Mr. President, I bring to the attention of Senators the

troubling reality in Iraq that is described in two recent Government

reports, one by the Government Accountability Office and the other by

the Office of the Special

Inspector General for Iraq Reconstruction.

Documented in these reports are assessments of the precarious and

deteriorating security situation on the ground, which has dramatically

slowed the pace of reconstruction and resulted in significant

additional costs. This picture is in stark contrast to the rhetoric

coming from the administration that we are in the last throes of the

insurgency and that reconstruction is moving forward at a rapid pace.

The reality is that because of the security problems in Iraq, the

results of reconstruction are falling far short of what the

administration optimistically predicted and what we were told to

expect. While there has been important progress in building schools and

hospitals and providing clean drinking water in some areas, exorbitant

security costs are forcing the scale back or cancellation of

reconstruction projects. Unfortunately, there is little reason to be

optimistic that the situation will improve in the short term.

According to today's Washington Post, the GAO reported that

Furthermore, the Office of the Special Inspector General for Iraq

Reconstruction reported that after reviewing several reconstruction

contracts, it determined that more money was going to Government

contractors involved in the rebuilding process than was necessary. The

formula used for disbursing special monetary awards, which are above

and beyond basic fees, was producing excessively high awards. In some

instances, contractors were paid hundreds of thousands of dollars

despite not winning a contract or delivering a single service. Once

again, these reports shed light on the lack of oversight and

accountability given to contracts in Iraq.

Given the enormous amount of money the United States is spending in

Iraq, the many reports of waste and profiteering by unscrupulous

contractors, and the President's request for additional hundreds of

millions of dollars for Iraq reconstruction in the fiscal year 2006

budget, it is incumbent on the administration to respond to these

reports in a forthright manner so that Congress can make informed

decisions about the use of these funds.