

the U.S. troop presence by year's end to the under 100,000, with most of the remaining troops to return home by the end of 2007.

The eventual removal of coalition troops from Iraq streets will help the Iraqis, who now see foreign troops as occupiers rather than the liberators they were meant to be. It will remove psychological barriers and the reason that many Iraqis joined the so-called resistance in the first place. The removal of troops will also allow the Iraqi government to engage with some of our neighbors that have to date been at the very least sympathetic to the resistance because of what they call the "coalition of occupation." If the sectarian issue continues to cause conflict with Iraq's neighbors, this matter needs to be addressed urgently and openly—not in the guise of aversion to the presence of foreign troops.

Moreover, the removal of foreign troops will legitimize Iraq's government in the eyes of its people. It has taken what some feel is an eternity to form a government of national unity. This has not been an easy or enviable task, but it represents a significant achievement, considering that many new ministers are working in partisan situations, often with people with whom they share a history of enmity and distrust. By its nature, the government of national unity, because it is working through consensus, could be perceived to be weak. But, again, the drawdown of foreign troops will strengthen our fledgling government to last the full four years it is supposed to.

While Iraq is trying to gain its independence from the United States and the coalition, in terms of taking greater responsibility for its actions, particularly in terms of security, there are still some influential foreign figures trying to spoon-feed our government and take a very proactive role in many key decisions. Through this many provide some benefits in the short term, in the long run it will only serve to make the Iraqi government a weaker one and eventually lead to a culture of dependency. Iraq has to grow out of the shadow of the United States and the coalition, take responsibility for its own decisions, learn from its own mistakes, and find Iraqi solutions to Iraqi problems, with the knowledge that our friends and allies are standing by with support and help should we need it.

Mr. LEVIN. Mr. President, I ask unanimous consent that after Senator REED is recognized—the chairman and I have talked about this—at that point, the Dorgan amendment be the matter before the Senate. I believe that the Senator from Virginia and I have agreed that Senator DORGAN would be recognized for 10 minutes, to be followed then by the chairman for 5 minutes, and the intention then would be to proceed to a rollcall vote.

Mr. WARNER. Mr. President, we are fully in concurrence as managers, but I would like to have the benefit of our leaders and the respective staff working up a unanimous consent agreement precisely outlining that. Then, as I further discussed with my colleague from Michigan, we had hopes that the matter raised by the Senator from Florida, Mr. NELSON, in which he had an amendment relating to the issue of amnesty, be addressed together with the side-by-side amendment by the Senator from Kentucky, Mr. MCCONNELL. So I hope that while hearing from our colleague from Rhode Island addressing the Senate, we can have a formalized UC agreement.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 2766, which the clerk will report.

The bill clerk read as follows:

A bill (S. 2766), to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

Pending:

McCain amendment No. 4241, to name the Act after John Warner, a Senator from Virginia.

Nelson of Florida/Menendez amendment No. 4265, to express the sense of Congress that the Government of Iraq should not grant amnesty to persons known to have attacked, killed, or wounded members of the Armed Forces of the United States.

McConnell amendment No. 4272, to commend the Iraqi Government for affirming its positions of no amnesty for terrorists who have attacked U.S. forces.

Dorgan amendment No. 4292, to establish a special committee of the Senate to investigate the awarding and carrying out of contracts to conduct activities in Afghanistan and Iraq and to fight the war on terrorism.

Kennedy amendment No. 4322, to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

Frist amendment No. 4323 (to Amendment No. 4322), to amend title 18, United States Code, to prohibit taking minors across State lines in circumvention of laws requiring the involvement of parents in abortion decisions.

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island, Mr. REED, shall be recognized to speak for up to 20 minutes.

Mr. REED. Mr. President, I rise this morning to discuss the fiscal year 2007 Defense authorization bill. I am glad it is on the floor. It is very important legislation, and it is arriving in a timely manner where we can dispose of it along with the other body and hopefully conclude in the next few weeks with a finalized Defense authorization bill.

I would also note that this is Senator WARNER's last bill as chairman of the Senate Armed Services Committee, and I personally want to commend him and thank him for his leadership, not only as the chairman of this committee, but as a young sailor, a young marine, and a more mature Secretary of the Navy, and now a mature Member of the United States Senate. So thank you, Senator, for your leadership and friendship.

Mr. WARNER. Mr. President, I thank my colleague from Rhode Island. I appreciate his remarks, a Senator with a

very distinguished military record of his own, and quite modest about it. But at some point I would love to have a colloquy with the Senator on why Rhode Island—we are talking about sovereignty and the formation of governments—about why did they hold out those many years before ratifying the Constitution? At some point, could the two of us have a colloquy about that?

Mr. REED. I would be happy to do that, in the future.

I would like to highlight some of the aspects of the bill which I think are very important. I have had the privilege of working with Senator CORNYN as the ranking member of the Emerging Threats Subcommittee. It has been a real pleasure. He has conducted the committee with great efficiency and great cooperation. The staff has been particularly helpful on a bipartisan basis.

I am pleased to note that in the context of our deliberations, several important measures were included in this legislation. First, we have authorized an additional \$400 million for science and technology programs. The original request sent by the Department of Defense was woefully inadequate. Science and technology is the key to our future on the battlefield as we match the skill and valor of our soldiers with the very best technology. We have to continue this investment. I am pleased that our legislation increases that item by \$400 million.

Also, the bill includes language to require a report to Congress on the testing policies and practices that should be pursued with respect to rapid acquisition programs, spiral development programs, quick reaction fielding programs, and the testing for safety and survivability of deployed equipment. One of the weaknesses, I believe, with the present approach of the Department of Defense is a failure to adequately test and evaluate, and I think that failure has to be corrected and this report will, I hope, put attention on this issue and lead to positive results.

The legislation also urges the Department of Defense to identify and nominate an individual to serve as the Director of Operational Test and Evaluation. This position has been vacant since January 2005. It is a critical position. This individual is the key independent personality in the Department of Defense to look at the testing and evaluation of new equipment. Without this position, the testing emphasis is woefully inadequate in the Department of Defense.

As we put new systems into the military, we have to ensure that these systems are adequately tested. Without an individual with that responsibility and that position and posture within the Department of Defense, we are not providing the appropriate personality and mechanism to do the job.

The bill also establishes the Joint Technology Office to coordinate all DOD hypersonics research programs in

conjunction with NASA. The new office reflects an appreciation of the important role that these technologies can play in advanced air platforms, missile systems, and space systems. The committee's provision is an effort to ensure that millions of dollars being invested by the services and by DARPA in hypersonics are optimized and coordinated to enable this maturing set of technologies to reach operational capabilities at the highest possible rate and at the earliest possible time.

The bill also extends the authority for DOD to run technology competitions and awards cash prizes to winners. This is a provision that DARPA uses very effectively.

The bill also authorizes more than \$30 million in increases for research that supports defense manufacturing technology. A growing concern in the United States, in both the defense and commercial sector, is whether or not we have the capability to manufacture what we invent. This money will help us enhance our manufacturing abilities throughout the United States.

There is another area of the bill that I think is very important and that is the area that helps us protect this country from weapons of mass destruction. First, the Cooperative Threat Reduction Program of the Department of Defense is fully funded with a budget request of \$372 million. The Cooperative Threat Reduction Program is one of the leading nonproliferation programs. It allows our Government to cooperate with other governments, principally those of the former Soviet Union, to reduce the availability and supply of the fissile material and potential access to nuclear devices.

Also, the nonproliferation programs at the Department of Energy are fully funded at \$1.7 billion. This funding is critical. One of the most obvious threats and the most grievous threats to face this country is the existence of nuclear weapons, particularly if they fall in the hands of terrorists. One very effective way to prevent this potential apocalypse is to ensure these weapons are fully under the control of a credible responsible party. In fact, in many cases we are destroying some of this material to prevent it from ever being used again.

The bill also includes an important waiver for the President with respect to the conditions that Russia must meet for chemical weapons destruction programs. It is important to continue to have these programs go forward. This waiver gives the President flexibility to continue these efforts.

In the areas of combating terrorism and homeland defense, the bill authorizes funding increases of about \$150 million. Approximately \$100 million of these funds are being used to fund the top eight unfunded requirements of the Special Operations Command. We all understand each of the components of the Department of Defense submit their requests. These eight elements were not funded under the prevailing

budget. Our legislation would provide \$100 million to do that and allow our special operators to continue to enhance their technology and their programs.

The increase will provide, I think, also, support for our Weapons of Mass Destruction Civil Support Teams. These are military teams that are organized in case of a weapons of mass destruction incident in the United States. They are critical. The original 32 teams played a key role. This would allow them to upgrade their equipment.

The bill also authorizes about \$70 million to fund two of Northern Command's highest unfunded priorities. Included among these priorities are interoperable communications to facilitate the support of civilian authorities. This is an obvious need after Hurricane Katrina. When we go back—I am sure my colleagues are in the same position—to our home States we hear a persistent cry from fire and police officials that they need interoperable communications to talk amongst themselves and to talk to other levels of command.

The bill also creates a senior executive position within the Office of the Assistant Secretary for Defense for Special Operations and Low-Intensity Conflict to provide management oversight for SOCOM's acquisition programs. One of the lacking elements in SOCOM's organization is an acquisition specialist. This bill would put in a person with those skills, so they can facilitate the acquisition and development of new technology for our Special Operations Command.

The bill also includes an authorization for the Department of Defense to use counterdrug funds to support U.S. assistance to the unified counterdrug/counterterrorism military campaign in Colombia. Last April, I was in Colombia and I had the opportunity to meet with President Uribe. I was encouraged by what he has done and what the people of Colombia have done. I also visited with our military personnel and civilians working to help the Colombian military personnel who have been working to fight narcoterrorism and strengthen democratic governance in Colombia, and I was extremely impressed with what they have done since my last visit in 2000. I believe, as we support the Colombians in their efforts, we will make a significant contribution to stability in that region.

Finally, with respect to our efforts on the Emerging Threat Subcommittee, I note the bill includes authorization for incentive clauses in some of our chemical demilitarization contracts. This authority is intended to provide a more efficient way to close some of our chemical weapons facilities and to meet international deadlines.

All of these efforts were the result of the close cooperation of Senator CORNYN and the staff with respect to the Emerging Threats Subcommittee.

Let me now turn to an issue of increased importance in the last few days and that is missile defense. We are all anxiously observing what is going on in North Korea—the intelligence suggesting that the North Koreans are preparing to launch a long-range ballistic missile.

This bill contains language that I think recognizes a need to continue to develop a missile defense system and to do so in a way that can assure its effectiveness. The bill would authorize additional funding for systems that we know are working and are extremely valuable, including the Aegis BMD system and the Patriot/PAC-3 system. I note the Patriot system is our only system that has actually intercepted a hostile missile, and that additional support for this system is more than justified. I also note that the Patriot system was rigorously tested and was subject to operational testing before it was fully deployed.

The largest single missile defense funding increase which is authorized by this bill is \$115 million for additional integrated flight tests for the Ground-based Mid-course Defense system, the GMD. I think it is very important to focus in on operational testing of this system. One of the shortcomings of the whole program for developing our missile defense system has been a rush, in many cases, to failure, not taking the steps to test the system or not designing tests that are operationally significant. In that respect, we have spent a lot of money but we have yet, I think, to fully and effectively deploy the ground-based mid-course system.

We have to recognize that after three successive intercept flight test failures, the Missile Defense Agency is taking some steps which I think are encouraging. They created an Independent Review Team and a Mission Readiness Task Force to analyze these failures and recommend improvements to the GMD program.

Again, one of the persistent criticisms I had was that the system was rushing pell-mell forward without stopping to evaluate the mistakes that have been made and then planning for a thorough and exhaustive system of tests. Therefore, the effort was just to put something in the ground, not to ensure that missile system would work adequately.

MRTF, the Mission Readiness Task Force, recommended that four ground-based interceptors be diverted from planned operational deployment—essentially sitting in the ground being described as operational, but frankly I don't know anyone who would give that a high probability of success—to using these missiles for ground tests. I think that is a step forward in terms of development the system.

These recommendations were accepted by the Missile Defense Agency and the Defense Department. Again, I think a recognition of a new pragmatism and realism on the part of the Missile Defense Agency, something

that is more than overdue. We need more testing to ensure the GMD system will work, and I think the legislation we have before us will signal and encourage such testing.

The bill would also include a provision that would require the Department to submit to Congress each test and evaluation plan approved by the Director of Operational Tests and Evaluation under Section 234 of last year's National Defense Authorization Act. Again, this provision is designed to help improve testing and to show the emphasis that the Congress places on this testing.

Finally, the bill includes a provision that would extend the requirement to have the GAO assess the missile defense program. The GAO plays a very valuable role as an outside objective observer on the progress of missile defense.

We have to invest in a missile defense system, but we have to do it wisely. We have already seen where the effect of other budget priorities, principally Iraq, has even caused the administration to move money away from their original plans in missile defense. I believe we cannot afford to waste money in this regard. We have to invest it wisely. Part of that wise investment means having an adequate, thorough, exhaustive operational testing program to make steady progress, rather than to rush to failure.

I would like to turn to another topic which is of concern to myself, and that is the shipbuilding program. Since 2001, most of the focus of the Department of Defense and Congress, indeed, of the Nation, has been on our land forces, the Army and Marines. They are engaged in combat in Afghanistan and Iraq and doing a magnificent job. They are bearing the burden of a very difficult combat situation.

However, our Navy is still a vital element in our national defense. Its importance will continue to loom significant in the future. The CNO has stated that he needs \$13.5 billion each year for at least the next decade to recapitalize the fleet. With this funding, the Navy must also build approximately 11 ships per year to maintain a 313-ship fleet.

Mr. WARNER. Mr. President, will the Senator kindly yield for me to make a unanimous consent request so Senators can arrange their schedules?

Mr. REED. I yield to the Senator from Virginia and will then regain my time.

Mr. WARNER. This is a cleared unanimous consent request on both sides. I ask unanimous consent that at 11:15 the Senate proceed to a vote in relation to the Dorgan amendment No. 4292 and that no amendments be in order prior to the vote. I further ask unanimous consent that Senator DORGAN be recognized to speak for up to 10 minutes between now and the time before the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REED. As I stated, the Chief of Naval Operations indicated he would

need approximately \$13.5 billion each year for the next decade to recapitalize the fleet. However, the President's budget request only includes 7 ships in fiscal year 2007 versus the 11 that the Chief needs to maintain the 313-ship fleet. Seven ships in fiscal year 2008. In 2009 the suggestion is they move up to nine ships. But those plans have been delayed before.

This shipbuilding level simply cannot sustain the fleet. My greatest concern is with respect to the construction level of submarines. While many believe that the need for submarines has diminished with the end of the Cold War, the demand for these unique assets has never been greater.

Last week I was with Senator DODD and Senator INOUE for the christening of the USS *Hawaii*, our newest Virginia Class attack submarine at Groton, CT. Admiral Roughhead, Commander of the Pacific Fleet, pointed out submarines are his most demanded asset. They are the one ship that is constantly requested by commanders throughout the Pacific to do the tasks that are necessary to defend the Nation.

This is true in our global war on terrorism as we need the ability for stealthy insertion of special operations troops. We need to be able to recover these troops, we need to have the capacity to strike with precision-guided Tomahawk cruise missiles. All of these are capabilities of the submarine fleet.

Back in March of 2004, Admiral Bowman, who was then the Director of the Navy's Nuclear Propulsion Program, suggested to me that the Navy was only able to meet about 65 percent of the combatant commanders' submarine requirements with the current fleet of 54 boats. In 2003, Vice Admiral Grossenbacher, then commander of the Naval Submarine Forces, estimated we needed 70 submarines to meet the request of all of the commanders. These are requests that will simply not be met if we drop our submarine fleet below certain limits.

In addition, we understand that China is developing a very robust submarine fleet. Today, China's submarine fleet is estimated at a number of approximately 60 boats. In 2004 and 2005, 12 new submarines joined the Chinese fleet. New nuclear-missile-attack boats are coming on line, and China has one of the largest modern diesel submarine fleets in the world. Clearly, there is a need to prudently react to the growing underwater prowess of China.

Presently, the U.S. Navy has 282 ships, including 54 attack submarines. In the fiscal year 2007 long-range plan for construction of naval vessels, the Navy expressed the intent to maintain 313, but only 48 attack submarines. Recall recently there were requirements for up to 70 submarines—at least discussion of 70 submarines—or 54 submarines; 48 attack submarines are currently in the plan. The Navy is in danger of not even being able to put to sea 48 attack submarines at current build rate.

Right now the Navy is currently procuring one *Virginia* class attack submarine per year, and a ninth is in the budget for this year. However, under the original plan drawn up by the Navy in 2003, production of two boats per year was supposed to begin in fiscal year 2007. Now the procurement of two per year has been pushed back to fiscal year 2012.

If the Navy is able to implement its plan and begin building two attack submarines per year in fiscal year 2012, the attack submarine fleet will still drop below 40 before it begins to increase again. If the 2-per-year procurement keeps getting pushed off to the left—it has already happened 10 times where it has been pushed back—the submarine force would drop as low as 28.

I think we all agree that 28 is a number that cannot be justified in terms of the demand and in terms of this effort. We have to do quite a bit to move up the construction of two submarines per year.

First, the report language accompanying this bill states: "The Committee does not understand the [submarine] construction rate" and directs the Secretary of the Navy to submit a detailed plan for lowering costs and defining goals and benchmarks for the Virginia class production program. I believe this language will help compel the Navy and the industry to redouble their efforts to increase the construction rate—and that is vitally important.

Second, I am pleased to know that this legislation includes \$65 million for R&D for the Virginia class submarines.

This R&D is I think critical not only to improve the capabilities of these ships but also to continue to engage in the design force which is part of the human capital in our submarine industrial base.

Also, I note that the bill includes \$10 million for funding to begin design work on the successor to the Ohio class ballistic submarine. This design work is essential to continue our ability to produce a follow-on generation of attack submarines but also ballistic submarines.

I think this is absolutely critical.

Let me turn to another point with respect to our Army; that is, end strength.

I am pleased to see that this bill authorizes an Active-Duty Army end strength of 512,400, which is 30,000 over the President's fiscal year 2007 budget request.

The act also authorizes an Active-Duty Marine Corps of 180,000, which is 5,000 over the President's budget request.

I think it is important to maintain the end strength of the Army.

I think it is a result of the efforts of Senators LOTT and TALENT and myself on the budget resolution, where we actually moved \$3.7 billion to accomplish this.

Let me make one final point, if I may.

The Army end strength is a critical issue. I think we have to note, at this time but also at a later date continue to note, that recruiting is becoming a critical issue for the U.S. Army. According to the information I have, the U.S. Army, in the first three-quarters of the year, has recruited to a level of 40,000. That means in the final quarter the Army is going to have to recruit 40,000 soldiers to meet their goals. That is much higher than they have ever done in the last few years.

We have a recruiting problem that is beginning to emerge.

I will devote additional time on this subject at a later time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I ask unanimous consent that the Senator from North Dakota be recognized for 10 minutes, after which time the Senator from Virginia be recognized for 5 minutes, and the Senate then vote immediately thereafter.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from North Dakota.

Mr. DORGAN. Mr. President, I thank the Senator from Virginia for his courtesy.

This is a vote that we had before in the Senate. It is a vote on the establishment of a type of committee called a Truman Committee. The Truman Committee was established in the early 1940s to try to root out waste, fraud, and abuse in military contracting. That was done when there was a Democrat in the White House, a Democratically controlled Senate, and a Democratic Senator named Harry Truman. He decided there ought to be a special investigation of waste, fraud, and abuse with respect to military contracting. They established a bipartisan committee to do that. They found a massive amount of waste, fraud, and abuse.

I think it is clear that perhaps the most significant amount of waste, fraud, and abuse that has ever occurred in this country is occurring right now. I think the American taxpayers are being fleeced. I don't think the Congress is doing nearly enough about it.

Let me go through a couple of charts that I have shown before on the floor of the Senate. This is from the highest ranking procurement official in the Corps of Engineers, which does all the procurement for the Department of Defense. She lost her job. She was demoted for being honest.

She said:

I can unequivocally state that the abuse related to the contracts awarded to KBR represents the most blatant and improper contract abuse I have witnessed during the course of my professional career.

This from the top civilian contracting official in our Government at the Corps of Engineers. She is being de-

motivated for being honest. She was always given the best recommendations, the highest performance evaluations, and when they saw that the "old boy" network decided to give big sole-source contracts, no-bid contracts and do it in a way that violated procurement rules, she spoke out. "The most blatant and improper contract abuse" she has ever seen.

Let me describe one contract—the Custer Battles contract. Two guys—Custer Battles—show up in Iraq. They know there is a lot of money. The American taxpayers are funding not only reconstruction of Iraq but also funding Army contracts. Two guys show up in Iraq with nothing. And \$100 million later, they got \$100 million of the taxpayers' money for contracts. The first contract was to provide security at the Baghdad Airport. There is a criminal inquiry as a result of that.

Here is what Baghdad Airport security said about this company, Custer Battles—Mr. Custer and Mr. Battles.

Custer Battles have shown themselves to be unresponsive, uncooperative, incompetent, deceitful, manipulative war profiteers. Other than that, they are swell fellows.

They received 100 million in American taxpayer dollars.

By the way, they took the forklift trucks off the Baghdad Airport and put them in a warehouse. They painted them blue and then sold them back to the Coalition Provisional Authority—forklift trucks which didn't belong to them. There are now criminal proceedings about this contract. But this is the tip of the iceberg.

Mr. President, I ask unanimous consent to show an item on the floor of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, a man named Henry Bunting worked for KBR, a subsidiary of Halliburton Corporation, in the area of Kuwait where Henry Bunting was in charge of procurement. He had to buy things.

Let me show the Senate what he bought. He brought this to a hearing we held. This is a hand towel. He was charged, on behalf of Halliburton's KBR subsidiary, to buy hand towels. He would order a hand towel for the American troops at a certain price, but his company said: Don't do that. We want you to have a hand towel that has the embroidered logo on it, the name of our company. So double the price to the American taxpayer for hand towels for the troops. So you have KBR embroidered on the hand towel.

He says: Why should we do that? It doesn't matter. It is cost-plus. The American taxpayer is paying the bill. Don't worry about the cost.

Same guy, \$7,500 a month for an SUV; \$45, \$43 for a case of Coca Cola. He said: Don't worry, be happy. The taxpayer is going to pay for all of this. Don't worry about the cost.

Yes, I know this towel is one small issue. But when you buy thousands and thousands and tens of thousands of

towels and double the price so you can put the logo of the contractor on it because it is a cost-plus contract, that relates to \$100 million contracts, and it relates, in my judgment, to billions of waste, fraud, and abuse.

Regrettably, the Congress doesn't care enough.

I suggest we remedy this by creating a Truman-type committee. It worked, it was bipartisan, and it began to root out the waste, fraud, and abuse that is so prevalent.

I am not going to go through the whole list again. But let me describe it. If you are in the right place of the country of Iraq, you can stumble onto 50,000 pounds of nails, 25 tons of nails, lying in the sand. Why? Because somebody ordered the wrong size nails. So you throw them out in the sand. Doesn't matter, the American taxpayer is going to pay for that.

Or you can see a brandnew \$75,000 truck that was set on fire because it had a flat tire, and they run it off the road. They didn't have the capability to fix it and just left the truck. Doesn't matter, the American taxpayer is going to pay the bill.

I think this is unbelievable. We have spent hundreds of billions of dollars at this point.

I understand that our responsibility is to do everything we should do, and must do, to support the troops who are fighting in Iraq.

We cannot send American men and women abroad wearing our country's uniform and not do everything that is humanly possible to provide all of their needs, equipment needs, weapons needs, and so on. I understand that. That is a responsibility we have. I believe the chairman of this committee and the ranking member of this committee have done a great job. I am impressed with that.

The one area where all of us have failed in this Congress, however, is oversight. We have not done the oversight. I think part of it is because we have one-party rule in this town—the White House and the House and Senate. Nobody wants to embarrass anybody. But the fact is there is such massive amount of money that is going out the door in support of these contracts—sole-source, no-bid contracts that have promoted waste. And nobody wants to take a second look at it. Nobody wants to see what is going on.

There are whistleblowers coming forward saying this money is being spent. It is being spent in an unbelievable way.

This is a slightly different picture. By the way, this is \$2 million in \$100 bills wrapped in Saran Wrap. This money actually belongs to the Iraqi people that was spent by us in something called the Coalition Provisional Authority. That was our responsibility to spend this appropriately. This money went to Custer Battles and is the subject of a criminal inquiry. This \$2 million wrapped in Saran Wrap in \$100 bills was a part of a substantial

stash of cash in the basement of a building where they were standing.

This particular fellow came and testified. He said: We used to throw these around as footballs. We wrapped up \$100 bills in Saran Wrap and threw them as footballs in the office because the message in this office was this:

You bring a bag because we pay in cash. Bring a sack. If you want some money, bring a sack, we pay in cash. The stories are unbelievable.

The American taxpayer is going to pay to air condition a building. It went to a subcontractor, to another subcontractor, and then to another subcontractor, and pretty soon we pay the bill. The American taxpayer paid the bill, and that building now has a ceiling fan—not an air conditioner.

What is going on is unbelievable. Yet nobody seems to care very much. Nobody seems to be willing to do anything. I suggest, given the unprecedented amount of waste, fraud, and abuse, that now is the time for us to decide we are going to take action. We will create a Truman Committee, bipartisan, and sink our teeth into this and investigate on behalf of the American taxpayer—investigate and expose the waste, fraud, and abuse.

The fact is we turned down, regrettably, a bill which I offered previously that would have prevented the no-bid, sole-source, huge contracts going to just a couple of companies. That is one way to solve this problem. We should have accepted that. But notwithstanding the decision by the Senate to turn down that amendment, this amendment stands on its own.

Are we going to decide that when the highest civilian procurement official in the Corps of Engineers responsible for all these contracts says that she can unequivocally state that the abuse related to contracts awarded represents the most blatant and improper contract abuse she has witnessed during the course of her professional career, are we going to decide that is serious? We are going to do something about it?

I know people will say we have done this or that. The fact is we haven't scratched the surface—not a bit.

It is time for the Senate to ask itself whether it is serious about oversight and doing the job.

I am not standing here trying to pull the ground out from under this committee—or any committee. I am saying we have never spent this much money so quickly, never given the kind of sole-source, no-bid contracts that we have offered. We have never shoved money out the door as quickly as we have for procurement and in support of contracts for the troops.

Again, let me show this towel as a small hand-towel symbol of a massive amount of waste, fraud, and abuse that I believe we ought to correct, and we ought to begin today by approving my amendment.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I thank the Presiding Officer.

Mr. President, I wish to say to our colleague from North Dakota that he feels very strongly about this issue. That comes through in the debate on this issue that we have had now for 3 days, on and off.

But I bring to the attention of my colleagues that three times the Senate has addressed this issue and has rejected it. It is not a rejection in the sense that the Senator doesn't raise points that should be addressed to the Senate. But there is a clear record that the Senate is addressing these issues. The Committee on Armed Services had a number of hearings. The Committee on Foreign Relations had a number of hearings. And most importantly, the Senate is structured whereby issues of this type are within the jurisdiction of the Committee on Homeland Security and Governmental Affairs.

In that committee, and it has been for many years, there is a subcommittee entitled "The Permanent Subcommittee on Investigation" with subpoena power. In the colloquy we had on the Senator's bill on Thursday, my distinguished colleague, Senator LEVIN, and I, both commented, since we serve on that committee—he serves on the Special Permanent Subcommittee on Investigations—that this is a matter we should take up with the chairman and ranking member of the Homeland Security and Governmental Affairs Committee.

Before the Senate tries to restructure the framework of how it performs its work, we should focus on what is and what has been that framework for these many years now. It is for that reason I suggest strongly this amendment not be accepted. It would, in effect, be overruling what we are doing on the Permanent Subcommittee.

Second, Congress should be stepping into the role that is now being performed by inspector generals, being performed by the General Accountability Office and, indeed, an inspector general specially designated by the Congress and the Secretary of Defense for Iraq and other nations.

With that, I will not move to table this because I feel very strongly the Senate should address it in the same manner we have addressed it on previous occasions three times and rejected it.

I ask for the yeas and nays. The PRESIDING OFFICER (Mr. SUNUNU). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered. Under the previous order a vote is now to occur in relation to the amendment.

Mr. LEVIN. I ask unanimous consent I be allowed 1 minute to respond to my good friend's comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, what we are dealing with is a historic use of no-bid contracts, where billions of dollars have been spent. There is good evidence they have been misspent in many ways,

and there is a huge amount of waste and abuse.

I agree with my good friend from Virginia we do have committees that could look into this matter and could focus on this matter. The agendas of those committees are left basically to the chairmen of those committees. If the chairmen of those committees choose to focus their energies in other places—and I don't quarrel with the places they look—it does not mean the Senate should not express its opinion on the need to focus on these abuses, these excesses, this expenditure of billions of dollars on no-bid contracts.

Therefore, I support the Dorgan amendment.

Mr. DORGAN. Might I ask consent to point out to my colleagues that Senator HARKIN, Senator DURBIN, and Senator CLINTON are cosponsors. I did not mention that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, a vote now occurs on the Dorgan amendment on which the yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. The following Senators were necessarily absent: the Senator from New Mexico (Mr. DOMENICI) and the Senator from Alabama (Mr. SHELBY).

Mr. DURBIN. I announce that the Senator from Vermont (Mr. JEFFORDS) and the Senator from West Virginia (Mr. ROCKEFELLER) are necessarily absent.

The PRESIDING OFFICER (Mr. BURR). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 44, nays 52, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—44

Akaka	Durbin	Menendez
Baucus	Feingold	Mikulski
Bayh	Feinstein	Murray
Biden	Harkin	Nelson (FL)
Bingaman	Inouye	Nelson (NE)
Boxer	Johnson	Obama
Byrd	Kennedy	Pryor
Cantwell	Kerry	Reed
Carper	Kohl	Reid
Chafee	Landrieu	Salazar
Clinton	Lautenberg	Sarbanes
Conrad	Leahy	Schumer
Dayton	Levin	Stabenow
Dodd	Lieberman	Wyden
Dorgan	Lincoln	

NAYS—52

Alexander	DeWine	McConnell
Allard	Dole	Murkowski
Allen	Ensign	Roberts
Bennett	Enzi	Santorum
Bond	Frist	Sessions
Brownback	Graham	Smith
Bunning	Grassley	Snowe
Burns	Gregg	Specter
Burr	Hagel	Stevens
Chambliss	Hatch	Sununu
Coburn	Hutchison	Talent
Cochran	Inhofe	Thomas
Coleman	Isakson	Thune
Collins	Kyl	Vitter
Cornyn	Lott	Voivovich
Craig	Lugar	Warner
Crapo	Martinez	
DeMint	McCain	

NOT VOTING—4

Domenici Rockefeller
Jeffords Shelby

The amendment (No. 4292) was rejected.

(Disturbance in the Visitors' Galleries.)

Mr. LEVIN. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, the managers are working with our respective leaders on the remainder of the schedule for the next few hours, but in the meantime I understand our distinguished Senator from Iowa wishes to speak. I certainly have no objection.

I ask unanimous consent that at 2:15 p.m., the Senate proceed to 30 minutes of debate equally divided in the usual form relative to the McConnell and Nelson amendments; provided further, that following the use or yielding back of time, the Senate proceed to a vote in relation to the McConnell amendment No. 4272, as modified, to be followed by a vote in relation to the Nelson amendment No. 4265, and that no amendments be in order to the amendments prior to the votes.

Mr. LEVIN. Reserving the right to object. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, we are still getting the concurrence of one side on the unanimous consent request. It was my understanding it was cleared. I think it will eventually be cleared. In the meantime, I yield the floor so that our colleague from Iowa can speak.

The PRESIDING OFFICER. The request is withdrawn. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank the chairman. Any time the chairman needs to interrupt my remarks to seek that agreement, I will be more than happy to yield the floor.

I wish to talk about an amendment I have not offered yet but I hope will be accepted by both sides. I will offer it, and I hope it will be acceptable. It has to do with the loss of some \$8 billion for which we cannot account.

More than 3 years into the Iraq war, we have had report after report docu-

menting rampant corruption and profiteering on the part of some defense contractors, as well as lax oversight by governmental officials. A major reason this is continuing largely unchecked is that apparently the Department of Justice has been delaying whistleblower lawsuits brought under the False Claims Act, and DOJ is not pursuing these suits aggressively. So I filed an amendment designed to break this logjam by requiring the Department of Justice to report on a semi-annual basis, every 6 months—

Mr. WARNER. Mr. President, might I ask the Senator to yield for the purpose of a unanimous consent request?

Mr. HARKIN. Certainly.

Mr. WARNER. Mr. President, I thank the Senator from Iowa. I am prepared to restate the unanimous consent request.

I ask unanimous consent that at 2:15 p.m., the Senate proceed to 30 minutes of debate, equally divided in the usual form, relative to the McConnell and Nelson amendments; provided further, that following the use or yielding back of time, the Senate proceed to a vote on the McConnell amendment No. 4272, as modified—

The modification is at the desk. Did the Chair rule on the modification?

AMENDMENT NO. 4272, AS MODIFIED

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (No. 4272), as modified, is as follows:

Sec. SENSE OF THE CONGRESS COMMENDING THE GOVERNMENT OF IRAQ FOR AFFIRMING ITS POSITION OF NO AMNESTY FOR TERRORISTS WHO ATTACK U.S. ARMED FORCES.

(a) FINDINGS.—Congress makes the following findings:

(1) The Armed Forces of the United States and coalition military forces are serving heroically in Iraq to provide all the people of Iraq a better future.

(2) The Armed Forces of the United States and coalition military forces have served bravely in Iraq since the beginning of military operations in March 2003.

(3) More than 2,500 of the Armed Forces of the United States and members of coalition military forces have been killed and more than 18,000 injured in operations to bring peace and stability to all the people of Iraq.

(4) The National Security Advisor of Iraq affirmed that the Government of Iraq will “never give amnesty to those who have killed American soldiers or Iraqi soldiers or civilians.”

(5) The National Security Advisor of Iraq thanked “the American wives and American women and American mothers for the treasure and blood they have invested in this country . . . of liberating 30 million people in this country . . . and we are ever so grateful.”

(b) SENSE OF CONGRESS.—It is the sense of Congress that

(1) the goal of the United States and our Coalition partners has been to empower the Iraqi Nation with full sovereignty thereby recognizing their freedom to exercise that sovereignty. Through successive elections and difficult political agreements the unity government is now in place exercising that sovereignty. We must respect that exercise of that sovereignty in accordance with their own wisdom;

(2) history records that governments deprived of free elections should not grant amnesty to those who have committed war crimes or terrorists acts, and;

(3) the United States should continue with the historic tradition of diplomatically, economically, and in a humanitarian manner assisting nations and the people whom have fought once a conflict is concluded.

Mr. WARNER. To be followed by a vote on the Nelson amendment No. 4265, and that no amendments be in order to the amendments prior to the votes, with the modification that is at the desk having now been acted upon.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. Reserving the right to object, and I do not intend to object, did I hear that they have an opportunity to speak on their amendments?

Mr. WARNER. That is correct, 30 minutes of debate equally divided.

Mr. LEVIN. I missed that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, to accommodate the Senate, would we not at 12:30 p.m. go into recess? Perhaps I can ask unanimous consent that at the conclusion—how much time does the Senator wish to speak?

Mr. HARKIN. Mr. President, 15 minutes.

Mr. WARNER. I ask unanimous consent that at the conclusion of the remarks of the Senator of Iowa, the Senate stand in recess until the hour of 2:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank the distinguished chairman and ranking member.

As I was saying, the amendment I filed is designed to break the logjam of what is happening at the Department of Justice delaying whistleblower lawsuits brought under the False Claims Act, and they are not pursuing these cases aggressively.

My amendment would require the Department of Justice to report on a semiannual basis on the status of its efforts to respond to whistleblower lawsuits alleging corruption in Iraq, Afghanistan, and elsewhere. The Department would be required to report its findings to the Judiciary Committee, the Appropriations Committee, the Armed Services Committee, the Homeland Security and Governmental Affairs Committee, and the Defense Appropriations Subcommittee.

I believe this is an important first step that would allow Congress to evaluate the Department of Justice efforts so we can decide what further steps are needed to ensure these cases are vigorously prosecuted.

I am pleased that Senators GRASSLEY, DORGAN, DURBIN, KENNEDY, JOHNSON, WYDEN, KERRY, LIEBERMAN, LEAHY, and LAUTENBERG are cosponsoring this amendment.

The cost of the wars in Iraq and Afghanistan has risen dramatically in each of the last 3 years. The Congressional Research Service reports we are

now spending about \$6.4 billion a month in Iraq alone. That is about \$9 million an hour of spending in Iraq—\$9 million an hour. One of the reasons for these runaway costs is the widespread corruption in the contracting process: shoddy work, nonwork, theft, fraud, kickbacks, bribes, insider dealings, inflated billings, and on and on.

There have been many reports in the press about this wave of corruption. The Wall Street Journal reported earlier this year about the problem. Our former inspector general in Baghdad, Stuart Bowen, concluded that U.S. occupation authorities accounted poorly for \$8.8 billion in funds dedicated to Iraqi reconstruction from the Development Fund for Iraq. He stated this \$8.8 billion is lost—lost. The Inspector General Stuart Bowen said, "The Coalition Provisional Authority did not implement adequate financial controls."

I ask unanimous consent that the April 19, 2006 article in the Wall Street Journal by Yochi J. Dreazen be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 19, 2006]
CONTRACTOR ADMITS BRIBING A U.S. OFFICIAL
IN IRAQ

LAWYER USES CIVIL WAR-ERA LAW TO GO AFTER
FIRMS FOR CORRUPTION, BUT ADMINISTRATION
WON'T HELP

(By Yochi J. Dreazen)

ORLANDO.—From his home office in a pink-painted mansion here, lawyer Alan Grayson is waging a one-man war against contractor fraud in Iraq.

Mr. Grayson has filed dozens of lawsuits against Iraq contractors on behalf of corporate whistle-blowers. He won a huge victory last month when a federal jury in Virginia ordered a security firm called Custer Battles LLC to return \$10 million in ill-gotten funds to the government. The ruling marked the first time an American firm was held responsible for financial improprieties in Iraq. But it also highlighted the limits of the broader efforts to stem contractor abuses there.

The False Claims Act that Mr. Grayson used in the Custer Battles case is a Civil War-era statute allowing whistle-blowers to sue contractors suspected of defrauding the government and then keep a chunk of any recovered money. There are an estimated 50 such cases pending against Iraq contractors, including large firms like Halliburton Co.'s Kellogg Brown and Root subsidiary. A technicality in the statute, however, has allowed the Bush administration to prevent the other lawsuits from moving forward. Cases filed under the statute are automatically sealed, which means that they can't proceed to trial—or even be publicly disclosed—until the administration makes a formal decision about whether to join them.

The law says such decisions are supposed to be made within 60 days, but with the exception of the Custer Battles case, which it declined to join, the administration has yet to take a position on any other suits, some of which were filed more than two years ago. The law allows the Justice Department to ask for extensions, which are almost always granted, for as long as it sees fit. The department has kept the other False Claims Act cases from proceeding by repeatedly asking for extensions in each one.

That has left the cases in legal limbo, with lawyers like Mr. Grayson unable to bring them to trial or detail them publicly.

Contracting experts says previous administrations often declined to join the False Claims Act lawsuits but that the Bush administration's refusal to unseal the cases is unprecedented. Justice Department spokesman Charles Wilson says he can't discuss sealed cases or comment on why the department has yet to act on them. "All of the cases are examined on their merits," Mr. Wilson says. With the Bush administration sitting on the sidelines, primary responsibility for pursuing the Iraq fraud cases rests with plaintiffs' lawyers like Mr. Grayson, a Harvard-educated lawyer who began his career defending federal contractors but now makes his living going after them.

"With the sheriff asleep in the office, the only way you get justice is with private lawyers like Alan Grayson willing to step up and take down these fraudulent companies," says Patrick Burns, the spokesman for the advocacy group Taxpayers Against Fraud. "Alan Grayson showed that you can do that even without help from the government."

Though it is unclear when the cases will proceed to trial, Mr. Grayson is continuing to press ahead as best he can. He and other lawyers in his firm travel the country taking depositions, gathering documents and interviewing prospective witnesses for the dozens of currently pending lawsuits. Mr. Grayson says he also regularly passes information to the federal investigators probing the cases and the prosecutors deciding whether the government will participate in them.

A fierce critic of the war in Iraq, Mr. Grayson drives an aging Cadillac emblazoned with antiadministration bumper stickers such as "Bush Lied, People Died," "He says the administration's botched handling of Iraq opened the door for corrupt contractors to improperly reap fortunes there. At a hearing in February 2005 held by Democratic senators, Mr. Grayson asserted that the administration had "not lifted a finger to recover tens of millions of dollars our whistle-blowers allege was stolen from the government."

His opinions on the matter haven't shifted since. "The Bush administration has made a conscious decision to sweep the cases under the rug for as long as possible," he says today. "And the more bad news that comes out of Iraq, the more motivation they have to do so."

For the contractors in his cross hairs, Mr. Grayson, 48, is a formidable opponent. He received his undergraduate, master's and law degrees from Harvard. He made millions during a two-year stint as the president of IDT Corp., a start-up that has since grown into one of the nation's largest providers of discount telecommunications services. Mr. Grayson says he has poured hundreds of thousands of personal funds into his small eight-person law firm to help defray the cost of pursuing Iraq fraud cases that may not make it to trial for years. "I have deep enough pockets to subsidize the legal work," he says.

If he prevails, he might fill those deep pockets. Whistle-blowers generally receive 30% of any penalty, although the exact portion of every award is set by the judge in each case. Lawyers like Mr. Grayson, in turn, receive 30% to 50% of whatever the whistle-blowers get. "It's really a financial crashout," he says.

Mr. Grayson's firm switched its focus from working for contractors to representing individual whistle-blowers shortly after U.S. forces swept into Iraq in March 2003. He says the firm made the move because they began to be contacted by whistle-blowers who were referred by former clients and others.

Two of his first clients were William D. Baldwin, a former manager for Custer Battles, and Robert J. Isakson, a construction subcontractor who had worked with the

firm. The company, run by a pair of politically connected military veterans, had won security contracts in Iraq worth more than \$100 million. But the two men told Mr. Grayson that they had evidence the firm was substantially overcharging the U.S. occupation authority.

Mr. Grayson filed suit against the company under the False Claims Act in February 2004, but it languished under seal until that fall, when the Justice Department formally declined to join the case. The government never explained its decision. The case finally went before a judge in February.

After a contentious three-week trial, a federal jury on March 9 found the company's two founders, along with a business partner, guilty of using fake invoices from shell companies to overcharge the authorities by millions of dollars. The jury ordered the men to pay \$10 million in penalties, with Mr. Grayson's clients standing to receive about \$3 million of the money. Mr. Grayson declined to say how much money he will be paid. David Douglass, a lawyer for Custer Battles, says the company has appealed the verdict.

While waiting for the government to act on the other lawsuits, Mr. Grayson is weighing a career change. His congressional district is represented by a conservative Republican, and Mr. Grayson is strongly considering seeking the Democratic nomination to oppose him. He says his campaign, if he chooses to run, would center on the war in Iraq.

PLEA DEAL SHOWS HOW BUSINESSMAN RIGGED
BIDS FOR REBUILDING HILLAH; 'CONSIDERED
IT A FREE-FRAUD ZONE'

(By Yochi J. Dreazen)

In January 2004, Robert Stein, a senior U.S. contracting official in Iraq, sent an unusual email to American businessman Philip Bloom.

Mr. Stein wrote that he arranged for a new set of lucrative rebuilding contracts to be awarded to Mr. Bloom, but wanted the businessman to send his bid on the letterhead of a fake company to avoid attracting attention in Baghdad. A few days later, Mr. Bloom replied that he would "bring with me the dummies . . . I have five dummies per bid."

The emails illustrate how closely U.S. officials on active duty, like Mr. Stein, were willing to work with Mr. Bloom to help him defraud the government through a massive bid-rigging scheme in southern Iraq. They were released yesterday as part of a guilty plea from Mr. Bloom, who admitted to steering \$2 million in cash and other bribes to government officials in exchange for \$8.6 million in Iraqi construction and demolition contracts. Mr. Bloom—who also admitted to providing the officials with jewelry, first-class plane tickets and sexual favors from women he employed at a villa in Baghdad—faces as long as 40 years in prison and nearly \$8 million in penalties.

The plea to charges of conspiracy, bribery and money laundering is the latest to emerge from an investigation into alleged corruption by American officials in Hillah, a restive southern city. Mr. Stein, a former civilian occupation official charged with overseeing \$82 million in rebuilding funds there, pleaded guilty on Feb. 2 to conspiracy, bribery and using stolen government money to purchase an array of high-powered rifles and grenade launchers.

Lt. Col. Michael Wheeler and Lt. Col. Debra Harrison, who both worked in Hillah, were arrested late last year and charged with similar offenses; both are free on bond. Lt. Col. Wheeler's attorney didn't return a call; Lt. Col. Harrison declined to comment. Three other military officials are mentioned in the court papers, and law enforcement authorities say more arrests are likely. "There

was no oversight anywhere near them at the time and they did not believe they would be caught," says Special Inspector General for Iraq Reconstruction Stuart Bowen, whose investigators uncovered the ring. "They considered it a free-fraud zone."

A variety of reports of congressional investigators and the special inspector general for Iraq reconstruction have found evidence that hundreds of millions of dollars were spent without proper authorization, given to contractors who performed shoddy work or paid to firms charging unreasonably high prices. Large sums of money remain unaccounted for, and auditors say they have little sense yet of how much may have been stolen.

Previous court filings had detailed the broad outlines of the conspiracy, which continued for almost two years. Mr. Stein and the military officials submitted fake bids from dummy companies for contracts that Mr. Bloom was seeking and then awarded him the work as the low bidder. To evade scrutiny, Mr. Stein—who had the authority to award contracts of as much as \$500,000—typically awarded contracts to Mr. Bloom in amounts of as much as \$498,900.

The new plea offered new evidence of how closely the two men worked. In a separate series of early 2004 emails, Mr. Stein warned the businessman that another U.S. official in Hillah would demand a "cut" if he knew about the bid-rigging arrangements. "The fewer people who know what we are doing the better," Mr. Stein wrote. "I am your partner as you put it so trust in me and what I feel."

Mr. Bloom seemed willing to make Mr. Stein his partner in a formal sense as well. In a Feb. 18, 2004, email, Mr. Bloom told one of his employees that Mr. Stein was the "vice president of operations" for the company and should get whatever assistance he asked for. Mr. Stein, then a serving government official, sent a note back asking that the firm's business cards spell his name as Robert because "it sounds a bit better than 'Bob.'"

Mr. Stein, 50, who faces formal sentencing next month, could receive a prison sentence of as long as 30 years, although he is likely to receive far less because of his cooperation with prosecutors.

No sentencing hearing has been set yet for Mr. Bloom, 65. He had pleaded guilty in February and been cooperating with prosecutors ever since, although the plea was only unsealed Tuesday. John Nassikas, an attorney for Mr. Bloom, said he had filed court papers asking for home detention during the course of his dealings with the government and hopes Mr. Bloom's ultimate sentence would be reduced because of his cooperation.

Mr. HARKIN. This has had an extremely negative impact on our work in Iraq. This fund was responsible for paying the salaries of hundreds of thousands of government employees, such as teachers, health workers, and government administrators; it supported the Iraqi defense and police forces; and it helped repair Iraq's dilapidated infrastructure. So the loss of \$8.8 billion hurts our mission in Iraq.

There is real urgency to the spending issue. On Meet the Press recently, we heard from retired GEN Barry McCaffrey, who just returned from Iraq and who only last week advised the President and his national security team at the White House on the situation in Iraq. He spoke about the importance of spending our resources efficiently on Iraq economic reconstruction. General McCaffrey said:

Unemployment is a bigger problem than the Iraqi insurgent force. We spent \$18 billion on economic reconstruction. There is only \$1.6 billion left in the pipeline. When the money runs out, in my judgment, we just lost the war.

But money on a massive scale—\$8.8 billion, as the inspector general has said—has been "lost into thin air." We can't account for it. While this was not all U.S. money, it symbolizes the magnitude of the corruption we are facing. We don't know where it has gone. Imagine the critical things we could have done with that \$8.8 billion to help win the hearts and minds of the Iraqi people. This chart shows what the Iraqi Relief and Reconstruction Fund goes for. I won't read them all, but obviously security and law enforcement, the electric sector—they are getting less electricity now than they did before the war started—oil infrastructure, water resources and sanitation, roads and bridges, health care, education; all of these things, \$8.8 billion could have gone for, but it didn't go for that. Where did it go? Well, we just don't know.

The State Department's own numbers for this Iraq Relief and Reconstruction Fund tell us they believe a lot can be done with this amount of money. It could have paid for all of the security and law enforcement training. It could have paid for all of the electric sector programs. The waste of billions of dollars is bad enough, but the widespread corruption is impeding our war effort; it is slowing reconstruction efforts; it is denying our troops in the field the quality support and equipment they deserve.

Just imagine how we could have utilized \$8.8 billion to help our military in the field. When our administration loses \$8.8 billion that was to have gone for reconstruction, then we have to replace that money with our money. The reconstruction is taking place. If we don't restore the unaccounted for money, no other country will. So we have to appropriate U.S. taxpayer dollars to fill the void. Let me repeat that. By this loss of \$8.8 billion, if we don't account for it and somehow recoup it, the reconstruction effort going forward will be made up by taxpayers' dollars, our taxpayers' dollars.

Aside from that, how could we have used \$8.8 billion to support our own troops? Well, let's take a look at this. Here is the \$8.8 billion that we have lost. Equipment maintenance, about \$3.2 billion; billeting of soldiers, \$2.4 billion; body armor, \$1.9 billion; special pay for hostile fire pay, family separation allowances, hardship duty pay, \$1.3 billion. All of it could have been done with the \$8.8 billion that is lost. Let me repeat: \$8.8 billion lost. It is not just a loss to our Treasury and the taxpayers, it is as well a loss to our ability to keep our own troops sustained.

The single most important legal tool that American taxpayers have to recover funds stolen through fraud by

U.S. contractors is the False Claims Act. Indeed, thanks to this law, more than \$17 billion has been recovered on behalf of the American taxpayer. Under the False Claims Act, whistleblowers are given a powerful incentive to come forward and expose instances of fraud. The statute allows them to sue contractors suspected of defrauding the government, and then they can keep a portion of the recovered funds as a reward.

But there is a problem—a big problem. Scores of lawsuits have been brought against contractors suspected of fraud in Iraq and Afghanistan, including—and I will have more to say about this in a minute—a Halliburton subsidiary, Kellogg, Brown, & Root. Yet the Department of Justice has allowed only one of those suits to go forward in the courts, and that lawsuit resulted in a major recovery of fraudulently collected payments.

Given the massive amount of missing money, you would think that more than just one lawsuit has been filed against corporate contractors. To be sure, there are many more legitimate cases out there. Since 2003, the Special Inspector General for Iraqi Reconstruction, the U.S. Army Audit Agency, and the Defense Contract Audit Agency have all uncovered contracting abuses related to the conflict in Iraq. Auditors of the Defense Contract Audit Agency have found that Halliburton has charged \$1.4 billion in questionable and undocumented costs on just two contracts. The auditors found \$813 million in questioned costs under Halliburton's Logistic Civil Augmentation Program contract to provide support services to the troops. So here are two, right here: \$813 million in "questioned costs" on Halliburton's—what they call the LOGCAP contract, that is for Logistic Civil Augmentation Program; and \$382 million in "unsupported costs." That is \$1.195 billion just to one company. That is Halliburton. That is Halliburton in "questioned costs."

The auditors at the agency challenged most of these costs as "unreasonable in amount" after completing the audit action because the costs "exceeded that which would be incurred by a prudent person." The auditors also found an additional \$442 million in Halliburton's charges are "unsupported." As a result, Halliburton's total "questioned" and "unsupported" costs exceed \$1.4 billion.

So if you look here at the audits of Halliburton's Iraq contracts, the "questioned costs," the "unsupported costs" under these two contracts, LOGCAP and RIO, if you add them up, combined it is \$1.47 billion.

What is being done about this? Nothing. Nothing. The Department of Justice is doing nothing.

There are numerous reports from former top Army contracting officials, from former DOD officials, from soldiers on the ground, and from former Halliburton and Kellogg, Brown & Root employees as to that company's waste,

fraud, and abuse—numerous reports. There are reports that Halliburton charged for meals never served, that Halliburton overcharged for oil and oil delivery, that Halliburton overcharged and double-charged for shipments of soda pop, that Halliburton overcharged on transportation contracts. I could go on and on.

But for reasons that I cannot fathom, the Department of Justice has not told Congress or the American taxpayer what it is doing to bring these cases to justice. And it seems as though nothing is being done.

I believe we have an obligation to the American taxpayer to be protected against theft or misuse of tax dollars by corrupt contractors. Yet there is no evidence the Justice Department is doing anything about it. So absent this information, I can only conclude that nothing is being done about this corruption. If this is the case, then the recovery of perhaps billions of dollars in taxpayer money is being blocked.

While Congress and the American taxpayer remain in the dark about what the Justice Department is doing to combat contract corruption, False Claims Act cases continue to languish. The way it works is that the False Claims Act cases are automatically sealed. They cannot go to trial; they cannot be publicly disclosed until the Department of Justice makes a decision of whether to join them. Under the statute, these decisions are supposed to be made within 60 days. However, the Department of Justice is allowed to seek additional time where needed. This is appropriate because a lot of times these cases are very complex and require extensive investigation. However, these extensions cannot be allowed to become a form of indefinite delay, stretching out year after year after year. And I fear that is exactly what is happening. As I said, with just one exception, the Department of Justice has refused to take a position on any of the lawsuits related to Iraq and Afghanistan, some of which were filed over 3 years ago. Instead, the Department files for and receives indefinite extensions.

As a result, as I said, with one exception, every single whistleblower lawsuit has been effectively blocked by the Department of Justice. Fraud has gone unpunished, billions of taxpayer dollars continue to be squandered, and courageous whistleblowers who have come forward, often at great personal risk, have been left in a sort of legal limbo. As one attorney representing a whistleblower put it:

The Bush administration has made a conscious decision to sweep the cases under the rug for as long as possible. And the more bad news that comes out of Iraq, the more motivation they have to do so.

This situation is unacceptable. So my amendment would therefore require the Justice Department to report to Congress on a semiannual basis the efforts it is undertaking to ensure that it is investigating in a timely and appro-

priate manner all claims of contractor waste, fraud, and abuse related to the U.S. Government's activities in Iraq and Afghanistan. It would require the Department of Justice to report on similar executive branch interagency efforts. My amendment would prevent the Department of Justice from imposing undue secrecy on false claims civil actions related to Government spending in Iraq and Afghanistan by simply requiring the Department of Justice to tell Congress what it is doing to combat this corruption. Sharing this information with Congress is nothing out of the ordinary, but it is long past due. As a matter of good faith to our troops and to the American taxpayer, we need to move aggressively against corruption and war profiteering in Iraq, Afghanistan, and elsewhere. These cases have gone on too long.

In closing, I quote the British philosopher John Stuart Mill who said: "The proper office of a representative assembly is to watch and control the government."

Mr. President, hopefully this is a nonpartisan amendment. It is all about enabling Congress to provide meaningful oversight of executive branch activity consistent with our duty to do so under the Constitution and the law. It will enable Congress to know the administration's plans for rooting out contractor corruption in Iraq, Afghanistan, and elsewhere, and I urge my colleagues to support the amendment.

Mr. President, I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m. today.

Whereupon, the Senate, at 12:28 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CORNYN).

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007—Continued

The PRESIDING OFFICER. The distinguished Senator from Virginia is recognized.

Mr. WARNER. Mr. President, the pending business is the DOD authorization bill and most specifically the amendments by Senator McCONNELL and Senator BILL NELSON of Florida. The McConnell amendment is to be voted on first, followed by a vote on the second amendment. Am I correct?

The PRESIDING OFFICER. That is correct.

AMENDMENT NO. 4272, AS MODIFIED

Mr. WARNER. I shall address the McConnell amendment.

First, the amendments have a great likeness. But I felt, in working with the distinguished Senator from Kentucky, that his amendment—I ask unanimous consent that I be a cosponsor of that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. I believe very strongly that a second amendment was needed because of what we have been working toward—the United States and its coalition partners—from the very beginning, and that is to provide the Iraqi people with a sovereign nation in which they can exercise the full range of authorities and responsibilities of a sovereign nation. Therefore, they went about a series of elections. Every Member of this Chamber recognizes the courage of the Iraqi people in three elections. Then there was the formation of a permanent government, a unity government. Having achieved that, they are now beginning to exercise the full responsibilities of a sovereign nation. I was concerned that we, as a legislative body of our Nation, not indicate that we are infringing on their rights of sovereignty.

This whole issue of amnesty is an important one. I do not, in any measure, suggest it is not important. But I think we have to observe that they are a sovereign nation. How they go about it should largely be within the confines of their own wisdom and goals because our whole future is dependent on this Government and the people of Iraq taking back their country such that our forces can come back home. Whatever that Government does that is constructive toward reaching that goal I want to support. So in working on this amendment, I, working with the distinguished Senator from Kentucky, drafted one or two provisions with him which state as follows:

It is the sense of Congress that the goal of the United States and our Coalition partners has been to empower the Iraqi Nation with full sovereignty thereby recognizing their freedom to exercise that sovereignty. Through successive elections and difficult political agreements the unity government is now in place exercising that sovereignty. We must respect that exercise of that sovereignty in accordance with their own wisdom;

History records that governments derived of free elections should not grant amnesty to those who have committed war crimes or terrorist acts, and; [further]

The United States should continue with the historic tradition of diplomatically, economically, and in a humanitarian manner assisting nations and the people whom have fought once a conflict is concluded.

Mr. McCONNELL. Will the Senator from Virginia yield for a question?

Mr. WARNER. I am happy to yield the floor, if the Senator so desires.

Mr. McCONNELL. If the Senator will yield for a question, I say to my friend from Virginia: Is the Senator from Kentucky correct that the genesis of the Nelson amendment is a newspaper story quoting a lower level Government official, since dismissed by the Iraqi Government for suggesting that forces who may have killed American or Iraqi troops would be given amnesty? Is it not correct, I ask my friend from Virginia, chairman of the Armed Services Committee, that that lower level official has since been dismissed from the Iraqi Government?

Mr. WARNER. Mr. President, he was fired.