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Congress of the United States House of Representatives

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SUBCOMMITTEE ON OVERDIGHT AND

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

CHAIRMAN,

COMMITTEE ON EDUCATION AND LABOR

Chairman Henry A. Waxman Committee on Oversight and Government Reform U.S. House of Representatives 2157 Rayburn House Office Building Washington, DC 20515

Dear Chairman Waxman:

I request that the Full Committee begin an investigation into the recently announced oil production sharing agreement between the Hunt Oil Company and the Kurdistan Regional Government (KRG). The recently announced agreement raises numerous concerns.

I) Was the U.S. company Hunt Oil and its CEO, Ray Hunt, in entering into the agreement with the KRG, the beneficiary of a special relationship with the Bush administration? Have reported ties between Ray Hunt and the Bush administration led to special advocacy for Hunt Oil by the administration that resulted in the production sharing agreement with the KRG?

In 2002, Mr. Hunt acted as the finance chairman of the Republican National Committee for President Bush¹. Mr. Hunt led the Republican National Committee's Victory Fund for George W. Bush and personally donated \$20,000 to the committee². Mr. Hunt contributed \$100,000 toward inaugural festivities for President Bush in 2001, while Hunt Consolidated contributed \$250,000 toward the 2005 Bush presidential inaugural gala³. Mr. Hunt has also given generously toward construction of the Bush library by securing \$35 million dollars in additional property for the endeavor⁴.

Furthermore, Mr. Hunt has twice been appointed to a seat on the President's Foreign Intelligence Advisory Board (PFIAB); most recently in 2006. The PFIAB is said to have access to intelligence information that is not available to a majority of the members of Congress⁵. There are experts who acknowledge that information accessible to Mr. Hunt

¹ Bryce. Top Secret Cronies. Salon.com. November 5, 2005

² Public Integrity. Windfalls of War. Kellogg, Brown & Root (Halliburton). Laura Peterson

³ Public Citizen's Congress Watch. Bush's 2005 inauguration celebration: Brought to you by corporate America

⁴ Schutze. SMU's shame: Even people who like the President shouldn't want his library here. *Dallas Observer*, March 16, 2006.

⁵ Bryce. Top Secret Cronies. Salon.com. November 5, 2005

through the PFIAB is advantageous to the international energy interest of the Hunt Oil Company^{6,7}.

It is also notable that Vice President Cheney, as the head of Halliburton, invited Mr. Ray Hunt to sit on the Halliburton Board of Directors⁸.

II) Was Kurdistan pressured into promulgating a new oil law and/or entering into production sharing agreement with Hunt Oil and perhaps other administration connected companies by elements of the U.S. government in Iraq?

It should be of great concern to all those who wish to see Iraq achieve self-sufficiency that the Iraqi Central Government is opposed to the agreement entered into by the Hunt Oil Company and the KRG. Iraq's oil minister, Hussain al-Shahristani, has said "any oil deal has no standing as far as the government of Iraq is concerned. All these contracts have to be approved by the Federal Authority before they are legal. This (contract) was not presented for approval. It has no standing⁹."

III) Does the Hunt Oil Company's deal with the KRG foretell of more such agreements in the future? If the KRG does plan to announce more production sharing agreements in the future what would be the consequences for any revenue sharing programs initiated by the Iraqi Central Government?

On numerous occasions President Bush has stated his support for a revenue sharing program in Iraq. On May 31, 2007, at a White House press conference President Bush stated, "We're working very hard, for example, on getting an oil law with an oil revenuesharing code that will help unite the country." On August 9, 2007, at another White House press briefing, Mr. Bush stated, "People say we need an oil revenue sharing law. I agree with that, that needs to be codified."

While many have pointed out that the oil law that President Bush has supported is primarily a privatization bill, nevertheless is not the announcement between Hunt Oil and the KRG undermining the alleged purpose of the Iraqi oil law? Is this not at odds with President Bush's stated goal of revenue sharing? Supposedly the U.S. is in favor of an Iraqi oil revenue sharing program, but will the Hunt Oil agreement with the KRG contribute to or undermine a revenue sharing program in Iraq?

It is hard to imagine that in Iraq there is any matter more controversial than oil. So long as the U.S. occupies Iraq, it is hard to imagine that there can be anything more damaging to the United States' world reputation than the awarding of oil agreements to Bush administration cronies.

⁶ Ibid

⁷Wolffe/Bailey. Oval: Look Who's Joined Bush's Intel Panel. Newsweek. November 2, 2005.

⁸ Public Integrity. Windfalls of War. Kellogg, Brown & Root (Halliburton). Laura Peterson

⁹ Associate Press. Iraqi oil minister says Hunt Oil deal with Kurd regional government illegal. International Herald Tribune. September 10, 2007.

In light of the Full Committee's excellent past work on Halliburton, I strongly recommend that the Full Committee ascertain the relationships between the Hunt Oil Company, the Bush administration and the KRG that resulted in the September 9, 2007 announcement of the oil production sharing agreement.

Sincerely,

Denni L. Kurini

Dennis J. Kucinich Member of Congress