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Report questions over \$1.4B of Halliburton bills

Spokeswoman says company was unfairly singled out

By Andrea Stone
USA TODAY

WASHINGTON — Halliburton has billed taxpayers more than \$1.4 billion in questionable and unsupported charges for logistics and other services in Iraq, according to a Democratic congressional report released Monday. Citing newly released government audits, the Sen-

ate Democratic Policy Committee held its fifth hearing on Halliburton and chastised Republicans once again for not being tougher on the company Vice President Cheney led from 1995 until 2000.

"This testimony doesn't just call for congressional oversight; it screams for it," said Sen. Byron Dorgan, D-N.D.

Jen Burita, a spokeswoman for Senate Homeland Security and Government Affairs Committee Chairwoman Susan Collins, R-Maine, said Congress and government auditors have conducted nearly a dozen reports on Hallibur-

ton and that the panel "monitors very closely" the activities of the main U.S. contractor in Iraq.

Halliburton spokeswoman Cathy Mann called Democrats' statements "false" and noted that while every contractor faces audit questions, her company has been unfairly singled out. Only the political rhetoric has been inflated, she said in an e-mail, calling the figures a "gross mischaracterization."

Whistle-blower testimony and a previously undisclosed Army audit found Halliburton and its subsidiary Kellogg Brown & Root (KBR) inflated cost estimates, billed for

unnecessary equipment and personnel, submitted millions of dollars in duplicate charges and was repeatedly given preferential treatment over other contractors.

The report cited these examples of inflated costs:

- ▶ \$617,000 for double-billed soft drinks.

- ▶ \$1 million in excessive laundry charges.

- ▶ More than \$560,000 for unneeded heavy equipment, including tractors and trailers.

- ▶ \$2.2 million for cargo aircraft and \$7.6 million for freight costs that "appeared to be duplicate."

- ▶ \$1.4 million to pay 146 workers at a facility that had only 62.

The Army audit blamed lax Defense Department oversight, saying Pentagon officials often discarded lower government cost estimates in favor of the contractor's inflated ones. While the government estimated it would take \$1.9 million to run Baghdad's airport, Halliburton charged \$12.8 million. A contract to run Camp Arifjan in Kuwait cost \$10.8 million instead of the government \$2.8 million estimate.

A separate Defense Contract Audit Agency review revealed \$219 million in questioned charges relat-

ed to fuel imports by Halliburton.

In addition, Rory Mayberry, a former KBR food manager at Camp Anaconda in Iraq, testified on videotape from Baghdad that the company charged for twice the number of meals it provided and served food beyond its expiration date. He said managers ordered workers to pick bullets and shrapnel out of food shipments that had been damaged by gunfire or bombings and serve it to troops.

Mayberry said managers threatened to send workers who talked to auditors to more dangerous parts of Iraq.