

TOM DAVIS, VIRGINIA,  
CHAIRMAN

DAN BURTON, INDIANA  
CHRISTOPHER SHAYS, CONNECTICUT  
ILEANA ROS-LEHTINEN, FLORIDA  
JOHN M. McHUGH, NEW YORK  
JOHN L. MICA, FLORIDA  
MARK E. SOUDER, INDIANA  
STEVEN C. LATOURETTE, OHIO  
DOUG OSE, CALIFORNIA  
RON LEWIS, KENTUCKY  
JO ANN DAVIS, VIRGINIA  
TODD RUSSELL PLATTS, PENNSYLVANIA  
CHRIS CANNON, UTAH  
ADAM H. PUTNAM, FLORIDA  
EDWARD L. SCHROCK, VIRGINIA  
JOHN J. DUNCAN, JR., TENNESSEE  
JOHN SULLIVAN, OKLAHOMA  
NATHAN DEAL, GEORGIA  
CANDICE MILLER, MICHIGAN  
TIM MURPHY, PENNSYLVANIA  
MICHAEL R. TURNER, OHIO  
JOHN R. CARTER, TEXAS  
WILLIAM J. JANKLOW, SOUTH DAKOTA  
MARSHA BLACKBURN, TENNESSEE

ONE HUNDRED EIGHTH CONGRESS

# Congress of the United States

## House of Representatives

COMMITTEE ON GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074  
FACSIMILE (202) 225-3974  
MINORITY (202) 225-5051  
TTY (202) 225-6852

[www.house.gov/reform](http://www.house.gov/reform)

May 29, 2003

The Honorable Les Brownlee  
Acting Secretary of the Army  
1600 Army Pentagon  
Washington, DC 20310

HENRY A. WAXMAN, CALIFORNIA,  
RANKING MINORITY MEMBER

TOM LANTOS, CALIFORNIA  
MAJOR R. OWENS, NEW YORK  
EDOLPHUS TOWNS, NEW YORK  
PAUL E. KANJORSKI, PENNSYLVANIA  
CAROLYN B. MALONEY, NEW YORK  
ELIJAH E. CUMMINGS, MARYLAND  
DENNIS J. KUCINICH, OHIO  
DANNY K. DAVIS, ILLINOIS  
JOHN F. TIERNEY, MASSACHUSETTS  
WM. LACY CLAY, MISSOURI  
DIANE E. WATSON, CALIFORNIA  
STEPHEN F. LYNCH, MASSACHUSETTS  
CHRIS VAN HOLLEN, MARYLAND  
LINDA T. SANCHEZ, CALIFORNIA  
C.A. DUTCH RUPPERSBERGER,  
MARYLAND  
ELEANOR HOLMES NORTON,  
DISTRICT OF COLUMBIA  
JIM COOPER, TENNESSEE  
CHRIS BELL, TEXAS

BERNARD SANDERS, VERMONT,  
INDEPENDENT

under the contract can apparently be awarded on a no-bid basis without competition from other qualified contractors.

Little is known publicly about Halliburton's work in Iraq under the LOGCAP contract. While there have been numerous articles about Halliburton's contract with the Army Corps of Engineers to repair and operate Iraq's oilfields, the Defense Department has released little information about Halliburton's activities in Iraq under the LOGCAP contract. This is ironic since the dollar values of the awards to Halliburton under the LOGCAP contract are nearly six times greater than those under the contract with the Corps. The *Los Angeles Times* did reveal earlier this month, however, that Halliburton has received at least \$90 million for Iraq-related work under the LOGCAP contract.<sup>2</sup>

One of the unique features of the LOGCAP contract is that it has apparently allowed Halliburton to profit from virtually every phase of the conflict with Iraq, including the military buildup to the prior to the war, the conduct of the war, and the restoration of Iraq after the war. For example, Brown & Root received the following task large task orders under the LOGCAP contract, each worth \$60 million or more:

- On January 31, 2003, the Army obligated \$60 million to Brown & Root to provide the European Command with logistical supply line services and locations in Turkey;
- On February 21, the Army obligated \$62 million to Brown & Root to support logistic supply line operations for the Coalition Forces Land Component Command headquarters; and
- On March 6, the Army obligated \$69.5 million to Brown & Root to assist the Office of Reconstruction and Humanitarian Assistance within the Office of the Secretary of Defense.

This extensive reliance on Brown & Root under the LOGCAP contract raises significant questions. One important question is whether this arrangement protects the interests of the taxpayer. It appears that many, if not all, the task orders under the contract were awarded without any competition. This type of arrangement poses inherent risks to taxpayers. Indeed, GAO has found that work by Brown & Root under a prior LOGCAP contract resulted in significant overcharges to the government.<sup>3</sup> It is unclear what safeguards, if any, the Army is using to prevent excessive charges to the government.

---

<sup>2</sup> *Halliburton Unit's Bill for Iraq Work Mounts; Cost of One Contract for Aiding U.S. in Rebuilding Nears \$90 million, but Little Is Going to Iraqis*, Los Angeles Times (May 9, 2003).

<sup>3</sup> U.S. General Accounting Office, *Contingency Operations: Opportunities to Improve*

Moreover, the LOGCAP contract significantly increases the amount of work awarded to Halliburton relating to Iraq. In total, Halliburton has received at least \$496.3 million from the Army for contracts relating to Iraq. And the amount that Halliburton could receive in the future is virtually limitless. The contract with the Corps for oil field repair and operation has a two-year duration and a ceiling of \$7 billion, while the LOGCAP contract has no ceiling at all. It is simply remarkable that a single company could earn so much money from the war in Iraq.

To address these and related issues, I would appreciate your providing the following information about the LOGCAP contract with Brown & Root:

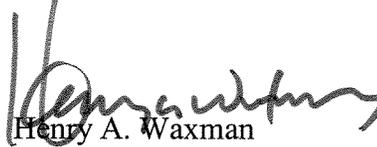
1. With respect to each task order or other action issued to Brown & Root under the current LOGCAP contract, please provide a description of the work performed by Brown & Root;
2. With respect to each such task order or action, please provide an explanation of whether the Army considered either competitively bidding the action or performing the work itself before issuing the task order or action to Brown & Root. If the Army did not consider these alternatives, please explain why;
3. With respect to each such task order or action, please provide a description of terms under which Brown & Root is being paid, such as whether the company is being paid on a fixed-price or cost-reimbursable basis. If a task order or action is being paid under a cost-reimbursement contract, please identify the specific contract type and provide a detailed description of the contract terms;
4. Please describe the procedures, if any, that the Army has imposed under the LOGCAP contract to prevent cost overruns, such as those identified by the General Accounting Office in 1997; and
5. Please provide information on any task order or other action under the LOGCAP contract that was effective after April 10, 2003, or otherwise not identified in the spreadsheet previously provided.

To provide a frame of reference for the contract with Halliburton, I would also like a brief description of the task orders and other actions issued to DynCorp under the previous LOGCAP contract, which ran from 1997 until 2001, as well as a description of the payment terms under that contract.

The Honorable Les Brownlee  
May 29, 2003  
Page 4

Thank you for your assistance with these requests.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry A. Waxman". The signature is fluid and cursive, with a large initial "H" and "W".

Henry A. Waxman  
Ranking Minority Member

Attachment