Mr. President, the largest area of deficiency for the

Congress in the last few years has been the failure to have oversight

hearings on issues that demand oversight hearings. I have held some

hearings as chairman of the Democratic Policy Committee, in cases where

members of other committees have asked for oversight hearings and they

have been denied. This has been particularly true, by the way, when it

comes to Halliburton.

Let me give an example of why oversight hearings are critical. This

comes from a report recently on National Public Radio. I will read this

because it describes why this Congress must begin exercising its

oversight responsibility. This is about waste, fraud, abuse, and the

American taxpayers being cheated.

Let me read some of it:

An August Wall Street Journal article said Mr. Michael

Battles, a former Army Ranger, showed up in the country of Iraq with

$450. He and his partner, former Army Ranger Scott Custer, convinced an

official to put Custer-Battles, a new company, on a list of bidders for

an airport security contract. They promised to get the job done fast,

and they won the contract, which included two upfront cash advances of

$2 million each.

Then there was a fellow, a former FBI agent, whose name is Isakson

who said 2 weeks into this job, by this two-person company that showed

up with no money but got $2 million of advanced funding for this

contract at the airport--Isakson, a former FBI agent, said something

went wrong.

Isakson said it involved bidding for cost plus

contracts which guarantee payment for a contractor's actual cost plus

an agreed to profit margin.

This is what Isakson said:

Isakson said he refused to go along, and he warned company officials

that such a plan would put them in jail. Again, this is an ex-FBI

agent. He said he could not go along with this. It will put you in

jail.

The next day at the airport, Isakson claims, Custer-Battles security

guards cornered him in a hallway at gunpoint. His brother and his 14-

year-old son were there as well.

Isakson said:

Isakson said the guard took their weapons and ID badges and

eventually turned them out of the airport compound, where they made the

dangerous journey from Baghdad to the Jordanian border. He has filed a

lawsuit against Custer-Battles over the ordeal, and he is also a party

to a $50 million Federal lawsuit filed in Virginia under the False

Claims Act.

The other whistleblower in this case is a Pete Baldwin, a former

country manager for Custer-Battles in Iraq who now runs another firm

there. Baldwin describes a web of false billing practices designed to

inflate costs and boost company profits. He cites a deal to provide

forklifts on a security detail.

Now, this is what Baldwin says:

He says:

So Baldwin took his suspicions to Government investigators and quit

over the company's billing practices. Now Baldwin claims his life has

been threatened because of his actions.

The Pentagon has suspended Custer-Battles from receiving further

military contracts and sources, according to NPR, say a Federal

criminal investigation is ongoing. However, a civil probe ended in

October when the U.S. Justice Department declined to join in the

whistleblower case.

Here is the key, and it is an interesting piece of information: A

spokesman says the Bush administration has made a policy decision that

cheating the Coalition Provision Authority in Iraq is, for the most

part, not cheating the U.S. Government. Let me say that again. This is

quoting Mr. Gracing:

The fact is, the Coalition Provisional Authority was us. It was our

money, our resources, our people. So here we have a company that takes

forklift trucks from an airport property, moves them someplace to a

warehouse, paints them blue, sells them back to the Coalition

Provisional Authority, which pays for them with U.S. taxpayer funds,

and our U.S. Justice Department says: That's all right. We'll close our

eyes while you cheat us because the Coalition Provisional Authority is

not really the U.S. Government. Are they nuts? Don't they care whether

we are being cheated?

These are the kinds of things that literally beg for oversight

hearings. Yet this Congress is dead silent on these issues. I said I

have held oversight hearings about Iraq with respect to Halliburton.

The minute you talk about Halliburton, somebody raises the Vice

President. I did not talk about the Vice President in those hearings,

but I talked about Halliburton and about

cheating. This is about Halliburton. It is not about anybody else.

When a company says they are feeding 42,000 soldiers and being paid

for it by the U.S. Government and it ends up they are only feeding

14,000 soldiers a day, and 28,000 meals are being paid for that are not

being fed, it seems to me there ought to be aggressive oversight

hearings to figure out what is going on, who is cheating the

Government. Yet there is dead silence.

I come from a really small town, about 300 people. We have one small

little cafe right in the middle of Main Street. My guess is, if

somebody got a check for 4 meals that were never served, they would

sure know that, and the same goes for 14 meals, or 40 meals. It would

appropriately be a big deal in my hometown. But 28,000 meals that are

billed but were not delivered to U.S. troops? In my little town, they

would call that cheating and fraud. Yet there is dead silence with

respect to the oversight responsibility we ought to have as a Congress

to find out what is happening, why, and who is responsible.