

Book Reviews

BLOOD MONEY: WASTED BILLIONS, LOST LIVES, AND CORPORATE GREED IN IRAQ¹

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*Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist. Such assistance, I am convinced, must not be on a piecemeal basis as various crises develop. Any assistance that this government may render in the future should provide a cure rather than a mere palliative.*³

A. Introduction

Blood Money: Wasted Billions, Lost Lives, and Corporate Greed in Iraq is a gripping account of the U.S. Government's reconstruction effort in Iraq.⁴ T. Christian Miller, an award-winning investigative reporter for the *Los Angeles Times*, does an outstanding job of supporting his thesis that the U.S. Government is failing in the crucial task of rebuilding Iraq.⁵ His book takes an in-depth look at the policies and politics that he believes are causing this failure.⁶

Blood Money is an exceptionally well-researched effort based on hundreds of interviews conducted over a two year period.⁷ The author's extensive research also includes information from numerous documents and official records, as well as travels to Iraq on four separate occasions.⁸

Blood Money is a reasonably balanced book that not only tells the negative side of the reconstruction story, but also highlights some of the successes that have been accomplished in Iraq.⁹ It is these accomplishments that ultimately leave the reader feeling that victory can still be achieved with proper planning and an appropriately focused, unified effort.

Miller's stated purpose for writing this book is twofold: (1) to find out why the U.S. Government's reconstruction effort in Iraq is failing, and (2) to serve as a warning that if the reconstruction effort doesn't succeed "we will all pay the price—in lives lost, in money wasted, in opportunity squandered."¹⁰ Miller stays within the scope of these purposes, yet along the way he manages to weave in personal stories of some of the heroes, villains, and victims of this botched effort.¹¹

This book review analyzes Miller's work as he attempts to learn why "the most economically and militarily powerful nation on earth" is failing in this critical reconstruction effort.¹² It will focus on the three common themes that are woven throughout the story and that seem to answer that question. These three themes are: (1) a lack of unity of effort between U.S. Government agencies, (2) a series of critical miscalculations concerning the status of Iraq's infrastructure and the needs of the Iraqi people, and (3) a contracting process wrought with fraud, waste, and abuse. This book review will then discuss

¹ T. CHRISTIAN MILLER, *BLOOD MONEY: WASTED BILLIONS, LOST LIVES, AND CORPORATE GREED IN IRAQ* (2006).

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³ George C. Marshall, Jr., U.S. Sec'y of State, The European Recovery Plan, Address at Harvard University (June 5, 1947) (more commonly known as The Marshall Plan).

⁴ MILLER, *supra* note 1.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* at 297–99.

⁸ *Id.* at 297–317.

⁹ MILLER, *supra* note 1.

¹⁰ *Id.* at 7.

¹¹ MILLER, *supra* note 1.

¹² *Id.* at 6.

how *Blood Money* serves to warn the American public why we must succeed in reconstructing Iraq. Finally, this book review will attempt to emphasize the lessons learned that are most applicable to today's Judge Advocate (JA) practitioner.

B. Common Themes

1. Lack of a Unified Effort

"Military efforts are necessary and important to counterinsurgency (COIN) efforts, but they are only effective when integrated into a comprehensive strategy employing all instruments of national power."¹³ This principle, taken from the Army's new Counterinsurgency Field Manual, highlights the importance of developing a thorough plan and focusing the necessary resources of all available agencies to achieve that plan.¹⁴

In *Blood Money*, Miller asserts that the government's failure to unify the military and civilian efforts led to ineffective pre-invasion planning that significantly impacted the conduct of the post-invasion reconstruction effort.¹⁵ To support this point he offers several examples where U.S. Government agencies conducted their own decentralized planning that was erroneous and ineffective.¹⁶ Miller later provides other examples that illustrate how these pre-invasion planning errors greatly contributed to the reactive nature of the post-invasion reconstruction effort.¹⁷

The political battle that occurred between the State Department and the Pentagon over appointments to the Office of Reconstruction and Humanitarian Assistance (ORHA) provides the books most vivid example of how the government failed to unify its reconstruction efforts.¹⁸ In January of 2003, the President created the ORHA "to synthesize the plans created by disparate agencies, then deploy to the field in Iraq as an 'expeditionary unit.'"¹⁹ The head of ORHA, a retired Army general named Jay Garner, invited several State Department officials to join the ORHA team.²⁰ Secretary of Defense, Donald Rumsfeld, told Garner to strike their names.²¹ Secretary of State, Colin Powell, saw this as an attack upon his agency and complained to Secretary Rumsfeld.²² Eventually, Secretary Rumsfeld approved some of the appointments but the episode highlights the power struggle that existed "between the State Department and the Pentagon about control over postwar Iraq."²³

Miller's point is independently reinforced through the findings and recommendations of the Iraq Study Group, a bipartisan assembly who examined the U.S.-led reconstruction effort.²⁴ The Iraq Study Group found that, "The coordination of assistance programs by the Defense Department, State Department, United States Agency for International Development, and other agencies has been ineffective. There are no clear lines establishing who is in charge of reconstruction."²⁵

¹³ U.S. DEP'T OF ARMY, FIELD MANUAL 3-24, COUNTERINSURGENCY (15 Dec. 2006).

¹⁴ *Id.* at 2-1.

¹⁵ MILLER, *supra* note 1.

¹⁶ *Id.* at 26.

¹⁷ *Id.* at 34.

¹⁸ *Id.* at 30-32.

¹⁹ *Id.* at 31.

²⁰ *Id.* at 32.

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ JAMES A BAKER, III ET AL., THE IRAQ STUDY GROUP REPORT 25 (2006).

²⁵ *Id.* at 23.

Contrary to Miller's thesis, *Blood Money* does present several examples of reconstruction projects that achieved unity of effort at lower-level echelons and were considered largely successful.²⁶ One of the most successful projects was a joint effort between the U.S. Army's 1st Cavalry Division and the U.S. Agency for International Development rebuilding the critical infrastructure of Sadr City.²⁷ This reconstruction project could serve as a model of how a unified and integrated effort on the national level may have produced similar results across Iraq.

2. A Series of Miscalculations

The second theme that appears throughout *Blood Money* could arguably be a direct result of the first.²⁸ However, Miller treated it separately.

Miller contends that the U.S. Government seriously miscalculated the status of Iraq's infrastructure and the needs of the Iraqi people.²⁹ He asserts that these mistakes caused the U.S. Government to be unprepared for what they encountered in post-invasion Iraq.³⁰ Additionally, he claims that in many cases these miscalculations led the U.S. Government to award contracts and to start reconstruction projects that did not serve the Iraqi people.³¹

Blood Money contains numerous examples where the U.S. Government miscalculated the status of Iraq's infrastructure.³² These mistakes seriously impacted the effectiveness of the reconstruction effort. Miller effectively uses Iraq's oil industry to demonstrate this point when he writes of how the U.S. Government was planning to use the revenue from this industry to refinance the reconstruction effort.³³

From the start the Pentagon's most senior officials counted on oil to fund the rebuilding program. They believed that Iraq's oil industry could generate up to \$100 billion over a three-year period, an average of \$30 billion per year. Oil revenues were supposed to pay down Iraq's foreign debt, provide raises for government bureaucrats, and fund the reconstruction.³⁴

The United States failed to realize that "Iraq's oil industry was in an advanced state of decay" caused by years of economic sanctions, political corruption, and uncontrolled post-invasion looting.³⁵ Two years after the invasion, the number produced by Iraq's oil industry was still well below the number produced before the invasion.³⁶ Iraq's oil industry has still not significantly contributed to the reconstruction effort.³⁷

Miller also does an excellent job of demonstrating how the U.S. Government's miscalculations led to reconstruction projects that did not meet the true needs of the Iraqi people.³⁸ He uses the construction of a state-of-the-art pediatric care

²⁶ MILLER, *supra* note 1.

²⁷ *Id.* at 216–22 (rebuilding included sewage, water, electricity and trash collection).

²⁸ MILLER, *supra* note 1.

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

³² *Id.*

³³ *Id.* at 93.

³⁴ *Id.*

³⁵ *Id.* at 96.

³⁶ *Id.* at 93.

³⁷ *Id.*

³⁸ MILLER, *supra* note 1.

center in Basra to express this point.³⁹ Miller takes the position that the millions of dollars spent building this children's hospital would have been more valuable to the Iraqi people if it had been spent on immediate health care needs such as immunizations, clean water, and community health clinics.⁴⁰

3. A Contracting Process Wrought With Fraud, Waste, and Abuse

The third theme that appears throughout *Blood Money* addresses Miller's belief that the contracting process used for the reconstruction effort was wrought with fraud, waste, and abuse.⁴¹ The author does assume that the reader has some knowledge of contracting procedures; however, these assumptions are minimal and do not affect the point the author makes.

"When selecting contracting approaches and techniques for an award, the government's objective is to negotiate a contract type and price that will result in reasonable risk and provide the contractor with the greatest incentive for efficient and economical performance."⁴² In *Blood Money*, Miller asserts that the U.S. Government failed to adhere to this principle by bending or breaking standard contracting procedures and by awarding contracts based on political partisanship.⁴³ Miller contends that these practices led to numerous instances of contract fraud and abuse, to include awarding some contracts to wholly unqualified contractors.⁴⁴

Miller provides several examples where the U.S. Government failed to comply with competition requirements by awarding sole source contracts.⁴⁵ In some instances, companies with very close political ties to the current administration were the recipients of these contracts.⁴⁶ Although there are exceptions to the full and open competition requirements mandated by federal law, it is hard to determine whether those exceptions applied in these instances.⁴⁷ The fact that individuals with close ties to the government were awarded sole source contracts in itself makes the awards suspect.

Another issue that Miller points out concerning abuse in the contracting process is the extensive use of cost-plus contracts.⁴⁸ Cost-plus contracts are intended for use in limited situations because the government bears the majority of performance risk. Miller contends that the extensive use of these contracts contributed to sub-standard performance on many reconstruction projects because the contractors did not bear any performance risk and there was little or no government oversight.⁴⁹ Again, Miller's point is independently reinforced through the findings and recommendations of the Iraq Study Group, which found that reconstruction contracting is starting to improve as the government exercises more oversight and awards fewer cost-plus contracts.⁵⁰

One of the more interesting contract issues addressed by Miller concerns alleged reprisals against officials who protested abuses in the contracting system.⁵¹ One of those officials was Bunnatine Greenhouse, the most senior contracting official in the U.S. Army Corps of Engineers.⁵²

³⁹ *Id.* at 46–48.

⁴⁰ *Id.* at 51.

⁴¹ MILLER, *supra* note 1.

⁴² U.S. GOV'T ACCOUNTABILITY OFF., GAO 06-838R, CONTRACT MANAGEMENT: DOD VULNERABILITIES TO CONTRACTING FRAUD, WASTE, AND ABUSE 11 (July 7, 2006).

⁴³ MILLER, *supra* note 1.

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ *Id.* at 72–74.

⁴⁷ The Armed Services Procurement Act of 1947, 10 U.S.C. §§ 2304–2305 (1947), *amended by* The Competition in Contracting Act of 1984, Pub. L. No. 93-369, tit. VII, § 2701, 98 Stat. 1175.

⁴⁸ MILLER, *supra* note 1.

⁴⁹ *Id.*

⁵⁰ BAKER, *supra* note 24, at 26.

⁵¹ MILLER, *supra* note 1, at 90.

Greenhouse objected to Halliburton receiving a sole source contract for a period of five years.⁵³ Miller writes that she objected to this contract because awarding “this sole source effort beyond a one year period could convey an invalid perception that there is not strong intent for a limited competition.”⁵⁴ A few months later, Greenhouse objected to Halliburton being awarded another sole source contract.⁵⁵ Shortly afterward Greenhouse was demoted.⁵⁶ “In short order her salary was cut, her staff was removed, and she was put into a junior position.”⁵⁷ While her demotion could be attributed to any number of unknown factors, the author does a compelling job of making the reader feel as though Greenhouse were demoted because she protested perceived abuses in the contracting system.

Miller’s point, that the contracting process was wrought with fraud, waste, and abuse, is further supported by the Special Inspector General for Iraq Reconstruction (SIGIR).⁵⁸ The SIGIR recently reported that there are “57 ongoing investigations into fraud, waste, and abuse in Iraq reconstruction, 28 of which are at the Department of Justice for prosecution. As of July 30, 2007, SIGIR investigations have resulted in 5 convictions, 13 arrests, and 8 pending trials.”⁵⁹

C. A Warning to the Public

Miller’s second stated purpose for writing this book, to serve as a warning to the American public that we must succeed in reconstructing Iraq, requires little analysis.⁶⁰ The last portion of the book addresses how the reconstruction effort is changing.⁶¹ Miller contends that successfully reconstructing Iraq is critical to our national security.⁶² He argues that if we continue on our current path we will surely fail, yet he believes that we have contributed too much in terms of lives lost and money wasted to walk away from this crucial effort.⁶³ Throughout the book he does an excellent job of demonstrating how the current strategy is failing.⁶⁴ By personalizing the heroes and victims of the reconstruction effort, Miller makes the reader believe that we have, in fact, invested too much to simply walk away.⁶⁵

D. Lessons for JAs

Blood Money is relevant to today’s JA practitioner because it offers many lessons that can be applied in the Global War on Terror. Today’s JA often finds himself thrust into roles that have not been traditionally assigned to JAs. This is especially true in rule of law missions where JAs are deeply involved with planning and executing reconstruction efforts. The three big takeaways for the JA “pent-athlete” coincide with the three themes that Miller uses to support his thesis: (1) ensure unity of effort in all reconstruction projects, (2) ensure that all reconstruction planning is detailed and meets the needs of the people being served, and (3) follow established contracting procedures and provide oversight for all reconstruction projects.

⁵² *Id.* at 84–90.

⁵³ *Id.* at 86.

⁵⁴ *Id.* (quoting from the objections that Bunnatine Greenhouse wrote on the KBR contract).

⁵⁵ *Id.* at 90.

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ SPECIAL INSPECTOR GEN. FOR IRAQ RECONSTRUCTION, QUARTERLY REPORT AND SEMIANNUAL REPORT TO THE U.S. CONG. (July 30, 2007).

⁵⁹ *Id.* at Summary, p. 2.

⁶⁰ MILLER, *supra* note 1, at 7.

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Id.*

⁶⁴ MILLER, *supra* note 1.

⁶⁵ *Id.*

E. Conclusion

In conclusion, *Blood Money* is a well-written and well-organized book that is a must read for any scholar who seeks an alternative viewpoint on the reconstruction effort in Iraq. Miller does an exceptional job of supporting his thesis by providing a balanced look into the policies and politics that are shaping the rebuilding effort. Although the focus tends to be on reconstruction failures, Miller leaves the reader with a feeling that victory can still be achieved through proper planning and with an appropriately focused, unified effort.