

**Statement of Rep. Henry A. Waxman
On the Waxman-Dingell Amendment
March 16, 2006**

Three years ago, Congress and the American people were told that the Iraq war would be quick and inexpensive. Senior Administration officials told us that rebuilding Iraq would cost us less than \$2 billion. And we were told that Iraq would be able to finance its own reconstruction with its oil revenues.

Three years later, we know these assurances were completely unfounded. The war has cost hundreds of billions of dollars. We've squandered over \$20 billion on reconstruction projects that have left basic services below pre-war levels. And these massive costs have contributed to record budget deficits at home.

There are multiple causes for the enormous burden placed on the taxpayer. President Bush and his advisors grossly underestimated the insurgency. They failed to engage our allies in the rebuilding effort. And they vastly overestimated the amount of oil Iraq could sell to fund its reconstruction.

The amendment I am offering with Mr. Dingell addresses part of the problem: rampant waste, fraud, and abuse in federal contracting under the Bush Administration.

The largest contractor operating in Iraq is Halliburton. Government auditors have repeatedly caught Halliburton red-handed. They have found over a billion dollars in unreasonable and unsupported charges. Let me repeat this: federal auditors have found

the Halliburton's unreasonable and unsupported bills exceed \$1 billion. Yet over and over again, the Administration has ignored its own auditors.

The Pentagon's auditors found over \$260 million in unreasonable and unsupported costs when they examined Halliburton's no-bid contract to restore Iraq's oil fields.

Independent industry experts called Halliburton's charges "highway robbery."

But as this chart shows, the Bush Administration ignored these findings and paid Halliburton for 97% of its overcharges – and then gave Halliburton millions in additional bonuses.

These same Pentagon auditors rejected \$200 million in dining hall expenses because Halliburton charged for meals it never served to the troops. But the Bush Administration ignored the auditors, paid 75% of the challenged costs, and tripled Halliburton's profit on the contract.

The auditors got so frustrated with Halliburton that they warned Pentagon officials not to enter into any more contracts with the company. But three days later, the Bush Administration gave Halliburton a new \$1.2 billion contract in Iraq.

And these aren't the only problems. More than 50 cases of contract fraud in Iraq are currently under investigation. And Administration officials cannot account for over \$8 billion in Iraqi oil proceeds.

This kind of incompetent and egregious mismanagement is hard to believe. No matter how many times they bilk the taxpayer, politically favored companies keep getting more and more federal contracts.

The Administration has a duty to safeguard taxpayer dollars. But it is shirking that responsibility. We need to pass this amendment to end to this costly cycle.

This is a simple amendment. It would prohibit the Administration from using the funds in this bill to award new contracts to any company that has overcharged the government by \$100 million or more in Iraq. This is just common sense. No company that squanders over \$100 million of the taxpayers' money should be rewarded with new contracts.

If the Administration won't protect the taxpayer against waste, fraud, and abuse, the Congress must. For the sake of the taxpayer and the troops, support this amendment.