

[ABC News Home](#)[ABC News Home](#)

November 12, 2004 | [Get Your Local News and Weather](#)

Search ABC News and the Web Submit Query

Search ABC News Search the Web

[politics](#)

- [All Sections](#)
 - [Home](#)
 - [U.S.](#)
 - [International](#)
 - [Business](#)
 - [Technology & Science](#)
 - [Health](#)
 - [Entertainment](#)
 - [Politics](#)
 - [ESPN Sports](#)
 - [Travel](#)
 - [Local News & Weather](#)
 - [Video & Audio](#)
 - [Good Morning America](#)
 - [World News Tonight](#)
 - [20/20](#)
 - [Primetime Live](#)
 - [Nightline](#)
 - [World News Now](#)
 - [This Week](#)

[ABC News Home](#) > [Politics](#)

Advertisement

[Sponsored by Senseo](#)

ABC News

AP: Halliburton Contract Faced Objections

AP Finds Army Extended Halliburton Contract in Iraq Over Objections of Top Contracting Officer

Bunnatine Greenhouse, chief contracting officer of the Army Corps of Engineers, is seen in her official undated government photo. The Army extended a Halliburton Co. troop support contract over the objections of a top contracting officer, even contending and then withdrawing a claim that U.S. forces faced an emergency if the company didn't get the extra work. "I wrote directly on the document the weaknesses ... so that all could clearly see," Greenhouse wrote a top general in October 2004 in questioning the extended troop support contract in the Balkans. (AP Photo/HO/File)

The Associated Press

WASHINGTON Oct 30, 2004 — The Army extended a Halliburton Co. troop support contract over the objections of a top contracting officer, even contending and then withdrawing a claim that U.S. forces faced an emergency if the company didn't get the extra work.

"I wrote directly on the document the weaknesses ... so that all could clearly see," contracting official Bunnatine Greenhouse wrote a top general this month in questioning the extended troop support contract in the Balkans.

Greenhouse has had problems with the \$2 billion contract at least since January 2002, when she wrote, "There is little or no incentive for the contractor to reduce or keep cost down."

Greenhouse complained, in writing, Oct. 5 to Lt. Gen. Carl Strock, commander of the Army Corps of Engineers, that the Corps should not have halted plans to let companies compete for a successor Balkans contract. She is the Corps' top contracting officer.

Corps officials initially justified stopping the bidding by concluding that a "compelling emergency" would exist if Halliburton's work were to be interrupted.

When Greenhouse challenged the justification and sought an explanation of the emergency, however, Corps officials changed their reasoning. The new explanation was that Halliburton subsidiary KBR was the "one and only" company that could do the job.

Greenhouse wrote Strock that "the truth should be clearly explained" about the reason for halting competition.

She not only complained there was no explanation of what drove officials to cite an emergency, but, referring to the second justification, added: "It is not reasonable to believe that only one source responded to the solicitation."

Greenhouse, who has said she was frozen out of decisions on Halliburton, went public last weekend with allegations that Army officials showed favoritism to the company.

The FBI has asked Greenhouse's lawyers for an interview with her. The bureau has launched a criminal investigation of Halliburton's no-bid work.

The Associated Press has obtained dozens of documents that Greenhouse intends to provide to investigators.

The Balkans contract was to have ended May 27 but has been extended through next April.

The extension was so politically sensitive that a Corps official, William Ryals, sent a memo to Corps headquarters in July seeking high-level approval.

"The reason for sending it to (headquarters) for approval is because this is so controversial in regard to this firm," the memo said. "If it had been any other firm, we would have done this and moved forward without any further consideration. Given that the firm is KBRS (the Halliburton subsidiary) and that we are in an election year and coming up to the peak in the election season soon, I sent to (headquarters) for concurrence."

Halliburton spokeswoman Wendy Hall said, "This is very old information. The issue mentioned about the Balkans was fully dealt with and resolved several years ago, and since then KBR has received high marks from the Army on our Balkans Support Contract."

In a letter to Corps employees on Friday, Strock said the Army is investigating Greenhouse's allegations and therefore would not respond to the allegations "to ensure that a fair investigation can proceed."

The Army has cited severe problems with Halliburton's work in the Balkans, many documented in the Jan. 4, 2002, report by Greenhouse, who reviewed findings of investigators known as a "tiger" team.

"The general feeling in the theater is that the contractor is 'out of control,'" she wrote.

Greenhouse said it appeared the Halliburton subsidiary "makes the decisions of what is constructed, purchased or provided and it appears that oftentimes the products and services delivered reflect gold-plating since the contractor proudly touts that they provide the very, very best."

Greenhouse said Army contracting officials must work as a team because "divided the contractor will 'eat our lunch.'"

On the Net:

Army Corps of Engineers:

Copyright 2004 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten, or redistributed.

Search

Search ABC News and the Submit Query

[Advanced Search](#) [Click here to download your FREE ABC News Search Toolbar](#)

More Headlines

- [Bush Sees Patriot Act Renewal As Key Goal](#)

- [The Note](#)
- [Democrats Vie for Party Chair](#)

Most Sent HeadlinesMost Sent Headlines

- [School Talent Show Draws Secret Service](#)
- [Cancer Survivor Says 'Holy Place' Saved Him](#)
- [Doctor Discovers the 'Orgasmatron'](#)
- [More Headlines](#)

[ABC News Home](#)[ABC News Home](#)

[Contact ABC News](#) . [Help & Info](#) . [Advertising Info](#) . [Terms of Use](#) . [Privacy Policy](#)

Copyright © 2004 ABC News Internet Ventures