

## Murphy's Blackwater Bill Clears Key Committee

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WASHINGTON, D.C. - Within two weeks of a hearing on Congressman Chris Murphy's (CT-5) legislation to provide transparency concerning the amount of money corporations make off of government contracts, today the bill cleared the House Oversight and Government Committee.

"My bill seeks one simple thing - transparency. As our nation spends billions of dollars on private government contractors overseas, the American taxpayer and Congress know very little about the companies that are reaping this windfall. I find this to be unacceptable, and unless my bill is passed, we will never know how much profit corporations are skimming off of taxpayer financed contracts," said Murphy.

Several months ago, the CEO of Blackwater USA testified before the House Oversight and Government Reform Committee, and refused to answer Murphy's questions regarding how much profit Blackwater makes off of government contracts. Discovering that the government often has no idea how much profit is being skimmed off of government contracts, Murphy introduced legislation, H.R. 3928, the Government Contractor Accountability Act, to require that firms like Blackwater - those that make more than 80% of their revenue from taxpayer dollars - must disclose profit figures, just like any publicly traded company.

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 hearing before the House Committee on Oversight and Government Reform, 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.

"The case of Blackwater is, unfortunately, a supreme example of government contracting at its worst. While Blackwater is the clearest example of why my legislation is needed, this principle should be applied to all private businesses that make a vast amount of their earnings from the federal government. After all, it's our tax dollars at stake," said Murphy.

Murphy's bill has the support of the Chairman of the House Oversight and Government Reform Committee, Henry Waxman (CA-30), Edolphus Towns (NY-10), Chairman of the Subcommittee on Government Management, Organization, and Procurement, and Republican Subcommittee Member Congressman John Duncan (TN-2).

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