

[Back to Article](#)[Click to Print](#)

Sunday, Oct. 24, 2004

## Beyond the Call of Duty

By ADAM ZAGORIN &amp; TIMOTHY J. BURGER

In February 2003, less than a month before the U.S. invaded Iraq, Bunnatine (Bunny) Greenhouse walked into a Pentagon meeting and with a quiet comment started what could be the end of her career. On the agenda was the awarding of an up to \$7 billion deal to a subsidiary of Houston-based conglomerate Halliburton to restore Iraq's oil facilities. On hand were senior officials from the office of Defense Secretary Donald Rumsfeld and aides to retired Lieut. General Jay Garner, who would soon become the first U.S. administrator in Iraq.

Then several representatives from Halliburton entered. Greenhouse, a top contracting specialist for the Army Corps of Engineers, grew increasingly concerned that they were privy to internal discussions of the contract's terms, so she whispered to the presiding general, insisting that he ask the Halliburton employees to leave the room.

Once they had gone, Greenhouse raised other concerns. She argued that the five-year term for the contract, which had not been put out for competitive bid, was not justified, that it should be for one year only and then be opened to competition. But when the contract-approval document arrived the next day for Greenhouse's signature, the term was five years. With war imminent, she had little choice but to sign. But she added a handwritten reservation that extending a no-bid contract beyond one year could send a message that "there is not strong intent for a limited competition."

Greenhouse's objections, which had not been made public until now, will probably fuel criticism of the government's allegedly cozy relationship with Halliburton and could be greeted with calls for further investigation. Halliburton's Kellogg, Brown and Root (KBR) subsidiary has been mired in allegations of overcharging and mismanagement in Iraq, and the government in January replaced the noncompetitive oil-field contract that Greenhouse had objected to and made two competitively bid awards instead. (Halliburton won the larger contract, worth up to \$1.2 billion, for repairing oil installations in southern Iraq, while Parsons Corp. got one for the north, worth up to \$800 million.) Halliburton's Iraq business, which includes another government contract as well, has been under particular scrutiny because Vice President

Dick Cheney was once its CEO. The Pentagon, concerned about potential controversy when it signed the original oil-work contract, gave Cheney's staff a heads-up beforehand. (TIME disclosed that alert in June.)

Greenhouse seems to have got nothing but trouble for questioning the deal. Warned to stop interfering and threatened with a demotion, the career Corps employee decided to act on her conscience, according to her lawyer, Michael Kohn. Kohn, who has represented other federal whistle-blowers, last week sent a letter—obtained by TIME from congressional sources—on her behalf to the acting Secretary of the Army. In it Kohn recounts Greenhouse's Pentagon meeting and demands an investigation of alleged violations of Army regulations in the contract's awarding. (The Pentagon justified the contract procedures as necessary in a time of war, saying KBR was the only choice because of security clearances that it had received earlier.) Kohn charges that Greenhouse's superiors have tried to silence her; he says she has agreed to be interviewed, pending approval from her employer, but the Army failed to make her available despite repeated requests from TIME.

"These charges undercut months of assertions by Administration officials that the Halliburton contract was on the level," says Democratic Representative Henry Waxman. As the Corps's top contract specialist, the letter says, Greenhouse had noted reservations on dozens of procurement documents over seven years. But it was only after she took exception to the Halliburton deal that she was warned not to do so anymore. The letter states that the major general who admonished her, Robert Griffin, later admitted in a sworn statement that her comments on contracts had "caused trouble" for the Army and that, given the controversy surrounding the contract, it was "intolerable" and "had to stop." The letter says he threatened to downgrade her. (As with Greenhouse, the Army did not make Griffin available.) When the Pentagon's auditors accused KBR of overcharging the government \$61 million for fuel, the letter says, the Army bypassed Greenhouse. Her deputy waived a requirement that KBR provide pricing data—a move that looked "politically motivated," the letter says.

The Pentagon maintains that it awarded Halliburton's Iraq contracts appropriately, as does a Halliburton spokeswoman. A senior military official says the Army "has referred the matter to the inspector general of the Department of Defense." As for Halliburton, it has faced alleged cost overruns, lost profits and seen at least 54 company contractors killed in Iraq. Greenhouse, meanwhile, has requested protection from retaliation. But her career—and reputation—are on the line.

 Click to Print

**Find this article at:**

<http://www.time.com/time/magazine/article/0,9171,733760,00.html>

---