The Dirty Dozen
Lockheed Martin

CEO: Robert Stevens
Defense Contracts 2005: $19.4 billion
Campaign Contributions 1990-2006: $5,833,178 (Democrat), $8,474,517 (Republican)
Headquarters: Bethesda, MD
Website: http://www.lockheedmartin.com/

Overview

Sixty years after the United States dropped atomic bombs on the Japanese cities of Hiroshima and Nagasaki, the world’s largest military contractor continues to profit from Washington’s killer preoccupation with nuclear hegemony. Lockheed Martin is the world’s largest weapons contractor. The company received $20.7 billion in contracts from the Pentagon in fiscal year 2004. While the Bethesda, Maryland-based company’s position as America’s preeminent Merchant of Death is well-known, its role in every phase of the nuclear chain is less familiar.

Nuclear Monopolies

The company manages Sandia Laboratories near Albuquerque, New Mexico where scientists design, manufacture and maintain nuclear weapons. The lab runs on an annual budget of $2.3 billion and employees more than 7,000. Last year, the federal government rewarded Lockheed Martin for “outstanding” performance, extending its $12 million a year contract through 2009.

The company is bidding on a $60 million contract to manage Los Alamos Laboratory where nuclear bomb design takes place. According to David Samuels, writing in the June 2005 Harpers, throughout the life of the two labs-- Los Alamos and Livermore-- scientists designed 71 different warheads for 116 nuclear-weapons systems.

Additionally, Lockheed Martin and Bechtel Corporation are partners in Bechtel Nevada, which manages the 1,375-square-mile Nevada Test Site for the Energy Department.

The company is also working to “protect” us from nuclear weapons (or working to protect profits). More than 1,000 Lockheed employees in Sunnyvale, CA design, assemble and test elements of National Missile Defense. But they’re not in it for the money. Rather, as Linda Reiners, Vice President of Missile Defense Program says, NMD is “a passion, if you will.”
The company is the prime contractor for at least five missile defense components, including the Theater High Altitude Area Defense system and the Aegis Ballistic Missile Defense System. With missile defense funding running about $9 billion for 2005, Lockheed Martin is sitting pretty for more contracts, despite the fact that the system is neither technologically feasible nor politically relevant.

Lockheed Martin also makes delivery systems for nuclear weapons like the Trident D-5 missile—ten of which are on every Trident submarine. The D-5 missile carries eight 300-475 kiloton weapons, each the equivalent of 29 Hiroshimas.

But it is not all roses in Lockheed Martin's nuclear monopoly. The company has found it is easier to build nuclear components, than clean-up nuclear waste. In November 2004, the company was fined for failing to clean-up a one-acre nuclear wasteland in Idaho Falls. In a 100-page ruling closing a 6-year battle, the presiding judge remarked that Lockheed Martin "failed to progress with the work, failed to give adequate assurances that it would perform in the future, and failed to adequately explain its failure to progress." Those four failures in one sentence add up to a hefty $110 million fine.

**Weapons at War**

In many ways, Lockheed Martin, a collection of 17 Cold War era companies like the Glenn L. Martin Company, American-Marietta and Loral, continues to reap the benefits of the nuclear age while prospering from the 21st century Global War on Terrorism.

F-117 stealth attack fighters, built by the company in Forth Worth, Texas, launched the dramatic opening salvo of "Operation Iraqi Freedom," in Baghdad in March 2003. The company's Paveway II bomb saw its first widespread use in this war. Raytheon and Lockheed Martin shared a $280 million order to produce hundreds more Paveways right before the war started. The company also makes the PAC-3 Patriot missile and in March 2003, the Army granted Lockheed Martin a $100 million contract for 212 PAC-3 for use in Iraq. The company boasts a 27% jump in first-quarter earnings for 2005.

**Securing the Homeland: For a Price**

Lockheed Martin benefits from increased spending on "homeland security." The 2006 budget for the Department is $34.2 billion, an almost 7% increase over 2005. Already, the company has won billions in Homeland Security contracts, including:

A $591 million Air Force contract to provide classified and unclassified IT services to Defense Department users

A $600 million-plus Army IT contract to supply services and systems support to the Army's enterprise infrastructure

Is the company reaping in contracts by competence alone? As in many other businesses, it's not what you know, it's who you know. President Bush recently appointed Philip J. Perry as General Consul for the Department of Homeland Security. While Perry is not a household name, the former Lockheed Martin lobbyist helped the company secure coveted liability insurance after September 11, 2001 to protect itself from lawsuits stemming from the attacks (only eight companies got such insurance). Perry was also a partner at Latham and Watkins, a law firm which represented
Lockheed Martin in dealings with the Department. And, to top it off, Perry is married to Elizabeth Cheney, the vice president's daughter. The Pittsburgh Post Gazette called the appointment “a pure form of nepotism not usually seen in American government.”

**Campaign Contributions**

Lockheed Martin is the “leader of the PACs” -- Political Action Committees -- among U.S. weapons manufacturing firms. The company made over $12.6 million in campaign contributions to candidates and party committees since 1990, totaling more than $2 million a year since 2000. The company's lobbying bill has also been high, with a total of $11.17 million in fees to lobbying firms in 2000, the most recent year for which data is available.

*This research and report was compiled by Frida Berrigan of the Arms Trade Resource Center of the World Policy Institute in January 2007 for the War Resisters League’s WIN Magazine.*