

**IN THE UNITED STATES DISTRICT COURT FOR  
THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION**

_____	)	CIVIL ACTION
Estate of Raheem Khalaf Sa'adoon	)	
Wijdan Mohsin Saed	)	
Sajjad Raheem Khalaf	)	NO. 1:09cv615 – TSE/IDD
Ali Raheem Kalaf	)	
	)	
Plaintiffs reside in Baghdad, Iraq	)	CIVIL COMPLAINT
at addresses that cannot be disclosed	)	JURY DEMAND
for safety and security	)	
	)	
	)	
v.	)	
	)	
Erik Prince	)	
1650 Tysons Boulevard	)	
McLean, VA 22012	)	
	)	
Prince Group LLC	)	
1650 Tysons Boulevard	)	
McLean, VA 22012	)	
	)	
Xe Services LLC	)	
(formerly EP Investments LLC	)	
dba Blackwater Worldwide)	)	
1650 Tysons Boulevard	)	
McLean, VA 22012	)	
	)	
U.S. Training Center, Inc. (“USTC”)	)	
(formerly Blackwater Lodge and Training	)	
Center, Inc.)	)	
850 Puddin Ridge Road	)	
Moyock, NC 27958	)	
	)	
Blackwater Security Consulting LLC	)	
850 Puddin Ridge Road	)	
Moyock, NC 27958	)	
	)	
	)	
Defendants	)	
	)	
	)	
_____	)	

### **THIRD AMENDED COMPLAINT**

1. Plaintiffs Estate of Raheem Khalaf Sa'adoon; Wijdan Mohsin Saed; Sajjad Raheem Khalaf; Ali Raheem Kalaf (hereinafter referred to as "Plaintiffs") hereby allege as follows:

#### **JURISDICTION AND VENUE**

2. This Court has original jurisdiction over the subject matter of this action pursuant to 28 U.S.C. Section 1331 (federal question); 28 U.S.C. Section 1332 (diversity jurisdiction); 28 U.S.C. Section 1350 (Alien Tort Statute); and 28 U.S.C. Section 1367 (supplemental jurisdiction).

3. Venue is proper in this Court pursuant to 28 U.S.C. Section 1391(a)(3) and Section 1391(b)(2).

#### **THE PARTIES**

4. Plaintiff is the Estate of Raheem Khalaf Sa'adoon. Before being shot by Xe Blackwater, Raheem Khalaf Sa'adoon was a 32-year old Iraqi citizen and father of two who worked as a security guard for Iraqi Vice-President Adel Abdul Mahdi.

5. Plaintiff Wijdan Mohsin Saed is the widow. She is a 32-year old Iraqi citizen and mother now raising two young sons without her husband.

6. Plaintiffs Sajjad Raheem Khalaf and Ali Raheem Khalaf are Iraqi citizens. Now 11 and 8 years, respectively, they are forced by Xe-Blackwater's misdeeds to grow up without a father.

7. Defendant Erik Prince is a resident of McLean, Virginia, with business offices at 1650 Tysons Boulevard, McLean, Virginia 22102. Mr. Prince personally and wholly owns and controls the other Defendants, which act as his alter egos.

8. Defendant Prince Group LLC is a company incorporated in the United States with a principle place of business located at 1650 Tysons Boulevard, McLean, Virginia 22102.

During the timeframe of the events at issue in this lawsuit, Defendant Prince wholly owned and controlled Defendant Prince Group LLC, which acted as his alter ego. Defendant Prince Group LLC did not observe the corporate formalities necessary to retain an independent legal existence.

9. Defendant Xe Services LLC, formerly known as EP Investments, LLC, and formerly doing business as Blackwater Worldwide, is company incorporated in the United States with a principle place of business located at 1650 Tysons Boulevard, McLean, Virginia 22102.

During the timeframe of the events at issue in this lawsuit, Defendant Prince wholly owned and controlled Defendant Prince Group LLC, which acted as his alter ego. Defendant Xe Services did not observe the corporate formalities necessary to retain an independent legal existence

10. Defendant U.S. Training Center, Inc. (“USTC”), formerly known as Blackwater Lodge and Training Center, Inc., is incorporated in the United States with a principle place of business located at 850 Puddin Ridge Road, Moyock, North Carolina 27958. During the timeframe of the events at issue in this lawsuit, Defendant Prince wholly owned and controlled U.S. Training Center, Inc., which acted as his alter ego. Defendant U.S. Training Center, Inc. did not observe the corporate formalities necessary to retain an independent legal existence

11. Defendant Blackwater Security Consulting LLC., is incorporated in the United States with a principle place of business located at 850 Puddin Ridge Road, Moyock, North Carolina 27958. During the timeframe of the events at issue in this lawsuit, Defendant Prince wholly owned and controlled Blackwater Security Consulting LLC, which acted as his alter ego. Defendant Blackwater Security Consulting LLC did not observe the corporate formalities necessary to retain an independent legal existence.

12. Defendant Erik Prince created various corporate entities to serve as his alter egos. Mr. Prince created these corporate alter egos to obscure and hide his wrongdoing. He personally controls all actions by the corporate entities. These corporate entities do not abide by corporate formalities. Funds are intermingled among the companies. Mr. Prince adds or subtracts funds from any given company to suit his own purposes without regard to any corporate formalities.

13. Each and every company within Mr. Prince's empire is subject to any judgment entered in this action because Mr. Prince wholly controls the distribution of funds. These entities include, but are not limited to, the corporate defendants as well as companies doing business under the following nomenclature: Xe, Blackwater, Total Intelligence, Greystone, Paravante, Raven, Presidential Airlines, Prince Group, EP Investments, and various others that reasonable discovery will establish are wholly owned and controlled by Mr. Prince.

14. Reasonable discovery will show that prior to Christmas Eve 2006, Defendant USTC hired Andrew Moonen to fulfill certain positions required by Defendants' contract with the State Department.

15. Reasonable discovery will show that USTC and the other Defendants failed to review properly Mr. Moonen's background and qualifications, including but not limited to his willingness to abide by rules in Iraq that forbid the use of alcohol.

16. On Christmas Eve, 2006, USTC employee Andrew Moonen consumed excessive quantities of alcohol at a party being held in an area of Iraq referred to as Little Venice.

17. Numerous other USTC employees were attending the same Christmas party. They all saw Moonen become intoxicated. They all saw Moonen leave the party in an intoxicated state carrying his company-issued weapon.

18. None of Defendants' employees or supervisory personnel did anything to stop Moonen from leaving the party heavily-armed and visibly intoxicated.

19. USTC employee Andrew Moonen, after losing his way and stumbling drunkenly around Little Venice for a short period of time, came across Raheem Khalaf Sa'adoon on guard duty. Moonen, visibly intoxicated, pulled out his weapon and fired at Raheem Khalaf Sa'adoon, killing him for no reason.

20. After USTC employee Moonen killed Raheem Khalaf Sa'adoon, all Defendants participated after the fact in directing and assisting Mr. Moonen in his efforts to evade Iraqi authorities. Defendants flew Moonen out of Iraq into the United States.

21. Defendants thereafter promised to compensate the widow for the death of her husband by making a series of payments. Defendants made an initial payment of US \$20,000, but made no further payments. The widow continued to believe that additional payments would be made until earlier this year.

22. Although Defendants learned of Moonen's crime shortly after it occurred, Defendants acted to evade any accountability. Their bad acts included, among other things, spiriting Andrew Moonen out of Iraq immediately after the murder, bribing an Iraqi government official, and destroying documents and other evidence relating to this and other killings.

23. Andrew Moonen's shooting of Raheem Khalaf Sa'adoon was neither the first nor the last time Defendants shot and killed innocents for no reason.

24. Defendants have a pattern and practice of recklessness in the use of deadly force. Defendants created and fostered a corporate culture in which excessive and unnecessary use of deadly force by its employees is not investigated or punished in any way.

25. Defendants repeatedly sent heavily-armed “shooters” into the streets of Baghdad with the knowledge that many “shooters” were chemically influenced by steroids and other judgment-altering substances.

26. Defendants repeatedly gave weapons, including illegal weapons, to men known to be alcoholics or drug users.

27. Defendants repeatedly failed to prevent employees (falsely called “independent contractors”) from carrying their weapons when they are imbibing alcohol or using drugs.

28. Defendants’ management refused to fire or discipline employees who murdered innocent Iraqis.

29. Defendants failed to place those employees who murdered innocent Iraqis on the “do not use” list. Defendants rehired and deployed those known to have killed innocents for no reason.

30. Plaintiffs will show at trial a litany of illegal shootings around the globe known to Defendants’ management.

31. Defendants captured much of the illegal conduct on videotape or audiotape. Defendants did not use this evidence to inform the appropriate authorities, or to discipline or reprimand its employees. Instead, Defendants’ management intentionally destroyed evidence of illegal conduct, and encouraged employees in theatre to do the same.

32. Reasonable discovery will show that on or about March 18, 2008, Defendants’ high-level executives Messrs. Gary Jackson and Dave Jackson met with others to discuss ongoing Department of Justice investigations and other legal troubles. Reasonable discovery will show that after that meeting, Defendants’ employees began to destroy documents and other evidence relating to the events at issue in this and other legal proceedings.

33. Defendants repeatedly engaged in other illegal conduct, such as violating the laws governing the use and sale of firearms, and failing to track or monitor its weaponry and ammunition as is required by law.

34. Plaintiffs will show at trial that Defendants hired former military officials known to have been involved in human rights abuses in Latin American and elsewhere. Although Defendants portray themselves as using retired American military, they actually recruits mercenaries from the Philippines, Chile, Nepal, Colombia, Ecuador, El Salvador, Honduras, Panama, Peru, Bulgaria, Poland, Romania, Jordan and, reasonable discovery may show, South Africa.

35. Defendants hired and deployed to Iraq foreign nationals without regard for the fact that they were forbidden by the laws of their country from serving as mercenaries.

36. Given its status as a mercenary or quasi-mercenary organization, Defendants violated the law by seeking and accepting work from the United States government. The Anti-Pinkerton Act, 5 U.S.C. § 1803, prohibits the United States from doing business with “[a]n individual employed by the Pinkerton Detective Agency, or similar organization.” The legislative history of the Act makes it clear that a “similar organization” means any mercenary or quasi-mercenary organization.

## **DAMAGES**

37. Defendants are liable for killing Raheem Khalaf Sa’adoon. Defendants are liable for the pain and suffering caused to Raheem Khalaf Sa’adoon, as well as the pain and suffering and loss of consortium caused to the family members of these victims.

38. Defendants are liable for the physical and mental injuries caused to all Plaintiffs.

39. Plaintiffs seeks compensatory and punitive damages in an amount for each individual in excess of the jurisdictional amount set forth in 28 U.S.C. § 1332. Plaintiff also seeks any and all additional remedies (such as attorneys' fees) available under law and equity.

### **COUNT ONE – ASSAULT AND BATTERY**

40. All preceding paragraphs are hereby incorporated by reference as if fully set forth herein.

41. Defendants, acting through their employee Moonen, intended to and did assault and batter Mr. Sa'adoon by shooting him dead.

42. Defendants, acting through their management, unlawfully intended to and did inflict immediate injury upon Mr. Sa'adoon by failed to stop their employee Moonen from leaving a party visibly intoxicated and armed with a lethal weapon.

43. Defendants' actions constituted an assault and battery that injured Plaintiffs, who did not consent to the shooting.

44. Defendants' acts, and failures to act, caused grave and foreseeable damages to Plaintiffs.

### **COUNT TWO – WRONGFUL DEATH**

45. All preceding paragraphs are hereby incorporated by reference as if fully set forth herein.

46. Defendants, acting through their employee Moonen, wrongfully shot and killed Mr. Sa'adoon.



47. Defendants, acting through their management, wrongfully created the conditions that led to Mr. Sa'adoon's death.

48. Defendants, acting through their management, confirmed and ratified employee Moonen's wrongful shooting of Mr. Sa'adoon, and wrongfully ensured that Moonen evaded the Iraqi police and other officials.

49. The Estate Plaintiff is the duly appointed personal representative of Raheem Khalaf Sa'adoon able to serve that function under both Virginia and Iraqi law.

50. The death of Raheem Khalaf Sa'adoon was the foreseeable result of Defendants' repeated wrongful acts and omissions.

### **COUNT THREE – INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS**

51. All preceding paragraphs are hereby incorporated by reference as if fully set forth herein.

52. Defendants, acting through their employee Moonen, intentionally inflicted severe emotional distress on Plaintiffs by shooting Mr. Sa'adoon for no reason.

53. Defendants, acting through their management, intentionally inflicted severe emotional distress on Plaintiffs by permitting the conditions that led to Moonen shooting Mr. Sa'adoon and by ratifying his act, and ensuring that he evaded the Iraqi police and other officials.

54. Defendants' acts caused grave and foreseeable injuries to Plaintiffs.

### **COUNT FOUR – NEGLIGENT INFLICTION OF EMOTIONAL DISTRESS**

55. All preceding paragraphs are hereby incorporated by reference as if fully set forth herein.

56. Defendants, acting through their employee Moonen, negligently inflicted severe emotional distress on Plaintiffs by shooting Mr. Sa'adoon for no reason.

57. Defendants, acting through their management, negligently inflicted severe emotional distress on Plaintiffs by creating the conditions that led to the shooting, and by ratifying the shooting by ensuring that Moonen evaded the Iraqi police and other officials.

58. Defendants' negligence directly and foreseeably harmed Plaintiffs.

### **COUNT FIVE – NEGLIGENT HIRING, TRAINING AND SUPERVISION**

59. All preceding paragraphs are hereby incorporated by reference as if fully set forth herein.

60. Defendants acted negligently by:

(a) failing to take the appropriate steps in hiring proper personnel to perform services;

(b) failing to properly screen personnel before their hiring;

(c) failing to train personnel properly;

(d) failing to investigate allegations of wrongdoing;

(e) failing to reprimand for wrongful actions;

(f) failing to adequately monitor for and stop illegal substance abuse;

(g) failing to stop Andrew Moonen from leaving a party intoxicated with a loaded weapon, failing to stop the shooting, and helping Andrew Moonen evade the law and

(h) failing to negligently permitting repeated lawlessness by employees.

61. Defendants' pervasive negligence directly and foreseeably harmed Plaintiffs.

## **COUNT SIX – TORTIOUS SPOILATION OF EVIDENCE**

62. All preceding paragraphs are hereby incorporated by reference as if fully set forth herein.

63. The Defendants had a legal duty to preserve evidence relating to unauthorized uses of force.

64. Defendants intentionally destroyed that evidence to prevent detection of its wrongdoing.

65. Defendants' destruction of evidence significantly impaired Plaintiffs' ability to prove certain facts in this action.

66. Defendants' intent in destroying the evidence was to lessen the risk that they would be found liable by a jury hearing this action.

67. Defendants' intentional destruction of evidence harmed and continues to harm the Plaintiffs.

## **PRAYERS AND DAMAGES**

68. Plaintiffs, acting when necessary through the Estate, are entitled to any and all remedies available to them as a result of the conduct alleged herein, including, but not limited to:

- (a) compensatory damages for death, physical, mental and economic injuries;

(b) punitive damages in an amount sufficient to strip Defendants of all of the revenue and profits earned from their pattern of constant misconduct and callous disregard for human life; and

(c) any attorneys' fees and costs permitted by law.

/s/

\_\_\_\_\_  
Susan L. Burke (VA Bar #27769)  
BURKE O'NEIL LLC  
1000 Potomac Street, N.W. Suite 150  
Washington, D.C. 20007  
(202) 232-5504  
(202) 232-5513  
[sburke@burkeoneil.com](mailto:sburke@burkeoneil.com)

*Attorneys for Plaintiffs*

Date: November 7, 2009

## CERTIFICATE OF SERVICE

I hereby certify that on the 7<sup>th</sup> day of November, 2009, I caused a copy of the Third Amended Complaint to be served via ecf on the following:

R. Joseph Sher  
Assistant U.S. Attorney  
2100 Jamieson Avenue  
Alexandria, Virginia 22314  
Telephone: (703) 299-3747  
Facsimile: (703) 299-3983  
[joe.sher@usdoj.gov](mailto:joe.sher@usdoj.gov)  
*Counsel for the United States*

Peter H. White (Va. Bar. No. 32310)  
Schulte Roth & Zabel LLP  
1152 15<sup>th</sup> Street NW, Suite 850  
Washington, D.C. 20005  
Telephone 202.729.7470  
Facsimile 202.730.4520  
[Peter.white@srz.com](mailto:Peter.white@srz.com)  
*Counsel for Defendants*

          /s/ Susan L. Burke  
Susan L. Burke (VA Bar #27769)  
Counsel for Plaintiffs  
BURKE O'NEIL LLC  
1000 Potomac Street, Suite 150  
Washington, DC 20007  
202.445.1409  
Fax 202.232.5514  
[sburke@burkeoneil.com](mailto:sburke@burkeoneil.com)