

Feb 27 2006 - Pentagon Defense Contract Audit Agency: Halliburton Subsidiary Overcharges US Army...

Pentagon Defense Contract Audit Agency: Halliburton Subsidiary Overcharges US Army by \$263 Million

Washington, DC - Rep. Louise M. Slaughter (D-NY-28), Ranking Member of the House Rules Committee, today responded to the Army's decision to compensate a Halliburton subsidiary, Kellogg Brown & Root, for almost all of the disputed costs of the \$2.41 billion no-bid contract for the reconstruction of Iraq that the company won as a result of its connection to former Halliburton CEO, Vice President Dick Cheney.

The Pentagon's own Defense Contract Audit Agency questioned \$263 million in costs for fuel deliveries, pipeline repairs and other tasks that auditors said were potentially inflated or unsubstantiated by documentation. Auditors found that the company charged the Army nearly triple the amount other companies charged for the same fuel transportation services from Kuwait to Turkey.

The Army will reimburse Kellogg Brown & Root with \$900 million of taxpayer money and \$1.5 billion of Iraqi oil revenue, all but 3.8% of the charges questioned by the Pentagon. This figure is far below the military's standard sustention rate. In 2003, the agency's records show, the military withheld an average of 66.4% of what the auditors had recommended, while in 2004 the figure was 75% and in 2005 it was 56.4%.

"In this case, the Pentagon caught Kellogg Brown & Root is blatant attempt to steal from both the American taxpayers and Iraqi citizens, but somehow the Army has decided to reward this company for yet another egregious abuse of power," Rep. Slaughter said. "While Halliburton and other firms with Republican connections get their contracts and bonuses, our soldiers still don't have the body armor and armored vehicles they need to fight the war," she added.

"This situation is just another example of waste, fraud and cronyism by the Republican Congress and the Department of Defense that has already been quantified in the 'America for Sale' report," she continued.

To view the report in its entirety, [click here](#).

"America for Sale: The Cost of Republican Corruption," presents for the first time a comprehensive review and analysis of the major ethics scandals which have shaken Washington during the last five years of Republican rule, and reveals how deep the culture of corruption nurtured by the Republican Party's leadership goes.