The U.S. State Department re-signed the security firm formerly known as Blackwater despite Iraq saying it didn't want the company there, records show.

The State Department said \$22.2 million deal signed with Blackwater, since renamed Xe, in February was a contract modification concerning aviation work, The Washington Times first reported. The contract expires in September, months after its contract for work in Baghdad was to have run out.

One observer said the deal raises questions about why the United States would want to pay a contractor for work in Iraq if the government won't approve its operating license.

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