

## HALLIBURTON: NOT JUST THE OIL

### COMPANY HISTORY

- Dallas-based Halliburton was founded in 1919 and is the second largest provider of products and services to the oil and gas industries.
- Halliburton purchased the Houston-based Brown & Root in 1962 and Dresser Industries in 1998, which had bought the petroleum technology company M.W. Kellogg in 1988. From these companies emerged Kellogg, Brown & Root (KBR), now a subsidiary of Halliburton that handles construction and engineering services to the energy community and the government and civil infrastructure customers.

### POLITICAL CONNECTIONS

- Vice President Dick Cheney served as the CEO until 2000 when he left the position to run for office. He is reported to have received company stock worth over \$33 million, but ultimately sold it under public pressure for \$30 million. Still, he exited with an early retirement package and remains eligible for up to \$1 million a year in deferred compensation.
- From 1999-2000 Halliburton gave \$709,320 in political contributions and 95% of the money went to Republicans and \$17,677 directly to George Bush.

### SCANDALS – AT HOME AND ABROAD

- In July, a federal bankruptcy court granted Halliburton more time to review 300,000 pending asbestos claims. This is the third extension since Halliburton agreed to a settlement in December worth about \$4 billion in cash and stocks. Halliburton inherited these claims four years ago when it acquired Dresser Industries. According to the *Seattle Post Intelligencer*, the company and its former chief executive gave \$157,500 in political donations to 49 co-sponsors of the asbestos bill in the House and to 14 co-sponsors of a similar measure in the Senate. A spokesperson for Halliburton claims that these contributions were “purely coincidental.”
- KBR’s record includes claims of overcharging taxpayers. In 1997, the GAO found that the Army was “unable to ensure that the contractor adequately controlled costs,” such that KBR was charging the Army \$86 each for \$14 sheets of plywood. KBR was sued for \$6 million of alleged overcharges between 1995 and 1997.

### CONTRACTS IN IRAQ

- A 2-year, \$7 billion contract (awarded through a non-competitive bidding process) to fight oil fires in Iraq and to pump and distribute Iraqi oil.
- Since March 2002, U.S. Army has issued 24 task orders to KBR totaling \$425 million under a contract for work related to Operation Iraqi Freedom.
- A \$30 million contract awarded from the Defense Threat Reduction Agency to dismantle and neutralize any chemical or biological weapons in the region.
- \$62 million contract to feed and house U.S. troops in Iraq.

### ADDITIONAL RESOURCES

“The World According to Halliburton” on the *Mother Jones* site: [http://www.motherjones.com/news/feauters/2003/28/we\\_455\\_01.html](http://www.motherjones.com/news/feauters/2003/28/we_455_01.html)