

THE UNITED STATES SENATE

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WEBB-MCCASKILL AMENDMENT WINS APPROVAL FOR LANDMARK

WARTIME CONTRACTING ACCOUNTABILITY

“Freshman Class” legislation will crack down on defense contracting abuses

WASHINGTON, D.C. – A landmark provision sponsored by U.S. Senators Jim Webb (D-VA), Claire McCaskill (D-MO) and their seven Senate Democratic freshman colleagues won unanimous approval in the Senate today. The provision, to establish an independent, bipartisan Commission to investigate U.S. wartime contracting in Iraq and Afghanistan, was debated during consideration of the Defense Authorization Act, which authorizes funding for the U.S. Department of Defense for fiscal year 2008.

“This is an historic moment,” said Webb. “On the campaign trail last year, we talked about the need to restore basic accountability to our government. We talked about the need to ensure that the federal government works in an honest and efficient manner—and that American taxpayers get real value for their investment. Today, we’re one step closer to that goal.”

Senator Webb continued: “Our colleagues sent an unequivocal signal that it’s high time we rein in the waste, fraud and abuse in wartime contracts in Iraq and Afghanistan.”

“Never before in U.S. history have we seen such waste, fraud, and abuse, costing the American people billions of dollars. This amendment is not about politics; it’s about reform. It is about looking forward and finding a way to contract that is fiscally responsible while still protecting the strength of our military,” said Senator McCaskill.

“The American taxpayer is footing the bill for the wars in Iraq and Afghanistan and we have an obligation to ensure that their money is spent only for what is necessary to equip our troops or rebuild local infrastructure. I am deeply concerned by reports of fraud, abuse and waste, and I want to establish a mechanism -- isolated from the political process – that will ensure U.S. dollars are spent as intended,” said Senator Benjamin L. Cardin.

“The evidence is clear that taxpayers are being ripped off for billions of dollars in no-bid contracts awarded to Halliburton and other firms,” Senator Bernie Sanders said.

“Astonishingly, we know that \$9 billion spent on private contractors in Iraq is missing. We owe it to taxpayers to take a long, hard look at the conduct of contractors.”

“Tens of billions of taxpayer dollars have gone to private contractors who operate outside the rules. The result has been chaos – projects never completed, dollars never accounted for, and benchmarks never met. We have wasted too much money on private contractors, and if they can’t be trusted with our dollars, then they shouldn’t be doing business with this country,” said Senator Sherrod Brown.

“As a former Pennsylvania Auditor General, I know firsthand the need to aggressively root out waste in government,” said Senator Bob Casey. “But it is especially egregious for companies doing business in Iraq to profit from fraud and abuse for taxpayer dollars to be lost as our troops are in harm’s way.”

“This proposal is long overdue,” said Senator Amy Klobuchar. “Again and again we have seen contractors wastefully spend hard-working American taxpayer dollars while this Administration sat idly by – enough is enough. When I was a county attorney, we always said, ‘follow the money and you’ll find the bad guys.’ This Commission will follow the money and it will make sure people are held accountable for waste, fraud, and abuse.”

“Iraq is a target rich-environment for corruption, and monitoring the expenditure of U.S. resources requires vigilance,” said Senator Sheldon Whitehouse. “This Commission will ensure that the billions of dollars provided for reconstruction in Iraq are accounted for – so the hard-earned money U.S. taxpayers provide will serve the purposes we intend, for the benefit of both the American and the Iraqi people.”

“For too long we’ve heard horror stories of waste, fraud and abuse by government contractors. Montana taxpayers work too hard to subsidize this kind of greed,” said Senator Jon Tester. “The wars we fight and shed blood for are not for profit. This legislation brings long overdue accountability and real change to the way American contractors do business in Iraq and Afghanistan.”

The commission created by this amendment will significantly increase transparency and accountability, and address longstanding, systemic problems with defense contracting by studying and investigating the impact of the government’s growing reliance on civilian contractors to perform wartime functions. Contractors in Iraq and Afghanistan now outnumber U.S. troops.

Inspired by the legacy of Harry Truman, who established a committee to fight wartime contracting abuse when he was a freshman in the U.S. Senate, the Senators’ legislation creates a Commission on Wartime Contracting that will assess the extent of waste, fraud, abuse, and mismanagement of wartime contracts, and the extent to which those responsible have been held accountable. The “Truman Committee” conducted hundreds of hearings and investigations into government waste, saving American taxpayers more than \$15 billion (1943 dollars).

The modern Commission on Wartime Contracting would work in partnership with the Special Inspector General of Iraq Reconstruction (SIGIR). The legislation expands the oversight of the SIGIR to include investigations of wartime contracting in Iraq and Afghanistan, not just Iraq reconstruction. This expansion is in response to recent reports of contractor abuses, including the latest federal investigation of Blackwater, which had the largest contracts for private security contractors in Iraq.

Congressmen John Tierney (D-MA) introduced language similar to the Webb-McCaskill amendment in the House of Representatives today as a stand-alone bill. The bipartisan, bicameral measure has also attracted the support of taxpayer watchdog groups including: the Project on Government Oversight, Taxpayers for Common Sense, the Government Accountability Project, OMBWatch, Common Cause, U.S. PIRG and Iraq and Afghanistan Veterans of America.

Specifically, the amendment:

- Establishes an independent, bipartisan eight-member Commission on Wartime Contracting to study and investigate federal agency contracting for: (1) the reconstruction of Iraq and Afghanistan; (2) the logistical support of coalition forces in Operation Iraqi Freedom and Operation Enduring Freedom; and (3) the performance of security and intelligence functions in Operation Iraqi Freedom and Operation Enduring Freedom.
- Expands the Special Inspector General for Iraq Reconstruction's (SIGIR's) jurisdiction beyond Iraq Reconstruction and Relief Funds to other wartime contracts executed in support of either Operation Iraqi Freedom or Operation Enduring Freedom. In consultation with the Commission, the newly-expanded SIGIR will conduct audits of wartime support contracts for logistics and security functions in Iraq and Afghanistan, as well as reconstruction contracts in Afghanistan. The collaborative effort between the Commission, SIGIR, and the inspectors general of other federal agencies is designed to lead to specific findings and recommendations to improve inter-agency wartime contracting, among other things.
- Requires a study and investigation into the impact of the government's growing reliance on civilian contractors to perform wartime functions. The commission will assess the extent of waste, fraud, abuse, and mismanagement of wartime contracts, and the extent to which those responsible have been held accountable. The number of contractors (180,000) now exceeds the number of American troops in Iraq and Afghanistan (156,247).

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