

## *Special Report*

### **Bunny bugs the war profiteers**

**By Joshua Frank**

Online Journal Contributing Writer

August 31, 2005—You most likely haven't heard of a feisty woman named Bunnatine "Bunny" Greenhouse, even though you pay her salary.

For over 20 years now, Greenhouse has overseen contracts at the Army Corps of Engineers. And up until last Saturday, Greenhouse was the highest-ranking civilian member of the Army Corps of Engineers. She has been demoted for "poor job performance," despite an untarnished career as one of the country's highest-ranking procurement officers. And from what you'll see, her performance has been anything but "poor."

So why did she get shoved out of her position? Well, she did a bad thing. She raised a little hell over the Pentagon's no-bid contracts to Kellogg Brown & Root (KBR), the fully owned subsidiary of Dick Cheney's old company, Halliburton. The Greenhouse/KBR debacle all started back in the early months of 2003, when KBR was awarded a handful of government contracts in anticipation of the invasion of Iraq. One of KBR's major prewar contracts, the one that got Greenhouse in hot water with the good old boys, was allotted to rebuild Iraqi oil fields.

American military strategists were anticipating that Saddam's oil fields would be set afire as the U.S. invaded. It never happened. The Pentagon dubbed the program Restore Iraqi Oil (RIO). They wanted the pipelines to keep on flowing. Indeed, the lucrative contracts to rebuild the oil fields came easy for KBR. They didn't even have to bid for it. KBR was handed \$7 billion for the RIO contract without a question asked.

Describing the RIO fiasco in this forthcoming book *Grand Theft Pentagon*, Jeffrey St. Clair writes:

"On February 26, 2003, less than a month before the invasion of Iraq, a meeting was convened in the inner sanctum of the Pentagon. The purpose of this conclave was to devise a project that would come to be known as RIO or Restore Iraq Oil. ...

"The top priority on that February morning was to decide which U.S. company would receive the juicy contract to put out the expected oil field fires and to rebuild and manage Iraq's oil infrastructure, from the wellheads to the pipelines to the big oil terminals off the coast near Basra.

"In a way, this meeting in the bowels of the Pentagon was all for show, a kind of mating ritual between the government and its favorite contractor. There was little doubt about who was going to land the deal. So little doubt, in fact, that a Halliburton executive had been invited to attend the secret conclave. ...

"There were several other companies that could have done the job that was given to Halliburton. Fluor-Daniel, Parsons, and GSM Services were all were just as qualified for the task. Yet, none of these firms were invited to submit a bid or a plan of action...

"There was another curious hitch to the Halliburton RIO deal. Instead of being administered by Douglas Feith's office at the Pentagon (as were almost all of the other Iraq contracts), the Halliburton RIO contract

was pawned off on the Corps of Engineers, a remote outpost of the Pentagon known, to the extent that it is known at all, for the management of locks and dams on American rivers. Then an unexpected thing happened. Despite a lot of baiting from the U.S. military and the most bellicose voices of the Bush administration, Saddam didn't ignite the Basra oil fields."

So back to Bunny Greenhouse, who argued that the negotiation and preparation of the RIO contract was unique, and in fact, unheard of. First, procurements of this type never float through the offices of the Army Corps. Second, despite the assignment to the Corps, the negotiating process remained in the hands of Secretary of Defense Donald Rumsfeld. Third, Greenhouse was critical of KBR's integral role in developing the contract, something that undermines the process of impartially selecting a government contractor. And lastly, Greenhouse could not understand why the RIO contract was written so that any future contractor that wanted to bid on the Iraq reconstruction had to submit their bid for work in correspondence with KBR's agreement. This requirement, as Greenhouse saw it, was unattainable, for nobody had access to the contract but KBR and the appropriate government offices.

Greenhouse wasn't about to sit quietly by and let KBR off the hook. But she was careful. She clearly didn't want to lose her job, so she initially only spoke out about one of the aforementioned Pentagon idiocies. But Greenhouse voiced her dissent in an unprecedented fashion. She objected to the length of the initial contract, which extended for five long years.

Instead of sending out an internal memo venting her disgust, Greenhouse wrote her objection directly on the original RIO contract, right next to her signature. She wanted everyone to know that she was not pleased with the deal. As she wrote, "I caution that extending this sole source contract beyond a one-year period could convey an invalid perception that there is not strong intent for a limited competition."

Needless to say, the neocons overseeing the contract weren't too pleased with Greenhouse's point of view. Shortly after she voiced her objection, she received her first negative evaluation, in which her reviewer commented, "nobody like[s] her." She was about to be demoted. No longer was Greenhouse going to have budget authority. No longer would she have any staff under her. But Greenhouse was savvy. She hired a smart lawyer and her bosses backed off—for a while, at least.

Then on June 27, 2005, as part of the ongoing investigation into KBR's no-bid contracts, Greenhouse agreed to testify before the Democratic Policy Committee that was looking into the Halliburton/KBR contract debacle. Greenhouse had been warned only three days prior that testifying "would not be in her best interest." She didn't listen, however. She spoke frankly to the committee.

"I have been involved with government contracting for over 20 years," she said. "[And] I can unequivocally state that the abuse related to contracts awarded to KBR represents the most blatant and improper contract abuse I have witnessed during the course of my professional career."

Shortly after Greenhouse's brave testimony, she was placed on a 90-day performance review. She was being punished for having the valor to expose the fraud of the no-bid Pentagon contracts. And on Aug. 27, the hammer came down. Greenhouse was demoted.

As Cindy Sheehan's courageous campaign against Bush absorbs most of the media attention these days, it's public servants like Bunnatine "Bunny" Greenhouse who aren't getting any props, but are really shaking things up in the halls of power in Washington.

So we should all give a nice, hearty prost to Bunny Greenhouse. She deserves it.

Joshua Frank is the author of "Left Out!: How Liberals Helped Reelect George W. Bush," just published by *Common Courage Press*. To learn more, or to contact Frank, visit [www.brickburner.org](http://www.brickburner.org).