

save our seniors money and our taxpayers.

CORPORATE CORRUPTION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

Ms. WATERS. Mr. Speaker, I rise to express my grave concerns about corporate corruption of the highest order, corruption towards which President Bush and his administration have been utterly indifferent.

Halliburton, the Houston-based energy company formerly led by Vice President DICK CHENEY for 5 years before the 2000 Presidential election, has been giving the shaft to the American people and our brave military personnel stationed in Iraq, and the American people know it. They also know that despite the President's attempt to talk a good game on this issue, the Bush administration will do absolutely nothing about it.

Vice President CHENEY is still on Halliburton's payroll. He received \$205,298 in 2001, \$162,392 in 2002 in deferred salary, and is expected to receive similar amounts in 2003, 2004 and 2005. He also holds 433,000 unexercised Halliburton stock options.

It is deplorable to see corporations gouge the American taxpayers under any circumstances. To watch Halliburton overcharge our government and render inadequate services to our troops in a time of war is totally unconscionable.

The issue of corporate corruption and the Bush administration's willingness to look the other way at conflicts of interest when it would benefit their friends is not a new issue for me. On March 19 of last year, the year that the war in Iraq actually commenced, I circulated a Dear Colleague letter in support of my amendment to the Defense Production Act.

My amendment was designed to ensure that senior-level executives in the Bush administration could not use a conflict with Iraq to obtain financial benefits for companies with which they had been affiliated. Specifically, the amendment would have prohibited contracts under the bill with companies in which high-ranking administration executives were senior managers or members of the board of directors within the last 4 years.

At the time, I noted that there was a considerable amount of suspicion of the motives of this administration in pursuing a war against Iraq, and I expressed my concern about the importance of avoiding both actual and perceived conflicts of interest at a time when the administration's decisions about war and peace would be affecting so many.

My amendment failed. I offered similar amendments on several other occasions which were also unsuccessful.

Unfortunately, my concerns about Halliburton have proven to be all too

accurate. Look at what has happened in Iraq.

Halliburton was the beneficiary of no-bid contracts, which have served as the vehicle for war profiteering, such as the contracts that Kellogg Brown & Root, the Halliburton subsidiary, received to control Iraq oil well fires resulting from military action.

In the limited time available to me this evening, I want to look briefly at three issues: Halliburton's inflated oil supply contracts, the kickback scheme to which the company recently admitted, and the outrageous overcharges on its food supply contracts for our troops in Iraq.

Halliburton's inflated oil supply contracts. As my colleagues the gentleman from California (Mr. WAXMAN) and the gentleman from Michigan (Mr. DINGELL) have so ably demonstrated, the United States government paid the Halliburton company an average of \$2.64 a gallon to import gasoline and other fuel to Iraq from Kuwait, more than twice what others were paying to truck in Kuwait fuel. Halliburton, which has the exclusive United States contract to import fuel to Iraq, subcontracted the work to a Kuwaiti firm, government officials said, but Halliburton gets 26 cents a gallon for its overhead and fee, according to the documents from the Army Corps of Engineers.

Simply put, Halliburton was inflating gasoline prices at a great cost to American taxpayers. In October 2003, when Democrats first raised questions, it was estimated that Halliburton was charging the United States Government and Iraq's Oil for Food Program an average of about \$1.60 a gallon for fuel available for 71 cents wholesale.

A breakdown of fuel costs, contained in Army Corps documents, recently provided the Democratic congressional investigators, and shared with the New York Times late last year, showed that Halliburton is charging \$2.64 for a gallon of fuel it imports from Kuwait and \$1.24 per gallon for fuel from Turkey.

The oil price gouging is just the first of many Halliburton misdeeds that give rise to grave concern. Consider the recent allegations concerning Halliburton's food supply contracts.

Corruption. Halliburton charges for food it did not serve. The February 2, 2004, Wall Street Journal reported that, according to Pentagon investigators, "Halliburton company allegedly overcharged more than \$16 million for meals at a single U.S. military base in Kuwait during the first 7 months of last year." The revelations have "spurred an expansion of an already widening inquiry into Halliburton's government work in Iraq."

Apparently, a Saudi subcontractor, hired by the Halliburton subsidiary KBR, billed for 42,042 meals a day on average. But guess what? They only served 14,053 meals a day. The Pentagon will now review 50 other dining facilities in Kuwait and Iraq for meal-billing discrepancies.

This announcement comes just weeks after Halliburton reimbursed the Pentagon \$6.3 million after disclosing that two employees had taken substantial kickbacks from a Kuwaiti subcontractor.

I do not have time to finish all of this tonight, but there is more to come, more to come. We are going to learn more about DICK CHENEY, the Vice President of the United States, and his company ripping off the American taxpayers.

QUESTIONABLE ACTIVITIES DURING AND AFTER MEDICARE PRESCRIPTION DRUG LEGISLATION PASSED THE HOUSE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, tonight I would like to highlight several questionable activities during and after the Medicare prescription drug legislation passed the House of Representatives last year, and there is no doubt that this legislation, which passed here in the House after the Republican majority kept the vote open more than 3 hours in order to get the results they want, and it would be one thing, Mr. Speaker, if the result were beneficial to seniors who desperately need prescription drug coverage within the Medicare system; however, that is simply not the case.

The prescription drug legislation is a perfect example of how the Republican majority has turned the people's House of Representatives over to the special interests and the wealthy elite. Seniors should not be forced or, I should say, be fooled into believing that this Medicare legislation was written for their benefit. How could it have been considering Republicans forcing seniors to actually get the prescription drug benefits out of Medicare?

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The bill also provides a minuscule benefit, considering that seniors with \$1,000 in annual prescription drug costs would pay \$857 out of their own pockets and those seniors with prescription drug costs of \$5,000 per year would be forced to pay \$3,920. What kind of a benefit is that if seniors are not getting the money? Where is the more than \$500 billion that now the President and the White House says that this Medicare prescription drug so-called benefit is going to cost the Federal Government? Where is the money going?

The answer, Mr. Speaker, is to the special interests. Republicans did not write this bill to help the seniors; instead, they wrote it to benefit insurance companies and the pharmaceutical companies.

Now, I could talk all night about why this bill is bad and how it is not helpful