

Senate Democratic Policy Committee Hearing
“An Oversight Hearing on Accountability for Contracting Abuses in Iraq”

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Good afternoon. It is truly a privilege for me to be here today and to speak before this honorable committee. I would like to thank the members for taking the time to investigate how American tax dollars are being spent in Iraq. I was “over there,” and I will share with you some of my observations and concerns.

I am a divorced mother with two sons. I wanted both to support my family and serve my country during this time of war. Since I was too old to enlist I was thrilled to discover that I could try to help the military by working for Halliburton. I left my family, home and job to be stationed at Camp Fallujah, Iraq, during the Battle of Fallujah in November 2004.

I was hired as an “MWR Coordinator.” MWR stands for Morale, Welfare and Recreation. MWR facilities organize recreational activities for off-duty troops. I became the Camp Mom to many troops while I was there, and that meant a great deal to me.

The two MWR facilities at Camp Fallujah were a Fitness Center and Internet Café. The Fitness Center had gym equipment, pool and ping pong tables, video games, and a large room for movies, fitness classes and dances. The Internet Café housed telephones and computers, and a library.

At Camp Fallujah, I became concerned about several Halliburton practices. The first concerns procedures used to compile the headcount for the MWR Department. Funding for the MWR Department was evidently based, in part, on the headcount that Halliburton reported.

Each off-duty soldier who entered the Fitness Center or the Internet Café signed in. This was referred to as the “Boots in the Door” count. Halliburton MWR employees were directed to utilize the following methodology to intentionally inflate this count:

To begin, each hour, on the hour, Halliburton staff were instructed to record the number of soldiers in each of the five rooms of the Fitness Center, and in the Internet Café library.

In addition, each person who used any equipment in the Fitness Center was required to sign a form. This included balls, ping pong paddles, pool cues, board games, video games, etc.

Further, a record was kept of the number of troops who attended fitness classes or other activities.

Halliburton instructed that at the end of each calendar day, MWR Coordinators prepare a situation report, or “sit rep,” to record what was purported to be the MWR headcount for the day. To inflate that figure, the Coordinators began by adding together the “Boots in the Door” count, and the hourly totals for each room in the Fitness Center throughout the day and in the library. For example, I was present in Iraq on February 27, 2005, when the “Boots in the Door” count at the MWR facility in Fallujah was about 330. The hourly count that day for each room was over 1,300. These totals were then combined for a Fitness Center headcount in excess of 1,600, or five times the actual number of troops that came into the facility.

Next, Halliburton would often add the number of troops who attended a fitness class or activity, although each person had already been counted when he or she came in the door, and again in the hourly head count. On top of that, often they would also add the total number of equipment items that were checked out that day. Sometimes they would even add the number of towels checked out by the troops. One day in February 2005, for example, 179 towels were added into the headcount. One day in January 2005, they added 240 bottles of water used by the troops that day. Sometimes they used a sum total for the headcount that was higher than the “Boots in the Door,” hourly room counts, activity count, equipment count, and towels count *combined*.

After adding together all of the numbers to arrive at a “sum total,” Coordinators were instructed to throw away the original “Boots in the Door” figure. The larger “sum total” was then designated as the MWR headcount for that day. This figure was e-mailed to Halliburton administrators who compiled the numbers for all MWR facilities. There are many other Halliburton MWR Coordinators who can verify this procedure.

This fraudulent headcount can then equate to millions of dollars in unnecessary funding. By inflating the number of users, Halliburton can rationalize a greater need for facilities, equipment, staffing and administrators than actually exists. The additional staffing does not benefit the troops, but it does benefit Halliburton. Under its contract, the more facilities, equipment, staff and administrators Halliburton can show a need for, the more profit Halliburton makes. As the mantra at Halliburton camps goes, “it’s cost-plus, baby.”

I also observed that through their control of the MWR and dining facility requisition procedure, Halliburton employees requisition many items for their personal use, claiming that they were for the troops. I have personally observed cases of soda, stacked on top of each other in Halliburton administrative offices, which Halliburton

employees obtained this way. They drank at will from them, not only obtaining free soda, but generating an undeserved profit for Halliburton. By contrast, US soldiers who make a quarter as much, or less, must go to the PX to purchase their soda with money from their own pockets.

Halliburton employees also exploit requisitions to obtain luxuries that are not afforded to the troops. One example of this was a Super Bowl party, for Halliburton employees only, at taxpayer expense. Halliburton requisitioned a big screen TV and lots of food for the private use of Halliburton employees. Halliburton made money on this, too. Those same employees then arranged a live television connection for that big screen TV, so that they could watch football games.

In my experience, many Halliburton employees frankly didn't seem to care about the military. They often ignored troop requests, or treated them like an annoyance. Those same employees, however, indulged their own whims at taxpayer expense.

There are many other areas in which Halliburton is overcharging the United States Government. Halliburton employees refer to illegal activity in Iraq as "drug deals." I heard of more than one "drug deal" while working for Halliburton in Iraq.

Halliburton discourages employees from speaking out about these issues. It's not easy to stand up to Halliburton. After I voiced my concerns about what I believed to be accounting fraud, Halliburton placed me under guard and kept me in seclusion. My property was searched, and I was specifically told that I was not allowed to speak to any member of the U.S. military. I remained under guard until I was flown out of the country.

During my time at Camp Fallujah, I came to love the young men and women in the military, who serve our country so well. It was an honor for me to help them in any way. I will never forget their kindness, and their courage has inspired me to speak out now on their behalf.

I hope that this information is helpful to you, and that the Government will investigate these issues. Thank you again for this opportunity.