

**“An Oversight Hearing on Whether Halliburton
Has Failed to Provide Clean Water to United States Troops in Iraq”**

**Monday, January 23, 2006
1:30 p.m. – 3:30 p.m.
628 Dirksen Senate Office Building**

Transcript

WITNESSES:

BEN CARTER, FORMER KELLOGG BROWN & ROOT EMPLOYEE
KEN MAY, FORMER KELLOGG BROWN & ROOT EMPLOYEE
ERIK OLSON, SENIOR ATTORNEY, NATURAL RESOURCES DEFENSE
COUNCIL

DORGAN: I'm going to call this hearing to order. I'm Senator Dorgan and chairman of the Democratic Policy Committee.

I'm joined by my colleague, Senator Dayton, a member of the Armed Services Committee. Senator Dayton has been with us for a number of the hearings we've held. This will be the seventh hearing that the Policy Committee has held as a part of a series of hearings on problems, particularly with respect to contracting, and contracting especially in Iraq.

In most cases at these hearings we have had whistleblowers come forward. Most of the hearings have dealt with the company Halliburton, Kellogg Brown & Root, but other companies also have been the subject of hearings.

We have seen a time now when a substantial amount of money, billions and billions of dollars, have been appropriated by the Congress. And those same billions of dollars have been awarded in contracts to provide various services to our troops and services to reconstruction in Iraq.

In many cases, they have been very large, no-bid, sole-source contracts. And what we have discovered, regrettably, is that there has been precious little oversight, a substantial amount of waste, a substantial amount of abuse.

And that disserves our troops and disserves the American taxpayer.

We take no pleasure in calling hearings of the type that we have today, but we believe it is the responsibility of the United States Congress to do oversight.

We spend over \$2 trillion a year in public spending. It's the taxpayers' money. And there's a requirement that there be oversight with that spending, especially in circumstances where money goes out in no-bid, sole-source contracts.

And we have had hearing in the past couple of years that talk about a company billing 42,000 meals a day, 42,000 meals furnished to American troops, when, in fact, they were providing only 14,000 a day. That's 28,000 meals a day being overbilled.

We've heard about brand-new, \$85,000 trucks purchased by the American taxpayer, at least by a contractor and charged to the taxpayer, that were abandoned if they got a flat tire or a plugged fuel pump, left beside the road. Because there was a cost-plus contract, they'd simply buy another truck.

We've heard so many example of this, that we had a fellow come forward who was a whistleblower, and he was in charge of purchasing for one of the contractors, that also happened to be Kellogg Brown & Root, and he held up a towel. He was to purchase hand towels for troops. And in the purchase of those hand towels, he was told by his company: Purchase a hand towel that has embroidered on the hand towel the name of KBR.

It more than doubled the price of the hand towel for the American taxpayer, but it had the embroidered name of the company.

Again, cost-plus contract, doesn't matter, spend as much as you like. That was the message, he said, when he testified.

We've heard testimony about a company called Custer Battles which, in a very short period of time, received \$100 million in contracts in Iraq.

We received testimony from a fellow who was in charge of distributing the cash in Iraq. He showed us a picture of bundles of \$100 bills wrapped in Saran wrap that he said they threw around the room and played football with.

And they told the contractors in Iraq, when you show up, bring a bag, because we pay in cash.

He said it was like the wild, wild West.

And so we've held these hearings, not because we feel that we're the only place that should hold oversight hearings. We would not hold oversight hearings if the other committees of jurisdiction would be holding such hearings, but they have not, and so, we will.

And again, we take no pleasure in holding up examples of waste or fraud or abuse, but when those who are whistleblowers or those who wish to tell the American people what is happening and have an investigation of what is happening come forward, we feel a responsibility.

Today's hearing is a hearing in which former employees of Kellogg Brown & Root or Halliburton tell us that that company did not do due diligence in making certain that the

water that they were to provide by contract to not only the contract employees, but also the troops, was properly tested.

DORGAN: The company was informed -- and we will hear more in testimony today -- informed that there was a serious water quality problem in the non-potable water, and precious little was done to address it. And we're going to hear chapter and verse about that today.

And let me also say that the folks who will testify today did notify the military back when this occurred in the early to middle part of last year.

There is evidence -- and we'll hear that evidence today -- that this was not an isolated circumstance on one base in Iraq, but that it was a nationwide problem with respect to military installations in Iraq. And there's some evidence that not all of that has yet been corrected.

And so we hold this hearing for the purpose of trying to inform and trying to get the facts, and we hope those facts will be instructive to Pentagon, to those that have oversight responsibility.

Our first and most important responsibility is for the safety and the welfare of our troops in Iraq and the contractors working in Iraq. And when we hear of stories of the type that we will hear today about the providing of non-potable water that does not meet testing standards, was not in fact tested, and has dangerous implications for soldiers and others -- we feel a responsibility to have a hearing of this type.

Let me call on my colleague Senator Dayton for a couple of comments.

DAYTON: Thank you, Mr. Chairman.

And first of all, I wanted to thank you for your leadership and your integrity in holding these oversight hearings. I'm sorry that most of our colleagues are out of town today -- we're not back in regular session till Wednesday -- and can't be here.

As you noted correctly, Mr. Chairman, this is properly the province of the Senate Armed Services Committee, of which I am a member, and also the Permanent Subcommittee on Investigations, of which I'm also a member -- which, I note, was established by the Senate back during World War II when then-Senator Harry Truman was made the chairman and charged with looking into the contracting abuses during World War II.

And he said, "This is not going to be partisan," as these oversight and investigations should not be and have not been. But we're going to get the facts and we're going to protect our troops. We're going to protect the American taxpayer.

I might note that the president, then, was a member of his own party. President Roosevelt, who not only supported the inquiries, but respected Senator Truman's work so

highly that he nominated him to be his running mate in 1944, and then he became president.

So there has been, historically, support for this kind of nonpartisan or bipartisan inquiry. And I regret very much -- I think it's a shame and it's inexcusable -- that the majority party has refused time and again, through the committee process, to provide the proper oversight and to protect the taxpayer; also, to protect our troops.

I was in Camp Shelby, Mississippi, over the weekend, Mr. Chairman, visiting with some of the 2,600 Minnesota National Guard men and women who are training to be deployed over to Iraq in about two months. They're joined by about 1,400 soldiers from states such as North Dakota and others.

It would be just horrifying to me to think that they are not going to be given the proper, necessary and best possible equipment; they're not going to be given the best and proper food; and they'll not be given clean water.

They have enough to contend with over there for their lives and for their safety and well-being as well as carrying out their mission without having to worry about the quality of things like their water or their food.

And it's just disgraceful that these companies, as you noted, with sole-source bids, sweetheart contracts, cost-plus, aren't even fulfilling them and are bilking the American taxpayer, as well as providing, as evidence is being brought today, substandard supplies.

DAYTON: And, again, I thank you for doing this. I'm sorry that it's necessary. But I salute you for doing so.

DORGAN: Senator Dayton, thank you very much.

Let me also say that we have a standing invitation for anyone in the majority party to join us in these hearings, and we'll continue to do that. We have sought to invite Halliburton corporation today. We have also notified the Defense Department of this hearing.

I do want to say that the two folks who will testify today who were in Iraq -- one is Mr. Ben Carter, was a water treatment specialist at Junction City in Ar Ramadi, Iraq. He has firsthand knowledge of the problems with the water that was supplied by Halliburton.

The second, Mr. Ken May, served as an administration specialist and not only became aware of the problem with the water supply, but was familiar with Halliburton's billing and contracting practices during the performance of the contract.

And I would also want to say, we have received corroboration of the allegations brought forward by these former employees from a source with current and firsthand knowledge of the situation as well. That source declined to participate publicly at today's hearing, but would reaffirm and has reaffirmed privately to us exactly what we will hear from today's

witnesses.

Let me call the witnesses, if I might.

Mr. Ben Carter, if you would come forward, Mr. Ken May -- is Mr. Olson here yet?

Mr. Erik Olson. And let me say that Mr. Olson is a senior attorney in the health program of the Natural Resources Defense Council, where he specializes in safe drinking water, pesticide and toxic pollution issues. He's the national coordinator of the Campaign for Safe and Affordable Drinking Water. He is, it's safe to say, an expert.

Mr. Olson, thank you for joining us.

Mr. Carter and Mr. May, thank you for being here today. And has been the case with previous witnesses who have been willing to testify publicly, we understand it is not perhaps something you would enjoy doing. Going public about your knowledge of these issues is an act of courage, and we understand your motive is not to try to tarnish anybody, it's to try to make sure that those who are using non-potable water in military installations and in other areas are doing so in a way that they can be assured that that water is safe, healthy and not dangerous to their health. And you have seen and observed things that caused you great concern, and that was the basis on which you have come forward.

So let me thank both of you for being willing to do that.

And, Mr. Carter, why don't we proceed with you first. I believe you were a Kellogg Brown & Root water treatment specialist at Ar Ramadi, Iraq, for about four months.

Mr. Carter, thank you for joining us.

CARTER: Thank you, Senator. I appreciate your time here today, Senator.

OK. Forgive me. I'm a little nervous. Haven't done this before.

CARTER: My name is Ben Carter and, for the last 20 years, I've worked as a water purification specialist. I currently reside in Cedar City, Utah.

From January 2005 through early April 2005, I worked for Halliburton's subsidiary, KBR, at Camp Ar Ramadi in Iraq, also known as Junction City. Ar Ramadi is home to between 5,000 and 7,000 troops at any given time, served by roughly 70 KBR personnel.

During my time in Ar Ramadi, I served as the acting foreman of the Reverse Osmosis Water Purification Unit, also known as ROWPU. The ROWPU is a standard piece of equipment, roughly the size of two shipping containers that purifies water by separating out any dissolved solids and other impurities.

Ar Ramadi needed a ROWPU to decontaminate highly polluted water from the Euphrates River, which was then pumped to the base for both potable and non-potable uses.

Potable water is used for cooking and drinking purposes and requires a higher level of purification and cleaner delivery systems.

At Ar Ramadi, non-potable water was used for all other purposes, including bathing, showering, shaving, laundry and cleaning. I sometimes saw people use non-potable water to make coffee and brush their teeth, simply because it was more convenient than using bottled water.

Management occasionally warned against such practices but failed to post signs reminding people of the dangers associated with consuming non-potable water.

Although not intended for drinking or cooking, even non-potable water must meet certain minimum safety standards, widely accepted in the water purification industry and adopted by the Army in their operations manuals.

When you shower, bathe or shave, you can't help but be exposed to any contaminants in the water, whether it's through your eyes, nostrils, mouth or open cuts or wounds.

Water treatment specialists design safe delivery systems and test regularly to ensure that non-potable water meets these minimum standards. Their job is to protect the health and safety of the people who use that water.

Although I was hired as a water treatment specialist, I was not allowed to inspect the Ar Ramadi water delivery systems until more than a month after I arrived at the base.

Until then, I volunteered for whatever other work I could find, often in the carpenter's shop, where I mostly built home entertainment units for other KBR employees who didn't have enough work to keep them busy and, instead, passed their days watching DVDs and playing Nintendo.

After a month, I was finally allowed to work with the ROWPU unit. Two weeks later, the usual ROWPU foreman returned to the States on leave and I became the acting ROWPU lead.

CARTER: For the first time, I had full access to all the water treatment equipment and documentation.

Shortly thereafter, on March 23rd, 2005, another KBR employee reported to management that he'd discovered an organism in his toilet bowl.

On inspection, I confirmed that there was what appeared to be a larvae swimming in the toilet bowl.

I had been told by the usual ROWPU leads that the water was chlorinated and knew that such an organism could not survive in chlorinated water.

So I decided at that point to test the water in the employee's bathroom for chlorination.

The test results indicated zero presence of chlorine.

I then tested at several other locations in the KBR section of the base and discovered no chlorine at those sites either.

I then tested the non-potable water storage tank and, to my shock, realized that the water in the tank tested negative for chlorine; that the access lid of the tank was not in place, let alone secure, and the air vents to the tank were turned upward and left unscreened; leaving the water supply vulnerable to contamination from dust, insects, rodents or even enemy attack.

I was stunned.

No trained water treatment specialist could claim that the water was fit for human use.

Having come to that conclusion, and despite the resistance of KBR site management, I immediately chlorinated the non-potable water tank supply KBR personnel. I also made a public announcement over the KBR radio network that all personnel should run their taps to move the chlorine through the water distribution system.

I then informed site management that we needed to notify the military that they should immediately chlorinate their water storage tanks, which drew from the same source.

I was told by Suzanne Raku Williams, the KBR site manager, that the military was none of my concern. I was ordered to concern myself only with the health and safety of KBR personnel.

Leaving Suzanne Raku Williams in disgust and disbelief, I continued with securing the KBR water supply. KBR employees began to arrive back at their living facilities to run their water as instructed, and started asking me questions about the water quality. Many had health concerns.

I'd explain to them that I had discovered the water was not being chlorinated, and that I had immediately and manually chlorinated the water.

After answering their questions, I drove out to the ROWPU site at the Euphrates river. I notified the ROWPU operator, a sergeant, that there was no chlorine in the water.

Until that point, I had assumed that we were experiencing a temporary equipment malfunction or human error or something had just gone wrong temporarily.

CARTER: In fact, I was told that they had never chlorinated the water. I later learned that it was KBR's responsibility to test the water quality three times a day to confirm the presence of chlorine. To my knowledge, such testing never occurred.

To make matters worse, the sergeant admitted to me that he was not using submicron cartridge filters in the ROWPU process. That meant water from the Euphrates River, collected less than a mile downstream from a raw sewage outlet, was passing through only a multi-media filter before being pumped into our non-potable water storage tank.

The same water was being pumped into the Army's non-potable water storage tank.

On returning to the base, I was approached by Harold Orr, known as Mo, who was the KBR health, safety and environment coordinator. I was surprised to hear that he had only just learned of my discovery. Mo had been critical of health and safety violations at the camp, and management had apparently failed to inform him of my conclusions.

Mo instructed me to prepare a detailed incident report of what had occurred that day, which he wanted on his desk that night. When KBR site management learned that I was preparing a report, they insisted on approving its contents before I sent it to Mo. I did, and they offered comments questioning my conclusions.

I've brought a copy of that e-mail exchange with me today and a chart.

I made the required corrections and sent my incident report to Mo, who in turn sent it to KBR management in Al Asad, Iraq.

At that point, Suzanne, the KBR site manager in Ar Ramadi, instructed me that I should not e-mail anyone off the base. She and the director of operations then stopped talking to me altogether.

That weekend, without informing me or Mo, they scheduled a meeting to address the concerns of KBR employees regarding the quality of water at the camp. They invited a medic from another camp to speak, which he did, emphasizing that we were now chlorinating the water, that there were many ways someone could get sick other than the water, and that he was sure KBR would offer to test all employees for Hepatitis on their return to the States.

That day I knew that I had to quit KBR and leave Iraq.

CARTER: After returning from Iraq, Ken May forwarded to me internal documents and correspondence that confirmed my findings in Aramadi.

In one message, Will Granger, the KBR quality manager for all of Iraq and Kuwait, wrote that KBR had exposed the entire camp to water twice as contaminated as raw water from the Euphrates River.

I later spoke with Granger and asked him how the water could be twice as contaminated. He told me that KBR was apparently taking the waste water from the ROWPU process, which should have been dumped back in the river, and using that as the non-potable water supply.

Such problems had been happening for more than a year, but Granger knew of no effort to inform the exposed population. More disturbingly, I learned from Granger that, as late as September of 2005, the same problems existed throughout Iraq.

Granger also told me of a 21-page report he had written, detailing the nationwide problems. He said that Halliburton was worried sick that I might have a copy of that report.

I asked him to publicly confirm my story. Granger was reluctant and told me that, after a group named Halliburton Watch asked the company about his report -- the 21-page report, he's referring to -- Halliburton lawyers grilled him about our communications and threatened to hold him personally liable for any damage the company incurred.

Although I don't have a copy of Granger's report, I do have an e-mail message in which he writes, "I have yet to find an installation that does the required testing, let alone has such documents to support their testing activities. And that would be this chart right here that I received.

I accepted a position with Halliburton with the belief that my particular skills would be of service to the troops in Iraq.

But when I tried to notify the troops that they may be exposed to a serious health risk, I was told that the military was none of my concern and to keep my mouth shut.

I don't know how bad the problem might be, how many troops may have been exposed to untreated water, how many might have gotten sick as a result.

I can't know because Halliburton apparently has no records and refuses to acknowledge that there might even be a problem.

I do know that I have been diagnosed with an unidentified organism in my digestive tract and that I sometimes suffer from gastrointestinal problems that I did not experience before going to Iraq.

Let me conclude by saying that I am here today because I believe that supporting the troops has to be more than just a slogan. Our men and women overseas deserve the best our taxpayer dollars can buy.

And it saddens me to report that we're falling short on something as simple and essential as providing them clean, safe water.

CARTER: Thank you.

DORGAN: Mr. Carter, thank you very much.

Let me say that Mr. Carter joined KBR with more than 20 years experience as a water purification expert. From 1989 until 1995 as a proprietor of Air & Water Technologies, he ran a water testing laboratory, designed and analyzed water purification systems, and had a federal contract, in fact, to create and operate a reverse osmosis water production plant.

I say that only because I didn't prior to your testimony, so that people understand your background.

Next, we have with us Mr. Ken May, who served in Iraq as a KBR employee from January through April 2005, served as an acting operations specialist with KBR in Ar Ramadi, Iraq. He now resides in Louisville, Kentucky, where he is a retail manager.

He has a degree in business management and a substantial amount of experience.

Mr. May, thank you for joining us.

MAY: Good afternoon, everybody.

And I'd like to thank Senator Dorgan and Senator Dayton for taking of their time today to hear our words.

My name is Ken May, and I'm a retail manager in Louisville, Kentucky.

From January 2005 to April of 2005, I was an acting operations specialist in the KBR operations department at Camp Ar Ramadi, Iraq. My responsibilities in that position included daily, weekly and monthly reports to both site management and the KBR project management offices in Al Asad, Iraq, coordinating air and ground transportation with the military for KBR and VIP personnel, and performing payroll and other human resource functions.

In my time with KBR, I also fulfilled a variety of other short- term duties and assignments. I became aware of water quality problems at the base on March 23rd, 2005, when Ben Carter asked me to instruct KBR personnel to leave their water running, which would assist with chlorination of the water distribution system.

Ben told me that another KBR employee had reported a larva in his lavatory, which Ben had confirmed. I later learned from Harold Orr, who went by Mo, that Ben had discovered problems with the water.

In the days that followed, as I performed my regular duties, I heard rumors that KBR and site management were still discussing the water quality problem. Mo told me that site

management wasn't really addressing the issue and suggested that they were simply trying to sweep it under the rug.

I knew that Mo, our health, safety and environmental coordinator, had other problems with site management, and specifically with site manager Suzanne Raku Williams, so I didn't know how much credence to give what he told me about the water.

Within a few days, however, I learned from Ben that what Mo had said was in fact accurate: that the water had not been properly chlorinated, and that Ben had independently found a U.S. government report that detailed contaminants and pathogenic organisms from the Euphrates River.

MAY: On March 26, 2005, senior KBR employee relations specialist Terrence Copeling (ph) came to Ar Ramadi to investigate unrelated complaints about site management. During his visit, Copeling (ph) interviewed me about allegations that site management had knowingly and unnecessarily put employees in harm's way.

More specifically, Copeling (ph) was investigating site management's retaliatory conduct towards employees who raise concern about everything from force protection shelters to health and safety issues.

In the course of the interview, I mentioned to Copeling (ph) that on top of everything else, we appear to have a water contamination problem. Copeling (ph) told me then that he would resolve the problem -- meaning site management.

No action was immediately forthcoming.

Although the site manager and chief of services were terminated within several weeks -- I have on here within two months; it was actually several weeks -- before then, however, they had succeeded in forcing their critics, including me, then, and Mo to resign and leave Iraq.

I have brought with me today Mo's letter of resignation in which he expressed his disgust with site management -- to your left. And I'm going to read it, if that's OK, sir.

"There are still possible health issues, and this has been confirmed through Charlie Med (ph), and I am trying to make sure we do all that is possible to prevent health risks to our employees.

"This behavior has been going on for a long time, and I no longer feel that I want to work for an environment where deception and fraud are commonplace when no recourse or disciplinary action are taken.

"I am resigning now, as of this e-mail to all pertinent parties, and will copy H.R. to ensure that this is recorded for all."

DORGAN: Now, let me just say that this says "from Jason."

MAY: Jason Walsh is a person who sent us this e-mail, who works for KBR. And he...

DORGAN: So he forwarded a letter from Mo?

MAY: Correct.

DORGAN: And tell me Mo's title again.

MAY: HSC coordinator -- health, safety and environmental.

DORGAN: OK.

MAY: After I returned to the states, I remained in contact with Ben. We both were concerned with the problems we had uncovered, and concerned as well about our own health and safety.

After a barber in Ar Ramadi nicked the back of my neck with a razor, and after I had washed the cut in the sink, I developed a bad and sustained rash that I believe to be connected to the water.

Both in Ar Ramadi and after my return to the states, I also experienced occasional but reoccurring gastrointestinal problems comparable to food poisoning.

I know many others who have experiences similar symptoms.

Last but not least, since returning from Iraq, I have noticed vertical ridges in my fingernails which I understand to be possible indicator of various digestive or other health problems.

Because Ben has had continuing difficulty pursuing his own health claims with Halliburton and their insurer, AIG, I have chosen not to commit to a course of treatment until I know that I will be treated, properly taken care of.

I have recently moved to a new job in a new state, and cannot afford the time required to fight as Ben has. I also believe that Halliburton knows that it exposed both its employees and American troops to contaminated water and has a duty and responsibility to provide necessary testing and support.

I do not believe that they have done so.

Like Ben, I have remained in contact with former Halliburton colleagues still in Iraq. Last spring, they informed me that, after my own departure in April 2005, the reports that Ben, Mo and I had sent up to KBR chain of command led Will Granger to investigate Ben's findings.

MAINE: In an e-mail forwarded to me by another KBR employee, which -- I have another chart -- Will Granger, "Fact: We exposed a base camp population, military and civilian, to a water source that was not treated. The level of contamination was roughly two times the normal contamination of untreated water from the Euphrates River."

When asked how long the exposure may have lasted, Granger later wrote that, "The exposure may have been occurring since the initial presence of KBR individuals at Ar Ramadi."

During my tenure at Ar Ramadi, I and many others observed repeated acts of poor behavior by site management and the project management office in Al Asad.

The fact that these behavior patterns undermined essential checks and balances to ensure contract obligations came as no surprise to me.

I, along with many others, observed on an almost daily basis how our KBR site management team made our presence more of a burden to the military than the essential resource that we should have been.

The disregard for essential health, safety and security measures, time card fraud, fraudulent documentations and overbilling, not to mention the constant barrage of daily threats and retaliatory behavior from our leadership, made life at Ar Ramadi nearly unbearable.

Because of the ongoing, unresolved problems at Ar Ramadi prior to discovery of water contamination, during discovery and ensuing investigations and the continued cover-up after discovery to this day, immediate attention is required.

The fact that Halliburton denies a water contamination problem ever existed is simply incredible, especially given that their own internal company documentation clearly indicates otherwise.

Had the project management office required site management to implement and track water analysis checks three times a day, as per the contract requirements at Ar Ramadi, not to mention the countless other camps in Iraq, the issue of water contamination would have been identified immediately and corrective measures implemented.

Instead, it is my belief that Halliburton officials knew of this problem long before the discovery at Ar Ramadi and weighed the costs of disclosing that information against the one to three percent cost- plus profit margin.

Halliburton's continued denial and inaction has allowed nine more months to pass, possibly exposing thousands of military personnel and contractors to unnecessary risk.

This, in my mind borders on treasonous if not subversive conduct which simply cannot

be tolerated.

While aware of my own health concerns, both immediately and over the long term, I also realize that our troops in Iraq put their lives on the line every day.

The least I can do, the least we as a nation can do, and certainly the least Halliburton can do, is to tell our troops the truth and to provide them with the resources that they expect and deserve.

Thank you.

DORGAN: Mr. May, thank you as well for being with us today.

Finally, we have Mr. Erik Olson.

I'd like to do something a bit different.

Mr. Olson, if you would be willing to give me about a five-minute summary of your testimony, Senator Dayton has an Armed Services Committee hearing, or meeting, that he has to go to at 2:30. I want to have him have the opportunity to inquire before he leaves.

So what I'd like you to do, if you could give us about a five- minute summary, and then, after Senator Dayton has completed, I'm going to come back to you because I have read your entire statement but I want you to put all of that which you want to put on the record here today.

And we appreciate very much you being here. So following your five minutes, I'll call on Senator Dayton for questions and then we'll come back to you, Mr. Olson.

So Erik Olson is, I mentioned, a senior attorney in the health program at the National Resource Defense Council where he specializes in safe drinking water, pesticide and toxic pollution issues.

I mentioned other things at the outset about your background, but you appear to me, based on the work you've done over many, many years to be and expert in this area. And we welcome you and are pleased that you've come.

OLSON: Thank you. And thank you for holding this hearing this afternoon. I will be fairly brief, because I think the questions and answers should be very interesting.

OLSON: I am the chair, also, of the of the Campaign for Safe and Affordable Drinking Water, which is a coalition of about 300 medical, public health and other groups, working to protect drinking water in the U.S.

I have to say I'm not firsthand familiar with what was happening with the water supplies

in Iraq, the implications of what we have just heard are quite grave in our view.

In fact, safe drinking water being provided to troops has long been understood to be an absolutely essential component of providing for our troops.

In our testimony, we quote the Army's field manual as saying, "Throughout military history, the vast majority of casualties in war have been from disease and non-battle injury. The loss of manpower can be drastically reduced by ensuring that soldiers have an adequate supply of potable water."

We have long known this is absolutely central and very important here.

This is serious. This is not a game. This is not a war game. The health of our troops is at risk.

I want to just briefly talk about the potable versus non-potable distinction. As we are hearing, the troops are given bottled water to drink and perhaps to cook with, but they are brushing their teeth, they are showering, they are using for other uses this non-potable water.

The issue here is that apparently the water is going through these treatment units that actually concentrate the waste stream, so the good water goes through a filter; the bad water usually is dumped. Here in the United States, you'd dump that water. You wouldn't use it for drinking or any other human contact.

In this situation, not only was it not dumped, it was not chlorinated and then reportedly it was pumped directly into these non-potable, so-called uses, including showering.

I quote in my testimony several studies showing that simply showering in contaminated water or using it for non-potable uses can cause waterborne disease.

In addition, it's quite important to recognize that the importance of these waterborne diseases have over the long term. Some of them can cause not just nausea, some of these symptoms that we heard about, but can incapacitate people and actually can cause long-term damage.

I wanted to also say two other things briefly. One is that testing is absolutely central, and we're hearing this afternoon that the testing wasn't happening. You have to know what bacteria and other contaminants are in the water. You have to treat it adequately. You have to chlorinate the water. It sounds like we're falling down on all three of those jobs.

And in addition, it's absolutely critical that we maintain some kind of records of who's getting sick and whether they are getting sick. That is required.

And I just wanted to close with a citation to an Association of Military Surgeons report that was published recently that says 9.1 percent of the soldiers that were evacuated

suffered from problems with their digestive system; 6.4 percent had nervous system disorders; 6 percent suffered from urological problems; and 8 percent had other, unknown, diseases.

Now were those waterborne? We don't know. But it's critical that we find out whether this kind of contamination of water is actually causing the troops to get sick.

We all hope to God that it is not causing people to get sick and that these symptoms are from something else, but without aggressive inquiry and treatment, we can, unfortunately, worry about the worst.

DORGAN: Mr. Olson, the evacuation, was this about evacuation from Iraq?

OLSON: Yes.

DORGAN: OK, so these are the troops that have come back from Iraq.

OLSON: That's right.

DORGAN: Tell me those statistics one more time.

OLSON: The statistics were that the Association of Military Surgeons found 9.1 percent of the soldiers that were medically evacuated had these digestive system problems; about 6 percent had nervous system problems; 6 percent suffered from urological problems, which can often be from infections; and then 8 percent suffered from some kind of unknown illness.

So what we're hearing is that there are a lot of illnesses going on, according to military surgeons. We're not sure what the source of those is.

DORGAN: Mr. Olson, thank you very much.

Senator Dayton?

DAYTON: Thank you, Mr. Chairman, for the courtesy in letting me go ahead. And I want to thank all three of you. I especially want to thank you, Mr. Carter and Mr. May, for your courage and your patriotism in being here today.

You said it very well, Mr. Carter, supporting our troops means giving them the best and looking out for their safety and well-being. And when a company like this is being paid and makes it profitable for them to do and has failed to do so, and then has evidently attempted to cover up or withhold this information, I can't even find words to describe how disgusting and appalling and shameful. And it ought to be illegal. It's certainly immoral -- it is.

And, Mr. Olson, thank you for adding that perspective. It is a very, very serious situation.

DAYTON: And I think both of you answered one of my questions, which is, even though this water was non-potable, as you describe, you were both exposed to it, you both suffered what you believe to be serious ill effects from it, and other as well, because whether it's used for non-potable or potable, it's coming in contact with human beings. And I just find it, as I say, incredible.

The e-mails that accompanied your testimony, Mr. Carter, you say that after these, you said here initially, small worms were moving in the toilet bowl and turned out to be larvae, that the military did not chlorinate the water at all and was not aware that KBR was not chlorinating it as well.

After you notified your superiors, to your knowledge, was the military at the camp then informed by KBR of this deficiency?

CARTER: To my knowledge, they weren't. I mean, I was specifically told by Suzanne Williams that it was none of my concern, the military, which was shocking. I thought that's why we were there, was to support the military.

DAYTON: So you were specifically told not to communicate your findings to the military, not to alert them that the water that all these soldiers were using, and in fact, as one of these e-mails indicates, probably had been using for a year or longer during the entire time that KBR had been at Ar Ramadi, that you were specifically instructed not to inform the military of this situation?

CARTER: Very specifically.

DAYTON: So these soldiers continued to use that water unaware of what you knew, which was that this water was highly contaminated. You said twice the contaminants of the Euphrates River, which was only a mile downstream from raw sewage being dumped into the Euphrates?

CARTER: Yes.

DAYTON: I mean, I've been in Iraq twice, I flew by helicopter over the Euphrates. I mean, it is a cesspool for everything that's running off. It's got all sort of toxin munitions, toxic chemicals, everything, in addition to raw sewage. And this is what's being supplied to our troops for bathing, for washing, for laundry, unbeknownst to them that it's raw sewage-contaminated or worse.

CARTER: Yes. It's incredible.

DAYTON: And then, according to this document, perhaps it's not clear to me -- super-chlorination was reported May 25th, 13 days after corrective actions were advised, but that would make it the 12th of May. That's almost two months after your findings.

So, again, there was just this total dereliction of responsibility to fail to inform those who were being exposed.

The company seems much more concerned about protecting its own rear end and avoiding any legal liability or exposure rather than taking any responsibility for its actions.

CARTER: That was their concern. The word had got out to the KBR employees, because I had to notify them to be able to super-chlorinate the system that day. So they knew something was wrong, and I was forced to answer questions, their concerns. But, to my knowledge, the military personnel have still not been notified. To this day, as far as I know, they don't know anything about it.

DAYTON: Mr. May, you describe in your testimony what you called daily threats and retaliatory behavior prior to your leaving, after you disclosed this to higher supervisors. Could you be a little more explicit what that entailed?

MAY: Yes. On approximately, I believe it was March 26th, an employee relations person from Halliburton in Houston came out on separate complaints against site management for treatment of employees, constant threats of firing, things of that nature.

But what really seemed to make it worse was I was asked to write a statement for Harold Orr, along with Ben Carter and several other folks.

MAY: And when we interviewed with Terrence Copeling (ph), I sense that after the interview, that we were going to not be on the team of site management. And they treated us accordingly.

Some of the things that happened and leading up to the time I had resigned included not being allowed to go to hard shelter when we knew there were going to be attacks around certain parts of the evening.

The insurgents would tend to bomb us when it's dusk, at the time around 5:30. So a bunch of us would congregate to force protection, obviously, to prevent any chance of being hit.

It was brought to my attention that we were no longer to do that. I even know Halliburton and KBR, through our orientation process when we hired, stated that if ever a time should come that we felt threatened, we have every right to go to hard shelter.

This was one of the things that they did to make certain that they knew that we weren't on the team.

DAYTON: And they retaliated, then, by putting your life in grave danger?

MAY: Absolutely.

The funny part about it was, if you smoked, you can go over there because it was all right to smoke. But if you didn't smoke, you had to clock out if you wanted to go over and go to hard shelter.

Other instances included, on three separate occasions within one week, where one of my duties was, when we were attacked, I was responsible for emergency accountability with several other operations specialists to make sure that our folks were safe in hard shelter until the threat cleared.

On one occasion, I was chastised publicly by Warren Smith in regards to going through the accountability. And one of the folks that I had mentioned that was there to our main operations coordinator had left. And he had made it clear to me in front of everybody that I made a mistake when, in fact, the person should have never left the hard shelter. And I just clearly identified the people who were there as I saw them.

Another incident was two days later. I thought a bomb had gone off within a close proximity of my office when, in fact, we found out later on that it was an IED that had gone off -- but it was very loud.

I had called a hard-shelter call: Everyone go to hard shelter.

And, once again, I was approached by site management, both Suzanne and Tom, who chastised me publicly at our Sunday safety stand- down, making a joke about my knee-jerk reaction to being attacked. When in doubt, you go to safety.

DAYTON: Absolutely.

Well, thank you again, both of you.

And, Mr. Chairman, as Mr. Olson says, I mean, this is extremely serious. It's criminal behavior, in my view, by the company, not only the action and the dereliction of its responsibility, but also this cover-up and withholding this from those whose lives are put at serious risk.

And, again, Mr. Chairman, I thank you for holding this hearing. I think this is one of the most important hearings I've attended in my five years in the Senate.

Thank you very much.

DORGAN: Senator Dayton, thank you very much.

Mr. Olson, did you want to add to your previous comments?

OLSON: No, I think I pretty well covered it.

DORGAN: All right.

I've got a number of questions I want to ask of you.

But let me -- Mr. Carter and Mr. May, you both worked for Halliburton KBR, I guess. Was it KBR or Halliburton?

MAY: Well, KBR is a subsidiary of Halliburton, so it would be one in both.

DORGAN: All right.

I mentioned that we have received corroborating information from a party who did not wish to be public, but a party who was also in a position to know who worked in this area in Iraq for the same company. And I wanted to mention that at the outset.

Now, let me just tell you, we've had other folks who worked for KBR come to testify and other companies, for that matter as well, about contracting abuses and contracting activities in Iraq. Some of the stories have been pretty unbelievable.

But one of the things that the company will likely say is, "Well, good for you. You've got a couple of disaffected employees who've got a grudge against the company, who've now come to a witness table and want to beat up the company." And they say, "Well, we tested that water in May and it was just fine."

So why don't you respond to that, Mr. Carter?

CARTER: Right.

That really annoys me. What they're trying to do -- because I've seen that in this latest press release where they're using dates to try to confuse all of us. I don't know exactly where that's at.

But I'm talking about the time that I was there and the time that Ken was there, and the water was unsafe the entire time I was there. I started chlorinating it to protect my co-workers. But when they told me I couldn't notify the military, I wasn't going to be a part of that. You know, if I would have stayed there, I'd be culpable, too.

So...

DORGAN: But let me just -- on that point, you in fact did notify the military when you went to the Euphrates and talked to a sergeant who was at the Euphrates River at that point. That's a military person, correct?

CARTER: Yes, yes. But he was...

DORGAN: I mean, so at that level they at least knew what you were talking about.

CARTER: Right.

He was a ROWPU operator and he was trying to cover his own backside by not making a bigger deal than it was, you know.

As for the May -- they say that they tested it...

(UNKNOWN): May 6th.

(CROSSTALK)

MAY: The first of three investigation groups came out from Halliburton. Will Granger was part of that and that was May 6th of 2005.

CARTER: My question would be: What about before that date? Where's your test results for March, April?

DORGAN: They would have had a responsibility to test three times a day in April, in February, January, March.

CARTER: Exactly.

DORGAN: Let me, if I can, put up the Granger memorandum.

DORGAN: Tell us again who Mr. William Granger is. What was his role at the camp and what was his role in Iraq?

CARTER: OK. He wasn't at the camp. His title is the water quality manager for Iraq and Kuwait for Halliburton.

DORGAN: So Mr. Granger worked for Halliburton and he was responsible for Iraq and Kuwait and water quality in those areas?

CARTER: Correct.

DORGAN: That would have included Camp Ar Ramadi?

CARTER: Correct.

DORGAN: OK.

And so Mr. Granger, in July then of last year, said -- this is from a memorandum of his that recounts the incident, is that correct?

CARTER: Yes.

DORGAN: Or an e-mail.

CARTER: Yes.

DORGAN: "We exposed a base camp population, military and civilian, to a water source that was not treated. The level of contamination was roughly two times the normal contamination of untreated water from the Euphrates River.

"Duration of exposure undetermined -- most likely, though, ongoing through the entire life of the camp until two weeks after my investigation concluded, possibly a year.

"Notification -- I contacted those above to include my project manager Sari Berman (ph). I'm not sure if any attempts to notify the exposed population was ever made."

This was in July of 2005. You first tested what month?

MAY: I first discovered that there wasn't any chlorine -- the first water analysis that was done at Ramadi, to my knowledge, was on March 23rd, I believe.

DORGAN: And so, in March, you tested and found that the water was not chlorinated. And that's when you discovered the non-potable water, which was being used for the contractors and the troops at the military installation, was non-potable water that you felt to be unsafe. It had not been chlorinated.

He suggests that twice the normal contamination of untreated water was that non-potable water.

Then the public statement, now, from the contractor was that, well, we tested it in May and it was fine. That seems to be -- and so we have no evidence there was ever any trouble. That seems to be at odds with Mr. Granger, who supervised all the water quality issues in all of Iraq and all of Kuwait when, in fact, he says in an e-mail that "we exposed a base camp population to a water source that was not treated."

So this is at odds with what the company is saying this weekend, is that correct?

MAY: Correct.

Apparently, the public relations isn't communicating with Will Granger.

CARTER: And it should be noted that Will still works for KBR and Halliburton.

DORGAN: And let me go to the other memorandum from Mr. Granger. He says, "I have yet to find an installation" -- talking about military installations in Iraq, perhaps Kuwait as well -- "I have yet to find an installation that does the required testing, let alone has such documents to support their testing activities."

Now presumably he's talking about all the military installations in Iraq. He's in charge of water quality for all of it, for the company.

DORGAN: And he says, "I have yet to find an installation that does the required testing, let alone has such documents to support the testing activities."

That suggests to me that this is not just an issue with respect to the Ar Ramadi installation, but an issue with respect to the installations nationwide in Iraq.

Let me ask, if I might, about your conversations with Mr. Granger. Does Mr. Granger know that you are speaking publicly about these issues?

CARTER: He does. I invited him to attend today, this hearing.

DORGAN: Is he aware that you have copies of e-mails that he has sent -- for example, the e-mails here that you're presenting today?

CARTER: He is. Senior management at Halliburton is aware of all the e-mails that I received.

And during their investigation -- they did three investigations of the water at Ramadi after I left. And on the third investigation was when they were talking with Ken and I to try to come to some resolution -- was when they asked me what kind of documentation I had.

They were doing a fishing expedition, essentially. And Ken and I knew that's what they were up to.

So, I sent to them what I had. And where am I going with this? I mean, they all know, you know.

DORGAN: Let me ask, does Mr. Granger, in your conversations with him, in any way disavow the e-mails or the memorandums that you have?

CARTER: No, just the opposite. I have an e-mail that he sent to me where he told me that maybe he won't be able to produce the 21-page report due to legal repercussions, but that, if he was subpoenaed, he would testify to the entire contents of that report.

DORGAN: And describe for all of us -- there is a 21-page report done by Mr. Granger, who was in charge of the global water quality issue with respect to that theater, Iraq and Kuwait. Is that correct?

CARTER: Correct.

DORGAN: And that 21-page report was produced for whom?

CARTER: Higher management, I suppose. It was the result of the claims I was making.

They called Will in to see if I was crazy or...

DORGAN: So, he produced that report for his employer?

CARTER: Yes.

DORGAN: And that report, presumably -- the 21-page report describes the circumstances of not having tested water at Ar Ramadi but, presumably, includes other issues.

DORGAN: Are you familiar with what else it includes?

CARTER: Somewhat, yes. I had pieces of the report sent to me -- parts of it.

DORGAN: And so the possession of that report would be by the contractor itself?

CARTER: Yes, Halliburton has that report.

DORGAN: Mr. Olson, let's for the moment assume that these e-mails that you see are accurate. And let me just say that, as I have previously said, we have some corroboration from someone who wishes not to be public -- for reasons of job security and so on -- of exactly what has been presented here.

Tell me what this says to you about water quality issues. I mean, you're a water quality expert, you understand the circumstances. If you take water from the Euphrates River and create a circumstance where the contaminated or waste water goes back into a non-potable circumstance to be used, tell me about what all that means.

And is this the kind of a mistake you'd normally see? Or is it just sloppy? Is it unbelievably ignorant of what must be done?

Tell me your sense of all of this.

OLSON: Well, I guess I would say that, assuming that this is all true -- and we have no reason to believe it's not -- this is just not the way business is done anywhere.

You do not take raw water out of a raw sewage-contaminated supply and concentrate the contaminants and then provide it in a way that anyone would be exposed to it in any way.

You wouldn't take toilet water and expose your troops to it. And, frankly, what we're hearing described doesn't come very far from that.

We're certainly concerned about the lack of treatment, the lack of testing, and believe that this is a matter that Halliburton and the U.S. military really should be concerned about, should be getting to the bottom of it. And we salute these two gentlemen for coming forward, because it takes a lot of bravery and it takes a lot of guts to stand up to a company of this size.

But this is the kind of thing that slogans aren't going to get rid of and that creative statements that try to downplay risks aren't going to get rid of. It's something we really need to get down to the bottom of.

DORGAN: There's an e-mail from someone in Halliburton's public affairs area. It's an e-mail, I believe, that the two witnesses brought. It's from a Jennifer. I'd like to put that up just for a moment.

Are you familiar with this e-mail? I believe you furnished it for our attention.

This is from a Jennifer Dellinger. And my understanding is that Jennifer Dellinger is, as you see in the bottom, with Halliburton public relations.

And she says the following, July 14th: "I've spoken with Faith, and she does not have much more information at this time. However, she does believe that initial tests showed some contamination to be present. Can you please run some traps on this and see what you can find out? I don't want to turn this into a big issue right now, but if we end up getting some media calls, I want to make sure we have all the facts."

DORGAN: This appears, as well, to be at odds with what the company now says.

Is that correct?

CARTER: Clearly.

DORGAN: And so, this, again, is of July of last year. This would have been at a time when you all would have raised questions about what you found.

Let me ask a further question about a statement that one of you made. You suggested that there is some concern and some evidence that this was not corrected even in the middle of last year, that even towards the end of last year, just some months ago, that this problem still might have existed in Iraq.

Any evidence for that?

CARTER: I've been told that it still exists at the majority of the sites in Iraq -- by Will Granger. He told me that over the telephone.

DORGAN: When did he tell you that?

CARTER: It would have been in late July, August, possibly. I can't recall the exact date, but it was when he was calling me to find out if I had a copy of the report. And at that time, was when we discussed the fact that Ken and I were trying to get this story out to the American public. And I was trying to convince Will to do the right thing and come forward.

(CROSSTALK)

CARTER: July 15th? It was some time in August, probably, when he called me. And he was considering at that time -- what he told me was -- he called me from Thailand. And he told me that he had to wait until he got out of Iraq before he felt safe to call me -- but that he'd been monitoring the e-mail conversations, communications, between me and Faith Sproul and Chuck Murtaugh, a senior vice president at Halliburton -- and he had concluded that he was going to be forced to either resign or get fired.

And then he went on to explain to me how much worse the situation was than I thought it was. situation was than I thought it was.

CARTER: I thought it was just at Ramadi at the time. And that's when they explained that it was at almost every site in Iraq that he had oversight on.

DORGAN: Now you have described a person named Mo, nicknamed Mo. What was his name again?

CARTER: Harold Orr.

DORGAN: Harold Orr. And what was his job?

CARTER: He was the health and safety and environmental manager at Ramadi.

DORGAN: And have you been in touch with him?

CARTER: Periodically.

DORGAN: And what would he say about your statement? Would he confirm your statement?

CARTER: Oh, absolutely. Yes. Yes.

DORGAN: Is there any sense that you have that the United States Army or United States Marines would in any way countenance a contractor bringing unsafe water onto the base?

My sense is that, you know, no one commanding American troops would accept that at any point, at any time. I mean, the one thing I notice about those who are commanders in the field, they want to protect their troops and do everything they can to protect their troops.

And here we have a contractor -- and we've had other testimony. We had testimony by a food service supervisor in Iraq who worked for KBR who testified that they were routinely serving food with expired date stamps on the food and were told by the supervisors, "It doesn't matter. Just serve them to the troops."

And the troops would not have had knowledge of that, of course.

In this circumstance, your testimony is not testimony that suggests there's in any way knowledge by commanders or people at the Pentagon that this is going on. This is about a contractor that is not living up to the terms of the contract?

Does the contract itself require the kind of activities that would assure safe water, in your judgment? You're a water specialist.

CARTER: Absolutely it does.

DORGAN: If they had followed all the rules, done what was required in the contract, they would have tested three times a day and they would have had experts on site to make sure that the waste water wasn't going back into the non-potable, we wouldn't have had these issues?

CARTER: Right. It's very simple to produce safe, clean water. It doesn't take rocket science to do it.

They just didn't initiate the policies to ensure that they were doing the job correctly.

The military didn't know anything about it. Will reiterated that to me, because initially I kind of thought that the military was being relaxed about it. But Will made it clear to me that the military had no knowledge, did nothing wrong other than to expect to get safe water.

CARTER: And they were just assuming that Halliburton was doing the job.

DORGAN: Mr. Olson, what kind of activity would be necessary to have the Pentagon assure itself that this problem doesn't now exist at a number of installations in Iraq? Certainly they would want to do that.

What would one do to make certain that's the case?

OLSON: I think one step would be for an independent, say an inspector general's evaluation and full investigation into the allegations that this is not just a problem at this one camp, but perhaps across Iraq and perhaps in Kuwait as well.

That kind of investigation should have already been undertaken. I don't have any knowledge of whether it has been. But I would think the military brass would be very upset with this, assuming they had no knowledge of it, and would investigate vigorously.

They don't want their troops to be sick.

DORGAN: And again, let me have the e-mail up from Mr. Granger, the two e-mails,

because you know, I don't think one wants to suggest this is broader than it really is, if it is a circumstance at one camp where they were running bad water into a pipeline, into that base of non-potable water, I don't want to attribute it to a broader problem than exists.

However, your testimony, Mr. Granger, and I guess in Mr. Granger's own words, he's saying that I have yet to find an installation that does the required testing, let alone such documents to support it.

That, by itself, would suggest that there is a broader problem.

And when he talks about the Ar Ramadi issue, and he apparently has a 21-page report which at this point has not been made public, my hope is that the company would make that public so that we would, all of us, would be able to see, and the Pentagon would be able to see.

And I would expect the Pentagon would insist on that, because the Pentagon would have paid for that report produced by a contractor.

He says we exposed a base camp population to a water source that was not treated. The level of contamination was roughly twice the normal contamination of untreated water from the Euphrates River.

That being the case for Mr. Granger, I think it calls immediately into question the credibility of the company's statements in recent days and also the company's statements last summer, when they were attempting to deny that which their supervising authority in the region said already existed.

How many KBR personnel were at the base in Ar Ramadi? Do you have any idea, Mr. Carter or Mr. May?

CARTER: At the time, we ranged anywhere from 65 to 67 folks on base.

DORGAN: You mentioned something to us, prior to this hearing, about the vehicle pool and something you had observed. It doesn't relate to the water issue, but would you tell us about that?

MAY: The vehicle pool, as far as...

DORGAN: What kind of vehicles did they drive and how were they dealt with and so on?

Could you just give that to us as an aside?

MAY: Pretty elaborate, to say the least. I wish I had one.

(LAUGHTER)

CARTER: You want me to elaborate on it? I'll be happy to.

(LAUGHTER)

I saw things over there that were just astounding, when it comes to spending money unnecessarily. I mean, it's just appalling. It started, for me -- the first time I noticed it was the second day I was in the country at Al Asad, one of the biggest bases for KBR.

And I noticed immediately that everybody's driving these big, brand-new, four-door, Ford, four-wheel-drive pick-ups. I mean, they're nice trucks. But there's only one guy in each truck. And they're just driving around the base all day long, just driving.

And what happened while Ken and I were there was, apparently, the maintenance pool for Halliburton that was taking care of the vehicles, somehow they got some bad fuel and they wiped out the entire fleet.

Very few of the vehicles were even running. All the rest of them were down at the mechanic's shop, useless. The buses that were supposed to transport troops to the PX and to the DFAC and Halliburton employees, none of them were running.

And they were scratching their head on what they were going to do. But, apparently, it ruined a bunch of the engines. So, their solution is, when a truck breaks down, buy a new one. That's what they do.

At Ramadi -- I can speak to this for a fact -- there was no mechanic at Ramadi, no vehicle maintenance department, nothing, no motor oil, no oil filters.

There was nothing. So if a truck broke down, you just drove until it ran out of oil and then we'd get a new one. And they're nice new trucks. I enjoyed mine.

MAY: Yes, I did, too.

CARTER: It's nice to drive a brand new truck for a while.

DORGAN: I think we've had testimony previously about cost-plus contracts and no-bid contracts and sole-source contracts. And it is difficult to hear some of the abuses that will occur with that.

Let me again complete the discussion about water and say this. I'm concerned about this. And, first of all, I appreciate your bringing it to our attention.

I think it's important. You know, there are various levels of importance to these issues.

I believe it's Henry Bunting who came to us who was in charge of buying towels and held up the towels and said he was ordered to buy towels with embroidered names of the

company, which had more than doubled the price of the towels.

Obviously, that's abuse of the taxpayer. But that's different than putting unsafe water in a pipeline that's going to be used by troops and by contractors.

And so, I think you do us a service by raising these questions. My hope is that the Pentagon -- and I know the Pentagon has the troops' best interest at heart; I know that for sure -- I hope very much that they will insist on the 21-page report.

I hope very much that they will immediately test all of the areas, the military installations in Iraq, to make certain that the potable and non-potable water that is being provided to our troops is safe, is properly treated and properly tested.

And my hope is that your testimony here and Mr. Olson, that your evaluation of these issues -- my hope is that it will be helpful to our troops in the field and also be a warning to contractors: Do the right thing; do the right thing here; do not decide that you don't have the resources to do what the contracts require you to do, especially when it deals with the health of our troops and human health issues on these military installations.

There are enough dangers in the country of Iraq for American troops without having to subject them to the dangers of unsafe or contaminated water by a contractor that didn't do the job they were supposed to have done.

So I want to thank all of you for being here today. And we intend to follow up again with the company and again with the Pentagon on these issues. We believe they are important and we thank you for the courage to speak out publicly.

This hearing is adjourned.