

**Senate Democratic Policy Committee Hearing**

**“An Oversight Hearing on Whether the Army Corps of Engineers Retaliated  
Against Whistleblowers Who Objected to Iraq Contracting Abuses”**

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My name is Bunnatine H. Greenhouse, and I was the Principal Assistant Responsible for Contracting (“PARC”) for the United States Army Corps of Engineers until I was removed from that position on August 27, 2005. I was removed because I steadfastly resisted and attempted to alter what can be described as casual and clubby contracting practices by the U.S. Army Corps of Engineers Commanders, and because I presented testimony before this body on June 27, 2005.

At that time, I reported to this Committee that the worst contract abuse I witnessed during my entire professional career, which spans over twenty years, concerns contracts that were awarded to Halliburton subsidiary Kellogg Brown & Root (“KBR”). I further explained that the Restore Iraqi Oil (“RIO”) contract remained under the control of the Office of the Secretary of Defense, when the Army Corps of Engineers had been designated as the executive agency for that contract, and that the control by the Office of the Secretary of Defense was improper. Three days before I voluntarily appeared before this Committee, it was conveyed to me by the acting General Counsel of the U.S. Army Corps of Engineers that appearing before you would not be in my best interest. I left that meeting knowing that, if I went forward, I would be the recipient of retribution.

The day I appeared, the Army Inspector General (“IG”) released to the Secretary of the Army, Dr. Francis Harvey, a memorandum prepared by the Commander of the Corps, Lt. General Stock, requesting that I be removed from my position as PARC and removed from the Senior Executive Service. The timing of this release is no coincidence. Three weeks after I appeared here, Secretary Harvey authorized my removal as PARC and from the Senior Executive Service.

I would like to note that, however much I insisted that the Command comply with legal contracting requirements, I worked equally as hard ensuring that all Commanders were always able to timely and fully execute their mission to the full satisfaction of their customers.

I was disheartened when I received word of my removal, because at that time I was in the process of completing a new Defense Base Act (“DBA”) insurance program for the Department of Defense. This program, which I created and brought into existence, will save taxpayers hundreds of millions of dollars in unreasonable pass-through insurance costs, and will increase the participation of small businesses that were precluded from participating in the Iraq and Afghanistan campaigns due to the high cost of DBA insurance. During the past year, I single-handedly wrote the draft and final DBA insurance solicitations, responded to all questions from industry, conducted an industry forum with more than fifty insurance brokers in attendance, and engineered the procurement process to its final stages. The rush to remove me just before the DBA insurance project could come to completion is a clear indication that my removal was triggered, in large part, by my prior appearance before this Committee.

What is particularly disturbing is that the decision to remove me broke a written commitment made to my counsel on October 22, 2004, by the then-Acting Secretary of the Army that my allegations would be forwarded to the Department of Defense Inspector General for investigation, and that no adverse action would be taken against me until a sufficient record concerning my disclosures of contract abuse was available. No such record exists. At no time prior to my removal, nor since, have I been interviewed by the Department of Defense Inspector General or anyone else associated with the Department of the Army or the Department of Defense concerning the serious allegations of contract abuse pertaining to Halliburton subsidiary KBR that I brought to the Department of the Army’s attention in the letter forwarded by my counsel to the then-acting Secretary of the Army, Les Brownlee, on October 21, 2004.

I began my tenure as PARC in 1997 when Lieutenant General Joe Ballard, the 49<sup>th</sup> Commander of the Corps, selected me for the position. I was selected not only because I was by far the most qualified, but also because General Ballard was searching for a new head of contracting who would have the fortitude to confront a longstanding “good old boys” network of commanders who routinely engaged in casual and clubby contracting practices. I was up to the challenge, and I did all that I could to bring the Corps’s contracting and procurement field in to compliance with federal law. The comments made by the Corps’s Deputy Commander and Commander after my first year at the job, as reflected in my performance review, include that:

- I had “no equal when it comes to technical issues”;
- I was “not timid – has the fortitude to tell it as it is”;
- my “ethics are above reproach”; and
- that I had “potential for bigger and better things.”

Two years later, my performance evaluations stated that I had:

- “Unquestionable loyalty, integrity, and dedication to mission; not timid – has the fortitude to tell it as it is; courage in convictions, candor, sage judgment and passions, always evident”;
- “Unsurpassed as a contracting and acquisition expert and professional advisor. Has no equal when it comes to technical, acquisition strategy and business cases analyses”; and
- “Excellent potential for future senior acquisition positions in DoD.”

However, with the ramp-up to the Iraq war and the arrival of Major General Hans Van Winkle as Deputy Commander and Lt. General Flowers as the Commander of the Corps, my efforts to obtain full compliance with contracting requirements and to do away with the clubby and casual contracting practices were no longer the skill set wanted by the new Command. I was viewed as being “too powerful,” and I was an obvious hindrance to the inappropriate contracting style that was the hallmark of the “good old boys” command structure that had dominated the Corps since its inception. Simply put, the “good old boys” were going to do what it took to remove me from my position.

My attempts to remedy the hostile work environment in the contracting organization began in 2002, when I was initially forced to file a complaint with the Agency’s Equal Employment Opportunity Office. Some of the hostility I faced was clearly tied to my gender and race, and was undoubtedly due to the fact that I was perceived as being too powerful within a white male-dominated command structure. I initiated a proceeding before the Army’s EEO Office in 2002. The law required that my EEO case be heard within 180 days. But rather than comply, the Army’s EEO Office unnecessarily delayed the commencement of any action for two years. The EEO process is still broken and has become a tool the Army is using to deny me the right to proceed with the investigation of my claims, including the claim that I am being discriminated against on the basis of having the courage to confront improper contract abuse. In February of 2005, I filed a conflict of interest complaint. In response, the Army halted the hearing process. However, to date, the Army has not even acknowledged receipt of the complaint. Instead, the entire EEO process was halted. No one has even bothered to call me or my counsel to give us a status report. In short, the Army has denied me any meaningful avenue to review my allegations.

With the EEO process broken, I decided to write to Assistant Secretary of the Army (Acquisition, Logistics and Technology), Hon. Claude Bolton, Jr., advising him that a “hostile environment” had overtaken the U.S. Army Corps of Engineers’ procurement and contracting function. I did so on March 2, 2004. I advised Mr. Bolton that it was “important for you to note also that the strategy to undermine Procurement and Contracting leadership in the Corps is replete throughout the organization.” I advised Mr. Bolton that recent action to remove Christy Watts, the Chief of Contracting of the Louisville District, who was the most competent and dedicated contracting officer in the Corps, and that her planned removal demonstrated “that at no level in the Corps is it

tolerated for the Contracting Leader to highlight issues that require correction for the benefit of the nation.”

I explained to Mr. Bolton that Ms. Watts was “one of the most talented and committed Chiefs of Contracting [who] has the fortitude to make sure that improprieties that she discovered were provided to her Commanders for correction,” and that her planned removal was improper. A copy of my letter to Mr. Bolton is attached. However, my letter fell on deaf ears. I was not even afforded a courtesy call acknowledging receipt of my letter, and the Army allowed one of its best contracting specialists, Christy Watts, to be run out of the Corps of Engineers. The entire contracting Corps witnessed what happened to Christy Watts, and there is no doubt that a chill was felt throughout the Corps’s entire contracting community.

Two weeks earlier, on February 12, 2004, I wrote to Hon. Reginald J. Brown, Assistant Secretary of the Army (Manpower and Reserve Affairs), alerting him to a host of abusive and discriminatory actions that were being directed against me simply because I had the courage to do my job. I noted to Mr. Brown that the Army IG and the Army Corps of Engineers IG were repeatedly used as tools to discredit me and to provide a basis for my removal. A closed investigation was reopened, findings of wrongdoing were demonstrated to be false, and repeated “sensing sessions” and inspections were conducted as a part of the machinery the Command was using in its attempt to remove me from my office. I am not surprised that the Army IG released the memo to the Secretary of the Army on the very day I appeared before this Committee.

In my letter to Mr. Brown, I asked to be transferred because I realized there was no way for me to counteract the hostile environment I faced unless I was willing to compromise my insistence on compliance with contracting requirements, which I could not do and be loyal to my oath of office. So I stated to Mr. Brown:

Sir, I believe I have provided you insights into what is happening with me and the improprieties and harassment that I am experiencing as a senior leader trying to do my job and execute my mission for the best interest of the public trust. I hope that you can see also that there is nothing more that I can do to remove the hostile environment that I am presently working in at the U.S. Army Corps of Engineers. I believe for my best interest and for the great service that I want to continue to provide to the government, that I should be considered for reassignment out of the Corps. Please advise me if regulations, in view of the situation that I have been placed in and the unfair evaluations, will permit a directed reassignment for me. [Emphasis added.]

Mr. Brown likewise did not contact me, nor did he respond to my letter.

Finally, I would like to note that I received my SF-50 removing me from my position as PARC. However, while the regulations prevented my salary from being reduced, the Corps nonetheless unilaterally chose to reduce my annual pay by more than

\$2,400. Additionally, the Corps included in the remarks of the SF-50: “No SES reinstatement rights” thereby prohibiting me from ever again being able to joint the ranks of the SES.

### **Legislative Fix**

I urge members of Congress from both parties to fix the problem. On November 17, 2004, Mr. Bolton issued a memorandum on the functional independence of contracting officials. In this memo, Mr. Bolton acknowledges the need for contracting officers to have “a degree of independence” and recognized that whoever is responsible for preparing the employee evaluations has the power to influence the contracting officer. Mr. Bolton observed that “Contracting Officers and Contracting Specialists performance evaluations will continue to be done within their own career program channels [not through the Command channels of the contracting offices]. The only exception will be the performance evaluation of the Chief of the Contracting Office, which may be, when so designated, the Principal Assistant Responsible for Contracting.” However, with respect to the Army Corps of Engineers, it is the Chiefs of contracting and the PARC who need protection the most. Until the performance of the PARC and the Chiefs of contracting are evaluated within their career program channels, integrity over the Corps contracting organization will be lacking.

Finally, I would like to thank the outpouring of support I am fortunate to receive from around the Country. I cannot thank you enough for your support during this very difficult time in my life.