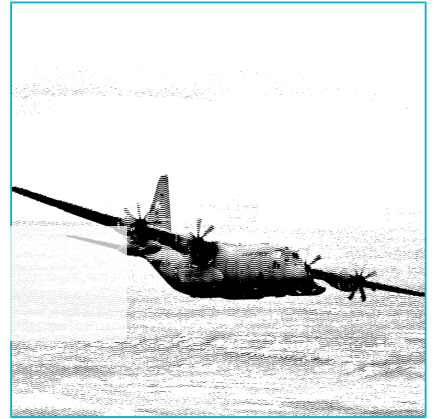


FEARING SCANDAL, AIR FORCE BLOCKED GENERALS' FOREIGN CONSULTING DEALS



Two generals who oversaw U.S. supply routes through corruption-plagued Azerbaijan sought to profit from their connections once they retired. An Air Force lawyer objected. The Post sued to make the case public.





Counterclockwise from bottom left, Azerbaijani President Ilham Aliyev, Duncan McNabb, William Fraser III and a C-130 Hercules aircraft. (Illustration by Frank Hulley-Jones/The Washington Post; photos by Gent Shkullaku/AFP/Getty Images, U.S. Air Force and Staff Sgt. Jonathon Alderman/U.S. Air National Guard)

By [Craig Whitlock](#) and [Nate Jones](#)

Dec. 5 at 6:05 a.m.

   1164

During the height of the war in Afghanistan, U.S. military leaders flocked to the Caspian Sea nation of Azerbaijan to embrace its president, Ilham Aliyev, despite a report from the U.S. Embassy comparing the mustachioed strongman to mafia bosses in “The Godfather.”

Setting aside concerns about Azerbaijan’s culture of corruption, Pentagon officials persuaded Aliyev to open his country’s borders and airspace to critical U.S. and NATO supply routes to Afghanistan. In exchange, U.S. officials promised a closer diplomatic partnership with Aliyev and steered \$369 million in defense contracts to Silk Way Airlines, an Azerbaijan cargo carrier that U.S. investigators say was controlled by the government.

Two U.S. Air Force generals — Duncan McNabb and William Fraser III — who oversaw the supply routes from 2008 to 2014 later tried to cash in on their Azerbaijan connections. Upon retiring from active duty, the four-star generals negotiated valuable consulting deals with Silk Way Airlines, according to documents obtained by The Washington Post under the Freedom of Information Act. One of them stood to earn \$5,000 a day.

Defense Secretary Robert M. Gates, left, sits across from Azerbaijani President Ilham Aliyev at a June 2010 meeting in Baku, the country's capital. In front of Aliyev is a letter from President Barack Obama. (Carolyn Kaster/Pool/AP)

The Pentagon and State Department normally rubber-stamp requests from retired U.S. military personnel to work for foreign powers or companies controlled by foreign governments, having approved more than 95 percent of applications since 2015. But when the Air Force learned about McNabb's and Fraser's business ventures in Azerbaijan, officials flagged them as a potential embarrassment and a risk to national security, the documents show.

The case triggered a prolonged internal battle between the retired generals and R. Philip Deavel, a civilian Air Force lawyer who feared that the consulting deals might trigger a scandal.

Other Air Force officials repeatedly sought to prevent the dispute from becoming public. Between 2016 and 2021, The Post submitted four separate FOIA requests that should have produced records about the case, but the Air Force either did not reply or said it could not find any documents.

 **Click or tap these icons** to see the FOIA documents and other source material.

This year, the Air Force finally released more than 400 pages of records — but only after The Post sued in federal court and presented written proof from

another agency that the generals' conduct in Azerbaijan had generated an investigation. [1](#)

The files provide an unusually detailed look at how two high-ranking U.S. military commanders tried to profit from foreign relationships forged during wartime, and at the Pentagon's struggles to police such behavior.

The documents reveal that Air Force intelligence officials objected to the Azerbaijan business deals for reasons that remain classified. Meanwhile, Deavel, who as the director of the Air Force Review Boards Agency was responsible for reviewing such arrangements, raised ethical concerns because the U.S. military had given extensive business to Silk Way Airlines while McNabb and Fraser managed the supply routes through Azerbaijan.

FOREIGN SERVANTS



READING NOW Part 4



PART 1
Retired U.S. generals,
admirals take top jobs with
Saudi crown prince



PART 2
UAE has paid hu
retired U.S. troop
its military

In a 2015 confidential memo, Deavel warned his superiors that “we should do nothing that would cause Congress or the media to question whether the hundreds of millions of dollars flowing to Silkway are solely for valid national security needs.” The lawyer added that it might look like McNabb and Fraser knew “that a perk of office is a lucrative advisory contract from Silkway upon retirement.” [2](#)

The retired generals pressed Air Force officials to approve their consulting deals anyway.

At one point, according to the 2015 memo, Fraser warned that if the U.S. government prevented him from working for Silk Way, it would face “blow-back” from Azerbaijan, and that Aliyev's government might even block U.S. and NATO supply routes to Afghanistan in retaliation.

‘Azerbaijan was the key’

Two decades of U.S. wars in Afghanistan and the Middle East have created a thriving job market for American veterans trying to profit from their overseas deployments.

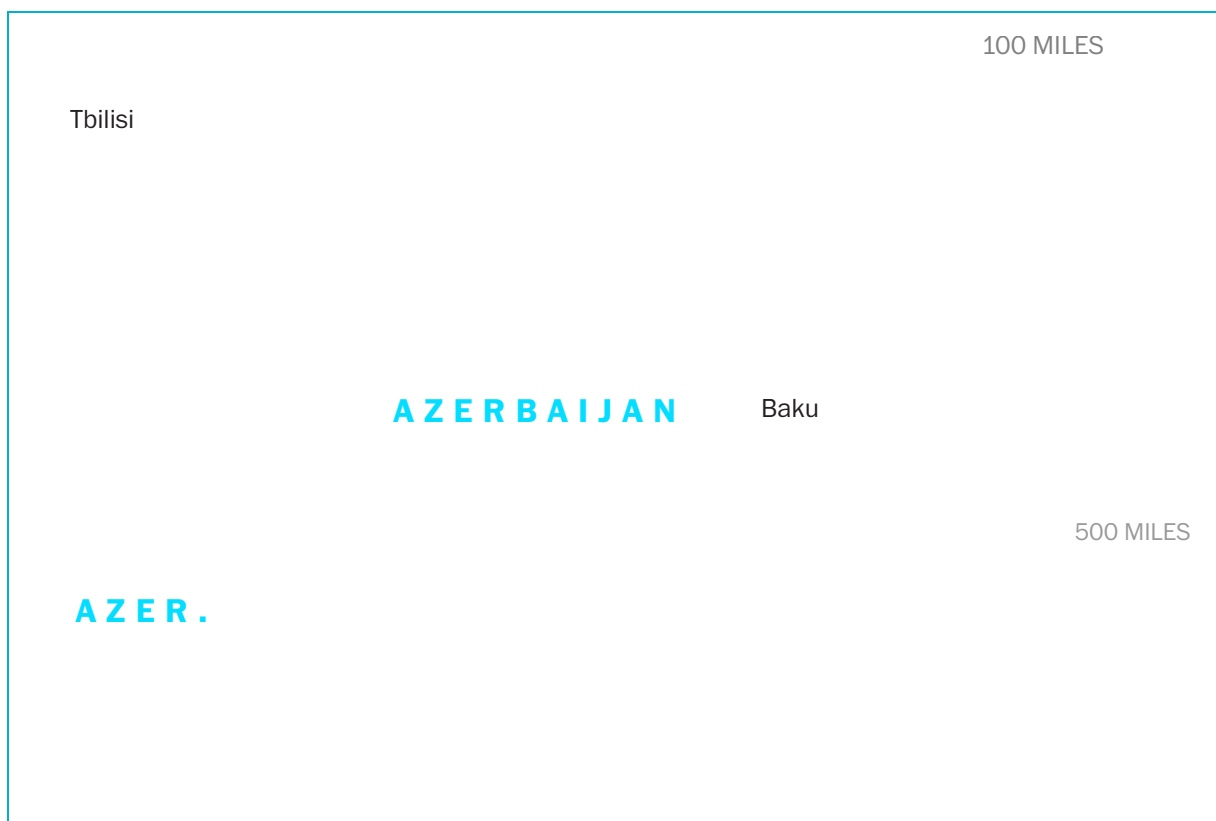
Fraser and McNabb are among more than 500 retired U.S. military personnel who have sought federal permission over the past eight years to accept jobs as consultants or contractors for foreign governments, [according to a Post investigation](#). Most of the jobs originate in countries known for human rights abuses and political repression.

McNabb and Fraser, now both 70, accumulated a multitude of foreign contacts while leading the U.S. Transportation Command (Transcom), the military's giant logistics arm responsible for moving troops and supplies around the globe.

McNabb, an Air Force Academy alumnus, headed the command from 2008 to 2011. Fraser, a Texas A&M graduate, succeeded him and held the job until retiring in 2014.

As commanders, their primary challenge was transporting materiel to landlocked Afghanistan, a logistical nightmare. Iran blocked access from the west. Pakistan offered access from the south and east for truckers willing to drive arduous routes over mountains and through deserts, but sometimes closed its border checkpoints when tensions rose with Washington.

When McNabb took charge of Transcom, he told The Post in a recent interview, one of his first tasks was to try to open an alternative supply route to Afghanistan from the north that bypassed Russia. The only feasible option was to cross the territories of several former Soviet republics, including Azerbaijan, a country the size of Portugal that is sandwiched between Russia and Iran.



In November 2008, McNabb made his first international trip as Transcom commander to Baku, Azerbaijan's capital on the Caspian Sea, to see if he could win support from Aliyev and his government for new sea and ground supply routes as well as expanded overflight rights.

"Azerbaijan was the key," McNabb recalled in the interview. "Folks don't realize how critical that was."

Aliyev had ruled Azerbaijan since the 2003 death of his father, Heydar, a former KGB boss who became president shortly after the breakup of the Soviet Union. Corruption flourished under the Aliyevs, with the CIA describing it as ["pervasive"](#) and the State Department calling it ["systemic."](#)

Ilham Aliyev wore tailored suits, spoke fluent English and favored friendly relations with the United States and NATO. But he was intolerant of political dissent and challenges to his family's power.

In a classified 2009 diplomatic cable made public by the anti-secrecy group WikiLeaks, the U.S. Embassy in Baku described Aliyev as "a mix" of Michael and Sonny Corleone, the fraternal mobsters of "The Godfather" novel and movie.

"His goal appears to be a political environment in which the Aliyev dynasty is unchallenged," the embassy wrote. Aliyev later appointed his wife, Mehriban Aliyeva, as vice president. Both remain in their positions. [3](#)

McNabb said Aliyev's government was open to the proposed military supply routes but wanted something in return. At first, Azerbaijani officials insisted the United States would have to pay tariffs to use their country's airspace, though they later relented. "I had to tell them we don't pay anyone," McNabb said.

The supply routes paid off for Azerbaijan in other ways, however. Silk Way Airlines, seeking to break into the U.S. market, received \$269 million in U.S. defense contracts during McNabb's three-year tenure at Transcom to transfer supplies from Europe to Afghanistan and Iraq, according to Air Force records. [4](#)

McNabb did not play a direct role in the contracting process. But he met with Silk Way officials and said he once hosted a Silk Way executive for dinner at his home at Scott Air Force Base in Illinois. "They did do a lot of missions and they did do a lot of good work," he said.

He estimated that he visited Azerbaijan five or six times as Transcom commander to keep the supply routes to Afghanistan humming. By the peak of the war in 2010, about one-quarter of U.S. and NATO nonlethal supplies — fuel, food and construction material — transited through Azerbaijan.




U.S. soldiers prepare for a convoy in May 2009 at a forward operating base in Afghanistan's Wardak province. (Jonathan Saruk/Getty Images)

Retirement and a job offer

McNabb retired from the Air Force in December 2011 and settled in Arlington, Va. Eighteen months later, he said, officials with Silk Way Airlines contacted him about a possible business venture.

Silk Way wanted to modernize its operational control center at Heydar Aliyev International Airport in Baku. The firm invited McNabb to return to Azerbaijan in June 2013 for a visit and offered to hire him as an adviser, he said.

McNabb agreed. That month, he said, he

ARMED FORCES OF THE UNITED STATES		
	 AIR FORCE, RETIRED	
	RANK ★★★★★ GEN.	

set up a consulting firm, Ares Mobility Solutions, partnering with a retired Air Force colonel and a captain in the Navy Reserve who had worked in the airline industry. Ares signed a contract with Silk Way that paid a monthly retainer of \$10,000 plus expenses, documents show. Under the deal, McNabb was expected to travel to Baku every three to five months to work for a few days at a time.

		U.S. MILITARY RETIREMENT 2011
DUNCAN MCNABB		
FOREIGN GOVERNMENT EMPLOYMENT		
Consultant / Silk Way Airlines, Azerbaijan		
U.S. GOVERNMENT SERVICE		
• Commander, U.S. Transportation Command, 2008-2011		
• Vice chief of staff, U.S. Air Force, 2007-2008		

According to federal law, retired U.S. military personnel — defined as those who served at least 20 years in uniform — and reservists are required to obtain permission from their branch of the armed forces and the State Department before they accept anything of value from foreign powers or companies controlled by foreign governments.

Silk Way Airlines was one of 23 subsidiaries of a private holding company, Silk Way Group LLC, that had come to dominate the aviation sector in Azerbaijan after the partial privatization of the country's state-owned airline.

McNabb said he thought Silk Way Airlines was wholly private so he didn't seek federal authorization at first. "This was not with the government," he told The Post. U.S. investigators would disagree.

Like McNabb, Fraser made Azerbaijan a priority during his tenure as Transcom chief.

A few weeks after taking command, he flew to Baku in December 2011 to discuss the Afghanistan supply routes with Aliyev and other Azerbaijani officials. Over the next three years, Fraser met with Aliyev twice in Azerbaijan and once in New York, according to Azerbaijan’s government.

Transcom also continued to do considerable business with Silk Way Airlines, with the firm receiving an additional \$100 million in U.S. defense contracts, according to Air Force records.

In April 2014, Azerbaijan’s ambassador to the United States visited Scott Air Force Base in Illinois to tour Transcom headquarters.

The ambassador, Elin Suleymanov, met with Fraser, who was nearing the end of his time in command.




During the visit, the diplomat noted that “there are many opportunities for future military and commercial cooperation” between the United States and Azerbaijan, according to a U.S. military press release. [5](#)

A ‘going rate’ of \$5,000 a day

Fraser retired from the Air Force two months later, on July 1, 2014. Within days, according to Air Force records, he received a job offer from Silk Way Group — the corporate parent of Silk Way Airlines, Silk Way West Airlines, Silk Way Bank and other businesses with the Silk Way name.

Unlike McNabb, Fraser sought advance permission from the Air Force to work for Silk Way. In Fraser’s application, dated Aug. 25, 2014, he wrote that “I am not aware of any connection to the Azerbaijan government” and that he didn’t think he needed federal approval.

Fraser said he sought authorization anyway because a Transcom ethics counselor had advised him to do so. In a

ARMED FORCES OF THE UNITED STATES		
	 AIR FORCE, RETIRED 	
	RANK ★★★★★ GEN.	YEARS OF U.S. 40
	WILLIAM FRASER III	U.S. MILITARY RETIREMENT 2014
FOREIGN GOVERNMENT EMPLOYMENT		

memo, the counselor noted that “the degree to which the Azerbaijan government owns and/or controls [Silk Way Group] has been the subject of media speculation in the past.”

Prospective consultant / **Silk Way Group, Azerbaijan**

U.S. GOVERNMENT SERVICE

- Commander, U.S. Transportation Command, 2011-2014
- Commander, Air Combat Command, 2009-2011

The reference was to a 2010 investigation by Radio Free Europe/Radio Liberty — an overseas broadcaster owned by the U.S. government — that reported that Aliyev’s 21-year-old daughter was one of the owners of Silk Way Bank.

In his foreign-employment application to the Air Force, Fraser gave few specifics in describing his proposed duties with Silk Way Group, writing that he “would be a consultant/advisor providing subject matter expertise” and would “help develop future business opportunities.” He said his “going rate” as a consultant was \$5,000 a day. [6](#)

The application immediately drew scrutiny at the Pentagon. Deavel’s staff concluded that, contrary to Fraser’s assertion, there were strong indications that the government of Azerbaijan controlled Silk Way Group. [7](#)

Meanwhile, the Air Force Office of Special Investigations conducted a separate review and submitted a classified report to Deavel. While details of the review remain a secret, the investigative agency said it had “national security concerns” about Silk Way, according to an unclassified memo summarizing the report.

That was enough for Deavel. He denied Fraser’s application on Sept. 30, 2014. “Ultimately, I cannot find the proposed relationship in the best interests of the United States,” he wrote. [8](#)

Fraser didn’t give up. Two days later, he called Deavel and asked what he needed to do to persuade the Air Force to change its decision.

In a memo recounting the conversation, Deavel wrote that the discussion was “a little awkward,” partly because it was unusual for him to get a call from a four-star general, and partly because he had based his decision on the classified report.

On the phone, he told Fraser about the existence of the classified report, but said he couldn’t discuss details. He explained that the classified material “did cause me concern about the activities of his proposed employer and whether approving this compensated relationship posed risks to the reputation of the Air Force,” according to Deavel’s memo. [9](#)

Still, Fraser pushed for approval. He told Deavel “that he knew the application was hazy and lacked specifics,” and asked if he could resubmit it with additional information that might make approval more likely.

Fraser also made some comments that Deavel took as a warning, documents show. The general said he believed there would be “blowback for the United States” if the Air Force didn’t let him work for Silk Way, according to Deavel’s memo.

In particular, Fraser noted that Azerbaijan had just renewed Transcom’s overflight rights and entered a strategic security relationship with the United States. He said Azerbaijani officials “would see a denial as inconsistent with those partnership agreements.”

Fraser also urged Deavel to contact the State Department’s desk officer for the Caucasus region, who he said would vouch that the general’s employment with Silk Way “was useful for American interests” in Azerbaijan.

Deavel was taken aback but noncommittal. He told Fraser he “did not want to shoot from the hip” about whether he might change his mind. But he said he’d discuss the case with other Air Force lawyers.

Reached for comment, Fraser declined to discuss the matter with The Post. “I don’t see the value in talking about something that happened nearly eight years ago,” he said in an email.

In a 2015 filing with the U.S. Department of Transportation, Silk Way Group said it was “100% owned” by another private firm, Silk Way Development LLC. That entity, in turn, was listed as being 95 percent owned by Zaur Akhundov, the founder of Silk Way Airlines. [10](#)

In a written response to questions from The Post, Silk Way Airlines said that it “has always been commercial, private and has never been related to the state or politics” and that it sought to hire McNabb and Fraser for their expertise in transportation and logistics. The company added that “it in no way intended, implied or needed to offer ‘payback’ for a longstanding” contractual relationship with Transcom.

Silk Way described Akhundov as “the ultimate beneficial owner” of the firm and said “he has never acted” as a proxy or trustee for other shareholders.

Like father, like son

Fraser resubmitted his application to the Air Force in November 2014. This time, he specified that he would consult for Silk Way West Airlines instead of the Silk Way holding company. He said his duties would be to “improve their knowledge and understanding of U.S. commercial markets and existing U.S. commercial supply chains.” ¹¹

One thing Fraser did not mention on his application was that his son, William Fraser IV, also worked in the aviation business in Azerbaijan.

William Fraser IV, a former U.S. Marine sergeant who goes by the nickname “Mac,” had taken a job two years earlier as an assistant to the president of Azerbaijan Airlines, the state-owned carrier, as a public relations and strategic communications specialist.

Gen. William Fraser III, center, commander of Transcom, is shown bridge controls of the high-speed vessel HSV-2 Swift in May 2012 during a visit to Rota, Spain. (Senior Airman Jonathan Garcia/U.S. Air Force)

Mac Fraser said he also worked part time for Silk Way West Airlines — the company that now wanted to hire his father for \$5,000 a day. Mac Fraser left Azerbaijan Airlines to accept a full-time job with Silk Way West Airlines as a

Houston-based marketing manager in March 2015, according to his LinkedIn profile.

In an email exchange with The Post, Mac Fraser said he was unaware his father had received an offer to work for Silk Way West Airlines around the same time he did.

“As I understand it, upon retiring from active duty my father cast a wide net and entertained a number of offers from a number of different companies,” he wrote. “While I consider ours to be a close-knit family, I could not even begin to speculate who any of those companies were.”

Informed that the Air Force had blocked his father from working for Silk Way, Mac Fraser replied: “That’s all news to me and WAY above my pay grade.”

“Me and my father have never crossed paths professionally and his business is completely separate and apart from mine,” he added.

Mac Fraser declined to say how he came to work for companies based in Azerbaijan. His LinkedIn profile notes no previous professional experience in the country.

Unlike his father, Mac Fraser was not required to seek federal approval for his jobs in Azerbaijan because he served in the U.S. military for only four years. The law restricting foreign-government employment applies only to U.S. veterans who served for at least 20 years, because they receive a military pension and can be recalled to active duty.

National security concerns

After Gen. Fraser submitted his second application, Deavel checked out his claim that the State Department thought his job with Silk Way would be “useful for American interests,” according to the case files.

State Department officials contradicted the general’s assertion and said they weren’t pushing for his job to be approved. They also said they “strongly disagree[d] with Gen. Fraser’s assessment” that there would be “diplomatic ‘blow-back’ from the Government of Azerbaijan” if U.S. officials rejected his consulting gig, documents show.

The State Department surprised Deavel with a second revelation. Officials told him another retired four-star Air Force general — McNabb — had informed the

State Department's desk officer for Azerbaijan that he was working for Silk Way Airlines. It was the first time anyone had notified the Air Force about McNabb's consulting job in Azerbaijan.

Deavel informed other Air Force officials that they had another potential problem on their hands. Not only had McNabb not applied for federal permission but the Office of Special Investigations' national security concerns about Silk Way would probably apply in his case, too.

In the military, it takes courage to say no to a four-star general, even one who is retired. Deavel wanted to make sure he had the backing of his superiors. He wrote a "High Interest Notification" memo that was labeled "***SENSITIVE AND PRE-DECISIONAL**" and sent it up the chain of command. [12](#)

Deavel provided a recap of his previous denial of Fraser's request to work for Silk Way and ticked off the reasons why it was problematic.

He noted that the State Department agreed that the government of Azerbaijan effectively controlled Silk Way and its subsidiaries. State Department officials, he emphasized, had expressed "disappointment that Gen Fraser, as a retired four star, would not voluntarily withdraw the request and seek post-retirement opportunities elsewhere," according to the memo.

Deavel also reported that the Office of Special Investigations had shared its classified report with other federal intelligence agencies and that they all concurred with the national security concerns about retired U.S. military personnel working for Silk Way.

Further, Deavel described how he had recently learned that McNabb was working as a Silk Way consultant without federal approval, which “causes me even greater concern” given Silk Way’s U.S. defense contracts. Deavel reported that Transcom had awarded 2,230 cargo airlift missions to Silk Way during McNabb’s tenure, plus 1,117 missions while Fraser was in command, for a total cost of \$369 million.

Deavel said he wasn’t questioning the need for the airlift missions but warned that Congress and the media might see the generals’ subsequent consulting deals as “payback.” As a result, he said, he was planning to reject Fraser’s reapplication unless his bosses instructed him otherwise.

None did. On Jan. 9, 2015, Deavel wrote a terse letter denying Fraser’s employment with Silk Way as “not in the best interests of the Air Force.” ¹³

When contacted by The Post, Deavel declined to comment directly on the case, except to say that he stood by all his decisions.

“I’m not going to run from my responsibilities to do what’s right for the United States,” said Deavel, who retired as director of the Air Force Review Boards Agency in 2016. “You have to look beyond whether a decision will be popular with the retired general officer club.”

A failure to seek permission

While that marked the end of Fraser’s push to consult in Azerbaijan, the Air Force still needed to decide what to do about McNabb.

The case bounced around the highest levels of the Air Force until June 2015, when the Air Force inspector general opened an investigation to determine whether McNabb had committed misconduct by working for Silk Way Airlines without federal approval.

Three investigative officers interviewed McNabb at the Pentagon on Oct. 23, 2015. The retired general said that he hadn’t done anything wrong and that he had never come across any evidence that Silk Way Airlines was under the

control of the government of Azerbaijan.

“When you go online and when you talk about what Silk Way does, it just said it’s a private enterprise,” he said, according to a transcript of the interview. “I had a very extensive intel network that would look at especially foreign carriers that would be going in and out of places, and I never had anything that said that this was controlled by the government.” ¹⁴

Gen. McNabb accepts the Joint Meritorious Unit Award for members of Transcom at an April 2010 ceremony at Scott Air Force Base in Illinois. Flanking him are Secretary Gates and Gen. David H. Petraeus. (Derik Holtmann/Belleville News-Democrat/Tribune News Service/Getty Images)

During his interview with investigators, McNabb was argumentative at times and questioned why no one in the Air Force had ever told him he should apply for federal permission to work for Silk Way.

“If somebody thinks I need to, please just tell me,” he said. “I’m chagrined that anybody would think that I would not try to live up to all of the ethics rules.” ¹⁵

Investigators noted that he had been briefed about the rules on foreign-government employment shortly before his retirement and that it was his responsibility to comply with the law.

In his interview with The Post, McNabb said that he was aware Fraser was also trying to work for Silk Way, but that they didn’t coordinate their efforts. He said he mistakenly assumed that only Fraser needed to apply for federal permission because Fraser was working for Silk Way primarily in the United States.

He denied that his consulting job with Silk Way was a reward for the U.S. defense contracts awarded to the company when he headed Transcom. “Absolutely not,” he said.

The Air Force inspector general’s office completed its investigation into McNabb in November 2015 and concluded that he had violated the law by failing to seek permission for foreign-government employment. [16](#)

There is no criminal penalty for breaking the law, but the military can withhold retirement pay from those who do so.

McNabb confirmed that the Defense Department docked his pension but declined to say how much.

“It was enough,” he said. “I paid.”

About this story

Photos used in card illustrations are from the Department of Defense.

Editing by [David Fallis](#) and [Sarah Childress](#). Copy editing by Martha Murdock and [Christopher Rickett](#). Photo editing by [Robert Miller](#) and [Wendy Galietta](#). Maps by [Kati Perry](#). Design and development by [Frank Hulley-Jones](#), [Stephanie Hays](#) and [Talia Trackim](#). Design editing by [Christian Font](#) and [Matt Callahan](#). Project management by [Wendy Galietta](#).

FOREIGN SERVANTS



Fearing scandal, Air Force blocked generals’ foreign consulting deals

Dec. 5, 2022



Retired U.S. generals, admirals take top jobs with Saudi crown prince

Oct. 18, 2022

HAND-CURATED



UAE relied on expertise of retired U.S. troops to beef up its military

Oct. 18, 2022

[View all 7 stories](#) ▾

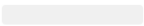
By Craig Whitlock

Craig Whitlock is an investigative reporter who specializes in national security issues. He has covered the Pentagon, served as the Berlin bureau chief and reported from more than 60 countries. He joined The Washington Post in 1998. [Twitter](#)

By Nate Jones

Nate Jones is the FOIA director for The Washington Post where he works with reporters to target documents to request, appeal and sue for. [!\[\]\(4729e517bc6a7cd81c8025b9646574fb_img.jpg\) Twitter](#)

Sign in to join the conversation



[View more](#)

washingtonpost.com

© 1996-2022 The Washington Post

[About The Post](#)

[Contact the Newsroom](#)

[Contact Customer Care](#)

[Request a Correction](#)

[Send a News Tip](#)

[Report a Vulnerability](#)

[Download the Washington Post App](#)

[Policies & Standards](#)

[Terms of Service](#)

[Privacy Policy](#)

[Cookie Settings](#)

[Print Products Terms of Sale](#)

[Digital Products Terms of Sale](#)

[Submissions & Discussion Policy](#)

[RSS Terms of Service](#)

[Ad Choices](#)