

Iraq – Legal Service Providers

Security And Business Intelligence Services In A Changing Landscape: Decision Strategies In Iraq

The Editor interviews **Charles Blackmore**, Senior Managing Director, UK and Europe, Decision Strategies, LLC. Questions can be addressed to him at: 011-44-207-7345361 or charles.blackmore@ds.spx.com.

Editor: Mr. Blackmore, would you provide our readers with something of your background and experience?

Blackmore: I joined the British Army after university and served for fifteen years as an officer in the Royal Green Jackets and the Gurkhas. My specialty was in counter-terrorism and included tours in Northern Ireland, the Far East, the Middle East and, with the United Nations, in Cyprus. After leaving the army, I opted for investment banking and developed a corporate finance expertise advising on foreign direct investment in emerging markets. That took me to Pakistan where I lived for three years in Karachi. During that time I worked closely with the Pakistani government as an advisor on privatization. I also developed a good relationship with the government of Bangladesh. Following this, I worked in Russia, which was a particular challenge following the 1998 crash. My last three years in investment banking were spent with JP Morgan Chase in London working on European markets. I left in the summer of 2003 and joined Decision Strategies.

Editor: Would you share with us some of your experiences in some of the world's most inhospitable deserts?

Blackmore: My boyhood fascination with Lawrence of Arabia was fueled by my grandfather's diaries and photos of Palestine in the First World War, where he served with Lawrence. Subsequently, I had a spell with the Jordanian Army and revisited the sites of Lawrence's actions in the desert. It gave me the idea for an expedition to retrace Lawrence's journeys by camel. My book, *In The Footsteps Of Lawrence of Arabia*, is an account of that thousand mile journey I undertook with four members of the Bedouin Howeitat tribe. Some years later, I embarked on my toughest piece of exploration when I led a crossing on camel of the so-called 'Desert of Death' in China – the Taklamakan Desert – another grueling thousand mile journey to achieve the first ever complete traverse of one of the world's most inhospitable deserts. The story of that experience is the subject of another book, *The Worst Desert On Earth*.

Editor: By way of background, would you tell us about Decision Strategies and the services it provides in the security and investigation field?

Blackmore: In London we assume responsibility for the international operations. We specialize in providing investigative support and, particularly on behalf of law firms, in the gathering of evidence. We deal also with financial institutions on background checks and due diligence work. This includes a variety of asset tracing work and, of course, some confidential business intelligence gathering for both multinational corporations and governmental agencies. On the security side, we



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provide executive protection across Europe, the Middle East and Africa.

Editor: Please tell us about your Baghdad office.

Blackmore: We have over a dozen international people on the ground in Iraq. Our headquarters is in Baghdad, but we operate across the entire country with a particular focus in the north, where our second office and training area is located. We have a powerful local joint venture partner and, as a result, we are able to recruit and train local Iraqis for our intelligence and security operations.

Editor: What was the security situation at the time of your arrival?

Blackmore: That was in early December. At the time the attacks were predominantly upon the Coalition Forces; these were shootings and bombings in the main. Since then the trend has changed with the suicide bombings and attacks upon foreign security providers, as well as upon Iraqis working for the Coalition Forces. I do not believe the security situation with respect to foreign investors has improved to any great degree. There remains a significant threat. There was a sense that things would begin to improve when Saddam was captured, but that has not occurred as yet. At the moment, a great many people, and not least the Iraqis themselves, are anxious about the security situation, the unemployment situation, and the state of the economy generally.

Editor: The Iraqi police are a primary target of these attacks. Does that make recruiting for your operations difficult?

Blackmore: Recruiting is not an issue. There is a clear commitment on the part of the Iraqi people to the process of stabilizing the country that is underway. Most ordinary Iraqis – and this includes Kurds, Shiites and Sunnis alike – are working towards a prosperous and stable Iraq. There is no sense that the elements carrying out these attacks represent anyone in the country but themselves.

Editor: Please tell us about the operational capabilities of Decision Strategies in Iraq.

Blackmore: We have undertaken the protection of convoys across the country to

and from the borders of Iraq, Kuwait, Jordan and Turkey. We utilize our local intelligence in these undertakings to foresee potential threat scenarios and security problems along just about any part of the convoy route. The majority of our tasking is protecting foreigner contractors, which means looking after them for the entire time they are in the country. No foreigner moves about without some form of security; the situation is too volatile and the threat too high at the moment. Shortly we will be a provider of Iraqis to guard facilities. These men are being trained extensively by our international team at the moment. I should point out that since we are at the beginning of our operations in Iraq, the tendency has been to focus on security; and that is the model which is being developed now to incorporate the core Decision Strategies expertise in business intelligence, due diligence and investigations. It is our intention to be well positioned to provide services such as business intelligence to foreign investors once they start to arrive in the country. This will not happen in any significant way, however, until the security situation is more stable and commercial flights are restored.

Editor: Do you have Iraqi business partners in your intelligence segment?

Blackmore: We utilize our Iraqi partners and their considerable network to harness local knowledge and intelligence in order to brief our clients. This is an essential capability for us to provide. It already has been a life saver on a number of occasions.

Editor: Please tell us about the connection between security and the inflow of investment.

Blackmore: I believe there are two basic precursors for foreign direct investment (FDI). The first is security and the second is business intelligence. This is a particular feature of emerging markets, and that is what our DS Vance Iraq model is providing. I witnessed it as an investment banker in Pakistan, Russia and in Africa. Now I see the same requirement in Iraq. The risks to foreign investors are high and there are a considerable number of unknowns. It is what I classify as the 'grey' area of investment: the area where there is risk but where, if companies get it right, there is the greatest reward. Certainly for an organization like Decision Strategies, providing security services and commercial intelligence to foreign investors go hand in glove. If we can mitigate some of the associated risks to investors, then I am sure we will be able to attract investment in due course. And I am not talking just of the reconstruction phase of investment, which we see now in Iraq. That will not suffice. There must be sustained FDI for the economy to be regenerated and for domestic capital markets to flourish.

Editor: Are foreign investors waiting for the situation to stabilize, or have they started to come into the country?

Blackmore: Iraq is a country in a post-conflict situation. We are engaged in what the British Army terms as 'low-intensity guerilla warfare'. There are investors com-

ing into the country, but most of them are involved in reconstruction projects that are based on public funding. In this area some very sizable contracts are being awarded, predominantly to U.S. companies. We have yet to see anything in the way of private investment. The risks to personal safety remain too high. Additionally, foreign investors are waiting to see what happens when the Coalition Provisional Authority hands power to the Iraq Governing Council this summer. There are still many who fear a subsequent power struggle between the different factions and the possibility of the country degenerating into civil war. There is one aspect, however, that you do not read or hear much about; this is that the Coalition Force nations are effectively attempting to create a free market economy. It is happening behind the scenes and it is to the credit of the U.S. that so much money is being pumped into the country in order to try to achieve this. If successful, it will create wealth which in turn creates stability, which in turn creates security. It remains the best hope for the country.

Editor: What, in your opinion, is necessary to stabilize the country?

Blackmore: I think the most important thing will be for the Shiites, the Sunnis and the Kurds to come together in some sort of mutual accommodation. A real test will take place this summer, when the Coalition Provisional Authority hands over power. Between now and then we can expect considerable jockeying for power and a lot of tension among the various ethnic, political and religious groups. It will take time though . . . several years. Look at any country in a post-conflict situation; the time-line to normalcy, however that may be defined, since the developed world's view of normalcy will always be at odds with less developed societies, is lengthy, and Iraq's problems remain deep-rooted. Yet the country possesses a wealth of natural resources, and it is now a major socio-political and economic piece in the Middle East jigsaw. Thus, it will not be isolated or ignored by the international community, and it will be that measure of support, I believe, that will determine the rate of progress and success.

Editor: Do you have any sense of whether it is possible for the Sunnis, the Shiites and the Kurds to get along in a moderately democratic and secular state?

Blackmore: That is a question to which everyone wishes there was a clear answer. I don't know. I hope so. Certainly I have witnessed a commonality of purpose among many of the leaders of the three main communities. They have different agendas, but they are capable of cooperating with each other for the good of the whole. I think most of them desire a decent life for their people. There is a good chance, providing the flames of the divisions within the country are not fueled excessively by outside interests, that they can create a secular society, a prosperous economy and a functioning democratic government, which would be a dramatic step forward for Iraq and for the future of the Middle East.