



# U.S. Senate Committee on Appropriations

*PRESS RELEASE*

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For Immediate Release: Tuesday, March 11, 2008  
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## **SENATE APPROPRIATIONS COMMITTEE EXAMINES WASTE, FRAUD AND ABUSE OF AMERICAN TAX DOLLARS IN IRAQ**

Washington, DC – The Senate Appropriations Committee held a hearing today to examine the endemic waste, fraud and abuse that has resulted in the squandering of billions of American tax dollars in Iraq. With the cost of the war in Iraq projected to surpass \$605 billion this year, the members of the committee heard a wide range of testimony from four witnesses who discussed how American funds are being spent and to what benefit. Testifying before the Committee were: The Honorable David M. Walker, Comptroller General of the United States; The Honorable Claude M. Kicklighter, Inspector General, Department of Defense; Stuart W. Bowen, Jr., Special Inspector General for Iraq Reconstruction; and The Honorable Judge Radhi Hamza al-Radhi, Former Commissioner, Commission on Public Integrity, Republic of Iraq.

Major highlights of the hearing were as follows:

1. Fraud, waste, abuse and corruption in U.S. contracts in Iraq and within the Iraqi government were characterized by all witnesses as “significant,” “widespread,” “rampant,” and costing the United States taxpayers billions of dollars.
2. The Iraqi government’s ability to spend their budgeted funds has not improved and, in fact, most of it has not been spent. Iraq has a budget surplus while the United States this year will have one of the largest budget deficits in history due in part to the large amount of money we are spending on the war and failed reconstruction efforts in Iraq.
3. U.S. government oversight has been lacking. Administration efforts to prosecute individuals responsible for the waste or theft of billions of taxpayer dollars have been grossly insufficient. Efforts need strengthening.
4. Corruption in Iraqi oil production is rampant and is feeding the insurgency which in turn is attacking U.S. troops.
5. Fraud, waste, abuse and corruption in Iraq have resulted in a situation in which reconstruction is stymied – oil production still has not exceeded pre-war levels, and water and power are still not available to most Iraqis. At the same time, Americans are paying record prices at the gas pump.

6. Poor accountability has resulted in thousands of weapons provided by the United States to the Iraqi security forces being stolen, looted, or otherwise provided to insurgents and militias to use against U.S. troops. In one case alone, 190,000 pistols and rifles turned over to Iraq cannot be accounted for.
7. The U.S. Department of State has balked at implementing GAO recommendations to develop strategic and integrated accountability measures.
8. Several witnesses' recommendations regarding war profiteering and contract accountability legislation were made that need to be carefully considered.
9. The former head of the Iraqi Commission on Public Integrity reported that \$11 million in U.S. funds (cash) given to him with no benchmarks or restrictions to establish an Iraqi Academy of Integrity were seized by Iraqi officials; the money has not been accounted for.
10. The most effective way to fight al-Qaeda and other insurgents in Iraq is to cut off their funding by implementing strict accountability measures over all monies – U.S. and Iraqi.

The full hearing and testimony can be viewed:

<http://www.appropriations.senate.gov/hearings.cfm?s=ful>

The Senate Appropriations Committee will continue to hold hearings on this matter, with the next hearing to be held in April.

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