

DPC Hearing Highlights Transcript

“Abuses in Private Security Contracting In Iraq: Ensuring Accountability, Protecting Whistleblowers”

**10:30 a.m. - 12:30 p.m.
226 Dirksen Senate Office Building
September 21, 2007**

SEN. DORGAN: We are convening a hearing today to talk about two subjects that are related: one is contracting abuse in Iraq, the use of contractors in Iraq – what has been the consequences of that. And also hear, in my judgment, about what has happened to some courageous whistleblowers and others who have come forward to describe what is happening. What happened to those folks is shameful. We should celebrate people with that courage, not denigrate them.

...

My guess is that there are contractors in Iraq doing important work and doing it well. My guess is, and I know, that there are contractors in Iraq that are fleecing this country’s taxpayers and our government. All of this is underwritten by the American taxpayer and the question of accountability is important.

...

SEN. TESTER: We have fraud, abuse, billions of dollars going out the door, and an administration that lets this kind of activity run rough-shot over the American taxpayers. It is ridiculous.

...

SEN. BINGAMAN: People are wondering exactly what’s going on when they read in the paper that we may have more people working as contractors in Iraq than we have in the active duty military.

...

JEREMY SCAHILL, INVESTIGATIVE REPORTER: Right now the U.S. military is the junior partner in the coalition that is occupying Iraq. There are about 180,000 private contractors – about 170,000 – we don’t know with the surge – etcetera – U.S. troops. That is an extraordinary development. Instead of going to war or occupying a country with a coalition of willing nations, they have purchased a coalition of billing corporations.

...

SEN. REID: Who are these corporations accountable to? What laws apply to them? This is certainly seen in Iraq. They do not know if Iraqi law applies, American law applies – obviously, no law applies.

...

MR. SCAHILL: During its time in Iraq, Blackwater has regularly engaged in firefights and other deadly incidents – about 30 of its operatives have been killed in Iraq and these deaths are not included in the official U.S. death-toll. While the company’s operatives are indeed solders of fortune, their salaries are paid through hundreds of millions of dollars in taxpayer funds allocated to Blackwater. What they do in Iraq is done in the name of the American people and yet there has been no effective oversight of Blackwater’s activities and actions. U.S. contractors in Iraq reportedly have their own motto: “What happens here today stays here today.”

...

NICK BICANIC, DOCUMENTARY FILMMAKER: We may try to distance ourselves by the actions of contractors, thinking that they provide convenient temporary manpower, whose deaths won’t be marked by a flag-draped coffin coming through Dover, but that only plays in the United States. Over seas, where the public opinion really matters in the struggle for hearts and will in the insurgency, the contractors are the U.S. and are directly involved in the mission.

...

SEN. MCCASKILL: At the highest levels, the people that are guarding are former military – many former Special Forces, they are making more than six figures a year, and there seems to be an almost a protectiveness about them with some of the high levels of the military. When I have discussed this with some of the generals there, well “they do a great job.” I don’t want to say it is cozy in terms of – you know – inappropriate, but cozy to the extent that they are defensive and protective of Blackwater.

MR. BICANIC: The revolving door that people often talk about at the highest levels of insider beltway dealings exists on a lower level as well amongst the security contractors. For the sake of argument, if you are in a cafeteria and you are talking to a security contractor who, for the sake of argument, is making three or four times as much as you, but risking his life in the same way, on the one hand you might go well this sucks, why is this happening, this is not really very fair, what is he doing that I am not doing. But on the other hand you might go; I might not want to piss this guy off too much because this might be my career.

...

SEN. DORGAN: Mr. Vance, you were a navy veteran.

DONALD VANCE, FORMER PRIVATE SECURITY CONTRACTOR: Yes, Sir.

SEN. DORGAN: You worked for a security firm in Iraq...

MR. VANCE: Yes, Sir.

SEN. DORGAN: ...as a civilian – an American citizen.

MR. VANCE: Yes, Sir.

SEN. DORGAN: ...apprehended by the Americans and held in prison by the American government you believe...

MR. VANCE: Yes, Sir.

SEN. DORGAN: ...for 97 days.

MR. VANCE: Yes, Sir.

SEN. DORGAN: Mr. Vance, you presumably were imprisoned, you believe, because you witnessed the sale of guns in Iraq...

MR. VANCE: Yes, Sir.

SEN. DORGAN: ...illegal sale of guns. You were a whistleblower. You came forward and reported that to your government and your government, for that purpose, took you, and detained you, and imprisoned you for 97 days. When you were released after 97 days of interrogation with the things that you described: loud music, lights on 24 hours a day and so on, when you were released, what did they tell you upon your release?

MR. VANCE: Senator, I was given a 20 dollar bill and dumped at Baghdad International Airport.

SEN. DORGAN: By whom?

MR. VANCE: By the United States military, Sir.

SEN. DORGAN: You don't know at this point why you were imprisoned?

MR. VANCE: Sir, the only answer I was given was that we are detaining you because you are affiliated with Shield Group Security and of course, my immediate answer was, "Yes, I know of their illegal activities, I have been telling you for about seven or eight months."

SEN. DORGAN: And you were notifying the FBI as well, the military and the FBI?

MR. VANCE: They didn't like that very much.

SEN. DORGAN: How do you know that they did not like that very much? You indicated that...

MR. VANCE: Literally, I had people in front of me with fists pounding on desks. There more immediate concern was not about the weapons, but their logic was, "Don, why didn't you come to us with this. Why did you have to go home and speak to people outside of the club?"

...

SEN. DORGAN: Miss Helvenston-Wettengel, you have asked the Blackwater contracting firm for information about your son's death. Tell me their reply.

KATHRYN HELVENSTON-WETTENGEL, MOTHER OF FORMER BLACKWATER USA EMPLOYEE: They replied that I would have to sue them to get that information. And then when I did sue them, they countersued me for 10 million dollars solely based on the fact that I had the audacity to sue them.

...

SEN. WEBB: This quasi-military apparatus had grown up around us and it threatens in many ways the very notions of how we have defined the relationship between the United States military and our government.

...

SEN. REID: The consequences to the United States standing in the region are too severe to continue with the status quo. Regardless of how one might feel about the war, there should be no disagreement about this. It is long past time to confront and constrain these contracting abuses.

...

BUNNATINE GREENHOUSE, FORMER TOP-RANKING CIVILIAN CONTRACTING OFFICER U.S. ARMY CORP OF ENGINEERS: I was the United States Army Corp of Engineers top procurement executive. A career spanning over 23 years ended on August 27, 2005. I was removed after I raised concerns over the award of a seven billion dollar sole-source no-compete cost-plus contract to Halliburton subsidiary Kellogg, Brown, and Root, KBR, known as the Restore Iraqi Oil Rio contract. The award of this contract represents the worst contract abuse I witnessed during my professional career. I took an oath of office and under that oath of office was seeing that federal procurement of contracting must be conducted with the highest degree of integrity, the highest degree of impartiality, with preferential treatment toward none.

SEN. DORGAN: I called the former commander, General Ballard from the U.S. Army Corp of Engineers, now retired, who you worked for, who hired you, and asked him about you. General Ballard says this, “She did an outstanding job.” So that’s from the person who ran the U.S. Army Corp of Engineers. You apparently did an outstanding job until you blew the whistle and said what is happening is blatant abuse.

...

ROBERT ISAKSON, FORMER COALITION PROVISIONAL AUTHORITY CONTRACTOR: Deuteronomy 32:38 states, “Let us rise up and help you and be your protector.” No one in the government rose up to help us or provided any protection for us in this endeavor. Not only did we have to spend our own funds and time to prosecute this case, we also had to endure the unrelenting attacks and slander from our opponents. We were sued repeatedly. We have been the subject of anonymous blogs and lies on the internet and anonymous fraudulent emails and documents.

...

STEPHEN KOHN, EXECUTIVE DIRECTOR NATIONAL WHISTLEBLOWER CENTER: I could just as a lawyer and someone who studied every single whistleblower law in the United States, federal and state, I can tell you that under federal law the overwhelming majority of employees have no realistic protection.

...

ALAN GRAYSON, ATTORNEY GRAYSON & KUBLI: Contracting whistleblowers have a unique place in our legal system. Thanks to the wisdom of President Lincoln, whistleblowers who witness fraud by contractors are deputized as private Attorneys General. They are authorized to bring law suits in federal court against companies who cheat the government, the taxpayers, and the troops. Under the False Claims Act, the Attorney General is supposed to join with whistleblowers to prosecute and punish war profiteers. The sad truth is that the Bush administration has not even tried to do this, on the contrary, it’s done all it could to prevent this.

...

SEN. DORGAN: It is not what people expect of their government and failure is – this is not about politics, it is not about one person, it is about a government that is, in my judgment, not responding to the taxpayers to provide the accountability it should provide.