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Houston, We Still Have A Problem

An Alternative Annual Report on Halliburton
by Andrea Buffa and Pratap Chatterjee, Special to CorpWatch
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On May 18, Halliburton will hold its annual shareholders meeting in downtown Houston. Inside, CEO David Lesar will be congratulating himself on the astonishing \$7.1 billion revenue the company has made off its recent work in Iraq. This number is double what the company made in the war-torn country the previous year; it boosts Halliburton's overall revenue some 25 percent, bringing it to over \$20 billion for 2004.

Outside the meeting, the protesters are likely to outnumber the official participants. And, if it's anything like last year, hundreds of corporate accountability activists will spend the day chanting and marching outside the posh Four Seasons Hotel, demanding that Halliburton be investigated and held accountable for ripping off both US taxpayers and Iraqis alike.

This year, there is even more reason for concern.

* Halliburton is currently being investigated by the US Federal Bureau of Investigations and the Securities and Exchange Commission. Additionally, the US Department of Justice is investigating Halliburton's work in Nigeria, Iran, Iraq, and the Balkans.

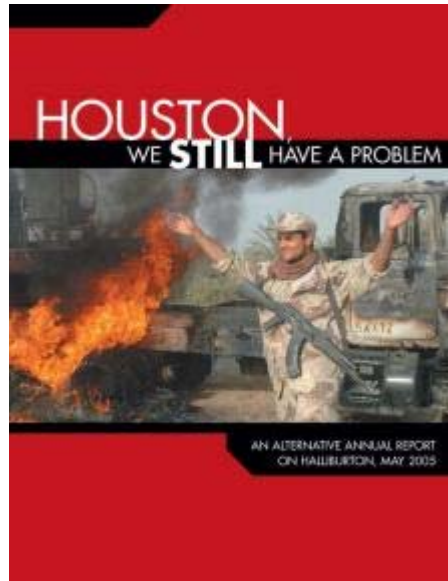
* Former Halliburton accountants filed a class action lawsuit in August 2004 alleging "systemic" accounting fraud from 1998 to 2001. They are among dozens of "whistleblowers" who've come forward to expose the company's troubling business practices.

*Allegations of overcharging in Iraq persist: Early in 2004, Halliburton returned \$6.3 million to the U.S. military, admitting that two of the company's employees took kickbacks from a Kuwaiti company. The company still hasn't repaid the \$212.3 million the Defense Contract Audit Agency says Halliburton overcharged for fuel transportation in Iraq, nor has it found the millions of dollars in government property it "lost" because of mismanagement there.

*Sixty Halliburton employees were killed in Iraq in 2004. This tragic number is compounded by allegations by victims' families that say Halliburton misrepresented the true nature of their loved ones' duties and intentionally placed them in harm's way. These families are now suing Halliburton in both Texas and California.

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In our new report, called "Houston: We Still Have a Problem" (download as a pdf below), we document Halliburton's 2004 track record. The report details everything from the company's unwillingness to prevent bribery, fraud, and corruption within its workforce to its inability to take proper precautions to protect its employees in Iraq. We also expose the company's attempts to undermine US government regulations that protect drinking water, and side-step federal laws meant to prohibit Halliburton from doing business with corrupt and brutal regimes around the world.



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We are not the first to shed light on these issues. But Halliburton's agenda is so melded with that of the Bush administration that questions raised by auditors, inspectors-general, and other independent actors - not to mention corporate accountability watchdog groups - languish silently in Congress and the White House. In the first part of 2004, the US Congress preferred to exhaustively probe the United Nations "Oil-For-Food" program than delve into Halliburton's war profiteering as unearthed by Congressman Henry Waxman and Pentagon auditors. Just last week, the US Army awarded Halliburton's subsidiary company, KBR, with a \$72.2 million bonus. This is the same US Army that is part of the Department of Defense, whose auditors have unearthed the \$212.3 million in overcharges by the company!

While not everyone in Houston will choose to protest these issues outside the Halliburton shareholders meeting, we should all be concerned about whether or not Halliburton is worthy of handling billions in US taxpayer dollars. We believe that rather than rewarding Halliburton for its unethical and possibly illegal behavior, US policy makers should hold the company accountable for known overcharging and fraud and investigate the other problems we've mentioned. If they did, Halliburton would quite possibly lose its US government contracts for good.

Pratap Chatterjee is the director and managing editor of CorpWatch. Andrea Buffa works for the human rights group [Global Exchange](#).



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