

House Bill Would Stop Halliburton-like Abuse

By a vote of 347 to 73, the House passed the "Accountability in Contracting Act" March 15. Largely authored by House Oversight Committee chairman Henry Waxman (D-Calif.), the bill requires Federal agencies to minimize use of sole-source contracts, limit the duration of no-bid contracts, and encourage the use of fixed-price contracts over cost-plus contracts. It requires that reports be made to Congress when such contracts are used, and puts constraints on employee movement between the Federal acquisition workforce and contractors.

Waxman began the debate by noting the skyrocketing dependence on contractors by the Federal government under the Bush Administration, and the abuses which have become associated with names such as Dick Cheney's Halliburton.

The bill easily overcame opposition by a handful of Republicans who were voicing the White House's objections to the bill. Rep. Tom Davis (R-Va.), the ranking Republican on the Oversight Committee, complained that the employment restrictions in the bill "would lower the quality of procurement . . . and would significantly harm the Executive Branch's ability to recruit and retain experienced procurement officials from the private sector. . . ." He also complained about the exhaustive reporting requirements in the bill.

Waxman responded to these and other objections by noting that "this Administration would now like to keep us from getting embarrassing information about them because they don't like this bill." He told the House, "We are spending an incredible amount of money on these outside

contracts. And from what we have seen, our taxpayers are not being protected from waste, fraud, abuse, and corruption."

The issue of contractor abuse has also come up in the Senate, with a bill introduced in January by Judiciary Committee chairman Pat Leahy (D-Vt.) to criminalize war profiteering, which it defines as "materially overvaluing any good or service with the specific intent to excessively profit from the war and relief or reconstruction activities."

During a March 20 hearing on the bill, Leahy noted that nearly a half-trillion dollars has been sent to Iraq with few or no controls over how the money is spent, and that the Bush Administration has relied on private contractors to a greater extent than any previous administration. "This trend has raised the cost of this military action by untold billions," he said, and these actions by the Bush Administration "have led to widespread fraud, waste, and abuse in Iraq, on a scale that may be unprecedented in our history."

House Votes Up Iraq Supplemental . . . Barely

The House of Representatives passed by 218-212 on March 23 the \$124 Iraq Supplemental bill which includes an August 2008 withdrawal date for U.S. combat troops.

Bush insanely responded immediately with a press conference where he surrounded himself with family members of U.S. military deployed to Iraq. Bush denounced the House passage of the bill as "an act of theater," that has no chance of becoming law. Bush said that it will delay funding the troops, who require the funds by "April 15 or

face disruption," but then announced that he would veto it.

A similar bill will be taken up in the U.S. Senate the last week of March.

Senate Democrats failed March 15 to muster the votes to pass the Democrats' resolution for troop withdrawals from Iraq. After a day of debate on the Senate floor, the vote was 48 in favor of the resolution, and 50 against. The vote was generally split along party lines, but Democratic Sens. Mark Pryor (Ark.) and Ben Nelson (Neb.) voted with the Republicans, and Republican Sen. Gordon Smith (Ore.) with the Democrats. Former Democratic Sen. Joseph Lieberman (Conn.) voted with the Republicans.

Two other resolutions, both non-binding, were voted up by the Senate after the troop-withdrawal vote. A resolution offered by Sen. Patty Murray (D-Wash.) that declares that the President and the Congress have shared responsibilities regarding the Armed Forces, and that Congress will support the troops by providing equipment and training before they deploy, and veteran services and healthcare on their return, passed by a vote of 96 to 2. Another non-binding resolution, sponsored Sen. Gregg (R-N.H.), passed 82-16. It expresses Congress's intent that no funds for should be cut off or reduced for American troops in the field.

Will Condi Ever Answer Questions on Niger Claim?

Noting that he had already sent Secretary of State Condoleezza Rice 16 letters, and that she had only "satisfactorily responded" to five of them (the ones that had been co-signed by Republicans), Chairman of the House Committee on Oversight and Govern-

ment Reform Henry Waxman (D-Calif.) sent Rice yet another letter on March 12. Making reference to the fact that he is now Chairman of the Committee (i.e., now has subpoena powers), Waxman outlined the chronology of continued administration assertions of the Niger yellowcake lies, in the face of evidence to the contrary. Specifically, he referenced a CIA memo, sent directly to the White House Situation Room on Oct. 6, 2002, which noted the “weakness in the evidence,” and also stated that this was “one of two issues where we differed with the British intelligence.” This memo came to light in a July 22, 2003 press conference, given by Stephen Hadley, then Rice’s Deputy Secretary of State. Nonetheless, both Rice and President George Bush made public statements asserting the validity of the claim afterwards.

Because of Rice’s failure to respond, Waxman said, “We still [do] not know what you knew about the fabricated Niger claim, and when you knew it.” The committee also does not yet know “who at the White House kept resuscitating this claim after intelligence officials questioned its veracity.

Waxman: White House Must Explain Security Breaches

Following up the extraordinary March 16 hearing on disclosure of Valerie Plame Wilson’s identity by the White House, the Chairman of the House Committee on Oversight and Government Reform, Rep. Henry Waxman (D-Calif.), sent a letter to White House Chief of Staff Joshua Bolten demanding an explanation as to why no internal White House investigation was conducted.

Waxman referred to statements made by James Knodell, the director of the Office of Security at the White House, who testified that his office had never conducted any investigation of the disclosure of Plame’s affiliation with the CIA, which was classified information.

“The testimony of Mr. Knodell appears to describe White House decisions that were inconsistent with the directives of Executive Order 12958,” wrote Waxman. “Under this executive order, the White House is required to ‘take appropriate and prompt corrective action’ whenever there is a release of classified information.

“Taken as a whole, the testimony at today’s hearing described breach after breach of national security requirements at the White House. The first breach was the disclosure of Ms. Wilson’s identity. Other breaches included the failure of Mr. Rove and other officials to report their disclosures as required by law, the failure of the White House to initiate the prompt investigation required by the executive order, and the failure of the White House to suspend the security clearances of the implicated officials.”

Waxman requested a complete account of the steps taken by the White House after the leak.

‘No!’ Say 60 Senators To Bush Medicaid Proposal

A rule proposed by the Bush Administration Jan. 18 “would dramatically reduce Medicaid funding to safety-net hospitals and health systems across the country,” warned the National Association of Public Hospitals and Health Systems (NAPH) on March 21. Furthermore, “The Administration’s proposed cuts will force many public hos-

pitals to slash vital services, and some may even be faced with closure. At a minimum, if these regulations go into effect, they will destabilize the health care safety net in many parts of the country,” said NAPH President Larry Gage. Both the American Hospital Association and the National Governors Association (NGA) are joining with NAPH to lobby Congress to make sure the rule never takes effect.

The proposed rule would impose a cost limit on payments to public hospitals, limit permissible sources of the non-Federal shares under Medicaid and the State Children’s Health Insurance Program, and impose new requirements on providers in those programs. The NGA estimates that the rule would result in about \$5 billion in cuts in Medicaid spending over five years.

Sen. Jeff Bingaman (D-N.M.), in a press event with the hospital organizations, reported that he had sent a letter to Acting Administrator of the Center for Medicare and Medicaid Services Leslie V. Norwalk, opposing the proposed rule. Sixty Senators have signed the letter. “That should be an indication to the CMS [Centers for Medicare & Medicaid Services] that they are acting in a way contrary to the desires of Congress,” Bingaman said.

Reps. Ron Klein (D-Fla.) and Ileana Ros-Lehtinen (R-Fla.) have introduced legislation that would impose a two-year moratorium on implementing the rule, to allow more time to study how the rule would affect states, particularly those that have waivers granted by the Secretary of Health and Human Services. Klein said on March 21 that cuts of the magnitude proposed would not only devastate public hospitals, but would also “jeopardize the health and safety of the patients they serve.”