

**Kingking-Project-Administration.
Summary Comments & Observations**

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Excerpts from the document:

Community & Government Relations:

Improper and illegal business practices developed early in the project's life. Payments and gifts were given to elected officials and their immediate family members.

During the start up phase we bypassed local community programs and officials in order to develop "KMI only" programs. In doing so we prevented councilors and elected officials from receiving any credit for our programs. We also missed an opportunity to garner full and early grass-root support for the project.

Initially, there was insufficient scrutiny given to personal expense accounts.

We hired immediate relatives of local politicians, regardless of qualification.

There was little or no control over community development funds and inappropriate payments were made to regional terrorist organizations, including those supported by Osama bin Laden.

We donated mobile equipment to the military, which could be used against insurgents thereby increasing the overall risk to KMI personnel.

Security:

We had little understanding of what we were getting into. All senior managers were members of RAM (military organization that attempted to overthrow the government of President Aquino). In all instances junior supervisory staff were operating members of leftist insurgency groups, and many remained fugitives. They were unable to obtain driving licenses, gun permits, etc. The net result was that, in many situations, we were operating illegally. KMI security managers quickly established a quasi-military organizational structure. The result was a very closed, secretive, top-heavy organization. This became very difficult to change. Secret/confidential agents developed with no means of assessing whether they were real or imaginary. Regardless, we continued to pay for their services on the basis of a monthly stipend. In the final analysis a large number of agents were elected officials and terrorist operatives.

There were no specific development plans for security operations. We evolved reactively. Illegal payments were made to insurgent groups, and we had no control of how the money was spent. We made regular payments to regional military commanders and police units. Ostensibly, the payments were meant for basic rations for troop deployments. We were unable to manage this allocation in any regular fashion.

Senior security personnel had their own political agenda. They were often involved in discussions with regional and national government officials, often without the prior knowledge of KMI management. It was extremely difficult to get any security operator to conform to normally accepted business practices.

In the normal course of events security officers met with senior commanders of all known threat and insurgent groups. Often some form of currency changed hands in return for information, but more often because it was deemed appropriate.

Fugitive insurgent leaders visited KMI offices regularly to meet with security group managers. In particular, Kapitan Inggo who commanded the Lost Command, currently number one on the most wanted list for murder and kidnapping, was a frequent visitor. This compromised internal security and increased the risk to expatriate personnel.

Company vehicles were used to transport goods or family members of insurgent commanders, often reported after the event happened.