

Boom Time in Beirut

Who profits when we sell arms to Israel?

IT'S WELL KNOWN that Israel is the world's top recipient of U.S. military assistance, but not so often noted that most of the annual \$3 billion in aid can be spent only on U.S.-made weapons. Below, a guide to the top industry beneficiaries along with their ethics records. —Josh Harkinson and Daniel Schulman

COMPANY	WEAPONS SYSTEMS	UNIT COST, NUMBER IN ISRAELI ARSENAL	2005 LOBBYING EXPENDITURES	NUMBER OF LEGAL SETTLEMENTS OR FINES, TOTAL PAID*	THE DIRT
Lockheed Martin	F-16 fighter planes	\$40 million 279	\$8,399,600	84 \$365,534,245	Two years ago, when Lockheed was considering buying Titan Corp.—the contractor whose employees were implicated in the Abu Ghraib scandal—a vice president told investors the torture allegations “were not significant to our strategic decision.”
	Destroyer mobile rocket launchers	\$4.17 million 48			
	Hellfire missiles	\$100,000-\$150,000 n/a			
	Multiple-Launch Rocket Systems	\$20.5 million 85			
Raytheon	AIM-120 advanced medium-range air-to-air missiles	\$620,000 n/a	\$4,903,892	31 \$156,576,914	This year, CEO William Swanson was busted for cribbing most of his best-selling booklet, Swanson's Unwritten Rules of Management, from a 1944 book on engineering, as well as from the writings of Secretary of Defense Donald Rumsfeld. Raytheon's board responded by freezing Swanson's salary at a mere \$1.12 million (while leaving his \$2.6 million bonus untouched).
	Maverick air-to-surface missiles	\$200,000 n/a			
	Sidewinder heat-seeking air-to-air missiles	\$211,290 n/a			
	GBU-28 5,000-pound bunker-buster bombs	\$300,000 100			
United Technologies	Black Hawk helicopters	\$12.3 million 48	\$3,786,212	23 \$240,287,702	In the late '90s, United Technologies settled charges that it had conspired to divert \$10 million in U.S. military aid into a slush fund subject to the exclusive control of an Israeli air force officer.
Boeing	AH-64 Apache helicopters	\$15.3 million 44	\$9,240,000	50 \$360,441,913	In 2002, Air Force procurement official Darleen Druyun negotiated a deal with Boeing to lease tanker planes for \$23.5 billion—\$6 billion more than the Congressional Budget Office found they should have cost—while she was in secret job talks with the company. Druyun and Boeing CFO Michael Sears were sent to prison, and CEO Phil Condit was forced to resign.
	F-15 fighter planes	\$38 million 93			
	Joint Direct Attack Munitions (“smart bomb” kits)	\$27,500 n/a			
Textron	AH-1 Cobra attack helicopters	\$10.7 million 83	\$3,860,000	21 \$25,564,166	In an early test of Textron and Boeing's vastly over-budget and behind-schedule V-22 Osprey, the \$100 million tilt-rotor plane plunged into the Potomac in front of a crowd of congressmen and killed seven people. Two more crashes in 2000 killed 23.
General Dynamics	M-60A3 tanks	\$743,000 1,040	\$3,027,648	8 \$73,400,894	During the 1980s, a series of government investigations revealed massive overbilling, such as \$9,609 for a 12-cent hexagon wrench; at one point the company charged the government for a \$571 mattress delivered to a hotel for a “very large” executive.

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* 1991-2006