

38 *Armed Madhouse***Double Cheese with Fear**

Fear sells better than sex. But who's buying?

The mothers of this country who are wrestling with threats!

Oh, my! What threats? If you thought it's just Osama, you're taking big chances, because more danger is just outside your door, ringing the bell.

It's the pizza delivery guy. Aren't you afraid yet? Did you know that 25% of pizza delivery drivers have been in jail within four months of starting the job bringing you your pie? From Sing-Sing to your doorstep! One in four!



Who said so? Derek Smith said so. He said (I can't make this up):

What pizza do you like? At what price? *Are you willing to take the risk* associated with dealing with a company that doesn't screen their drivers?

Who is this guy? Derek Smith is the founder of a company called ChoicePoint, prime contractor for the Department of Homeland Security. He's the man standing between your family and Al-Qaeda's mushroom-and-pepperoni sleeper cells. You should know something about this Smith, because he knows an awful lot about you.⁴

⁴Much of the information in "Double Cheese with Fear" was included in a late edition of *The Best Democracy Money Can Buy*. If you've read "Fear for Sale" in that book, you can skip a couple pages to "Marines in a Tube."

Last time I checked, Smith and ChoicePoint had piled up over 16 billion files on every living and dying U.S. citizen, and they've put it up for sale, bit by bit. The company pulled in over a billion dollars in revenues in 2005, only eleven years after Smith founded it.

ChoicePoint, the largest personal profile database company in America, is the leader in the Fear Industry. The problem for CEO Smith and the firm he founded in 1994 is that, at first, the public wasn't buying . . . until September 11, 2001, when ChoicePoint's new business plan fell from the sky.

"The War on Terror hasn't been decided yet, but a few winners are emerging," wrote *Forbes* a few months after the attack. "High up on the list of businesses that will benefit . . . ChoicePoint, Inc."

They didn't have to wait. ChoicePoint's Bode Technologies division picked up a \$12 million contract to identify by DNA testing pieces of corpses found in the Staten Island garbage dump holding the Twin Towers.

Al-Qaeda's attack set up an explosion of demand for Smith's top product. His top product is *you*. Your Prozac prescription, Satan's church donations, Victoria's Secret bill payments, driver's license, voting record, you name it. And George Bush is buying. ChoicePoint is operating a private FBI or, more accurately, a private KGB, because they keep files on you that the law doesn't allow the FBI to hold.

The law in question is the U.S. Constitution, which says the government can't spy on you unless you're suspected of a crime—but ChoicePoint can, and that's where the game begins. Under the USA PATRIOT act, Congress has outsourced the snooping. The Act allows the Feds to ask ChoicePoint for data the government itself cannot legally obtain. The spooks at the new Total Information Office (now "Terrorism" Information Office since Congress changed the name and removed the logo, the All-Seeing Eyeball—no kidding) couldn't wait. In one classified document that came our way, a Total Info honcho exhorted agencies to come up with "far-out, funky" uses of the ChoicePoint info they aren't supposed to have. Groovy, man.

And what does the family Bush do with ChoicePoint's funky

40 *Armed Madhouse*

information? In Florida, it was ChoicePoint's DBT unit that came up with the list of 94,000 "felons" to purge from Florida voter rolls before the 2000 election. At least 91,000 were innocent legal voters, but the vast majority of these were guilty of nothing more than being Black, Democrats or both. (See Chapter 4.)

And now, ChoicePoint wants your blood. Why? Because "ChoicePoint Cares." That's the name of its program to reunite those kiddies on milk cartons with their loved ones. And they'll need your DNA to do it.

That's the point of the ghost stories of pizza men coming to snatch your milk-carton baby, to convince "the mothers of this country facing threats" to raise no objections to the data goldminers digging into your bank accounts, medical records and bloodstream. And now, with Osama out there, Americans can't wait to rush into the protective arms of our computerized Big Brother.

But come on, if ChoicePoint gets the bad guys for us, who cares? However, ChoicePoint, unlike the Canadian Mounties, is not likely to get their man. The Illinois State Police, for example, tested ChoicePoint's DNA-matching evidence used in more than a thousand rape cases. The police scientists say ChoicePoint got it wrong 25% of the time. In some cases, it appears, ChoicePoint produced test "results" on evidence that didn't exist.

As you see, ChoicePoint cares, but ChoicePoint also lies. In November 2000, when our *Observer*-BBC Television team discovered the false tagging of Black voters in Florida, I expected their PR men to give me the usual song and dance to slither out of the tough questions. But ChoicePoint's spokesmen simply made it up, telling me they'd checked the names against Social Security numbers. I got the scrub sheets, and they hadn't checked in 95% of cases. They did, however, list each voter's race.

The company flat-out denied to one reporter that they give DNA to the feds, but when one of my investigators called, posing as a student interested in a career in "data management," the firm boasted it is the biggest supplier of DNA *information* to the FBI. "And that scares the hell out of me," said a ChoicePoint executive (who has since bailed out

of the company) on condition of anonymity. ChoicePoint says it only keeps DNA records on bad guys. However, said the insider, “Derek said his hope [is] to build a database of DNA samples from every person in the United States . . . linked to all the other information held by CP,” from medical records to voting records.

So what? Because, the executive told me, they get it wrong. Way wrong, says the World Privacy Forum’s Pam Dixon, who sampled ChoicePoint’s credit-reporting wares and found 90% of the records contained errors. At least they’ve improved from Florida days.

Bad information spread about you can ruin you. But so can good information in the wrong hands. In 2005, ChoicePoint mistakenly sold 145,000 credit card records to a band of identity thieves. That little slip earned them, in 2006, a \$15 million fine from the Federal Trade Commission, the highest in FTC history.

Your data wasn’t protected, but the company’s inside track is well bullet-proofed. Its retainers include Vin Weber, former congressman and a cofounder of Project for a New American Century (PNAC) with Richard Armitage, who served on the board of ChoicePoint’s Florida unit. (Armitage, after the vote-purging work was done, was appointed a Deputy Secretary of State.) The remainder of the ChoicePoint Board of Directors looks like a Bush fundraising gala, including Home Depot founder Bernie Marcus and his partner Ken Langone, Treasurer of Rudy Giuliani’s aborted Senate campaign against Hillary Clinton.

Billionaire Langone is perfect for ChoicePoint, a man who knows how to make good use of data: He was charged with insider trading by the Securities Exchange Commission in 2004. Admittedly, the chief of the New York Stock Exchange, Richard Grasso, likened the accusations against Langone of a massive fraud to “a traffic ticket.” The stock market regulator Grasso might have been a wee bit influenced by Langone’s secretly approving Grasso’s taking more than \$100 million in extra pay from the Exchange. Apparently, the Attorney General of New York thought so and, in a civil complaint, has charged Grasso and Langone with conspiracy, charges both are fighting. But let’s not single out one Board member. ChoicePoint CEO Smith is, in 2006, himself

42 Armed Madhouse

b1

To: Finance Division From: CID/OSS [redacted] X
 Re: [redacted] (S) /09/2000

b2

Administrative: [redacted] CID sponsored meetings at FBIHQ, 2/24/00 and 3/16/00, and 4/28/00.

Enclosure(s): Justification for Other Than Full and Open Competition in Accordance with Title 41, United States Code, Section 253 (c) (6).

[redacted] (S)

b1 [redacted] (S) **b1**

[redacted] (S)

b1 [redacted] (S)

[redacted] (S) **b1**

[redacted] (S) **b1**

[redacted] (S) **b1**

~~SECRET~~

Freedom of Information?

Why does ChoicePoint get a no-bid contract from the Bush Administration? Here's the answer we received in response to a "Freedom of Information" request. At least they've crossed out the "secret" stamp. (Source: EPIC)

under investigation for insider trading. Smith failed to notify victims of the credit card number theft until after he had unloaded some of his own ChoicePoint stock. The Securities and Exchange Commission raised some questions about the suspiciously brilliant timing of Smith's sales. The company has said the sales were entirely proper.

But I digress. Or maybe not. Because it's all about the exchange of information—who knows what and who knows whom. Every war needs intelligence. It's not the War on Terror these guys are fighting, it's the Class War. Information is a weapon and our betters are arming themselves. The Bush Administration has reversed the flow common to democracy: Instead of information about the government going to We The People, it is now information about We The People going to government, or better, contractors beholden to board directors, not voters.

This Class Info-War is global. And ChoicePoint is on the front lines. Working with an extraordinary group of disaffected intelligence experts from the Electronic Privacy Information Center in Washington, we got our hands on a copy of a \$67 million agreement between Homeland Security and ChoicePoint. The agreement was so confidential it was not even given a contract number. It was a no-bid deal, of course. But if it gets the Qaeda network, who's going to moan about a little secrecy.

But take a look at this document marked, on page 44, "FEDERAL BUREAU OF INVESTIGATION—SECRET." It is about the FBI's contract with ChoicePoint to obtain government records on every citizen in half a dozen countries. The September 11 hijackers came from Saudi Arabia, the Gulf emirates and Pakistan. But the FBI has, oddly, chosen Mexico, Argentina, Brazil, Honduras and Venezuela. Is there an exploding enchilada conspiracy sneaking over the border? Or is it something else that put these nation's citizenry on the terror watch list? Notably, each nation had an anti-Bush president running for reelection or an anti-Bush candidate in the lead for the presidency. Hmm. When I was in Venezuela in 2004, I noted that Súmate, a group seeking the recall of Bush's *bête noire*, President Hugo Chávez, had at each registration booth a laptop computer with the voter rolls. The anti-Chávez group could challenge improper (i.e. pro-Chávez) voters. Was this Florida-goes-Latin? No one could say where Súmate got the lists or if these were the ones lifted by ChoicePoint. We do know that Súmate received cash payments from the Bush Administration.

(01/26/1998),

FEDERAL BUREAU OF INVESTIGATION **SECRET**

Precedence: ROUTINE **b7c** Date: 09/17/2001

To: National Security Attn: [REDACTED]

Counterterrorism Attn: [REDACTED]

Information Resources Attn: [REDACTED]

From: Office of the General Counsel
National Security Law Unit/Rm. 7975
Contact: [REDACTED] **b7c**

Approved By: [REDACTED] **b7c**

Drafted By: [REDACTED] **b7c**

Title: GUIDANCE REGARDING THE USE OF CHOICEPOINT FOR FOREIGN INTELLIGENCE COLLECTION OR FOREIGN COUNTERTERRORISM INVESTIGATIONS

Synopsis: (U) This responds to a request from the Unit, National Security Division (NSD) for advice on legal restrictions on the use of ChoicePoint for intelligence collection or foreign counterintelligence investigations.

Administrative: (U) This communication contains footnotes. To read the footnotes, download the document in WordPerfect 6.1.

Details: (U) After receiving various e-mails concerning the FBI's Public Source Information Program, which stated in pertinent part: "Public Source Information Program"; e-mail dated 1/19/00 from [REDACTED] which stated in pertinent part:

1 (U) See [REDACTED] e-mail dated 2/23/00 from Case Support Unit, Field & Headquarters Support Division, to Public Source (Points of Contact) [REDACTED] Program"; e-mail dated 1/19/00 from [REDACTED] Public Source Customers(;) All Public Source [REDACTED]

SECRET

Price Schedule:

- Argentina Citizen \$10.00
- Argentina Reverse Telephone \$15.00
- Argentina Telephone-Other \$20.00
- Argentina Ex/IM \$15.00
- Argentina Co. Details \$15.00
- Brazil Reverse Telephone \$15.00
- Brazil Telephone-Other \$15.00
- Brazil Ex/IM \$15.00
- Brazil Investor Profile \$15.00
- Brazil Co. Ownership \$15.00
- Brazil Company Staff \$15.00
- Brazil Company Details \$15.00
- Columbia Citizen \$15.00
- Columbia Co. Details \$15.00
- Costa Rica Citizen \$15.00
- Mexico Citizen \$15.00
- Mexico Driver's License \$15.00
- Mexico Vehicle ID \$15.00
- Mexico Reverse Telephone \$15.00
- Mexico Telephone-Other \$15.00
- Mexico Company Details \$15.00
- Multi-Nation Aircraft \$15.00
- Nicaragua Citizen Search \$40.00
- Guatemala Citizen Search \$10.00
- Venezuela Citizen Search \$90.00
- Venezuela Citizen Search \$90.00
- Venezuela Citizen Search \$90.00

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

Hunting for Hijackers . . . in Venezuela?

Every September 11 hijacker came from the Arabian Peninsula or Pakistan. Yet, from a source with a copy not blacked out, we learned the hunt was limited to Venezuela, Mexico and other Latin nations with presidential elections favoring anti-Bush candidates.

The interesting thing about ChoicePoint's obtaining these citizen files from Venezuela, Mexico and Argentina is that according to press reports and officials I spoke with, in those countries this is *a crime*. ChoicePoint blames any misconduct on its operatives. Nevertheless, Mexico contractors were busted; arrests were avoided in Argentina when ChoicePoint promised to erase its copies of the list. But what about Bush's copy?

Creating a master file on you—from your DNA to your party registration (what do you think new voter IDs are *really* about?)—makes us safer, right? As ChoicePoint CEO Smith tells us, the September 11 hijackers checked in under their real names. Had his data system for the new Transportation Safety Administration been in place on that day, the bad guys, all on ChoicePoint lists, would have set off warning blinks when they checked in, like the alarm that nabbed Mrs. Zapolsky's baby. There is, however, a minor flaw in his system: Osama and friends no longer book flights under their own names—even though this has cost them thousands of frequent flier miles.

Marines in a Tube

We know the cure for The Fear is “less liberty, more weaponry.” ChoicePoint will help dispose of our liberties cheap, but how can we *defend* ourselves?

General Dynamics, Northrop Grumman and Lockheed Martin have just what we need to stick in our nation's holster: the Virginia-class submarine.

The Virginia-class U-boat was originally designed to hunt Soviet subs. The problem with the 1996 design is that the Soviet Union went out of business seven years earlier. Never mind. That didn't stop our triumvirate of corporate warriors. They've redesigned the Virginia-class for the War on Terror.

Given that our enemies today are mostly guys carrying box cutters and stuffing TNT in their shoes, I was curious as to how these sub-saurs would be helpful in post-cold-war theaters of battle. Our BBC