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Exclusive: Cops and Former Secret Service Agents Ran Black Ops on Green Groups

Meet the private security firm that spied on Greenpeace and other environmental outfits for corporate clients. A tale of intrigue, infiltration, and dumpster-diving. " />

James Ridgeway" />

April 11" /> , 2008" /> A private security company organized and managed by former Secret Service officers spied on Greenpeace and other environmental organizations from the late 1990s through at least 2000, pilfering documents from trash bins, attempting to plant undercover operatives within groups, casing offices, collecting phone records of activists, and penetrating confidential meetings. According to company documents provided to *Mother Jones* by a former investor in the firm, this security outfit collected confidential internal records—donor lists, detailed financial statements, the Social Security numbers of staff members, strategy memos—from these organizations and produced intelligence reports for public relations firms and major corporations involved in environmental controversies.

In addition to focusing on environmentalists, the firm, Beckett Brown International (later called S2i), provided a range of services to a host of clients. According to its billing records, BBI engaged in "intelligence collection" for Allied Waste; it conducted background checks and performed due diligence for the Carlyle Group, the Washington-based investment firm; it provided "protective services" for the National Rifle Association; it handled "crisis management" for the Gallo wine company and for Pirelli; it made sure that the Louis Dreyfus Group, the commodities firm, was not being bugged; it engaged in "information collection" for Wal-Mart; it conducted background checks for Patricia Duff, a Democratic Party fundraiser then involved in a divorce with billionaire Ronald Perelman; and for Mary Kay, BBI mounted "surveillance," and vetted Gayle Gaston, a top executive at the cosmetics company (and mother of actress Robin Wright Penn), retaining an expert to conduct a psychological assessment of her. Also listed as clients in BBI records: Halliburton and Monsanto.

BBI, which was headquartered in Easton, Maryland, on the eastern shore of the Chesapeake Bay, worked extensively, according to billing records, for public-relations companies, including Ketchum, Nichols-Dezenhall Communications, and Mongoven, Biscoe & Duchin. At the time, these PR outfits were servicing corporate clients fighting environmental organizations opposed to their products or actions. Ketchum, for example, was working for Dow Chemical and Kraft Foods; Nichols-Dezenhall, according to BBI records, was working with Condea Vista, a chemical manufacturing firm that in 1994 leaked up to 47 million pounds of ethylene dichloride, a suspected carcinogen, into the Calcasieu River in Louisiana.

Like other firms specializing in snooping, Beckett Brown turned to garbage swiping as a key

tactic. BBI officials and contractors routinely conducted what the firm referred to as "D-line" operations, in which its operatives would seek access to the trash of a target, with the hope of finding useful documents. One midnight raid targeted Greenpeace. One BBI document lists the addresses of several other environmental groups as "possible sites" for operations: the National Environmental Trust, the Center for Food Safety, Environmental Media Services, the Environmental Working Group, the U.S. Public Interest Research Group, and the Center for Health, Environment and Justice, an organization run by Lois Gibbs, famous for exposing the toxic dangers of New York's Love Canal. For its rubbish-rifling operations, BBI employed a police officer in the District of Columbia and a former member of the Maryland state police.

Beckett Brown's efforts to penetrate environmental groups and other targets came to an end when the business essentially dissolved in 2001 amid infighting between the principals. But the firm's officials went on to work in other security firms that remain active today.

Beckett Brown International began when John C. Dodd III met Richard Beckett at a bar in Easton in 1994. Dodd had recently become a millionaire after his father had sold an Anheuser-Busch beer distributorship on Maryland's eastern shore. Beckett ran a local executive recruiting and consulting business. Soon after they met, according to Dodd, Beckett introduced him to Paul Rakowski, a recently retired Secret Service agent, who had put in two decades protecting presidents and foreign heads of state and had become regional manager of the agency's financial crimes division. Rakowski told Dodd he had an idea for a new security business.

Dodd subsequently received a fax of a business plan for the new company. The sender's address at the top of the fax, according to Dodd, read: "11/02/94 USSS Financial Crimes Division/Forgery"—which suggested it had come from a Secret Service office. But Dodd was reluctant to put in the start-up money for the enterprise, because he didn't know who all the partners were. To impress him, Dodd says, Rakowski and his former Secret Service colleagues began taking him and his friends on special tours of the White House. "This wasn't a White House tour conducted by tour guides," he says. "They would take us...to areas that said 'Do not pass this line.'"

At one point, Dodd says, a senior Secret Service agent named Joseph Masonis arranged for him to tour a Secret Service facility. "To encourage me to invest in this company," Dodd notes, "they all said 'why not go up to technical security headquarters [of the Secret Service] and you will get an exclusive tour.'...They showed me everything....They were worried about someone flying way up high in a plane, miles from the White House, jumping out of a plane, skydiving, popping the chute and getting on the White House grounds without anybody knowing it. They were working on the technology to pick that up." Dodd says he was blown away by what he saw. (Masonis says, "I have never taken Mr. Dodd to any facility in D.C.") And at a waterfront party, Dodd says, he was introduced to and deeply impressed by George Ferris, another Secret Service officer and an expert in demolitions.

Eventually, Dodd says, he agreed to be the sole investor of the new firm, and he put up \$170,000, the first of what would be several loans at 15 percent interest. (His investment in the firm, Dodd estimates, would grow to a total of \$700,000.) The company was officially launched in August 1995, named after Beckett and Sam Brown, a lawyer who helped get it started. Rakowski, Masonis, and Ferris were officials in the firm.

Business was good. In early 1997, Beckett Brown provided security services for Bill Clinton's second inauguration, landing a contract worth nearly \$300,000. Early clients also included Phillip Morris, Mary Kay, Browning-Ferris Industries, and Nichols-Dezenhall, a Washington-based firm founded in 1987 by Nick Nichols and Eric Dezenhall that specialized in crisis communications, particularly for corporations involved in biotechnology, product safety, and environmental controversies. BBI provided protection for retired General Norman Schwarzkopf, Dodd says, and there was talk it might also get a job to guard the Rolling Stones.

NEXT PAGE: "Alley is locked by iron gates. 7 dumpsters in alley—take your pick."

By 1998, BBI had 22 employees working in five different divisions, along with subcontractors that it hired as operatives. The company also looked abroad for new opportunities and recruited more law enforcement and intelligence veterans. David Bresett, a former chief of the Secret Service's foreign intelligence branch, joined the firm as a vice president. (A company biography noted that Bresett, while detailed to the CIA, had directed the investigation that identified the terrorists who blew up Pan Am Flight 103 in 1988.) The firm retained Vincent Cannistraro, a former chief of the CIA's Counterterrorism Center, and earlier one of the government officials responsible for overseeing U.S. support of the Nicaraguan contras, as a consultant at \$75,000 a year. "I did due diligence on a couple of customers," Cannistraro recalls. On the advice of Cannistraro and Bresett, BBI turned down a \$1 million job with the Church of Scientology, according to Dodd. (Bresett did not respond to a message asking for comment.) At one point, an employee named Tim Ward, who had been a sergeant in the Maryland state police, traveled to Saudi Arabia for the company, according to Dodd.

Phil Girdali, a former CIA officer, was also on the payroll. According to Girdali, there was not a lot of work for him and Cannistraro. "We would go to a company like Enron and see if they had any issues if they were looking to acquire a company," he recalled. "See if the [company to be acquired] is connected to the Russia mob. That's what we were selling. We were not very successful." Girdali left the firm in 1999. By then, he had become aware of the firm's more unconventional activities: "Scooping garbage, trying to get penetrations of companies and environmental groups. I didn't know a lot of the details." But, he says, he knew BBI was "working on Greenpeace."

In 2000, the firm—which had changed its name to S2i after Richard Beckett left the company—was targeting a group of activist organizations opposed to genetically engineered food that had formed a coalition called GE Food Alert. In the fall of 2000, with these groups poised to assail Taco Bell, S2i operatives got on the case.

Their thoughts soon turned to garbage.

On September 26, Jay Bly, a former Secret Service agent working for S2i, sent an email to Tim Ward, the former Maryland state trooper on the payroll:

Received a call from Ketchum yesterday afternoon re three sites in DC. It seems Taco Bell turned out some product made from bioengineered corn. The chemicals used on the corn have not been approved for human consumption. Hence Taco Bell produced potential glow-in-the-dark tacos. Taco Bell is owned by Kraft. The Ketchum Office, New York, has the ball. They suspect the initiative is being generated from one of three places:

1.Center for Food Safety, 7th & Penn SE

2.Friends of the Earth, 1025 Vermont Ave (Between K & L Streets)

3.GE Food Alert, 1200 18th St NW (18th & M)

#1 is located on 3rd floor. Main entrance is key card. Alley is locked by iron gates. 7 dumpsters [sic] in alley—take your pick.

#2 is in the same building as Chile Embassy. Armed guard in lobby & cameras everywhere. There is a dumpster in the alley behind the building. Don't know if it is tied to bldg. or a neighborhood property. Cameras everywhere.

#3 is doable but behind locked iron gates at rear of bldg.

In this email, Bly explained the urgency and the goal: "Apparently there is an article or press release due out next week and [Ketchum] would like some pre release information." He then turned practical: "I want to send Sarah [another BBI employee] to site #1 for a job inquiry. She can see how big the offices are and get the lay of the land. Maybe this will narrow the field. If they have a job opening could she work there for two or three days to find out what's going on?" The Friends of the Earth site, he noted, would be tougher to penetrate. As for the garbage of GE Food Alert, Bly had a plan: "if we can get some help from our friends who ride the truck. The alley is tight. I think the truck can drive down the alley but the container probably is rolled out and dumped. Looks like one dumpster for the building. I'm sitting on the building at 4:00 am tomorrow morning (if Ketchum gives us a budget)." And Bly noted that there were other possible opportunities: "we have found some other affiliates with the above groups. We are looking for their locations in [Washington, D.C.] and hopefully a more S2i friendly site."

The following day, Bly emailed Ward about his early morning surveillance:

Re: Dumpster Dive.

I got hold of Jim Daron [a Washington police officer working for BBI] yesterday. He was supposed to do Vermont Ave and Penn Ave SE last night. I have not heard from him today—what's new. I did 18th St. Weard [sic] set up—the dumpster is behind locked gates. The truck drives down the alley and rings for the night guard to open the gate. The guard comes out, unlocks and goes back into the building (probably pissed off because they woke him up), the guys walk the bags out to the truck one at a time. When they finish they locked the gate behind them. There was so much trash they had to compact the truck two times while they were there. I did not find anything from the 5th floor, but the good news is it's doable.

On September 28, Ward responded:

Good news! Think that once Jim [Daron] calls you back we will know where we stand. If he can't get in with the shield, it will be difficult at sight #1. I think #2 we can do regardless. The issue is a hot one in general. I've been following it from here. Don't forget our GP [Greenpeace] boy in Baltimore has been handling the work for GP. It may be worth a check in the city. Maybe one of our BPD [Baltimore Police

Department] guys can hit that one. When you talk with the client push the fact that their client (the cheese people)...should put together a trend tracking program for the future. The anti's now have found an exposed corporate target and they will be back for more blood.

This email appears to suggest that the Beckett Brown operatives were considering using a Washington police officer's badge to gain access to the garbage of the Center for Food Safety. And Ward was apparently hoping that Beckett Brown could persuade Ketchum to hire the company to monitor the ongoing activity of the activists opposed to genetically-engineered food.

These emails do not indicate whether Beckett Brown succeeded in scooping valuable intelligence from the garbage at these three sites. But Beckett Brown had already managed to penetrate the anti-GE food network. In a 1999 report to Ketchum—entitled "Intelligence Analysis for Dow Global Trends Tracking Team"—BBI described in detail a strategy session held by 35 representatives of various environmental groups, including the Sierra Club, US PIRG, the Union of Concerned Scientists, and the Institute for Agriculture and Trade Policy. The report noted the targets the coalition was considering (Monsanto, DuPont, Dow, the Grocery Manufacturers of America) and listed various tactics the group had discussed. Such strategy meetings of this coalition were confidential, according to Dale Wiehoff of the Institute for Agriculture and Trade Policy.

Neither Bly nor Ward would discuss this series of emails or any of the work they did for Beckett Brown or S2i. "Legally, I can't tell you anything about what the company did," Ward says. He accuses Dodd of trying to "besmirch the names of the people involved" in the company. Rakowski, Daron, and Beckett did not reply to requests for comments. Nor did Ketchum. A spokesman for Kraft says, "After a review of our historical procurement files, we have no record of work on or about Sept. 26, 2000, with either Ketchum, Beckett Brown International or S2i. In the late '90s, Ketchum provided some PR services to Kraft for one of our coffee brands. However, Ketchum does not currently provide PR services to Kraft and has not done so for many years."

Time and again, according to Beckett Brown records, the firm looked to trash for intelligence. These trash runs at one point did raise concern within the company. In 1998, David Queen, a senior vice president, sent Rakowski a memo about "dumpster diving." Queen, a former deputy assistant secretary of the treasury and once a U.S. attorney in Pennsylvania, noted that in certain instances searching trash could raise "some troublesome issues," including possible violation of state trespass laws and "possible violation of trade secrets laws." He concluded, "If BBI expects to use this method of information gathering, it would be prudent to get the opinion of outside counsel which could be relied upon by BBI should there be future litigation directed against BBI."

Whether or not BBI sought counsel, the dumpster diving continued. In November 1999, according to company documents, Jay Bly traveled to St. Augustine, Florida, to meet with a private detective. He told the investigator that BBI wanted to obtain garbage from the offices of Whetstone Chocolates, a locally based candy manufacturer. (According to BBI billing records, BBI at the time was working for Nichols-Dezenhall on a "Nestle Project-Florida." At press time, Nestle had not responded to a request for comment.) This private investigator and another local gumshoe then tracked the garbage men who made pick-ups at Whetstone and tried to

persuade one of the drivers to turn over the trash from Whetstone. The trash collectors wouldn't cooperate. A month later, another private investigator apparently attempted to grab the garbage himself. He sent Bly a fax reporting, "We made a pickup run on December 23, 1999 as requested. We were unable to enter the area where the dumpster is located as there appeared to [be] a company party taking place in the break area located in front of the dumpster. We remained in the area for a short time, however, the party continued and we departed the area." A December 1, 1999, BBI briefing paper on a "Nichols-Dezenhall/St. Augustine Project" reported on activities within Whetstone and said that "BBI now has operative in place."

Eric Dezenhall says that he cannot identify clients or vendors with which his firm worked. But he notes in an email that he never saw the briefing paper referring to a BBI operative and Whetstone and that "we would not have been involved in any infiltration operation." He adds, "Nichols-Dezenhall Communications never authorized, directed, or was informed of unethical or illegal activities by forensic investigators employed on any project we have worked on. With regard to our work on matters in which we were teamed with investigators, we are aware only of information-gathering through public records checks and other legitimate means." Dezenhall says that "any use of an 'operative' to infiltrate a company...would be counter to our business interests and any information gathered in that manner would be unusable in court." (In 2003, Dezenhall bought out Nichols and renamed the company Dezenhall Resources. "Our client base and employees from the 1990s have turned over almost entirely," Dezenhall says. According to a source familiar with the firm's current operations, the company has moved away from handling corporations involved in environmental controversies.) Another target of BBI's trash men was Fenton Communications, the liberal PR firm headed by David Fenton that for years has assisted environmental causes. On December 8, 1999, a BBI operative, according to an internal report, "sat surveillance" at Fenton's Washington home, beginning at 2:50 am. In the report, the operative noted the time of the morning garbage pick-up and that he returned to the office to "sort material" and "analyze." BBI ran background checks on both Fenton and his then-wife. The company's files contained photographs of their house as well as client lists, billing information, and personnel information from Fenton Communications. Between July 1998 and February 2001, Fenton says, his firm experienced several break-ins, during which boxes of files and two laptops were stolen. The culprits were never caught.

NEXT PAGE: "It was *Mission Impossible*-like."

Greenpeace was the target of one of BBI's more elaborate—and cinematic—intelligence-gathering efforts, according to company documents and an interview with an eyewitness. Jennifer Trapnell, who was dating Ward in the late 1990s, recalls an evening when she accompanied Ward on a job in Washington D.C. "He said they were trying to get some stuff on Greenpeace," she says. Ward wore black clothes and had told her to dress all in black, too: "It was *Mission Impossible*-like." In Washington, Ward parked his truck in an alley, she remembers, and told her to stay in the truck and keep a lookout. In the alley, he met a couple of other men, whose faces Trapnell did not see clearly. Ward was talking on a walkie-talkie with others, and they all walked off. About an hour later, the men came back and placed two trash bags in Ward's car. Trapnell says she didn't know what they did with the bags—and Ward never explained. In addition to Ward's work, on several occasions in 2000, Jim Daron, the Washington cop who also worked for BBI, submitted reports to BBI for surveillance of Greenpeace's offices.

BBI gathered numerous internal Greenpeace documents, including financial reports. It also obtained the instructions for using the security system at Greenpeace's offices. And the Greenpeace files at BBI included a handwritten document that appears to record attempts to crack the security codes on entry doors with notations such as "codes do not match" and "open."

BBI prepared reports on Greenpeace—based on "confidential sources"—for Ketchum. In at least one case, according to Rick Hind, legislative director for Greenpeace (who reviewed these reports at *Mother Jones'* request), a BBI report written for Ketchum contained information tightly held within the group about planned upcoming events. And a December 2, 1999 BBI report (which does not mention Ketchum) noted that Greenpeace had chosen Kellogg's, Kraft, and Quaker as "their main targets in the GE campaign," that it was developing a campaign tactic called "Food-Aid Expose" (which would highlight the export of genetically-modified foods to other countries), and that it was helping a *Wall Street Journal* reporter track food companies involved in the debate over genetically-engineered foods.

Over the years, Greenpeace has repeatedly been the target of public relations firms working for industry, and the group has experienced burglaries and caught would-be spies posing as students seeking employment. But Greenpeace officials say they did not know that their organization was under surveillance during that period of time.

In the late 1990s, Greenpeace was working with environmental groups in the stretch of Louisiana dubbed "Cancer Alley," organizing against various forms of industry pollution. Its work there and that of its Louisiana partners became another target for BBI. In 1998, according to BBI emails, correspondence, and records, BBI retained Mary Lou Sapone, a self-described "research consultant," who recruited a paid operative in Louisiana to infiltrate an environmental group called CLEAN. Sapone had something of a talent for infiltrating activist groups. In the late 1980s, working for a security firm called Perceptions International, which was, in turn, working for the U.S. Surgical Corporation, she penetrated a Connecticut-based animal-rights group, gathering evidence on an activist who would later serve jail time for planting a pipe bomb near the parking space of the company's CEO. The activist would eventually accuse Sapone of coaxing her into the plot.

Sapone's operative in Louisiana relayed to her information on what the local enviros were planning, provided gossip on the internal rivalries, and identified the scientists aiding the groups. She passed the intelligence to BBI. In an August 20, 1998 "client briefing," BBI boasted that "our operative is being nominated to the citizen action panels for local industries" and it asked which local industry Condea Vista, the chemical manufacturing firm, would prefer the operative to focus on. (The previous year, Condea Vista had lost a lawsuit brought by the residents of Lake Charles, Louisiana, against the company for the 1994 ethylene dichloride leak and had been slapped with a \$7 million judgment.) Another BBI document noted, "The operative has been trained to be inquiring, but not participatory. Operatives are not allowed to offer suggestions or 'help' targets in any way. They are trained to seek documents, ID friends and foe legislators and regulators, follow money trails, ID informants, discover future targets."

BBI produced detailed confidential reports for Ketchum on the environmental activism underway in Louisiana. And BBI records indicate that the firm worked for Nichols-Dezenhall on a "Condea Vista Project." Citing "strict confidentiality agreements," Dezenhall will not say whether his firm worked with Condea Vista (or any other company), but he notes in an email,

"It would be extremely damaging and wrong...to interpret or portray the term 'operative,' a generic term often used by investigators and former law enforcement types to mean an individual, as implying someone necessarily engaged in illicit actions such as corporate espionage." (Sapone did not respond to a message requesting comment.)

Penetrating a citizens group was not a new endeavor for BBI. In 1996 and 1997 in northern California, where Browning-Ferris Industries was engaged in a battle over the future of a garbage dump, BBI conducted what its records labeled "covert monitoring" and "intelligence gathering" on the North Valley Coalition, a citizens group opposed to the Browning-Ferris project. In September 1997, BBI received a payment of \$198,881.05 from BFI.

NEXT PAGE: The firm's Obama connection.

BBI fell apart in 2001 amid arguments over the company's finances. "It was not a happy company," says Phil Giraldi, the ex-CIA man who had worked there, adding, "I have worked for a number of security companies. Some are ethical, some are not. Beckett Brown was not especially so." When the company was collapsing, Dodd says, he heard that document shredding was underway in its offices, and one weekend he went to the offices and carted off scores of cartons stuffed with records.

BBI's demise led to a lawsuit. Dodd sued Rakowski, Ward, Bly and two others, claiming they had engaged in fraud. In a pretrial statement, Dodd accused them of having "dipped into the Company's coffers for generous salaries, commissions, bonuses, loans, benefits and unsupported expense reimbursements, all the while presenting false and misleading financial information" to Dodd. In 2005, after a month-long trial in Maryland's Talbot County Circuit Court, Dodd lost. He now was out the \$700,000 he had invested in the company. By his own estimate, he had spent over a million dollars in legal fees. And he was mad. He claims that he only learned of the firm's sleazier actions after the company imploded and that his lawyers encouraged him not to raise that issue as part of his lawsuit. But after the trial was done, Dodd began contacting some of BBI's targets and shared its records with them. "I wanted the facts to come out," he says. "I feel terrible that my money was used to screw these people over."

Today, boxes and boxes of BBI records sit in warehouse space Dodd rents. Dodd has not gone through all of the material. (The records include internal and confidential financial reports of a local bank that had been the subject of a takeover.) Much of what BBI did remains a mystery to Dodd. A law firm representing the Mars candy corporation pored over all the records, according to Dodd and his lawyer, apparently in search of evidence that Mars had been the target of corporate espionage. (The files contain records indicating that BBI obtained information on the phone calls made by a PR man working with Mars.) Then Dodd heard nothing further from this law firm. Dodd says he would be delighted to testify before Congress about BBI—but no one has invited him to do so.

As for BBI's principals, they are still operating. Tim Ward now runs a security firm called Chesapeake Strategies, which bills itself as "a multinational security and investigative firm comprised of professionals with extensive security experience." Jay Bly works there. Its website boasts that it maintains affiliated offices in Paris, Beijing, Tokyo, Qatar, and Kuwait and that "many team members continue to hold Secret and Top Secret government security clearances." The firm has been active in protecting research facilities from animal-rights activists. In 2002, it won a contract from the General Services Administration "for recreational, hospitality, law

enforcement, facilities, industrial and environmental services and products." It was listed on a 2005 line-up of Defense Department contractors. "I don't have any comment about what I am currently doing or what I plan to do," Ward says.

Joseph Masonis works for the Annapolis Group, a security firm. Its website notes that the company's managing directors "have over forty-five years of combined experience with the United States Secret Service." Paul Rakowski married Amy DiGeso, who was CEO of Mary Kay when BBI worked for the cosmetics firm. (Currently, she is a top executive at Estee Lauder.) Rakowski's current occupation—if he has one—is not publicly known.

Richard Beckett is now CEO of Maryland-based Global Security Services, which, according to its website, offers clients a "suite of business solutions" that includes "intelligence services," "disaster management," "information systems security," and "paramilitary operations." Last year, his firm provided bodyguards to Senator Barack Obama.

James Ridgeway is *Mother Jones*' Senior Washington Correspondent.

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