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We were greatly harmed, lost millions of dollars: Energy Transfer Partners CEO

Kelcy Warren, Energy Transfer Partners chairman & CEO, discusses the difficulty of getting the Dakota Access Pipeline completed and the role he says Greenpeace and others played in the delay.

FROM NORTH DAKOTA TO PUERTO RICO, CONTROVERSIAL SECURITY FIRM PROFITS FROM OIL PROTESTS AND CLIMATE DISASTERS

Alleen Brown

March 12 2018, 9:01 a.m.



Photo: Spencer Platt/Getty Images



Part 12

TigerSwan, the mercenary security firm that worked to suppress the NoDAPL movement, is promoting its disaster response efforts in Houston and Puerto Rico.

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TigerSwan, the mercenary security company best [known](#) for its efforts to suppress indigenous-led resistance to the Dakota Access oil pipeline, is stepping up its pursuit of profits in areas hit by climate change-driven natural disaster.

Three blog posts published on TigerSwan's website in February describe the firm's response efforts in the aftermath of [Hurricane Harvey](#) in Houston, [Hurricane Maria](#) in Puerto Rico, and [Hurricane Matthew](#) in North Carolina in 2016. TigerSwan, according to the posts, assisted National Guard members in Houston and emergency managers in North Carolina by providing them with access to its GuardianAngel system for monitoring the movement of individuals and sensitive shipments. In Puerto Rico, the company's work included tracking down the employees of an unnamed client.

At Standing Rock, TigerSwan operatives hired by the pipeline company Energy Transfer Partners [used](#) militaristic tactics to disrupt the massive opposition to the project, sending infiltrators into resistance camps, conducting aerial surveillance, and engaging in propaganda efforts. The private security firm routinely coordinated with law enforcement, sharing equipment and intelligence and assisting with arrests. Although preventing water pollution

was the Standing Rock movement's rallying call, many of its organizers were also climate activists; the earliest DAPL opponents were veterans of the anti-Keystone XL pipeline movement, which centered on the harmful climate effects of carbon-intensive tar sands oil.

In essence, TigerSwan has gone from suppressing a movement seeking to slow climate change to marketing itself as a company that can help clients survive climate change's most severe consequences.



TigerSwan equipment in Puerto Rico. Photo: TigerSwan

Natural disasters have long been a boon for private security firms. In the aftermath of Hurricane Katrina, as Jeremy Scahill [reported](#) for The Nation, guards working for the notorious mercenary firm Blackwater, hired to provide security for Federal Emergency Management Agency reconstruction projects, patrolled the streets of New Orleans carrying automatic rifles. Other security companies were brought in to guard hotel chains and private homes. As one Blackwater mercenary told Scahill, “This is a trend. You’re going to see a lot more guys like us in these situations.”

Pamela Spees, an attorney with the Center for Constitutional Rights who represents anti-pipeline groups in Louisiana seeking to keep TigerSwan from operating in the state, said that large-scale natural disasters tend to create a vacuum of accountability as private security, military, and police forces descend on ravaged communities. “It raises a lot of concerns when you have this growing patchwork of private and state interests that are basically executing law enforcement and security functions in these settings,” said Spees.

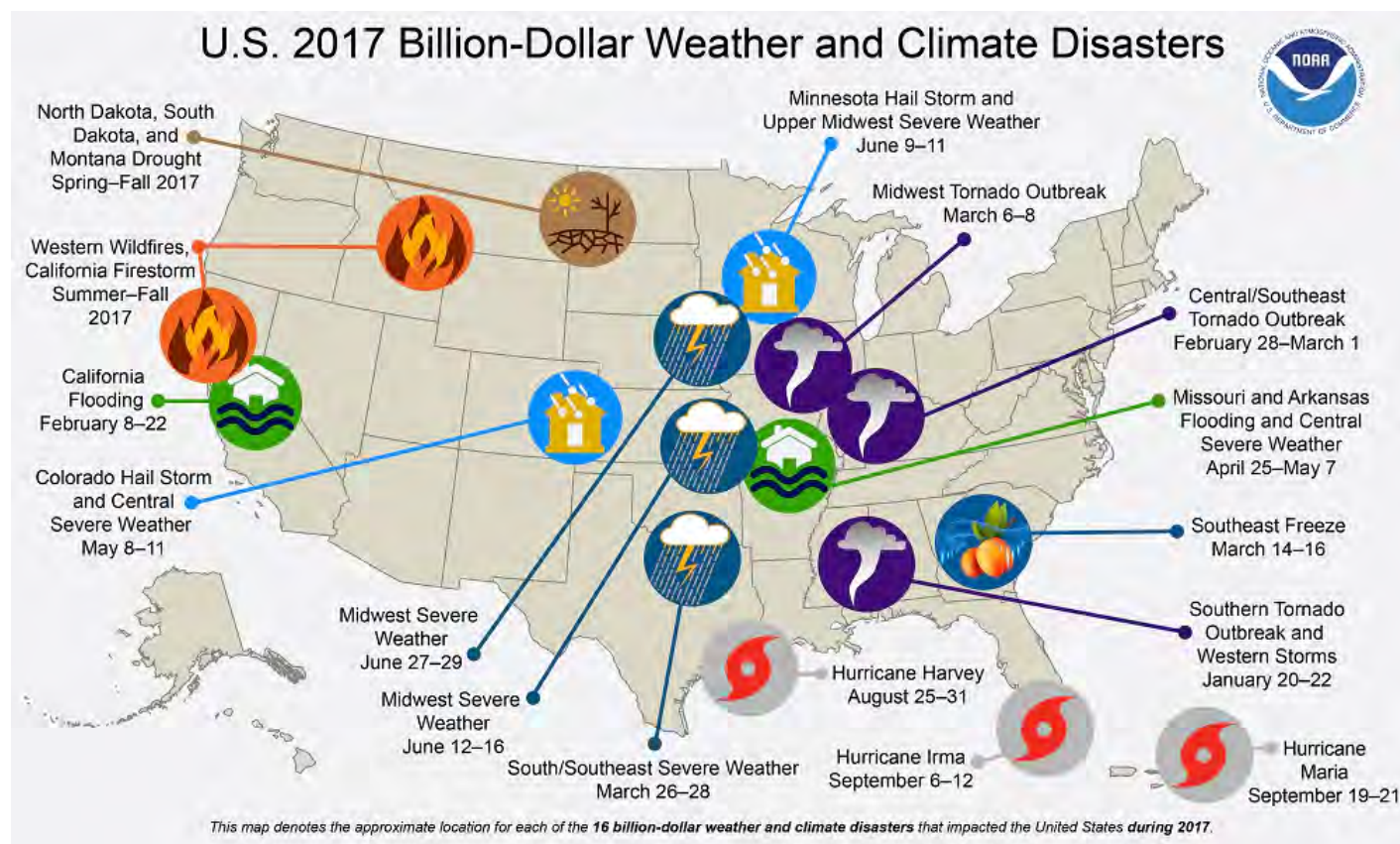
“Add to that concerns about a company like TigerSwan that was operating in the way it did in North Dakota and coming in with these extremist takes on protesters that served to amplify and inflame the law enforcement response,” she added, referring to internal TigerSwan [reports](#) that compared the anti-pipeline movement to a “jihadist insurgency.” “Now it’s holding itself out as some savior that can go in and provide these security services in a situation where there’s extreme vulnerability.”

Indeed, TigerSwan predicts a future in which its disaster response services will become increasingly necessary.

In a February 1 [post](#), TigerSwan included a map created by the National Oceanic and Atmospheric Administration, one of the key federal agencies that monitors the changing climate, displaying “billion-dollar weather and climate disasters” across the U.S. last year.

“The frequency and cost of 2017’s natural disasters should give all Americans pause. The barrage of hurricanes, unprecedented rainfall and flooding, sear-

ing wildfires, and extreme heat affect us all in one way or another,” the post warned. “Emergency preparedness is of the utmost importance as experts believe that years like 2017 may become the new normal in terms of disaster intensity.”



Map: TigerSwan

“Your Unblinking Eye”

TigerSwan’s promotional push has focused on the company’s GuardianAngel brand tracking system.

A February 8 [post](#) suggested the system played a vital role in the wake of Hurricane Matthew in North Carolina, when TigerSwan co-located with law enforcement and emergency managers for 17 days at the State Emergency Response Center. According to the post, “The GuardianAngel phone app, satellite phones, OBD2 trackers, and other GPS/satellite-enabled devices were distributed to North Carolina National Guard personnel and equipment,

State Highway Patrol units, Swift Water Rescue teams, and damage assessment teams from the Federal Emergency Management Agency.” A year later, the company teamed up with the North Carolina National Guard in its Hurricane Harvey response, according to the February 1 [post](#), planting tracking beacons on National Guard aircraft.

In its simplest format, GuardianAngel is a phone app that allows the security firm to track the user’s location. It’s marketed as “your unblinking eye,” a phrase that’s also used by the military to describe drone surveillance. According to TigerSwan’s promotional material, if GuardianAngel users find themselves in a crisis, they can hit their phone’s SOS button and call the security firm instead of local emergency services. The app also sends push notifications should terrorism or natural disaster strike. And for places where cellphone service is nonexistent, TigerSwan describes satellite-linked tracking and communication devices it can attach to people or equipment.

A tweet from March 2017 referencing an outage that prevented AT&T customers from dialing 911 outlines the type of scenario for which GuardianAngel is built: one in which public services can’t be trusted and dialing 911 no longer brings help – a scenario that becomes more plausible with the deep crises unmitigated climate change is expected to bring with greater frequency.



TigerSwan
@TigerSwan

Thats why you should have .@TigerSwan GuardianAngel app on your phone and never have 2 worry .@Breaking911 [twitter.com/Breaking911/st...](https://twitter.com/Breaking911/status/830000000000000000)

2 7:40 PM - Mar 8, 2017

[See TigerSwan's other Tweets](#)

In March 2017, TigerSwan promoted GuardianAngel on Twitter in response to an account reporting a 911 outage affecting AT&T customers.

But three former TigerSwan contractors who worked with the app, and declined to be named for fear of legal and employment consequences, said it

was unlikely to provide protection that emergency services could not. They said the app had a host of problems, including GPS that was frequently imprecise.

“A lot of places you would need something like that are in countries with no infrastructure. So having the button, cool, if you’re in the middle of a city,” said one of the former contractors.

TigerSwan personnel carried the app on their phones while working on the Dakota Access pipeline project, so that managers could track their locations in North Dakota, Iowa, and South Dakota. “Fifty percent of the time you didn’t have a signal, and it didn’t work anyway if you wanted to use it for an SOS,” said one of the former contractors.

In response to questions from The Intercept, a TigerSwan spokesperson stated, “Blogs that continue to base their stories on hearsay from unnamed sources are the very definition of fake news.”

The North Carolina National Guard and North Carolina Emergency Management downplayed their collaboration with TigerSwan. Keith Acree, a spokesperson for the emergency management department, said the agency used TigerSwan’s technology on a test basis twice, placing tracking devices on some vehicles and with some teams during winter storms in early 2016 and Hurricane Matthew that fall. “There is no contractual relationship with TigerSwan. They were paid a flat rate for use of their system on those two occasions, and NCEM has not used them since,” he said.

North Carolina National Guard spokesperson Matthew Boyle told The Intercept, “The only actual time we worked with them was a technology demonstration in the summer in 2016. Other than that, we haven’t utilized their services.” He added, “Their claiming to be on aviation assets – I don’t know if that’s true or not.”

“A Piece of the Pie”

“Puerto Rico is ripe for a corporation like TigerSwan,” said William Ramirez, director of the American Civil Liberties Union of Puerto Rico. Encouraged by the unelected Financial Oversight and Management Board’s privatization efforts, Hurricane Maria led to a rush of profiteers, many of which claimed altruistic intentions, Ramirez said. “Are they truly here for relief, or are they here to cut a piece of the pie for themselves?” he asked.

Shortly after Maria hit, TigerSwan was en route. “Armed with nothing but a list of names and addresses, our team set out on a search and rescue mission to locate displaced employees,” TigerSwan wrote. The security firm described spending 20 days in the territory, tracking down 100 employees of its client “and providing generators, water, and assessing medical needs where possible.”

“From monitoring unique personnel traveling deep into the interior of Puerto Rico via GuardianAngel satellite-enabled beacons, to tracking key assets in the air and on the ground using a variety of cellular or satellite-based beacons, GuardianAngel gave the team a real-time view of actions and activity around the island,” the company wrote.

One of the former TigerSwan contractors, who is now working in Puerto Rico, said he was unaware of any contracts TigerSwan had obtained on the island except for a small company that used GuardianAngel’s satellite tracking beacons on their vehicles.

TigerSwan spokesperson Wesley Fricks declined to name the client in Puerto Rico, saying only, “We provide a range of consultative, risk management services that increase safety and enhance situational awareness.” He added, “As a team leader in Puerto Rico for several weeks, it was very rewarding to be able to assist in the response effort, from managing our client responsibilities to pitching in and supporting other volunteer efforts. Whether it was helping groups trying to rescue abandoned animals or assisting others in unloading planes with donated supplies, there was a great community of support in the aftermath of Hurricane Maria.”

TigerSwan was part of an influx of security-oriented groups that arrived on the island as the storm dissipated, including military members and law enforcement deployed from the U.S. mainland. Ramirez said that the out-of-state officers had a tendency to step on Puerto Ricans' rights. For example, in one complaint filed to the Puerto Rican police department, the ACLU describes how an unidentifiable out-of-state law enforcement officer illegally searched a driver's glovebox after the driver was pulled over for a traffic infraction.

According to the Centro de Periodismo Investigativo, the post-Katrina private security scene was [replayed](#) in San Juan's Santurce neighborhood, where heavily armed, masked private security officers guarded the upscale Ciudadela housing development. The owner of the development, Nick Prouty, told the outlet, "With a substantial reduction in the number of police officers on the streets (due to the government's reallocation of resources to protect diesel and supply chains), and most streets lights not functioning, Ciudadela has taken the necessary steps to make its residents and commercial tenants feel safe."

A number of security and infrastructure companies took up arms as they began to rebuild the territory, thanks to an [executive order](#) that allowed expedited approval for private employees to carry guns.

TigerSwan personnel were unarmed in Puerto Rico, according to Fricks, but the company's deepest experience is in war zones. Founded by James Reese, a commander for the elite special operations unit Delta Force, TigerSwan got its start as a military contractor in Iraq and Afghanistan, where it continues to work. A large proportion of its personnel are former special operations members.

Indeed, at the same time that TigerSwan was promoting its hurricane response work, personnel were [jetting off](#) to the Kuwait International Conference for Reconstruction of Iraq, where TigerSwan sought some of the [\\$30 billion](#) put up for post-ISIS recovery, yet another conflict wrought by fossil fuel politics.

BUSINESS // ENERGY

Pipeline protests put Kelcy Warren in the spotlight and bull's-eye

Jordan Blum and David Hunn

Nov. 21, 2016 | Updated: Nov. 21, 2016 6:29 p.m.



Protestors hold a sign calling for the arrest of Dallas based Energy Transfer Partners CEO Kelcy Warren during a protest outside the federal building housing the Army Corps of Engineers offices in Dallas, Tuesday, Nov. 15, 2016. People across the U.S. have gathered to show solidarity with opponents of the Dakota Access oil pipeline being ...

Photo: LM Otero, STF

A stream of protesters broke a quiet afternoon last week in Preston Hollow, one of Dallas' most exclusive neighborhoods, shaking their fists and shouting through bullhorns as they marched toward a turreted, ivy-covered mansion.

The target of their ire was Kelcy Warren, the billionaire cofounder and chief executive of

Warren, 61, scoffed. How did the protesters get to their demonstrations? Drove. They couldn't even ride bikes without fossil fuels since rubber tires and composite materials are made from oil and gas products. "Do you want to ride wooden bicycles?" he asked.

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Warren has become public enemy number one for Native American and environmental activists, who have clashed repeatedly with police and security guards in a remote part of North Dakota to block construction of the of \$3.8 billion pipeline. On Sunday, police used tear gas, rubber bullets, and fire hoses while protesters hurled rocks and burning logs in a violent confrontation that left at least 17 protesters and one police officer injured, according to protest organizers and authorities.

Protesters have marched on Warren's home twice in the last two months and held demonstrations in Washington, Houston, and almost anywhere Energy Transfer has operations. They have picketed Warren's office, the Dallas park named for his son, and meetings of the Texas Parks and Wildlife Commission, demanding that Warren, who was named to the panel last year, resign or be removed.

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Energy Transfer to finish

seeking to block another Energy Transfer pipeline in West Texas. "It's a very personal situation when someone's home is run over by one of Kelcy Warren's infrastructure projects."

For Warren, an affable Texan known for extravagant real estate deals, generous political contributions, and a guy-next-door friendliness, the battle of Dakota Access is another setback in a year that saw what he admits was one of his biggest disappointments of his career - the unraveling of Energy Transfer's \$33 billion takeover of Williams Cos.

But those who know Warren say he is unlikely to back down. He rose from modest circumstances in a small East Texas town and built Energy Transfer from next-to-nothing into one of the nation's biggest pipeline companies, operating a 75,000-mile network.

Dakota Access is 85 percent complete. Rather than wait for the Army Corps of Engineers to finish an extended review, Warren recently ordered a mobilization of construction crews to finish the final sections in anticipation of approval. And when the Corps balked again last week, Energy Transfer filed suit in federal court seeking to proceed.

The Kelcy Warren file

Age: 61

Education: Bachelor's degree in civil engineering, University of Texas at Arlington

Family: Wife, Amy; one son, Klyde

Net worth: \$3.9 billion

Dakota Access Pipeline cost: \$3.8 billion

The Energy Transfer umbrella include four publicly traded entities: Energy Transfer Partners, Energy Transfer Equity, Sunoco, and Sunoco Logistics Partners

The number of gas pipeline permitted each year by the Federal Energy Regulatory Commission:

2016 (through September) – 46

2014 – 35

2013 – 31

2012 – 23

2011 – 18

2010 – 24

Source: FERC

(FERC permits natural gas pipelines – but not oil pipelines)

"You're spending all this money on projects, but you're not showing anything for it," Warren said. "But we will."

Birth of an empire

Warren grew up in White Oak, where his father worked as a pipeline field hand. Warren got his start as a welder's assistant at the same company.

He went to the University of Texas at Arlington, dropped out, but later re-enrolled. After graduating with a civil engineering degree, he went to work for the pipeline and refining company Endevco of Dallas. He rose to become president and got to know natural gas investor Ray C. Davis, now co-owner of the Texas Rangers baseball team.

In 1993, he and Davis bought Endevco at a bargain price, renamed it Cornerstone Natural Gas, and flipped it two years later in a \$115 million sale. "It was really the first good money I'd made in my career," Warren said.

Soon after, the partners reinvested their earnings to form Energy Transfer. Davis liked their chemistry. He handled the dollars and cents, while Warren, whom Davis described as a natural leader, forged grand plans and growth ideas, envisioning the nation's best network of oil and gas pipelines.

One of those possibilities caught Warren's attention in 2001. As Enron, which began as a pipeline company, collapsed, so did other firms that followed Enron into risky energy trading. Warren recognized that pipeline assets, which wouldn't ordinarily be available to buy, would suddenly sell for cheap.

Energy Transfer bought pipeline networks from Aquila Inc. of Kansas City and other firms, becoming a player in the industry. Davis retired in 2007, but the company kept growing.

In 2011, Energy Transfer bought the pipelines of a Connecticut company, Louis Dreyfus Highbridge Energy, for \$2 billion. In 2012, it scooped up the Southern Union Co., of Houston, and Sunoco of Pennsylvania in separate deals that totaled more than \$10 billion and added 28,000 miles of pipelines and gathering systems (and Sunoco's 5,000 gas stations)

Warren tacked on Corpus Christi-based Susser Holdings, with its 630 more Stripes and Sac-N-Pac brand gas stations and convenience stores, for another \$2 billion in 2014. In less than five years, Energy Transfer's revenues had jumped nearly tenfold, reaching \$55 billion from \$6 billion in 2010.

Golf resorts, koi ponds

As Warren gathered wealth – he's now worth almost \$4 billion – he became a force in real estate and politics.

In the mid-2000s, Warren purchased Isla Barbareta, an island off the coast of Honduras. In 2007, he bought the 25,000-acre Lajitas Golf Resort near the Rio Grande out of bankruptcy for \$13.5 million.

Two years later, Warren picked up tech executive Larry Lacerte's nine-acre estate on Park Lane, one of Dallas' toniest streets, for about \$30 million, at the time the highest price ever paid for a previously owned Dallas home. The house is more than 20,000 square feet; the grounds feature a baseball diamond, natatorium, tennis court and network of koi-filled ponds.

country that year. In 2012, he donated as much as \$10 million to name a five acre downtown Dallas park in honor of his then-9-year-old son, Klyde.

Warren's holdings also include 8,000-acre Los Valles Ranch, northwest of Austin, where he hosts his annual Cherokee Creek Music Festival.

A player in politics

Since 2010, Warren, Energy Transfer and its executives have given \$2.7 million to candidates for state office, primarily Republicans who support fewer regulations for pipelines, according campaign finance data compiled by the watchdog group Texans for Public Justice. Warren himself gave \$2 million of that money, including more than \$800,000 to Gov. Greg Abbott, who last year appointed him to the Texas Parks and Wildlife Commission.

Warren and his wife, Amy, also donated \$6 million to the presidential campaign and political action committee of former Texas Gov. Rick Perry. Perry returned \$4.4 million after dropping out of the race last year.

Warren is described by friends as a regular guy with whom you'd like to have a beer. Over the years, he moved easily between business, politics, and his personal pursuits, experiencing few setbacks. Then his ambitions brought him to Oklahoma-based Williams Cos.

Warren doggedly pursued Williams and a chance to create the nation's biggest pipeline operator, but by the time he snared the company, oil and gas prices had begun their collapse. Facing the prospect of taking on a massive amount of new debt amid falling revenues, Energy Transfer employed a loophole in the U.S. tax code to end the acrimonious merger and court battle.

"That will be one of the truly dark spots of my career," Warren said.

The Dakota Access Pipeline is casting another shadow. The project, slated to run from North Dakota's Bakken shale fields to Gulf Coast connections in Illinois, was supposed to be in service by Jan. 1, but Energy Transfer is still awaiting approval from the Army Corps

"If you grow as large and as aggressively as he has," said Ethan Bellamy, an energy analyst at Robert W. Baird & Co., "you're bound to end up in some fist fights."

Protests get personal

More than a year before Dakota Access and the Standing Rock Sioux grabbed the nation's attention, protests against Energy Transfer were underway in the small West Texas city of Alpine.

Area residents banded together to fight Energy Transfer's Trans-Pecos pipeline, which would move natural gas from West Texas to Mexico. They said the project would threaten their way of life and mar high desert land. One group, the Big Bend Conservation Alliance, opposed the original application, and then unsuccessfully appealed its approval.

Alpine activists had all but given up when the Dakota Access controversy went viral. Reinvigorated, the West Texas group connected with those in North Dakota and settled on a strategy to target Warren himself.

"I had always said, if there was an opportunity to protest Kelcy Warren right there at the Energy Transfer Partners headquarters, I'd go," said Lori Glover, an early Alliance member who formed another opposition group, Defend Big Bend.

Earlier this month, more than 100 protesters, including Glover, descended on a Texas Parks & Wildlife Commission meeting in Austin, demanding that Warren step down. He has an inherent conflict, they argued; his pipelines might not run through Texas parks, but they still damage unspoiled wildlands. Environmental activists, including the Sierra Club, have launched a long-shot effort to convince the Texas Senate, which still must confirm Warren, to reject the appointment once the biennial session begins in January.

Warren, meanwhile, says he won't step down.

"Absolutely not," Warren said. "Our pipelines are extremely safe. All the bias - this has been so disappointing."

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