



Commission on Wartime Contracting
In Iraq and Afghanistan

Statement of Commissioner Charles Tiefer*

**“Lessons from the Inspectors General:
Improving Wartime Contracting”**

The Commission on Wartime Contracting in Iraq and Afghanistan
The Caucus Room, 325 Russell Senate Office Building
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I concur with the statements by the Members and the other Commissioners. As a professor of government contracting, but more importantly, as a former General Counsel of the House of Representatives who since 1979 worked passionately for investigative hearings, I am pleased that the Commission is holding our first of many hearings today.

Our objective with these hearings is to go beyond general policy hearings, useful as those are, to hold hard-edged hearings on current waste, fraud and abuse – controversies often involving a spotlight on particular erring contractors, like the LOGCAP contractor, Halliburton/KBR, for its billing cost-plus for meals never served, or Blackwater in Nisoor Square. And in this regard, I am pleased to announce that the Commission's next hearing will be on the LOGCAP program. Our hope is to hold it in the very near future. The details will be forthcoming in due time.

Today we are looking at the SIGIR “Hard Lessons” Report.

I have read the entire report carefully in a number of successive drafts, and dipped into the wealth of its underlying high-level interviews. Having researched my own 57 page article on this subject (a legal treatment of the history of Iraq contracting gone awry), I could, and did, test the report against the boxes and boxes of top-notch investigative journalistic treatments on the subject, upon which my own work had depended. I bear witness to the extraordinary scale of the report’s investigative effort, the wealth of new insights it opens up, its admirable balance and its deep perspective. This report is the gold standard of official investigative history.

The report is a 350 page account (and 100 pages of endnotes) about how Iraq reconstruction became “enormously burdened by waste” (page viii). Chronologically, its first half is an account about the disastrous lack of coordination among the top figures in the Administration, that was tolerated and sometimes ratified by the Bush White House.

Before we went into Iraq, President Bush gave postwar authority to Secretary Rumsfeld. There

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ensued the denying to State and AID of their vital roles. Did Secretary Rumsfeld understand his role? The SIGIR investigation obtained the classic quote, said by Secretary Rumsfeld before we went in (p. 42) – “if you think we’re going to spend a billion dollars of our money over there, you are sadly mistaken.” As the report says, we spent \$50 billion.

After Baghdad fell, when the looting took place, the White House gave control to Ambassador Paul (“Jerry”) Bremer as the CPA Administrator. As the report discusses, Ambassador Bremer enters the picture when approached by Vice President Cheney’s staff (p. 64). In another instance, Secretary Powell and Deputy Secretary Armitage told SIGIR that it seemed at times there were two NSCs, the official one serving the President, and another one under Vice President Cheney.

Once brought in, Ambassador Bremer disbands the Iraqi Army, which jump-starts the insurgency; and orders a “deep” de-Baathification, which decimates the Iraqi ministries.

As the report shows, these latter two steps reversed policies coordinated with State and approved by President Bush himself. Did the President rein in Bremer? No, he ratified those disastrous steps. As Secretary Powell told the SIGIR interview: National Security Adviser Rice explained the White House would “have to back” Jerry [Bremer].” (76)

SIGIR interviewed Secretary Powell about the DoD standing up of that new army (132):
[DoD] kept inventing numbers of Iraqi Security forces . . . the number would jump 20,000 a week! [they said] “we now have 80,000 . . . we now have 100,000 . . . we now have 120,000” and . . . Mr. Rumsfeld is briefing this to the president .

The evaporation in combat in 2004 of those “invented” numbers both provided the insurgency with a long future, and sentenced reconstruction to being costly and wasteful.

The second half of the report deals with the more recent years of reconstruction issues. There are some success stories in that half.

But even today, the report shows, in diverse areas of the Iraqi economy, that what our reconstruction dollars bought, now faces a capacity and sustainment “crisis” (259-262). Fundamentally, the big reconstruction contracting was shaped by Secretary Rumsfeld’s department and Ambassador Bremer, poorly coordinated with State and AID. Their approach was the fruit of the Bush White House tolerating and at times ratifying their policies.

So, under the Corps of Engineers, much of reconstruction became design-build, cost-plus contracts for giant contractors. The contractors built mammoth projects with the wrong scale and technology to build Iraqi capacity. Many either don’t fit Iraqi needs, or won’t get Iraqi maintenance, or both.

A key SIGIR conclusion (p. 332) tells our plight going forward from 2009: “The deterioration of poorly maintained infrastructure projects after transfer to Iraqi control could end up constituting the largest source of waste in the U.S. reconstruction program.”

Our later panel, of the Inspectors General, corresponds well with the SIGIR report. These Inspectors General, particularly the DoD-IG, have ongoing reviews of definite interest. Today we may learn more about the progress of the ongoing reviews. Such progress may support the prospect of further hard-edged hearings.

I look forward to the testimony.