

Murphy's Blackwater Bill Passes House

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WASHINGTON, D.C. - Today, Congressman Chris Murphy's (CT-5) bipartisan legislation to provide transparency concerning the amount of money corporations make off of federal government contracts was approved on a voice vote by the U.S. House of Representatives.

"My bill seeks one simple thing - transparency. If there are people out there making millions off of government contracts, profiting off of this war, we should know about it," 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 Funding Transparency Act of 2008, to require firms like Blackwater - those that make more than 80% of their revenue from taxpayer dollars and who have contracts worth more than \$25 million in any fiscal year - must disclose executive compensation, just like any publicly traded company.

Murphy secured key bipartisan support for his bill from Government Reform Committee Ranking Member Tom Davis of Virginia on the floor of the House today and Congressman John Duncan, a Republican from Tennessee, during a Subcommittee on Government Management, Organization, and Procurement hearing on his bill.

The disclosure would be required to be posted on an Office of Management and Budget (OMB) operated website - www.USAspending.gov - which was authorized as part of the Federal Funding Accountability and Transparency Act adopted in 2006.

According to the OMB-run website, the federal government has granted an increasing number of contracts that were not competed at all. And yet, with such a substantial increase in government funding going to companies that win the funding through a no-bid process and are virtually subsidiaries of the United States government, we know very little about the private companies that are reaping the windfall.

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. 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.

"Erik Prince, or anyone else, shouldn't be making millions off of this war while our soldiers are fighting and dying and their families are just getting by," said Murphy.

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