



U.S. Senate Committee on Appropriations

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For immediate release: Thursday, February 14, 2008

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BYRD: HAS \$750 BILLION ON WARS BEEN WISELY SPENT?

WASTE, FRAUD AND ABUSE RAMPANT

Washington, DC ----- Senator Robert C. Byrd, D-W.Va., the Chairman of the Senate Appropriations Committee, today took to the Senate floor to highlight the fraud, waste, and abuse of American taxpayers' money on war and nation-building efforts in Iraq and Afghanistan. The cost of the wars has now surpassed \$750 billion, and Byrd is questioning whether that huge amount of money is being wisely spent and to what benefit. Byrd's remarks follow:

On February 11, 2008, the Congressional Budget Office responded to an inquiry from Senator Kent Conrad, the Chairman of the Committee on the Budget regarding the costs to date of U.S. operations and involvement in Iraq and Afghanistan. Allow me to quote in full the critical summary line of this letter: 'If the Administration's request for 2008 is funded in full, appropriations for military operations and other war-related activities in Iraq, Afghanistan, and elsewhere in the war on terrorism will rise to \$188 billion this year and to a cumulative total of \$752 billion since 2001.'

It can be difficult to truly grasp just how large a number is \$752 billion. Let me offer some comparisons. According to Forbes Magazine, the world's most expensive car, a 1930 Bugatti Type 41 Royale, is worth an estimated \$10 million dollars. For \$752 billion, one could own a fleet of 75,200 Bugatti Type 41 Royales that is if more than six had ever been made. Or, for \$752 billion, you could purchase 442 Space Shuttles at \$1.7 billion each, according to NASA. Here's one final comparison: according to the Bureau of the Census, the average price of a home in the United States in 2007 was \$311,600, assuming one could still get a mortgage in today's real estate market. For \$752 billion, one could buy two million four hundred and thirteen thousand homes – enough homes to house every family in a city roughly the size of Jacksonville, Florida, or Indianapolis, Indiana.”

That is \$752 billion and counting, as the President's Fiscal Year 2009 budget request has come in, and Secretary Gates has suggested that after the “surge” troops come home, troop levels in Iraq will not drop below 130,000 for at least the remainder of this year. In Afghanistan, the 27,500 troops currently deployed will be augmented by an additional 3,200 Marines this spring. So I do not believe this budgetary comet will do anything but continue its meteoric rise.

We all might still count this \$752 billion as well spent if we thought that we were getting good value for our money, if both nations were being rebuilt and showing signs of stability and recovery. However, there is evidence that the vast sums of money being thrown at Iraq and Afghanistan are not all being well spent. Far too much money is being siphoned off to line the pockets of greedy contractors, while the work which they are being paid to do goes undone or poorly done. Alarming, money, weapons, and oil profits have apparently been delivered directly to insurgents and militias that are not under government control in Afghanistan and Iraq. That must be stopped.

In Afghanistan, one U.S. think tank recently estimated that only one dollar of aid out of every ten actually reaches an Afghan. In Iraq, a local Iraqi businessman told a reporter that, 'I'd say that about 10 per cent of business was corrupt under Saddam. Now, it's about 95 per cent. We used to have one Saddam, now we have 25 of them.'

Despite the growing reports of corrupt practices and the rising number of allegations of the fraud, waste and abuse of government contracts, not enough is being done to apply diplomatic pressure on the governments in Iraq and Afghanistan to clean up their acts and not enough resources are being applied to efforts to investigate and prosecute contract fraud. Congress has been watching, holding hearings, and complaining on behalf of the taxpayers, but much more needs to be done. After seven years, we cannot continue to hide behind feeble excuses. Too much money is being lost to continue to let these systemic abuses persist.

After seven long years of occupation and reconstruction efforts, much remains undone that was supposed to be done long ago. As long as in country government officials and all of the associated contractors continue to profit from corruption and an unchecked ability to commit fraud, waste and abuse, there is little incentive for anyone to make the progress that would assist the United States and the rest of the international community in departing.

American taxpayers and the Committee on Appropriations have invested \$752 billion in Iraq and Afghanistan. We expect to see that treasure treated with the same respect that we give our troops. They, too, have worked hard and sacrificed much to provide the security for reconstruction efforts to take place. None of that sacrifice should be thrown away on cases of fraud, waste, abuse and through rampant corruption. I intend to conduct a hearing on this matter as a first step in what will be a long, hard look at just where the taxpayer's hard-earned money has been going. I intend to invite Senator Dorgan, Senator Leahy, and Representative Waxman to testify on the findings of their earlier investigations. I will also invite other witnesses to offer their expertise on issues concerning the abuse, misuse, and loss of U.S. funds to corrupt practices. I appreciate the encouragement and support of our Democratic Leader, Senator Reid, in tackling this issue.

This is not a partisan issue. Good governance and the wise use of taxpayer dollars are always non partisan goals. It is the responsibility of all of us to determine the scope and scale of the problem and then to devise the best and fastest solutions to fix them.

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