



Written by [Alex Newman](#) on October 5, 2009

Private Police Force or Fraud?

When suspicious looking Mercedes SUVs sporting City of Hardin Police Department decals rolled into a small Montana town called Hardin, some residents became alarmed. The town doesn't actually have a police force.

It turns out the fake law-enforcement vehicles came from a mysterious company called American Police Force, now known as [American Private Police Force \(APPF\)](#). It had recently negotiated a contract with local authorities to fill a \$27 million prison that has been unused so far, a prison that briefly received national attention when it was suggested as a location for Guantanamo detainees.



But the contract has aroused deep suspicion. Nobody seems to know where the almost 500 prisoners to fill the prison will be coming from, and the company isn't talking. U.S. Bank, which helped finance the construction of the prison, has not signed off on the deal yet. And it gets murkier.

APPF representatives have discussed plans to open a \$17 million live-fire training center next to the jail. The company also announced its intention to bring 200 jobs, an animal shelter, free medical care, and other benefits to local residents. It is reportedly interested in providing law enforcement for the town as well, with discussions between local officials and the company still underway.

The firm's website boasts of services provided in all 50 states and most international countries; services like "local, regional, and national security solutions" for customers like the U.S. government and others. According to the site, they also offer everything from police and security training, special forces training, fugitive recovery, and convoy security to "Check Your Mate" cheating spouse investigations. Battling transnational terrorists is apparently one of the firms' specialties.

But an extensive [investigation by the Associated Press \(AP\)](#) using government databases revealed no government contracts with the company. Reporters also spoke to officials and people in the defense contracting industry, none of whom had heard of the California-based APPF.

The Washington, D.C., address provided by the firm turned out to be a "virtual" office — allowing the use of the address without actually occupying the premises. The leasing company said APPF's application, however, had never even been finished.

Other oddities have also emerged in recent days. One of the subcontractors named by APPF has denied any involvement with the company. APPF's lawyer of one month just cut ties to the firm, citing a lack of progress. The company spokesperson, a former reporter with the [Billings Gazette](#) who just took the job, hosted a press conference where she cried repeatedly.

Company officials have claimed that the firm is a spin-off of a larger defense contractor, but have offered no specifics. There are also no details about how the firm intends to finance the deal, its history



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or its alleged staff of high-level officers and experts.

The apparent founder and lead figure of the company, "Captain" Michael Hilton, claimed to be a military veteran with experience advising forces in Iraq and Afghanistan. He showed up to the town wearing a military-style uniform. But [according to the Associated Press](#), the Montenegro native is in fact a convicted felon with a history of fraud who spent years in a California prison for grand theft. He has used at least 17 different aliases and has over a million dollars in outstanding civil judgments against him.

"Hilton was described alternately by those who know him as an arts dealer, cook, restaurant owner, land developer, loan broker and car salesman — always with a moneymaking scheme in the works," reported the AP after interviewing people who knew him, noting that they were unaware of his alleged military experience.

Now, the company is being investigated by Montana's Attorney General. Citing concerns over the legitimacy of APPF, he is demanding proof of some of its claims. He also ordered local officials to present all documents related to their dealings with the company. And state lawmakers want answers now too.

Most local officials are still defending the decision to contract the firm, but criticism and suspicion is continuing to mount. "I don't know that his background has affected his position or his ability to do his work," explained Hardin City Council member Carla Colstad. "I don't consider it relevant to what's going on today."

Rumors and hysteria about the company and the deal have grown to a blaze on the Internet, with stories about road-blocks and privatized martial law abounding. The AP reported that the APPF masquerading as the city's police has "stirred suspicion among critics that rural Hardin, population 3,500, could be transformed into a privately run police state." Some reports based on circumstantial evidence have attempted to link APPF with well-known defense contractor Blackwater, now called Xe.

The town's taxpayer-funded [economic development authority](#) posted a message on its website trying to dispel concerns. "We welcome anyone to visit our town! There are no commandos in the streets. There is no fence or gate being built around Hardin. People are free to come and go as they please. APPF is not running our town or our police force," it said.

The governor of Montana ridiculed the idea of a secret government plot, saying: "I think a low-level card shark is not going to rise to the level to get some kind of government defense contract." Hilton is supposed to return to Hardin next week for a job fair. The town has received significant media attention over the episode, which will likely continue to intensify until the truth finally comes out. But no matter what information ultimately gets out, it likely won't be good for the town or the company's images.



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