

# WAXING POETIC:

CONGRESSMAN HENRY  
WAXMAN GRABS THE  
BULL BY THE HORNS.

by Jim Sullos

Meet Congressman Henry Waxman. If you live on the west side of L.A., chances are, he's the one representing you up in Washington, something that he's been doing since 1974. And if you've got a few questions for the Bush Administration, chances are, he's one of the few up on Capitol Hill who is actually asking them. As the ranking member of the Government Reform Committee he has been a constant thorn in Bush's side, vigorously following up on every single discrepancy between public statements by senior administration officials and the internal findings of their respective departments. (And when you're dealing with the Bush Administration, this can be quite an undertaking). We sat down and asked him why it is that he is so relentless in his pursuit of the truth when so many of his peers seem content to let the White House do as it pleases.

Waxman: I am the top Democrat on the committee that has jurisdiction for oversight investigation—that's an important Congressional function, because an important part of the authority of Congress is to find out what the executive branch is doing. It's been frustrating because the Republicans are in charge and rather than try to investigate matters that are really important, they have seen themselves more as Republicans first and leaders of an independent branch of government that is supposed to provide checks and balances second... our founding fathers expected that we have these checks and balances.

WAV: Can you give some examples of how they've put the Republican agenda ahead of their Congressional duties?

Waxman: They have been very protective of the Bush Administration, and have refused to look at a whole range of issues like the fact that several Saudis were able to leave the country right after 9/11 for which we really haven't gotten an adequate explanation... and some of them were in fact relatives of bin Laden and members of the Saudi royal family...They have failed to probe allegations that administration officials misled Congress about the costs of the Medicare prescription drug bill. And they have ignored the ethical lapses of administration officials, such as the senior Medicare official who negotiated future employment representing drug companies while drafting the prescription drug bill...They have [also] refused to investigate the claim that Iraq is trying to get nuclear materials from Africa, which was in the President's State of the Union address which turned out to be absolutely bogus. The CIA knew it to be bogus at the time the President used that statement, and others in the administration made it, which was the basis for their argument that Iraq was very close to getting nuclear weapons.

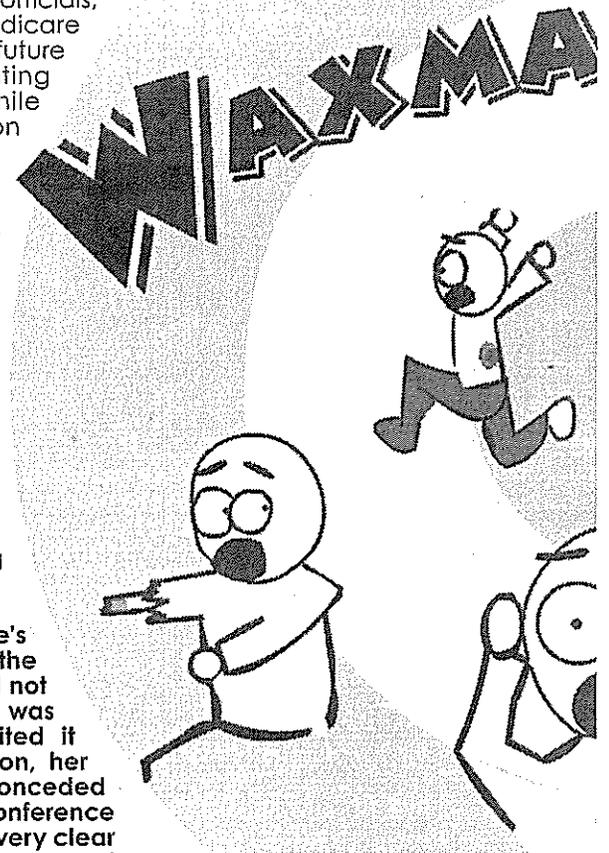
Despite Condoleeza Rice's repeated assertions that the Administration simply did not know that the evidence was a forgery when they cited it as justification for invasion, her deputy, Stephen Hadley, conceded at a subsequent press conference that the CIA had made it very clear to him, in both written memos and a personal phone call from CIA head honcho George Tenet, that the uranium claim was based on "weak" evidence and should not be used in any speech or report, months before the President's State of the Union address. The State Department's Intelligence Bureau expressed similar concerns around the same time in a report that was widely circulated throughout the White House. And as Waxman so delicately put it in a letter to National Security Advisor Rice, "These circumstances raise obvious questions about whether your public statements were intended to

mislead." Yet, despite the alarming implications of these revelations, Congress will not investigate it.

## conflict of interest

n : a situation in which a public official's decisions are influenced by the official's personal interests

Waxman: I think that the obligations of public life and public office [are] to represent the public interest. What



I see happening more and more with the Bush Administration is that they are recommending professionals that are their campaign warriors/contributors and political friends. We found this out when we were looking at the Enron issue. Enron, of course, is a huge corporation that went bankrupt and the chairman of that corporation, Ken Lay, was a leading contributor to President Bush's election before he became President. They had a great deal of influence over this administration. When Vice President Cheney decided to take on the responsibility

of setting up a task force to establish an energy policy...he relied on Ken Lay and Enron for a lot of advice. He also went to other energy industry officials oil, gas, coal...what was interesting was that he wasn't even talking to the environmentalists...or considering alternative fuels...or ways to try to preserve energy rather than waste it. We asked the General Accounting Office to find out how this energy task

Vice President Cheney, to find out information about his energy task force, Vice President Cheney invited Justice Antonin Scalia on Air Force Two to go on a hunting trip...

**The trip caused quite an uproar in the media. The Sierra Club, along with some Democrats and many legal ethicists, requested that Justice Scalia remove himself from the case due to the apparent conflict of interest. Scalia refused, asserting his ability to remain impartial. On June 24<sup>th</sup>, the Supreme Court decided that a lower court should spend more time sorting out the White House's privacy claim, thereby ensuring that the administration would not have to reveal any details of the task force before the election. Scalia voted with the majority.**

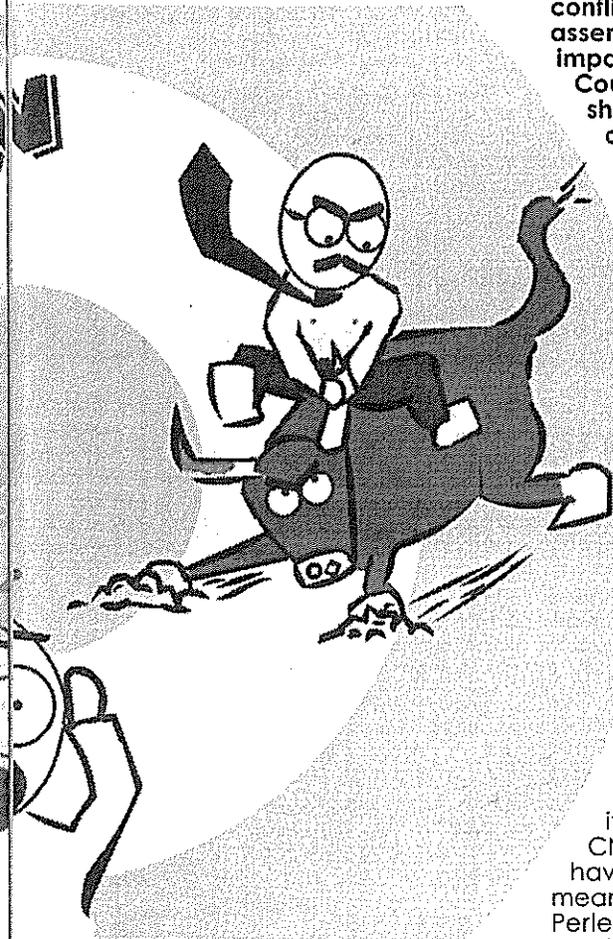
WAV: Last year a study by Washington's Center for Public Integrity revealed that 9 out of the 30 members of Donald Rumsfeld's Defense Policy Board were affiliated with weapons contractors who made, collectively, a cool \$67 billion dollars on the war in Iraq. The DPB is Rumsfeld's top advisory panel. It was the first to allege Hussein had ties to Al-Qaeda, and it was adamant in its claims that Hussein had weapons of mass destruction -- allegations that its members screamed all over CNN before the war and that have since been disproven. In the meantime, then-chairman Richard Perle's investment firm, Trireme, received \$20 million in investment funds from Boeing, a company that received \$16 billion in Iraqi contracts. Blatant, inexcusable conflict of interest. So why is it that the majority of Americans don't recognize the inability of these people to act in the best interest of the American people due to their vested financial interests?

Waxman: I think it's difficult for people to follow all the issues. They don't follow politics all that carefully. They may know that President Bush was involved in the oil industry and that Vice President Cheney was the head of Halliburton, but most

Americans don't really have the time...If they followed things more carefully, they would've noticed that the energy bill that was proposed by Vice President Cheney and pushed by the Republicans in Congress was a huge giveaway of billions of dollars to the energy companies. And not very mindful of our need to...prepare ourselves for our long-term energy needs down the road. It wasn't a well thought out energy policy, at all. It was a giveaway to those in the industry who had contributed to this Administration. And that's true of so many other areas as well, [for example], the Medicare prescription drug bill. Rather than use the leverage of millions of seniors buying drugs through the Medicare program to get better prices, which I think would happen if you got many customers working together, the Bush Administration insisted on writing another provision into the bill saying that the government could never negotiate with the drug companies to get lower prices. Well the bill, I feel, emerged as another giveaway to the pharmaceutical industry and insurance companies. Over and over again, we see special deals for major corporate supporters of this Administration. A lot of what they're doing, and what they'd like to do, is to contract out work done by the government, have private contractors do the work and then have these private contractors come back and support them financially. That's certainly been true with Bechtel and Halliburton.

**A quick Halliburton refresher course: After serving as Secretary of Defense during Bush the Elder's administration, current VP Dick Cheney decided to make his first foray into the world of business. He landed the plum spot of CEO of Halliburton, a company that specializes in energy and oil services. During his last year there, Halliburton received \$1.5 billion in federal loans and insurance subsidies - a 1500% increase over what they had received during the five years before Cheney became CEO. Also during his stay there, Halliburton pleaded guilty to criminal charges of violating a U.S. ban on exports to Libya by selling Col. Qaddafi six pulse neutron generators, so-called "dual-use" devices that can be used to survey oil fields AND to detonate nuclear**

force was operating. It appeared to be operating in secret. The Vice President refused to answer any of the questions from the GAO and was sued by the GAO. That's the first time that's ever happened in the history of the Union. He was also sued by the National Associate Defense Council, the Sierra Club, and Judicial Watch. The GAO lost the early stage. The other lawsuits are now being decided by the Supreme Court and there's an interesting story behind that... Right after the Supreme Court decided to take the case against

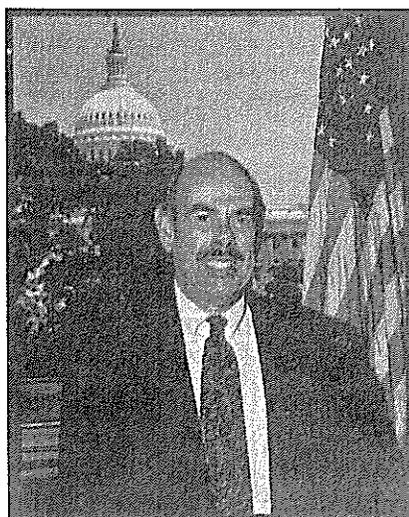


weapons. Also during this time the number of Halliburton subsidiary companies in offshore tax havens increased from 9 to 44. One of these subsidiaries, incorporated in the Cayman Islands, has been used since 2000 to get around sanctions on doing business in Iran. When Cheney left to become Vice President, he was given a \$33 million severance package. Since then, the company has gone on to become the world's largest diversified energy services, engineering, construction, and maintenance company, with some \$15 billion in revenues annually.

Waxman: [Halliburton and Bechtel] have been big supporters of the administration and they're getting multi-billion dollar contracts in Iraq but we're running into un-chartered territory when we've contracted out what the military used to do.

This is a fairly new development in U.S. military history. The military now contracts out almost every possible aspect of its work to private corporations, from food preparation to janitorial services to camp design and construction, thanks to an initiative implemented in the early 90's by, guess who, then-Secretary of Defense, Dick Cheney.

Waxman: Halliburton...was given a contract without anyone else competing for the job. The contract was on a cost plus basis so that the more taxpayer dollars that Halliburton spends, the more profit it makes, even though Halliburton has had a history of overcharging the U.S. government on other contracts.



So I asked about that contract and was told that Halliburton [already] had a plan to put out oil well fires [and that's why it was awarded the no-bid contract]. It turns out the more I got involved in it that the contract was much more than that. It was for many years and worth not hundreds of millions of dollars but billions of dollars. And it wasn't just to put out oil well fires but to rebuild the oil infrastructure of Iraq itself. After we examined them...it finally came to the point where the Pentagon audit included on the record that Halliburton had been overcharging for meals they never served, gasoline imported from Kuwait...[inaudible] ...and that they have no clear way of keeping track of what they're doing and how they're charging--complete systemic failures in the way Halliburton handles things.

Since this interview, Rep. Waxman has been fighting vigorously to get the testimony of six former Halliburton employees before the Committee on Government Reform. Two of the employees maintain that Halliburton would regularly remove the spare fires from their brand-new \$85,000 trucks, and that when the trucks would get a flat, employees were instructed to abandon or torch the trucks. Another employee described, and offered to provide documentation of, subcontracts under which Halliburton paid \$45 per case of soda and \$100 per 15-pound bag laundry. Another employee described how he and other employees were instructed to bill 12 hour days for 7 day weeks despite that fact that they had done virtually no work while over in Iraq. Both the Defense Contract Audit Agency and the GAO have corroborated many of their allegations.

Waxman also questions the Administration's claims that there were absolutely no contacts between the VP's office and the government officials responsible for awarding the no-bid contracts. In a June 15<sup>th</sup> letter to Cheney, Waxman wrote, "I have learned... that your chief of staff, I. Lewis 'Scooter' Libby, was briefed in October 2002 about the proposal to issue the November 11 task order to Halliburton...[and] recent press accounts disclosed the existence of a Pentagon e-mail indicating that your office 'coordinated'

**action on the sole-source contract in the days before it was awarded." Once again, Waxman has caught a senior official in a lie of monumental implications, and yet once again, he is getting stonewalled by the Republican-controlled Congress when trying to delve further into the apparent contradiction.**

WAV: Do you think that we are witnessing war profiteering?

Waxman: I think it's quite likely. [The Administration is] not accountable. They're very deceptive. They're overpaying for work private contractors are doing and now the administration realizes that they have a very difficult problem to deal with. Rather than provide competition to bid for projects, they've given monopoly contracts to Bechtel and Halliburton, and they've tried to make sure that they can audit reports after the fact. But the Pentagon is saying they don't have enough auditors to do it, so what they're proposing now is to hire other private contractors to review the work of the private contractors. Well there's a cry of outrage over this idea because some of the private contractors they're going to hire...are business partners with [the contractors that they are supposed to oversee] in other activities - it's a conflict of interest. We can't trust them to do the job. We need government auditors to do the work not private contractors...And in the Abu Ghraib prison...we're trying to sort through how much of the interrogations were done by private contractors who we may not even be able to hold accountable for their actions if they broke the law. Some of these private contractors are costing us a lot of money and are taking the best military people they can. They all have military people working for them to provide the security and [are] over charging us for that security. And, they can pay these people far more than what they make when they're in the military, so they are more likely to take these private jobs. It all means that the private contractors, who seem to be unaccountable to anybody, are making huge sums of money that they collect, in my mind, unjustly.

To find out more about what Congressman Waxman is doing, check him out on the web: [www.henrywaxman.house.gov](http://www.henrywaxman.house.gov)