The Dirty Dozen
Raytheon

CEO: William H. Swanson
Defense Contracts 2005: $9.1 billion
Campaign contributions in 2004: $935,000
Headquarters: Waltham, MA
Website: http://www.raytheon.com/

Overview

Raytheon is the fifth largest defense contractor in the United States. By its own accounting, the company is involved in over 4,000 weapons programs and the Massachusetts-based conglomerate received more than $8.5 billion in Pentagon contracts in FY 2004.

After Congress released the first full “war on terrorism” military budget in 2002, Tom Culligan, one of Raytheon’s Vice Presidents, rejoiced, saying, “we are pleased with the results of the work done by the House and Senate conferees... you see Raytheon’s brand name everywhere – from tanks and rifles to ships, aircraft and UAVs [unmanned aerial vehicles],” which all received increased funding in the fiscal year 2002 Pentagon budget.

Since then, billion dollar contracts have continued to flow and by the end of first quarter of 2005, Raytheon announced net sales of $4.9 billion, an increase of $200 million over the same period last year.

Raytheon is best-known for the Patriot air defense missile, which received massive publicity during the 1991 Gulf conflict when it was used to defend against Iraqi Scud missiles. Analyses performed after the conflict by Dr. Theodore Postol of MIT indicated that the Patriot was far less accurate than U.S. officials originally claimed. In fact, the missile missed its target more often than not. Since then, the Pentagon has spent $3 billion improving the missile system and foreign sales of the improved system account for a significant portion of Raytheon’s overseas sales.

Another high visibility Raytheon system is the Tomahawk land attack missile, described in promotional literature as the “Navy’s weapon of choice.” The company is proud of the Tomahawk’s combat record, noting on their website that Tomahawks have been used in “Operation Desert Storm, Bosnia, Iraq and Kosovo. Over 300 Tomahawks were used in Operation Desert Storm alone. Since Desert Storm in 1991, more than 1,000 Tomahawks have been fired.”
More than 50 of the missiles - which (depending on their capabilities) cost between $600,000 to $1 million each - were fired in the opening salvo of the war against terrorism in Afghanistan. The U.S. used even more - as many as 800 - in the first hours of the attack against Iraq.

The company’s “bunker buster” weapons, like their GBU-28, a 5,000-pound bomb and missiles like the TOW, Maverick and Javelin, all of which were used in “Operation Enduring Freedom” in Afghanistan and “Operation Liberate Iraq.”

The sensors and radar Raytheon built for unmanned and manned reconnaissance airplanes were used extensively in both wars. They call their latest line of radar, surveillance, and targeting systems “the Terminator family.”

**Fueling Conflict around the World**

Raytheon is a major arms exporter, with billions in overseas arms sales in the past decade to a client list that includes Israel, Egypt, Saudi Arabia, Turkey, Indonesia, Malaysia, Oman, Singapore, Greece, Taiwan and South Korea.

Jim Maslowski, vice president of International business says weapons sales to foreign countries is "one of the key elements in our growth strategy.” In 2004, foreign military sales at Raytheon Missile Systems rose about 3 percent to $1.2 billion. Raytheon has gone to great lengths to get international business, to the point of scuttling federal regulations. In March 2003, Raytheon agreed to pay $25 million in fines to settle charges that it unlawfully tried to sell long-range microwave transmitters to Pakistan from 1990 through 1997 when the government said such sales were prohibited.

Raytheon denied it intentionally violated U.S. export laws, but a spokesman admitted that they failed to wait for the State Department to determine whether the system was commercial or military. Now that Pakistan is a close ally in the war on terrorism, new Raytheon contracts are following. In May 2005, Pakistan announced its intention to buy $46 million in Raytheon-manufactured Sidewinder missiles.

**CEO Pay and Lay-offs**

Raytheon CEO William H. Swanson’s salary increased almost 20% this year to $1.2 million, plus another $2.94 million in stock awards. Meanwhile, 350 workers at Raytheon’s wire harness plant in Wichita, Kansas were laid off in April when the company subsidiaized the operation to Chihuahua, Mexico. Workers at the plant were making $15-20 an hour.

**Big Guns, Big Money**

Like other major weapons makers, Raytheon makes a significant investment in political influence and access in Washington. Since 2000, the firm has doled out more than $3.14 million in soft money and Political Action Committee donations, ranking fifth in donations among major defense contractors in the 2004 election cycle.

The company makes its political connections work in others was as well. In the past seven years, Raytheon has hired 23 former senior government officials, according to the independent Project on Government Oversight. Overall, more than 200 former members of Congress and senior
government officials went through the “revolving door” to work for defense contractors says the organization’s July 2004 report.

**High Stakes Sleepovers**

As the new Department of Homeland Security was being established in 2001, Secretary Tom Ridge visited his friend and former Bush-Cheney fundraiser David Girard-diCarlo in Arizona. But in the course of investigating Ridge, discovered The high profile lobbyist was under contract with Raytheon at the time, and hired two former Ridge employees to lobby at the Department of Homeland Security. In June 2004, a team of companies that includes Raytheon won a border protection contract from DHS worth up to $10 billion.

*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.*