compared to the enemy's. The enemy knows the terrain and environment extremely well from decades of warfare over the same area. They have honed effective combat techniques through generations of continuous combat. You have no access to the intelligence resources that a major military power might call upon such as satellites, unmanned aerial vehicles (UAVs), or even basic reconnaissance aircraft. Your available maps are tourist maps dating from the 1960s, which tell you more about nightclub locations than hill elevations. However, there is a bigger constraint on your operations: money. Every dollar you spend on intelligence—and every dollar wasted on poor intelligence—will come out of your pocket.

### **Private Military Companies**

Private military companies (PMCs)<sup>1</sup> face this situation when they enter a new contract to assist governments in developing countries. The financial limitations shape the nature of their intelligence activities.

*PMCs are a recent manifestation of the historically ubiquitous mercenaries—private individuals and companies that provide military services to foreign entities for pay. Most PMCs do not involve themselves directly in combat but focus on military training, logistical specialties, high-technology intelligence systems, procurement, and static-site defense. This article, however, will center on the intelligence needs of those PMCs that are willing to become involved in offensive combat operations on behalf of their clients. Especially well known in this area are South Africa's Executive Outcomes, which closed business at the end of 1998, and the British company Sandline International.*

PMCs operate like any international service company, in most respects. They negotiate contracts with clients (usually national governments) and cultivate corporation-like reputations for skill, efficiency, and cost-effectiveness. Their financial reward comes from forcing successful ends to wars for their clients. This success makes PMCs attractive to future potential clients and thus bolsters long-term company profitability. This is a fundamentally different motivation from “traditional” mercenaries who, in most cases, profit from unending war.

The goal of a PMC is to quickly and cheaply orchestrate a successful end to a conflict on behalf of their client—usually the government of an impoverished country. To do this, PMCs most often work as “force multipliers” dramatically enhancing the effectiveness of their clients' existing militaries. Therefore, PMCs usually contract small numbers of highly skilled military personnel—trainers, pilots, technicians, and doctors—and use them to make marginally trained and disciplined state armies substantially more effective. Executive Outcomes made extensive use of soldiers from elite South African military units disbanded since the end of Apartheid.<sup>2</sup> Sandline International uses former military personnel from elite units in the British and American militaries.<sup>3</sup>

### **PMCs and Intelligence**

Knowing when and where to focus the limited military resources of the PMC requires accurate and timely tactical intelligence. Casualties, wild goose chases, and blind searches are all

factors that directly and negatively affect the profits of the company. Although PMCs will try to budget for every contingency, with a fixed monetary contract every dollar spent comes directly out of the profit margin. While all intelligence organizations have to operate with limitations on their available resources, for PMCs the direct financial costs of intelligence dictate their methods and techniques. These financial constraints make up the largest differences between the intelligence organizations of PMCs and traditional militaries.

For PMCs, time is money. The personnel costs and leasing costs paid for heavy equipment continue to mount as long as an operation continues. The faster a war ends the better for the PMC's profit margin. Good intelligence is critical even before a contract begins since it provides information for setting a timetable and budget. The PMC is most successful when it knows the military situation before deployment. With quality intelligence, it is better able to set appropriate price levels and decide on what equipment and personnel are essential for the mission—or even choose to reject a contract that has the potential to become too expensive.

If the military side of PMCs is a “force multiplier,” then one can accurately describe the intelligence side of PMCs as “cost reducers.” The key for PMC intelligence operations is to find cost-effective ways to overcome the constraints unique to private military operations by making the best use of available and affordable resources. What follows is a list of constraints and resources with explanations and analysis.

## **Constraints**

PMC intelligence operations necessarily operate under substantial constraints that channel their choice of methods. These include budget, technologically sophisticated resources, time, margin of error, intelligence from scratch, basic communications, and equipment.

**Budget.** This is by far the most important constraint that determines the choice of intelligence methods. Since impoverished nations hire PMCs, they must be able to operate on shoestring budgets to be affordable. They must limit costs to ensure their profit margins. While there are few PMCs that are currently willing to participate in combat operations, the fact remains that there is competition. PMCs must make themselves affordable to underdeveloped countries while still finding a means of ensuring a sufficient profit.

**Technically Sophisticated Resources.** Since PMCs are not officially sponsored by any First World country, indeed are frowned upon by most nations and international bodies, their access to high technology intelligence systems is extremely limited. The high-technology gadgetry that has become a common staple of conflicts involving First World militaries is out of the question for PMC intelligence specialists.

**Time.** As mentioned before, the PMCs have strong incentives to end wars quickly. Therefore, operation tempo will be high, limiting any possibility of protracted intelligence analysis. As previously mentioned, like any business, PMCs face the reality that time **is** money.

**Margin of Error.** Faulty intelligence can be particularly damaging for the PMCs. While casualties are painful for traditional militaries, they are worse for PMCs due to their very limited personnel. Such casualties (and the medical and transportation costs) can be catastrophic, not just to the individuals involved but also to the military program, the timetable, and ultimately, the company's financial viability.

**Intelligence from Scratch.** While PMCs generally work to enhance the existing military capabilities of their clients, Third World militaries, the reality is that there is rarely much of an intelligence operation to enhance. One of the first activities of any PMC operation is the creation of new intelligence networks and sources. For example during its operations in Sierra Leone, Executive Outcomes (EO) found that the military in Sierra Leone considered the PMC to be something of a threat and was thus uncooperative, leaving EO to assemble its own intelligence networks.

**Basic Communications.** Language is always an issue in PMC operations. Aside from the obvious fact that English is not the primary language in most of the countries in which PMCs operate, another complicating factor is that many of the technical personnel—the pilots, technicians, and mechanics— may not be native English speakers either. Many of these personnel come from the former Warsaw Pact countries.<sup>4</sup> Moreover, while they are skilled and inexpensive, their limited English complicates reconnaissance operations and limits the usefulness of debriefings, even with the use of interpreters.

**Equipment.** In most cases, PMCs must bring in their own equipment, even of the most basic sort. While they often get some “hand-me-down” assets from the host government, these may prove to be inadequate, outdated, or hopelessly damaged. Even when desired equipment is affordable, the remoteness of the operations, the costs of transportation, and the delays in procuring such equipment limit its usefulness.

## Resources

To make up for the extensive list of constraints, PMCs maximize the resources they do have. Traditional militaries that lack the PMCs’ small and flexible structure rarely use some of these resources. PMCs will make maximum use of inexpensive human intelligence—which is generally more useful for low-intensity warfare than high-technology space-age hardware. Introducing well-coordinated use of even low-technology intelligence can yield rapid results when the enemy is not experienced in countering such techniques.

**Hire Experience.** PMCs often hire experienced personnel who have extensive experience in the client country. One example of this is when the Angolan government hired EO to fight the UNITA (National Union for the Total Independence of Angola) rebels. Most of the military personnel EO employed were from former South African Defence Force (SADF) units that had fought against the Angolan Government just a few years earlier. These personnel bring a wealth of knowledge of tactics and terrain and an understanding of the enemy that is priceless.<sup>5</sup>

Military Professional Resources, Incorporated (MPRI) of Alexandria, Virginia, provides another example. While MPRI is careful not to become involved in combat situations, they do have a number of foreign contracts in hostile areas including the training the Bosnian and Croatian armies. MPRI’s Vice President of International Operations is a former head of the Defense Intelligence Agency. The fact that PMCs are able to draw on such a huge pool of experience and talent gives them a dramatic edge when entering new operations.<sup>6</sup>

**Nontraditional Intelligence.** The PMCs can use online (open source) intelligence, including a wealth of country background information that is available free of charge from the Internet. For modest fees, detailed satellite images are available from commercial sources (although not of the high detailed quality that is available to Western militaries).<sup>7</sup> PMCs can also subcontract with other specialized companies to provide intelligence, and a number of Western companies specialize in just this sort of intelligence. Sandline International, in particular, can call on the services of its in-house company, Quantum Strategic Consulting (QSC), which specializes in intelligence gathering and analysis.

**Introduction of “New” Technologies.** Developing countries usually fight wars using very basic technologies, mostly small arms and simple radios. PMCs can introduce common radio technologies to intercept, jam, or even deceive enemy radio communications. The technology is not new or complex, but its introduction into these conflicts makes it a powerful tool for intelligence. The fact that the enemy will eventually note this advantage and find a way to counter its effects makes the rapid conclusion of the war even more essential.

A number of inexpensive and useful technologies can make a huge difference when introduced into a low-technology war. In countries where the most detailed maps are often highly inaccurate and out of date, the Global Positioning System (GPS) adds an inexpensive and useful tool needed to pinpoint “friendly” and enemy threats. While the most

sophisticated GPS equipment is restricted to Western militaries, PMCs need only the commercially available systems for the vast majority of their requirements. Satellite telephones are making instantaneous, reliable communications a reality, especially for the needs of a small, well-trained unit. Improvements in communications reduce the “fog of war” and allow faster responses to intelligence leads. Airborne sensors such as forward-looking infrared (FLIR) mounted on an inexpensive air platform can help to reconnoiter large swaths of territory and reduce personnel needs even further.

Another benefit of these “new” technologies is that they can serve as a kind of “carrot” to win over reluctant allies by providing them with vital intelligence as well. This is especially useful with military leaders who resent the intervention of the PMC into the conflict, already mentioned as a problem PMCs can encounter.

**Rapid Reaction.** The modest size of PMC operations and limited command structure allow for remarkably rapid action on fresh intelligence. Without the clumsy bureaucratic command framework that constrains most Western militaries, PMCs can act quickly and decisively on intelligence leads. Their small size and high mobility allow them to move quickly to the most critical areas, making the greatest and most cost-efficient use of resources.<sup>8</sup>

**Making Friends.** Among the most important sources of intelligence for PMCs are the civilians who suffer most from Third World conflicts. The professionalism of PMCs usually wins the respect of locals who have learned to expect the random violence, theft, and terror of traditional military forces in developing countries. PMCs exploit this advantage with medical clinics and humanitarian missions (“hearts and minds programs”) that double as intelligence-gathering operations. Civilian refugees can provide a remarkable amount of useful information that, when properly analyzed, provides a wealth of information on enemy movements, equipment, and morale. In Sierra Leone, EO bypassed recalcitrant Sierra Leonean Army leaders by befriending and working with the local civilian militias and making good use of their informal village-level intelligence networks.

**Use of Western NGOs and Missionaries.** While most non-governmental organizations (NGOs) and missionaries operating in war-torn impoverished countries try to maintain strict neutrality, the reality is that—because of the nature of modern bush wars—they often become rebel targets themselves. Although rarely admitted, many of the Westerners who serve these organizations are more than willing to help PMCs achieve their objectives. Ending a war is considerable help to the humanitarian efforts and programs that these people and organizations support. PMCs undertake special missions to rescue these personnel from war zones, and these missions provide useful intelligence from especially reliable sources that are usually fluent in English as well.

**Use of the Business Sector.** One of the factions most anxious to end internal wars in any country is the business sector. Businesses suffer the worst financial losses of any sector during war, both in capital destroyed and in loss of production. At the same time, the business community is ideal for providing intelligence from all corners of a country, often with business communications networks already in place. In many countries, Western companies are involved in mining or drilling operations and employing numbers of engineers and specialists—people with a great deal of experience in the country and a big stake in ending the war.

**Prisoners.** While this resource may seem obvious to Western intelligence specialists, the fact is that in most wars in the developing world taking prisoners is the exception, not the rule. PMCs use highly trained military personnel who know the rules of war. By encouraging the capture and safekeeping of prisoners, PMCs are able to exploit a huge, previously ignored intelligence source.

**Connections.** The fact that PMCs use so many personnel who have served in First World militaries means that it is quite possible for them to capitalize on their connections to gain some high-quality intelligence. In some cases, it might be possible that the governments of

developed states might wish to assist PMCs covertly. Key intelligence would make an effective and relatively untraceable method of assistance.

## Conclusions

PMCs require high-quality intelligence to accomplish their missions; the limited resources available and the reality that resources spent on intelligence ultimately means reduced profits for the company can restrict the critical need for this intelligence. Cost-effective intelligence in less developed countries requires innovative cultivation of human resources, clever exploitation of enemy tactics, and a flexibility in methodology to quickly recognize and take advantage of the idiosyncrasies found in every conflict.

While private militaries might receive ridicule as “budget armies,” in the instances where they have served, they have proven their speed and skill at successfully concluding wars. PMCs have shown how the use of innovative intelligence combined with small but highly skilled military forces can defeat a much more powerful enemy. Obviously, their niche is ending conflicts in small Third World countries, but then that is where the majority of the world’s ongoing wars are taking place. The high likelihood of future Western interventions in these conflicts means that the techniques and expertise that PMCs have developed for this kind of conflict deserve greater scrutiny by Western intelligence specialists.

*Many thanks to those people who reviewed my drafts and offered suggestions, including Professor Herbert Howe of Georgetown University, Professor Harold Scott and Greg O’Hayon of the Graduate school of Public and International Affairs, University of Pittsburgh, and others.*

## Endnotes

1. A definition that I developed for “private military companies” is a legally constituted for-profit company that uses onsite facilities and equipment and non-indigenous personnel to directly and substantially support or enhance a client’s security capabilities.
2. Howe, Herbert M., “Private Security Forces and African Stability: The Case of Executive Outcomes,” *The Journal of Modern African Studies*, Volume 36, Number 2, 1998, page 310.
3. The Sandline International website is at [www.sandline.com](http://www.sandline.com).
4. Hooper, Jim, “Sierra Leone—The War Continues,” *Jane’s Intelligence Review*, Volume 8, Number 1, 1 January 1996, page 41.
5. Howe, 310.
6. Information on MPRI, including a listing of the remarkable credentials of their leaders, is at their web site: [www.mpri.com](http://www.mpri.com).
7. A number of companies provide satellite images commercially. A list of vendors is at <http://www.inorm.umd.edu/Geography/landcover/cress/vendors2.html>. See also Computer Entertainment Network (another commercial imagery provider) at <http://cen.cenet.com/htmls/d2/sate.htm>; and ORBIMA GE at <http://www.orbimage.com/main/main.html>.

*Mr. Doug Brooks is currently a Ph.D. student at the Graduate School of Public and International Affairs at the University of Pittsburgh and Graduate Research Associate at the Ridgway Center for International Security Studies. His dissertation focus is on the recent growth of mercenaries and private armies and their impact on conflict in developing countries. He recently wrote an opinion piece for the Pittsburgh Post-Gazette regarding the use of private militaries for humanitarian interventions. He has been a Program Coordinator at the International Management Development Institute and worked at the Institute of International*

*Education, National Archives and Records Administration, and the Ministry of Education in Harare, Zimbabwe. Mr. Brooks earned Master of Arts and Bachelor of Arts degrees in History from Baylor University and Indiana University, respectively. Readers may contact him via E-mail at Hoosier84 @aol.com or by telephone at (412) 648-7408.*