

By Mike Baker

From [The Associated Press](#) | Original Article

RALEIGH, N.C. — The former president of Blackwater Worldwide was charged Friday with using straw purchases to stockpile automatic weapons at the security firm and filing false documents to cover up gifts given to the King of Jordan.

The federal indictment charges Gary Jackson, 52, who left the company last year in a management shakeup, along with four other former workers. The charges against Jackson include a conspiracy to violate firearms laws, false statements and possession of an unregistered firearm.

Also indicted were former general counsel Andrew Howell, 44; former executive vice president Bill Mathews, 44; former procurement vice president Ana Bundy, 45; and, 65-year-old Ronald Slezak, a former weapons manager.

The charges open a new front of the government's oversight of the sullied security company. Several of the company's contractors have previously been charged with federal crimes for their actions in war zones, but the company's executives have so far weathered a range of investigations.

The company has been trying to rehabilitate its image since a 2007 shooting in Baghdad left 17 people dead, outraged the Iraqi government and led to a federal charges against several Blackwater guards — accusations later thrown out of court after a judge found prosecutors mishandled evidence. Around the time that Jackson left the company, Blackwater changed its name to Xe Services.

The latest case stems from a raid conducted by federal agents at the company's headquarters in Moyock in 2008 that seized 22 weapons, including 17 AK-47s.

Blackwater signed agreements in 2005 in which the company financed the purchase of 34 automatic weapons for the Camden County sheriff's office. Sheriff Tony Perry became the official owner of the weapons, but Blackwater was allowed to keep most of the guns at its armory.

The indictment accuses Blackwater officials of enticing the local sheriff's office to pose as the purchaser of the weapons, something prosecutors called essentially a straw purchase. The office provided blank letterhead to the company, which then used the stationery to prepare letters ordering weapons.

Prosecutors said company officials, hoping to land a lucrative overseas contract, presented the king of Jordan with several firearms as gifts then realized that they were unable to account for where the weapons went. To cover it up, they falsified four federal documents "to give the appearance that the weapons had been purchased by them as individuals," according to the indictment.

Federal law prohibits licensed firearms dealers such as Blackwater to have more than two of the same style of weapon. Law enforcement agencies can have fully automatic weapons.

Kenneth Bell, an attorney for Jackson, said the former executive was a true American hero. Jackson spent two decades in the military as a Navy Seal.

"These charges are false," Bell said. "He will defend himself, as he defended this country, in what he calls the greatest justice system in the world."

Xe spokesman Mark Corallo said the company has fully cooperated with the federal investigation. He declined further comment. Jordanian officials could not be immediately reached for comment.

One of the 2005 agreements viewed later by the AP says the weapons will be kept under "lock

and key" and doesn't describe whether Blackwater would use the guns. Perry said at the time that his department only used the AK-47s in shooting practice at Blackwater and that none of his 19 deputies were qualified to use them.

Blackwater has said federal authorities knew about the weapons for years and that investigators got a complete look at the company's cache in 2005 after two employees were fired.

In a 2008 interview with the AP, Jackson and other Blackwater executives said the company provided the local Camden County sheriff's office a place to store weapons, calling the gesture a "professional courtesy."

"We gave them a big safe so that they can store their own guns," Jackson said at the time. Added then-executive vice president Bill Mathews: "We give stuff to police departments all over the country, and we take particularly good care of our home police departments."

Company officials, including both Jackson and Howell, downplayed the raid during the interview. Jackson said some of the 16 uniformed officers who came to serve the warrant were embarrassed by the event and said agents had to stop at Blackwater's front gate to get passes to come onto the company's sprawling campus in northeastern North Carolina.

"As a hypothetical, one would think that, if you were going on a raid, you'd take your Kevlar and your weapon," Howell said to laughter from other executives.

*Associated Press Writers Emery Dalesio in Raleigh and Matt Apuzzo in Washington contributed to this report.*