

Cheney's Halliburton Made \$39.5 Billion on Iraq War

By Angelo Young, International Business Times

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The accounting of the financial cost of the nearly decade-long Iraq War will go on for years, but a recent analysis has shed light on the companies that made money off the war by providing support services as the **privatization of what were former U.S. military operations rose to unprecedented levels.**

Private or publicly listed firms received at least \$138 billion of U.S. taxpayer money for government contracts for services that included providing private security, building infrastructure and feeding the troops.

Ten contractors received 52 percent of the funds, according to an analysis by the Financial Times that was published Tuesday.

The No. 1 recipient?

Houston-based energy-focused engineering and construction firm KBR, Inc. (NYSE:KBR), which was spun off from its parent, oilfield services provider Halliburton Co. (NYSE:HAL), in 2007.

The company was given \$39.5 billion in Iraq-related contracts over the past decade, with many of the deals given without any bidding from competing firms, such as a \$568-million contract renewal in 2010 to provide housing, meals, water and bathroom services to soldiers, a deal that led to a Justice Department lawsuit over alleged kickbacks, as reported by Bloomberg.

Who were Nos. 2 and 3?

Agility Logistics (KSE:AGLTY) of Kuwait and the state-owned Kuwait Petroleum Corp. Together, these firms garnered \$13.5 billion of U.S. contracts.

As private enterprise entered the war zone at unprecedented levels, the amount of corruption ballooned, even if most contractors performed their duties as expected.

According to the bipartisan Commission on Wartime Contracting in Iraq and Afghanistan, the level of corruption by defense contractors may be as high as \$60 billion. **Disciplined soldiers that would traditionally do many of the tasks are now commissioned by private and publicly listed companies.**

Even without the graft, the costs of paying for these services are higher than paying government employees or soldiers to do them because of the profit motive involved. No-bid contracting - when companies get to name their price with no competing bid - didn't lower legitimate expenses. **(Despite promises by President Barack Obama to reel in this habit, the trend toward**

granting favored companies federal contracts without considering competing bids continued to grow, by 9 percent last year, according to the Washington Post.)

Even though the military has largely pulled out of Iraq, private contractors remain on the ground and continue to reap U.S. government contracts. For example, **the U.S. State Department estimates that taxpayers will dole out \$3 billion to private guards for the government's sprawling embassy in Baghdad.**

The costs of paying private and publicly listed war profiteers seem miniscule in light of the total bill for the war.

Last week, the Costs of War Project by the Watson Institute for International Studies at Brown University said the war in Iraq cost \$1.7 trillion dollars, not including the \$490 billion in immediate benefits owed to veterans of the war and the lifetime benefits that will be owed to them or their next of kin.

- The RSN Team