

## EIRFeature

# Halliburton's War

by Jeffrey Steinberg

President George W. Bush landed in a Navy S-3B jet on the deck of the aircraft carrier *USS Abraham Lincoln*, off the California coast, on May 1, 2003. In what may go down in history as the most expensive pre-election campaign stunt by a sitting American President, Bush delivered the words that now haunt his Presidency: "Mission accomplished."

President Bush was referring to the Iraq War, which had commenced on March 19, 2003. By May Day, the "hot" combat phase of the war had ended, with 170,000 American troops, 35,000 British troops, and a smattering of other "Coalition" forces occupying the capital city of Baghdad and a number of other Iraqi cities and towns. Saddam Hussein and his two sons were in hiding, the insurgency that would soon grip the country had not yet begun in earnest, but, as the world now knows, the "mission" was, and still is, anything but "accomplished."

Nevertheless, as President Bush was prancing around the deck of the *USS Abraham Lincoln*, telling the sailors how much he "preciated" their efforts, hard-working combat commanders from the Central Command (CENTCOM), and officials of the interim occupation authority, the Office of Reconstruction and Humanitarian Assistance (ORHA), under Gen. Jay Garner (ret.), were cobbling together a plan for the rapid transfer of power to the Iraqis—a plan that offered the last best hope for an exit strategy, to restore stability and sovereignty to an Iraq that is today viewed by many experts as caught hopelessly in a rapidly spreading, out-of-control civil war.

At the same time that there was still a chance to repair some of the damage done by the preemptive invasion, and do the right thing in Iraq, the U.S. State Department was being offered an opportunity to open comprehensive talks with Iran, covering everything from Tehran's assistance in the post-Saddam Iraq stabilization and reconstruction, to Iran's nuclear energy program, to Iran's relationship with Hezbollah, Hamas, and Islamic Jihad.

Within weeks of Bush's PR stunt on the deck of the *USS Abraham Lincoln*, all of these opportunities had been flushed down the toilet by the "Cheney-Rumsfeld



U.S. Navy/Photographer's Mate 3rd Class Tyler J. Clements

*President Bush aboard the USS Abraham Lincoln on May 1, 2003, where he announced, with respect to the Iraq War, "Mission accomplished." Nothing could have been farther from the truth, as the Cheney-Rumsfeld-Halliburton gang was already hard at work to undermine the efforts of U.S. military personnel to forge a viable exit strategy, including transfer of power to non-Baathist Iraqi military commanders.*

Cabal," to use the terminology of Col. Lawrence Wilkerson (ret.), who was, at the time, the chief of staff to Secretary of State and former Joint Chiefs of Staff Chairman, Gen. Colin Powell (ret.).

Instead of a comprehensive solution to the Persian Gulf crisis, we got what can only be called "Halliburton's War," the three-year descent into Hell, during which time, thousands of American GIs were killed or maimed, Iraq became engulfed in an ever-growing asymmetric warfare insurgency, and a parade of private military corporations (PMCs), led by Halliburton, raked in tens of billions in U.S. taxpayers' dollars and Iraqi Oil-for-Food funds, left over from the Saddam Hussein era.

Pentagon and Congressional investigations have confirmed that the PMCs, particularly Halliburton, have engaged in crass war profiteering, with the latest Pentagon audit concluding that Halliburton's Kellogg Brown and Root (KBR) subsidiary has systematically over-billed U.S. taxpayers by 25% on all of their Iraq logistics and reconstruction contracts, since the beginning of the Iraq imbroglio.

As *EIR* documented last week, the architects of the Iraq War had a larger "transformational" agenda: to set the precedent for the privatization of war, by giving the lion's share of the post-combat occupation mission to a combine of PMCs, collectively modelled on the neo-feudal British East India Company, which had administered the 18th- and 19th-Century British Empire through a private cartel of banks and chartered corporations. Today, this system is called "globalization," and the leading champions of the privatization of

national security are Synarchist bankers, typified by Felix Rohatyn and George Shultz.

## **Eyewitnesses**

The story of the willful sabotage of the opportunity to end an unwarranted and unjust invasion of Iraq, with at least some semblance of stability in the Persian Gulf, has been documented by eyewitnesses with impeccable credentials. Bernard Trainor, a highly respected, retired three-star Marine Corps general, and *New York Times* military correspondent Michael Gordon have catalogued the role of Vice President Dick Cheney, Defense Secretary Donald Rumsfeld, former Deputy Defense Secretary Paul Wolfowitz, former Undersecretary of Defense for Policy Douglas Feith, Undersecretary of Defense for Intelligence Stephen Cambone, and George Shultz and Henry Kissinger-protégé L. Paul Bremer, in the sabotage of the plan for a successful American withdrawal from Iraq. While Trainor and Gordon's new book, *Cobra II: The Inside Story of the Invasion and Occupation of Iraq* (New York: Pantheon Books, 2006) does not take up the consequences of the sabotage, in ushering in Halliburton, Bechtel, and a legion of smaller PMCs, it does provide a damning indictment of the Cheney-led neo-con insurgency that is critical to comprehending the bigger picture.

And two senior officials in the first term of the Bush-Cheney Administration, Colonel Wilkerson and National Security Council senior director for Middle East affairs Flynt Leverett, came forward in late March to reveal how Cheney directly blocked a proposal from Tehran for a comprehensive



White House photo/Kimberlee Hewitt

*Vice President Dick “Halliburton” Cheney killed the Iraq exit strategy and poisoned the possibility of a dialogue with Iran. Here, Cheney addresses the Conservative Political Action Committee in Washington, Feb. 9, 2006.*

U.S.-Iranian direct dialogue, at the same time that the Iraq situation was being sabotaged almost beyond repair. Wilkerson and Leverett provided their damning account to historian Gareth Porter, who reported it in a March 29 Inter Press Service (IPS) story, “Neocons Blocked 2003 Nuclear Talks With Iran.”

### Before ‘De-Baathification’

As recounted in *Cobra II*, on April 17, 2003, just one week after American troops had taken Baghdad, then-Deputy Commander Gen. John Abizaid held a satellite video conference, during which he unfurled plans to establish three divisions of an interim Iraqi Army, which would take up critical security functions, and to clearly signal that the United States had no intention of long-term occupation. As Trainor and Gordon write, Abizaid “believed that Arab armies were not just military organizations—they provided jobs, helping to hold Arab societies together. His goal was to field three divisions in three months.”

The approach taken by CENTCOM’s top generals was to reconstitute the interim Iraq Army from the top down—by recruiting commanders from the former Army who were not tainted by close ties to Saddam Hussein’s Baathist inner circle, and recalling their units, intact. As it would turn out, months later, when U.S. commanders got access to the Iraqi Ministry of Defense personnel records, they discovered that few of the top-ranking military officers, and even fewer of the junior officers and NCOs, were Baath Party figures.

A key player in the strategy of CENTCOM was Lt. Gen. David D. McKiernan, who was the commander of the combined allied ground forces during the invasion, which was officially called “Cobra II.” On May 9, 2003, General

McKiernan, along with a small group of U.S. senior officers and CIA officials, met with Faris Naima, a former Iraqi military officer and Ambassador to the Philippines and Austria, who had defected at the close of his diplomatic tour in Vienna. Naima had contact with a number of Iraqi generals, and he presented a plan for creating a new Ministry of Defense, staffed by experienced officers who were all prepared to denounce the Baath Party and work with the Americans.

A parallel effort was also being run by Gen. Jay Garner (ret.), the Bush-appointed head of ORHA. As Trainor and Gordon report, “Soon after arriving in Baghdad, one of Garner’s top planners, Colonel Paul Hughes, heard that some former Iraqi officers had approached U.S. troops in Baghdad to ask how they might receive their salaries. After securing approval from senior officers, Hughes met with the group

at one of the Republican Guard’s officers’ clubs. Calling themselves the Independent Military Gathering, the Iraqi officers indicated that they wanted to cooperate with the Americans. Though many wanted to work outside the military, they were willing to supply names of potential recruits, including lower-ranking noncommissioned officers. Anticipating that the Defense Ministry would be bombed, they had wisely removed the computers containing military personnel records. Eventually, they gave the Americans a list of some 50,000 to 70,000 names, including the military police.” As the authors note, “The United States may not have had a ready-made military force but it seemed to have some of the pieces—if, that is, it wanted to use them.”

Obviously the situation on the ground in Iraq was already chaotic and complicated. While Garner’s impulse was to back CENTCOM’s traditional military plan to turn over power to an interim Iraqi authority and begin withdrawing American forces, he was also already turning to PMCs to join in the process of implementing the exit strategy. He had hired two American companies, RONCO and MPRI (Military Professional Resources Inc.), to screen Iraqi soldiers for future employment, as military or civilian workers. MPRI, one of the first American PMCs, drawn from the top ranks of American retired military officers, received an initial contract of \$625,000 from Garner, to launch the vetting and training program.

### Iran’s ‘Grand Bargain’

At the exact moment that Generals Abizaid, McKiernan, and Garner were putting together a comprehensive exit strategy from Iraq, the Iranian government sent an offer to Washington that was almost too good to be true. As reported by

Gareth Porter, in early May 2003, Tehran sent a letter to the U.S. State Department, via the Swiss Ambassador in Tehran. The letter would be referred to as Iran's "grand bargain." The Khatami government, with the backing of the Grand Ayatollah Khamenei, proposed to open comprehensive talks with the Bush Administration on a wide range of issues, including Iran's nuclear energy program; Iranian assistance in stabilizing Iraq, with its large Shiite majority; Iran's support for Hamas and Islamic Jihad; and the prospect of Hezbollah being transformed into a strictly political institution within Lebanon. The Iranians also proposed to give the Americans information about al-Qaeda members in Iranian custody, in return for the American side providing information about the Mujahideen el-Khalq (MEK), an Iranian exile group on the U.S. State Department's list of terrorist organizations, based in Iraq.

The May 3, 2003 Iranian letter was not without precedent. In 2001-02, the United States and Iran had conducted secret talks in Geneva, which had resulted in Iranian cooperation in stabilizing Afghanistan, following the U.S. post-9/11 invasion of that country. Initially, over howls of protest from the neo-cons inside the Bush Administration, the President gave his special Iraq envoy, Zalmay Khalilzad, the okay

to begin talks with Iran's "man in Geneva" Javad Zarif, about Iraq.

### Cheney-Rumsfeld Cabal Reacts

With events turning potentially against the war party, both on the ground inside Iraq, and on the diplomatic level with Iran, Vice President Cheney and the neo-con civilian apparatus inside the Pentagon made their move. In what amounted to a quiet, but deadly policy coup, Cheney and company killed the Iraq exit strategy and poisoned the dialogue with Iran.

A U.S. intelligence official intimately familiar with the events of May 2003 was blunt: "Cheney and Rumsfeld had no intention of dealing with Iran. They viewed the Iraq invasion and occupation as part of a package, that also included regime change in Syria and Iran. They weighed in and killed a golden opportunity."

The man that Cheney and company chose to kill both initiatives was a longtime George Shultz and Henry Kissinger protégé, Ambassador L. Paul Bremer. Bremer had earned his stripes at the State Department, first as executive assistant to Kissinger, and later as Shultz's ambassador for combatting terrorism. In 1989, when he left the government, Bremer stepped in as managing director of Kissinger Associates, a

## What Rohatyn Wants To Hide

As moderator of a panel discussion of the Center for Strategic and International Studies (CSIS) Public Infrastructure Commission, held at the National Press Club March 27 (see article, p. 41), CSIS president John Hamre quashed any mention of Felix Rohatyn's remarks on privatizing the U.S. military. Hamre implied that the LaRouche Youth Movement questioner was lying about the 2004 Middlebury College privatization conference sponsored by Rohatyn and George Shultz. He told the LYM questioner:

"Let me interrupt: I actually was at that conference, and I know what actually happened there, and I was the Deputy Secretary of Defense; let me talk with you when we get done about that. This is a session about America's



### The Privatization of National Security

The Rohatyn Center for International Affairs, Middlebury College and  
The Woodrow Wilson School of Public and International Affairs, Princeton University  
October 9, 2004

**Felix Rohatyn**, President, Rohatyn Associates

...action could be taken. And I think this is now a very different world, and different businesses, and I think that we now want to take some care.

The issue of what is it that only the government can do; it's probably to kill people. But I don't think there are that many issues where the government can act where the private sector can't play a role if it is properly overseen and if the community of interests is protected.

I don't think I need to go much further here because we're short on time, but I do think this issue of community of interests, that this industry is going to get much bigger, because more people are going to leave because of the fact that we can't pay them enough, which is a whole different question that should be examined at some point. Should the government own these people or

infrastructure, and not about private defense functions."

For the record, here is a photocopy of a section of the Middlebury College transcript of the conference that Hamre did not want discussed.



DoD/Staff Sgt. Jerry Morrison, Jr.

*Paul Bremer (second from right), the head of the Coalition Provisional Authority, with Defense Secretary Donald Rumsfeld (right) on board a helicopter in Iraq, Feb. 23, 2004. Bremer was a protégé of George Shultz and Henry Kissinger, and had served as managing director of the Kissinger Associates consulting firm until 2000. He was given his CPA post thanks to Dick Cheney and Rumsfeld.*

post he held until 2000.

In his own self-serving memoir of his tour of duty as the head of the Coalition Provisional Authority (CPA) from May 2003-June 2004, Bremer made it clear that his appointment as proconsul in Baghdad was a Cheney-Rumsfeld maneuver. The two people who called him, to solicit his help in Iraq were: Lewis “Scooter” Libby, then Cheney’s chief of staff and chief national security aide; and Paul Wolfowitz. Bremer had worked with both men in George Shultz’s State Department during the Reagan years.

From the moment that Bremer agreed to go to Baghdad, things moved with lightning speed:

On May 5, Bremer was in Washington, meeting with Rumsfeld. The two men had been friends since the Ford Administration in the mid-1970s. As Bremer wrote of Rumsfeld in *My Year in Iraq* (New York: Simon & Schuster, 2006): “We had stayed in touch over the years and I admired his patriotism, quick intelligence and drive.” For Rumsfeld, one of Bremer’s greatest qualifications was that he had never served in Southwest Asia, and had no ties to the “damned Arabists” at the State Department, CIA, and DIA, who considered Rumsfeld and Cheney’s approach to the Iraq occupation to be madness.

On May 6, Bremer met with President Bush in the Oval Office and was offered the job as head of the Coalition mission in Iraq. Before he would accept the posting, Bremer insisted that the President fire Zalmay Khalilzad as the special White House envoy, insisting that he had to have absolute Presidential authority to act, with no one second-guessing his deci-

sions. A labile President Bush agreed, apparently without even consulting with Secretary of State Colin Powell, who later said, according to Trainor and Gordon, that he was “stunned” that Khalilzad, “the only guy who knew the Iraqi players well and who was regarded by them as a trusted representative of the White House,” was dumped. National Security Advisor Condoleezza Rice and the Joint Chiefs of Staff were also bypassed in the Bremer coup.

Next, Vice President Cheney assigned one of his aides, Brian McCormack, to Bremer’s staff. In a meeting with Doug Feith at the Pentagon, shortly before he departed for Baghdad, Bremer was given a draft text of a de-Baathification order, which was to have been issued by Garner. Bremer insisted that the order be postponed until his arrival in Baghdad, so he could deliver it as his first order of business as the head of the newly created Coalition Provisional Authority, which replaced the Of-

fice of Reconstruction and Humanitarian Affairs.

Bremer would be joined in Baghdad by another Cheney-Rumsfeld handpicked operative, Walter Slocombe. Although Slocombe had served in the Clinton Administration as Undersecretary of Defense for Policy, he had been an avid supporter of the Bush-Cheney “preemptive” invasion of Iraq. He was tapped to head up the interim Iraqi Defense Ministry by Rumsfeld’s Undersecretary of Defense for Intelligence and top protégé, Stephen Cambone. Slocombe arrived in Baghdad with instructions from Rumsfeld, Wolfowitz, and Feith to completely dismantle the Iraqi Army, and begin to rebuild it from the bottom up, a laborious process that would take years to complete, thus assuring a long-term American occupation.

On May 12, 2003, Bremer arrived in Baghdad. The very next day, by his own accounts, and the reporting of other eyewitnesses, Bremer convened a closed-door staff meeting. His first order of business: Issue shoot-to-kill orders against any Iraqis caught looting. Bremer insisted that the Iraqis had to be taught a harsh lesson, that the Americans were serious about bringing law and order to a country that had just been decimated by “shock and awe.”

At least two of the military commanders in the Baghdad district flat-out refused to accept Bremer’s instructions. According to Trainor and Gordon, “Bremer’s position came as a surprise to Buff Blount, who soon made clear that his soldiers had no intention of using deadly force to stop stealing by the impoverished Iraqis his soldiers had liberated. . . . Mattis expressed similar sentiments.” The next day, the details of Bremer’s closed-door orders appeared, verbatim, in the *New*



DoD/Helene C. STikkel

*Undersecretary of Defense for Intelligence Stephen Cambone played a leading role in sabotaging the efforts of on-the-ground U.S. military leaders to transfer power to Iraqis.*

*York Times.*

On May 15, Bremer unilaterally cancelled a conference that had been called for the end of the month by Garner and Khalilzad, which was to have put together an interim Iraqi government. Bremer's policy precisely mirrored a classified memo that Rumsfeld had sent to Cheney, Powell, and CIA Director George Tenet, soon after the Iraq invasion began, warning that any premature effort to create a post-Saddam Iraqi government could result in an anti-American regime coming into power. Bremer set a one-year timetable for a hand-over of power, mandating that the drafting and popular ratification of a constitution should precede any turnover of sovereignty from the CPA to the Iraqis. For Halliburton and the other PMCs, this would mean a one-year open-ended license to steal.

The next day, Bremer signed the Feith-drafted Order No. 1, "De-Baathification of Iraqi Society." According to a CIA estimate, with the flick of a pen, Bremer fired more than 30,000 Iraqis.

Bremer waited just one week before dropping the other shoe. On May 23, he issued Order No. 2, "The Dissolution of Entities," formally dismantling the entire Iraqi Army. Slocombe had drafted the order, but only after Rumsfeld personally sent his two men in Baghdad a May 19 classified planning guidance on creating the "New Iraqi Corps."

Trainor and Gordon capture the treachery of the moment: "While Rumsfeld had been consulted in advance, other key players were blindsided by the edict. Peter Pace, the vice chairman of the Joint Chiefs of Staff, said later that the Joint Chiefs were not consulted about the decision. Powell did not know about it in advance. Condoleezza Rice was caught off guard but comforted herself with the thought that the White

House needed to respect the judgment of their man in Baghdad. . . . In fact, Abizaid and McKiernan did consider the decision an abrupt and unwelcome departure from their previous planning."

That was an understatement. Overnight, 300,000 Iraqi soldiers were unemployed and stigmatized as "Saddamists," despite the fact that under even Bremer's strict de-Baathification criteria, only 8,000 out of a total of 140,000 officers and NCOs would have been disqualified from serving in the New Iraqi Corps.

The day that Bremer signed that order was the day that the Iraqi insurgency was truly born. In fact, much to Rumsfeld and Cheney's dismay, on July 16, the day he took command of CENTCOM, General Abizaid honestly told the press that Coalition forces in Iraq were facing "a classical guerrilla-type campaign." This stood in stark contrast to Rumsfeld's glib claims that the United States was merely carrying out clean-up operations against "dead-enders." Two years later, Vice President Cheney would be peddling the same lies, claiming that the Iraqi insurgency was in its "last throes."

## **Battle Over the Iran Policy Directive**

Here the narrative of treachery is picked up by Colonel Wilkerson and Flynt Leverett. The May 3 letter from the Iranian government to Secretary of State Powell, offering Iran's "grand bargain," arrived in Washington, as a feverish battle was already under way over Bush Administration policy towards Iran. For over a year, the Administration had been divided over the drafting of a National Security Policy Directive (NSPD) on Iran, with Administration "realists," led by Powell, arguing for a continuation of the Clinton Administration's policy of diplomatic engagement. The Cheney/Rumsfeld-led neo-cons, centered in the Office of the Vice President and in Feith's Pentagon Office of Special Plans (OSP), penned their own draft NSPD, calling for regime change, and even suggesting a role for the terrorist MEK.

According to U.S. intelligence community sources who spoke to *EIR*, it is believed that the OSP draft was prepared by Michael Rubin, a protégé of neo-con Richard Perle, who would spend six months in Iraq on Bremer's CPA staff. What is certain is that by no later than February 2003, a copy of the OSP Policy draft had been delivered to Israeli Embassy officials by OSP Iran desk officer Larry Franklin, who was subsequently indicted and pleaded guilty to passing classified material to Israel and to two officials of AIPAC, the American Israel Public Affairs Committee.

When the letter from Iran arrived in Washington, the already simmering battle inside the Bush Administration escalated into an all-out, behind-the-scenes policy brawl. Powell pressed President Bush for approval to have Khalilzad resume the Geneva channel of talks, which had produced positive results on Afghanistan after 9/11. The neo-cons, according to then-NSC Middle East chief Leverett, balked. "They were saying we didn't want to engage with Iran because we didn't

want to owe them,” he told Porter.

Although President Bush did approve the Khalilzad Geneva talks with Iran, by the end of May, the whole deal had been scotched. Wilkerson blames the “secret cabal” headed by Cheney: “The secret cabal got what it wanted; no negotiations with Tehran.” But he acknowledges, “As with many of these issues of national security decision-making, there are no fingerprints.” He did not hesitate to offer his own educated guess as to who had shut down the Iran channel: “I would guess Dick Cheney with the blessing of George W. Bush.”

In fact, the Administration stalemate represented a clear victory for Cheney and Rumsfeld. By April 1, the entire Geneva channel had been permanently shut, and, as of October 2003, Franklin would quietly inform the Israelis that all work on a final National Security Policy Directive on Iran had been shut down.

### PMCs Fill a Gaping Hole

Both the Bremer and Trainor-Gordon accounts of the events of May 2003 highlight another burning issue that would play directly into the Shultz-Rohatyn-Cheney grand design for privatizing war and profiteering handsomely off of the neo-feudal scheme: the acute shortage of American troops for any long-term, postwar occupation of Iraq.

Generals Abizaid, McKiernan, and Garner had all been pressing for a quick stand-up of the Iraqi Army and the early creation of an interim Iraqi government, in part because of the lack of sufficient American military personnel to restore order without a lot of Iraqi involvement.

Rumsfeld’s position on the question had been made clear in April 2003, when he unceremoniously fired Army Secretary Tom White, for siding with Army Chief of Staff Gen. Eric Shinseki, over Shinseki’s insistence that the United States needed a minimum of 300,000 troops to invade and secure Iraq. White left office on May 9, and Shinseki followed a month later.

Just before he left for Baghdad, Bremer had met with a friend, James Dobbins, who had been a State Department trouble-shooter, and who had served in Afghanistan and the Balkans. Now at the RAND Corporation, Dobbins had just presided over a study of the history of nation-building, over the past 60 years, the results of which he shared with Bremer. The essential point of the RAND study was that any effective nation-building mission required a 1:50 ratio of peacekeepers to civilians. That was the size of the various Balkan peacekeeping forces. By that standard, between 450,000 and 500,000 U.S. troops would have been required in Iraq.

According to Trainor and Gordon, Bremer passed along a copy of the study to Rumsfeld, who promptly threw it in the garbage.

There might be 300,000 or even 500,000 Coalition forces eventually on the ground in Iraq, but the majority would not be active duty military. Iraq would be the PMCs’ Shangri-la: the first truly neo-feudal imperial occupation of their post-Treaty of Westphalia world.

# Halliburton’s Gross Profiteering Record In Cheney’s Iraq War

by Carl Osgood

Halliburton may be the most corrupt and scandal-tainted company ever to get contracts from the U.S. Government, but that reputation doesn’t seem to be slowing it down one bit. Rep. Henry Waxman (D-Calif.) released a report on March 28 which shows that the corruption continues despite a growing list of complaints, audits, and investigations into Halliburton’s performance, almost from the time the Iraq war began in March 2003. What Waxman’s new report proves, by implication, is that despite the documented criminality, Halliburton continues to rob the taxpayer blind—\$11 billion so far—while it remains protected by the Bush Administration, which still refuses to investigate Halliburton’s conduct.

It is no secret, of course, that Vice President Dick Cheney was the head of Halliburton from 1995 until he left to become George W. Bush’s controller/running mate in 2000. Not only is Cheney the chief architect of the Iraq war, he also is the architect of the military privatization policies that Halliburton is benefitting from; and he receives a deferred salary, and still holds stock options in the company.

Waxman’s new report focusses on the second of two contracts Halliburton was awarded to restore Iraqi oil infrastructure, known as RIO 2. The report, covering the period from July 2004 to July 2005, “reveals that government officials and investigators have harshly criticized Halliburton’s performance under RIO 2, citing ‘profound systemic problems,’ ‘exorbitant indirect costs,’ ‘misleading’ and ‘distorted’ cost reports, a ‘lack of cost control,’ an ‘overwhelmingly negative’ evaluation, and an ‘obstructive’ corporate attitude toward oversight.” The report is based on hundreds of pages of previously undisclosed correspondence, evaluations, and audits by three entities—the Project and Contracting Office (PCO), the Pentagon agency set up to monitor Iraq reconstruction; a private contractor hired by the PCO, and the Defense Contract Audit Agency (DCAA).

Anyone familiar with the history of Halliburton in Iraq will recognize that all of the issues cited by Waxman in this latest report have been characteristics of Halliburton’s behavior in two other major contracts that the company has in Iraq—the original RIO contract, which was awarded in secrecy about 10 days before the U.S. invasion of Iraq, and the LOGCAP, or Logistics Civil Augmentation Program, contract, by which Halliburton is responsible for most of the logistics support required by the U.S. military.