Mr. Chairman, I rise in support of this amendment to

deny further awards of contracts to contractors that have been found by

the Defense auditors to have billed the government for more than $100

million in unreasonable costs.

From the moment Representative Waxman and I learned about secret no-

bid contracts given to large companies like Halliburton in 2003, for

activities in Iraq, we have tried to get the facts on the matter. And

it has not been easy to get those facts.

In the course of our investigation, with the help of the Government

Accountability Office, we have learned of some pretty terrible things.

First, we found that Halliburton was importing oil into Iraq at

extremely high prices. We were particularly concerned about the

company's decision to import gasoline from Kuwait at a price far above

market levels.

Eventually, Defense auditors agreed and found that there were $263

million in unsupported and questioned costs in these contracts. Yet

last month, the Corps of Engineers ignored their auditors and

reimbursed Halliburton for $254 million--all but $9 million of the

questioned costs.

This follows a pattern with Halliburton. The Defense auditors had

previously questioned $200 million in costs for meal services provided

by the company, which again was overruled by the Army, which gave the

company $145 million.

This amendment to deny new contracts to companies that have a history

of billing the government for questionable costs is hardly novel. In

January, 2004, the Defense Contract Audit Agency itself recommended

that the Corps not enter into new contracts with Halliburton, but 3

three days later the Army awarded Halliburton a new $1.2 billion

contract.

The amendment before us will ensure that taxpayer money will go to

support the troops and help rebuild infrastructure and not fatten the

pockets of contractors that have a history of questionable billing

practices. I emphasize this amendment will not take any funds away from

troop support, but will help support the troops.

It is an embarrassment that there have been virtually no

Congressional hearings on the matter. Instead, we must act

legislatively.

The best course of action to ensure that our money is going where it

is needed in support of the troops is to put an end to future contracts

with companies that are serial overchargers. Vote for this amendment.