

## Murphy Bill Will Hold Private Contractors Accountable to American Taxpayers

After questioning Blackwater USA CEO Erik Prince at length earlier this month about his company's profits off of federal government contracts, this week, Congressman Chris Murphy (CT-5) introduced legislation to require that contractors who receive more than 80% of their annual gross revenue from federal contracts and have contracts worth more than \$5 million in any fiscal year disclose the salaries of their most highly compensated employees. In questioning Secretary of State Condoleezza Rice today, Murphy secured a commitment from her to comment on his bill in writing.

Contact: Kristen Bossi

(202) 225-4476

WASHINGTON, D.C. – After questioning Blackwater USA CEO Erik Prince at length earlier this month about his company's profits off of federal government contracts, this week, Congressman Chris Murphy (CT-5) introduced legislation to require that contractors who receive more than 80% of their annual gross revenue from federal contracts and have contracts worth more than \$5 million in any fiscal year disclose the salaries of their most highly compensated employees. In questioning Secretary of State Condoleezza Rice today, Murphy secured a commitment from her to comment on his bill in writing.

"Blackwater, or any other company for that matter, shouldn't be getting rich off of wartime contracts. The American taxpayers deserve to know what kind of profit these companies are making off of government contracts. Right now, we have no way of knowing if American taxpayers are getting ripped off in this war," said Murphy.

Today, the House Oversight and Government Reform Committee heard testimony from Secretary of State Condoleezza Rice on the State Department's performance on several significant issues relating to the Iraq war, including the impact of the activities of Blackwater, corruption within the Iraqi ministries and the prospects of political reconciliation in Iraq. Murphy used the opportunity to question the Secretary about the spirit of his bill, and she committed to responding to his questions in writing.

As reported recently, U.S. government contractors in Iraq have come under fire for their ability to fulfill their responsibilities in a manner that is compliant with Iraqi and U.S. law. Of these contractors, Blackwater has received particular attention and scrutiny. Their management practices, financial statements and employment policies are tightly held secrets not subject to public scrutiny, despite the fact that Blackwater receives nearly all of its revenue from U.S. taxpayers. Not surprisingly, at a recent hearing before the House Committee on Oversight and Government Reform, Blackwater CEO Erik Prince refused to provide Congress with details of Blackwater's profits or his personal compensation, stating, "I'm not going to go into our full financials."

Since 2001, Blackwater has had a meteoric rise in profits due to the hundreds of millions of dollars in government contracts, often won through no-bid processes. From 2001 through 2006, Blackwater contracts increased by 80,000%, from \$736,906 in 2001 to \$593,601,952 in 2006.

"I didn't find Erik Prince's answers on his company's financials to be acceptable. The American people pay 90% of Mr. Prince's salary and 90% of the salaries of his employees. Congress and the American people have a right to know how its money is being spent," said Murphy.

After Prince testified before the Committee, Murphy, along with Peter Welch (VT-AL) and John J. Duncan, Jr. (TN-2), followed up in a letter to get concrete answers on questions about the company's executive pay and the exact amount of their business from federal contracts. The Members requested that Prince reply to their questions by November 2.

Murphy's bill, H.R. 3928, the Government Contractor Accountability Act, has the support of the Chairman of the House Oversight and Government Reform Committee, Henry Waxman (CA-30).

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