

GUEST CHAPLAIN

Mr. DASCHLE. Mr. President, I welcome our guest Chaplain today. I know he is no longer in the Senate Chamber. I appreciate very much Chaplain Keiran's prayer this morning. I am grateful to him and to those who arrange for our guest Chaplains to join us on occasion. It is a wonderful way to begin our session, and I appreciate very much his words of wisdom today.

SENATE PAGES

Mr. DASCHLE. Mr. President, I also join the majority leader in expressing our heartfelt gratitude to this page class for their contribution over these past many months. This has been a challenging time for the Senate, for a lot of reasons. They have served us very well.

As the majority leader noted, it is always difficult for a young person to combine the roles of student and page each and every week, getting up early, working, as they do, as students first and then as pages in carrying out their many responsibilities on the Senate floor.

I know I speak for all Senators in expressing our gratitude to them. They have heard the noise of democracy firsthand at full volume. They have been spectators, as well as participants. I hope that what they have witnessed and experienced will lead them to come back in other roles in public service in the future, whether it is at a staff level, an elected level, or an appointed level. Their involvement and their opportunities for future roles in government and public service could not be greater or more appreciated.

We welcome them back as we bid them farewell. We hope their ambitious character and the lives they have already experienced will encourage them to look for more opportunities to serve their country.

LEGISLATIVE AGENDA

Mr. DASCHLE. Mr. President, the majority leader talked briefly about the schedule. I spoke yesterday on the pension bill, and I am very hopeful we can complete our work on the pension bill at an early date. I think it is a bill that merits broad bipartisan support and, judging from the cosponsors, prominent Members on both sides of the aisle who have worked to get us to this point, I have every expectation that we will see completion of our work on the pension bill sometime early next week.

We have—it is an overused word but certainly a word applicable here—a crisis with regard to pensions and retirement security, both in multiemployer plans as well as single-employer plans.

That crisis will not be satisfactorily or successfully confronted until we take several steps. This is only meant to be an interim step, but it is an important step. It is a temporary step

that will allow us some stability and confidence that we can address this issue more effectively in the months and years ahead.

Secondly, with regard to schedule, it is important for us to recognize the narrow window of opportunity we have to deal with the highway bill. We have already lost valuable time. We should have done this bill last year. Not only have we lost 90,000 jobs as a result of our failure to pass the bill last fall, we have also threatened the contract season this year by our inability to move this legislation more expeditiously. For all intents and purposes, the contract cycle has already started in the South. It is important that we send the message that we intend to finish this bill as early as possible. It is a jobs bill, an infrastructure bill. I cannot think of a greater economic stimulus. We are told by experts that we could create 800,000 new, good-paying jobs if we can move this legislation forward.

So it is my hope we will take this legislation up well before the President's Day recess in order to complete our work before that recess and send a signal to the country that we understand the importance of this legislation.

Finally, I call attention to a front-page story in the Wall Street Journal this morning. The headline of the story reads, "Halliburton Tells the Pentagon Workers Took Iraq-Deal Kickbacks." The first couple of paragraphs begin:

Halliburton Co. has told the Pentagon that two employees took kickbacks valued at up to \$6 million in return for awarding a Kuwaiti-based company with lucrative work supplying U.S. troops in Iraq. The disclosure is the first firm indication of corruption involving U.S.-funded projects in Iraq and raises new questions about Halliburton's dealings there. The company's work already is being scrutinized because of accusations that the U.S. government was overcharged for gasoline under another controversial contract.

It says a little later down, referring to that second charge now under investigation:

... the top Defense Department auditor asked the office to investigate whether Halliburton subsidiary Kellogg Brown & Root overcharged for fuel deliveries by more than \$61 million.

These charges in this new report are terribly disturbing. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Jan. 23, 2004]
HALLIBURTON TELLS THE PENTAGON WORKERS TOOK IRAQ-DEAL KICKBACKS

(By Neil King, Jr.)

WASHINGTON.—Halliburton Co. has told the Pentagon that two employees took kickbacks valued at up to \$6 million in return for awarding a Kuwaiti-based company with lucrative work supplying U.S. troops in Iraq.

The disclosure is the first firm indication of corruption involving U.S.-funded projects in Iraq and raises new questions about Halliburton's dealings there. The company's work already is being scrutinized because of

accusations that the U.S. government was overcharged for gasoline under another controversial contract.

Halliburton has strenuously defended its Iraq work as fairly priced and free of taint. A discovery of kickbacks could expose the company to hefty fines and other punishments such as potential fraud charges. At the least, contacting experts say, Halliburton will be required to reimburse the money.

Any blow could be softened by the fact that Halliburton itself disclosed the misconduct to the Pentagon inspector general's office this week. That disclosure came just days after the top Defense Department auditor asked the office to investigate whether Halliburton subsidiary Kellogg Brown & Root overcharged for fuel deliveries by more than \$61 million.

The latest revelation, though, is sure to increase the already intense scrutiny Halliburton has received from congressional Democrats, some of whom charge that the Houston-based company benefited from political favoritism in securing lucrative work in Iraq. The news also is likely to further raise suspicions abroad that Iraq reconstruction work is largely benefiting U.S. companies and their employees.

Vice President Dick Cheney, who was chairman of Halliburton until he left in 2000, defended the company Wednesday in a Fox Radio Network interview. "They get unfairly maligned simply because of their past association with me," he said.

Halliburton stressed that it promptly told the Pentagon of the problem. "The key issue here is self-disclosure and self-reporting," a Halliburton spokeswoman said. "Halliburton international auditors found the irregularity, which is a violation of our company's philosophy, policy and our code of ethics. We found it quickly, and we immediately reported it to the inspector general. We do not tolerate this kind of behavior by anyone at any level in any Halliburton company." A company statement said the payments were "detected through the company's internal control procedures."

The company has fired the two employees, who were based in Kuwait and whose names were not disclosed. Halliburton said it could not discuss specifics of the matters because of a Pentagon review.

KBR is now repairing Iraqi oil fields and supplying everything from food and laundry services to housing for U.S. troops and coalition officials in Iraq under two huge contracts valued at up to \$16 billion. That work has so far cost nearly \$6 billion, well over twice what has gone into all of the other 40 other U.S. contractors in Iraq, according to government records.

In all, the U.S. has so far funded a total of about \$9 billion in Iraqi reconstruction costs, and expects to award contracts valued at another \$18.6 billion. Both the congressional general accounting office and the Pentagon are now completing large-scale investigations of all U.S.-funded reconstruction work in Iraq.

The alleged kickbacks involve the same KBR contracting office in Kuwait that handled the controversial gasoline contract. The Pentagon inspector general's office received the disclosure while conducting its own review to decide whether to open a criminal investigation into the gasoline contract. Pentagon officials decline to comment on the status of that investigation.

The current accusations do not involve the gasoline contract. Instead, the Kuwaiti company is said to have paid kickbacks to the KBR officials after winning lucrative subcontracts to help support U.S. troops in Iraq under what's known as KBR's LogCap contract. U.S. officials declined to provide specifics on the subcontracts involved or the