

Information Clearing House

NEWS YOU WON'T FIND ON CNN

 E-MAIL TO A FRIEND

Blood, Sweat & Tears

Asia's Poor Build U.S. Bases in Iraq

By David Phinney

10/03/05 "CorpWatch" -- -- Jing Soliman left his family in the Philippines for what sounded like a sure thing--a job as a warehouse worker at Camp Anaconda in Iraq. His new employer, Prime Projects International (PPI) of Dubai, is a major, but low-profile, subcontractor to Halliburton's multi-billion-dollar deal with the Pentagon to provide support services to U.S. forces.

But Soliman wouldn't be making anything near the salaries-- starting \$80,000 a year and often topping \$100,000-- that Halliburton's engineering and construction unit, Kellogg, Brown & Root (KBR) pays to the truck drivers, construction workers, office workers, and other laborers it recruits from the United States. Instead, the 35-year-old father of two anticipated \$615 a month – including overtime. For a 40-hour work week, that would be just over \$3 an hour. But for the 12-hour day, seven-day week that Soliman says was standard for him and many contractor employees in Iraq, he actually earned \$1.56 an hour.

Soliman planned to send most of his \$7,380 annual pay home to his family in the Philippines, where the combined unemployment and underemployment rate tops 28 percent. The average annual income in Manila is \$4,384, and the World Bank estimates that nearly half of the nation's 84 million people live on less than \$2 a day.

“I am an ordinary man,” said Soliman during a recent telephone interview from his home in Quezon City near Manila. “It was good money.”

His ambitions, like many U.S. civilians working in Iraq, were modest: “I wanted to save up, buy a house and provide for my family,” he says.

That simple dream drives tens of thousands of low-wage workers like Soliman to travel to Iraq from more than three dozen countries. They are lured by jobs with

companies working on projects led by Halliburton and other major U.S.-funded contractors hired to provide support services to the military and reconstruction efforts.

Called “third country nationals” (TCN) in contractor’s parlance, these laborers hail largely from impoverished Asian countries such as the Philippines, India, Pakistan, Sri Lanka, Nepal, and Pakistan, as well as from Turkey and countries in the Middle East. Once in Iraq, TCNs earn monthly salaries between \$200 to \$1,000 as truck drivers, construction workers, carpenters, warehousemen, laundry workers, cooks, accountants, beauticians, and similar blue-collar jobs.

Invisible Army of Cheap Labor

Tens of thousands of such TNC laborers have helped set new records for the largest civilian workforce ever hired in support of a U.S. war. They are employed through complex layers of companies working in Iraq. At the top of the pyramid-shaped system is the U.S. government which assigned over \$24 billion in contracts over the last two years. Just below that layer are the prime contractors like Halliburton and Bechtel. Below them are dozens of smaller subcontracting companies-- largely based in the Middle East --including PPI, First Kuwaiti Trading & Contracting and Alargan Trading of Kuwait, Gulf Catering, Saudi Trading & Construction Company of Saudi Arabia. Such companies, which recruit and employ the bulk of the foreign workers in Iraq, have experienced explosive growth since the invasion of Iraq by providing labor and services to the more high-profile prime contractors.

This layered system not only cuts costs for the prime contractors, but also creates an untraceable trail of contracts that clouds the liability of companies and hinders comprehensive oversight by U.S. contract auditors. In April, the Government Accountability Office, an investigative arm of the U.S. Congress concluded that it is impossible to accurately estimate the total number of U.S. or foreign nationals working in Iraq.

The GAO's investigation was prompted by concerns in Congress about insurance costs that all U.S.-funded contractors and subcontractors in are obligated by law to carry for their workers--costs which are then passed on to the government.

"It is difficult to aggregate reliable data," said the GAO report, “due in part to the large number of contractors and the multiple levels of subcontractors performing work in Iraq."

The menial wages paid to TCNs working for the regional contractors may be the most significant factor in the Pentagon’s argument that outsourcing military support is far more cost-efficient for the U.S. taxpayer than using its own troops to maintain camps and feed its ranks.

But there is also a human cost to this savings. Numerous former American contractors returning home say they were shocked at conditions faced by this mostly invisible, but indispensable army of low-paid workers. TCNs frequently sleep in crowded trailers and wait outside in line in 100 degree plus heat to eat “slop.” Many are said to lack adequate medical care and put in hard labor seven days a week, 10 hours or more a day, for little or no overtime pay. Few receive proper workplace safety equipment or adequate protection from incoming mortars and rockets. When frequent gunfire, rockets and mortar shell from the ongoing conflict hits the sprawling military camps, American contractors slip on helmets and bulletproof vests, but TCNs are frequently shielded only by the shirts on their backs and the flimsy trailers they sleep in.

Adding to these dangers and hardships, some TCNs complain publicly about not being paid the wages they expected. Others say their employers use “bait-and-switch” tactics: recruiting them for jobs in Kuwait or other Middle Eastern countries and then pressuring them to go to Iraq. All of these problems have resulted in labor disputes, strikes and on-the-job protests.

While the exact number of TCNs working in Iraq is uncertain, a rough estimate can be gleaned from Halliburton’s own numbers, which indicate that TCNs make up 35,000 of KBR’s 48,000 workers in Iraq employed under sweeping contract for military support. Known as the Logistics Civilian Augmentation Program (LOGCAP), this contract – by far the largest in Iraq -- is now approaching the \$15 billion mark. Citing security concerns, however, the Houston-headquartered company and several other major contractors declined to release detailed figures on the workforce that is estimated to be 100,000 or more.

High Risks, Low Benefits

“They do all the grunt jobs,” said former KBR supervisor Steve Powell, 54, from Azle, Texas. “But a lot of them are top notch.”

Powell returned home from at Camp Diamondback in May this year. He was disillusioned, he said, with the high staff turnover of KBR employees and the treatment of TCNs that a KBR subcontractor from Turkey had hired as mechanics.

“The Filipinos were making \$600 to \$1,200 a month. That’s good money for them, but there was tension from time to time. They sometimes thought they were doing all the work,” says Powell who drove trucks for 30 years before working as a KBR truck maintenance foreman in Iraq for a year for \$6,000 to \$8,000 a month. “We weren’t supposed to get our hands dirty.”

The TCNs not only do much of the dirty work, but, like others working for the U.S.

military, risk and sometimes lose their lives. Many are killed in mortar attacks; some are shot. Others have been taken hostage before meeting their death. In particularly gruesome set of murders on August 30, 2004, the captors of 12 Nepalese cooks and cleaners working for a Jordanian construction company beheaded one worker and posted a video of the execution on the internet with the message: "We have carried out the sentence of God against 12 Nepalese who came from their country to fight the Muslims and to serve the Jews and the Christians . . . believing in Buddha as their God."

The murders led Kathmandu to bar its citizens from working in Iraq, although companies doing business there continue to employ Nepalese workers.

The Pentagon keeps no comprehensive record of TCN casualties. But the Georgia-based nonprofit, Iraq Coalition Casualty Count, estimates that TCNs make up more than 100 of the estimated 269 civilian fatalities. ([HYPERLINK \(http://icasualties.org/oif/default.aspx\)](http://icasualties.org/oif/default.aspx)) The number of unreported fatalities could be much higher, while unreported and life-altering injuries are legion.

Soliman was one TCN who barely escaped death on the night of May 11, 2004, when his living trailer at Camp Anaconda was blown apart by a bomb attack. Sardonicly dubbed "Mortaritaville," the camp sits 42 miles north of Baghdad. Some 17,000 US soldiers and thousands of contractors have dug into the former Iraqi airbase for a long-term occupation.

Three others were injured along with Soliman that night. One roommate, 25-year-old fuel pump attendant Raymund Natividad, was killed. Soliman flew home to the Philippines in a wheelchair days later because he wanted medical treatment in his own country. But even after surgery and skin grafts, he sometimes feels nagging pain in his leg, he says. Doctors tell Soliman he will walk with a piece of shrapnel lodged in his left leg for the rest of his life.

"It was too deep" to remove, he explains.

The attack ignited shock waves of fear among the 1,300 Filipino workers at Camp Anaconda. Some 600 PPI employees immediately quit over safety concerns. "Filipinos don't want to work anymore in the mess halls, laundry and fuel depot," a Filipino embassy official in Baghdad said at the time. "There's a paralysis of work."

By mid-July, 2004, the Philippines would resign from the "Coalition of the Willing" and withdraw its modest military presence of 43 soldiers and eight policemen from Iraq one month earlier than scheduled. The precipitating event was a threat by Iraqi militias to behead Filipino hostage Angelo de la Cruz, a 46-year-

old truck driver for the Saudi Arabian Trading and Construction Company. One day after the withdrawal, his captors released the father of eight. He returned home to the storm of media attention hailing his safe return and offers of a free home and scholarships for the children.

Only fleeting headlines in Manila greeted Soliman's homecoming just months earlier. Now jobless, he speaks fondly of the U.S. troops to whom, he says, he was forbidden to speak to by his company supervisors at PPI.

"The Army treated us like friends," he said, boasting of a certificate the U.S. Army Corps of Engineers awarded him in recognition of his service as a warehouse worker who handled and received food supplies for the camp.

His memories of PPI are less congenial. His managers were foul-mouthed and verbally abusive and lunches served on the job sites were unfit to eat, Soliman said. PPI restricted employees to two 5-minute phone calls home a month and deducted the cost from their paychecks.

"They were \$10 more expensive than at the PX (the retail store on the military base), but if they see you making a call at another location, they would send you home," Salomon said.

A number of former KBR supervisors say they don't know why TCNs continue working in Iraq when they face much more brutal working conditions and hours than what their American and European co-workers would tolerate.

"TCNs had a lot of problems with overtime and things," recalls Sharon Reynolds of Kirbyville, Texas. "I remember one time that they didn't get paid for four months."

The former KBR administrator, who spent 11 months in Iraq until April, says she was responsible for processing time sheets for 665 TCNs employed by PPI at Camp Victory near Baghdad. The 14,000 troops and the American contractors based at this former palace for Saddam Hussein have use of an Olympic-sized swimming pool and a manmade lake preserved for special events and fishing.

But TCNs have to make do with far less. "They don't get sick pay and if PPI had insurance, they sure didn't talk about it much," Reynolds recalls. "TCNs had a lot of problems with overtime and things. ...I had to go to bat for them to get shoes and proper clothing,"

As for living conditions, TCNs "ate outside in 140 degree heat," she says. American contractors and U.S. troops ate at the air-conditioned Pegasus Dining Facility featuring a short-order grill, salad, pizza, sandwich and ice cream bars under the KBR logistics contract.

“TCNs had to stand in line with plates and were served something like be curry and fish heads from big old pots,” Reynolds says incredulously. “It looked like a concentration camp,”

And even when it came to basic safety, the TCNs faced a double standard. “They didn’t have personal protection equipment to wear when there was an alert,” Reynolds said. “Here we are walking around with helmets and vests because of an alert and they are just looking at us wondering what’s going on.”

Contractors Respond

PPI in Dubai has failed to respond to numerous phone calls about the accusations of mistreatment. “I don’t think anyone will want to comment.” said a representative who answered the phone and decline to provide phone numbers or e-mail addresses of company executives.

There is little public information about PPI, but other contractors say the company’s leading officers boast of a close association with Halliburton and say that it was formed by staff who previously worked with local firms sponsoring Halliburton’s business activities in Kuwait and Saudi Arabia. Several sources say PPI was active as a major Halliburton subcontractor in Bosnia and at the high-security prison at Guantanamo Bay, Cuba.

Halliburton spokesperson Melissa Norcross denied that the company has ownership or investment ties with PPI. The Halliburton unit is proud of its employees and subcontractors “who daily face danger to support the troops serving in Iraq and the Middle East,” said Norcross, adding that Halliburton requires all subcontractors to provide acceptable living and working conditions for its workers.

“KBR operates under a rigorous code of ethics that describes not only its standards of integrity, but its commitment to treat all of its employees and subcontractors with dignity and respect,” Norcross wrote in an e-mail. The company “is aware of past disagreements between subcontractors and their employees, and KBR has interjected itself into the situation as appropriate and worked with the subcontractors to address these concerns.”

Norcross did not offer details of past problems involving working conditions for TCNs, nor did KBR’s project manager for Iraq and Kuwait, Remo Butler, when contacted by e-mail. But if allegations of wrongdoing or contract violations are found, Norcross said, Halliburton would address them, and “would also report any wrongdoings to the appropriate authorities, including our customer, the U.S. military.”

The military, however, is apparently either unaware of the conditions or has simply

chosen not to acknowledge them. Margaret A. Browne, spokesperson for the U.S. Army Field Support Command which manages KBR's LOGCAP contract, confirmed that the company is expected to fulfill health, security and life support requirements for subcontractors in the LOGCAP agreement.

These are “serious issues and we are presently investigating the specific incidents you've addressed,” she said referring to problems outlined by former KBR supervisors and TCN workers. “We are concerned about employment conditions for all employees,” Browne said in an e-mail, adding that KBR is expected to fulfill a number of requirements outlining the health, security and life support requirements for subcontractors under the LOGCAP agreement ([HYPERLINK http://www.afsc.army.mil/gc/files/contract%20san.pdf](http://www.afsc.army.mil/gc/files/contract%20san.pdf)<http://www.afsc.army.mil/gc/files/contract%20san.pdf>), but that oversight for those requirements is under the purview of Halliburton and its subcontractors.

Diverted to Iraq

Challenging Halliburton and Army assurances, former KBR supervisors say they frequently witnessed subcontractors failing to meet required conditions, while some TCNs share horror stories with claims that they were falsely recruited, believing they were signing up for work in Kuwait and then having their contract changed to Iraq.

“I had no idea that I would end up in Iraq” says Ramil Autencio, who signed with MGM Worldwide Manpower and General Services in the Philippines. The 37-year-old air conditioning maintenance worker thought he would be working at Crown Plaza Hotel in Kuwait for \$450 a month.

He arrived in Kuwait in December 2003, only to discover that First Kuwaiti had bought his contract. The company, which now holds U.S.-funded contracts valued in the neighborhood of \$1 billion, threatened that unless he and dozens of other Filipino workers went to Iraq, the Kuwaiti police would arrest them, he says. “We had no choice but to go along with them. After all, we were in their country.”

Once in Iraq, Autencio found that there were no air conditioners to install or maintain, so he spent 11 hours a day “moving boulders” to fortify the camps, first at Camp Anaconda and then at Tikrit.

Food was inadequate and workers were not getting paid, he says. “We ate when the Americans had leftovers from their meals. If not, we didn't eat at all.”

Working and living conditions were so bad, that in February 2004 Autencio escaped with dozens of others. A U.S. soldier born in the Philippines helped them leave the camp, and sympathetic truck drivers working for KBR offered them rides

through the country. By the time the Filipinos reached the Kuwaiti border, Autencio said the number of fleeing workers was so great that the border police let them pass through without proper papers.

First Kuwaiti general manager Wahid al Absi says Autencio is lying. His proof is a working agreement, purportedly signed in the Philippines by Autencio. Al Absi admits that unscrupulous recruitment agencies do sometimes misrepresent jobs and take money from people eager to work, but he provided Autencio's undated contract with First Kuwaiti that identified the job site as both Kuwait and "mainly" Iraq.

The agreement also lays out salary: \$346 a month for 8-hour days, seven days a week, plus \$104 a month for a mandatory 2 hours overtime every day.

Al Absi insists that Autencio was paid in full.

"He sued me in court over this, and he lost," Al Absi said. "He doesn't have a case against us."

First Kuwaiti holds \$600 million in Army contracts, Al Absi said. The company is also a leading competitor for \$500 million contract to build the U.S. embassy in Baghdad and presently holds contracts for more than \$300 million for preliminary work on the project.

Pattern of Recruiting Abuses

Autencio is not the only former TCN worker with a grievance against Halliburton subcontractors and the layers of third-party recruiters.

The Washington Post lays out an intricate recruiting scheme involving dining service workers from India who were lost in a maze of five recruiters and subcontractors on several continents. The Indians claimed to have been falsely recruited for jobs in Kuwait, only to end up in Iraq. During their time at a military camp in the war zone, they lacked adequate drinking water, food, health care, and security, according to the July 1, 2004 article.

"I cursed my fate -- not having a feeling my life was secure, knowing I could not go back, and being treated like a kind of animal," for less than \$7 a day, Dharmapalan Ajayakumar told the newspaper.

Ajayakumar's case is a study in the convoluted world of Iraqi contracts: Workers were reported to have been first recruited by Subhash Vijay in India to work for Gulf Catering Company of Riyadh, Saudi Arabia. Gulf Catering was subcontracted to Alargan Group of Kuwait City, which was subcontracted to the Event Source of Salt Lake City, which in turn was subcontracted to KBR of Houston. And KBR, of

course, is a subsidiary of Halliburton.

Nepalese worker Krishna Bahadur Khadka told a similar story of false recruitment in a September 7, 2004 news report in the Kathmandu Post. After being recruited for a job in Kuwait, he says, he arrived only to be told by First Kuwaiti Trading that if he and 121 other workers they refused work in Iraq, they would be sent back to Nepal.

“I was not happy at first as my contractors did not provide me a job as heavy vehicle driver as pledged. But they had offered Rs 175,000 [\$2,450], and one would not be able earn half that amount in Kuwait. So I signed the papers,” Khadka said, adding that he had already invested \$1,680 as payment to an agent in Nepal.

First Kuwaiti’s general manager claims that this allegation, too, is a lie and that Khadka misrepresented his skills. Again al Absi presented a contract identifying the work site as “mainly Iraq.” It bore Khadka’s signature and fingerprint.

“Khadka is a troublemaker who was trying to organize the workers,” al Absi said, noting that thousands of TCNs working for First Kuwaiti have renewed their contracts with raises. “We treat our workers with excellent care,” he said.

Labor Strike, You’re Out

But cared for or not, hundreds of Filipinos in Iraq face being fired for staging labor strikes and sickouts to protest their treatment at military camps. In May 2005, 300 Filipinos went on strike at Camp Cook against PPI and KBR. The workers were soon joined by 500 others from India, Sri Lanka, and Nepal to protest working conditions and pay, according to the Manila Times. The dispute was settled with intervention from the Philippines Department of Foreign Affairs.

At the time of the strike, the Philippines offered the strikers free flights back to the Philippines, an invitation first made in April when the Philippines reiterated its ban on work in Iraq. The offer sparked concern at the U.S. embassy in Manila, according to news reports, because a loss of Filipino workers threatened military support services in Iraq.

The U.S. embassy then clarified its position on April 27. Embassy spokesperson Karen Kelley acknowledged that while Filipinos “play a crucial role in the allied effort to bring peace and democracy to a people who have been too long deprived of both,” embassy officials also “recognize the government of the Philippines’ concern for the welfare of its citizens.”

Other strikes have gone unreported, recalls former KBR employee Paul Dinsmore. Hired as a carpenter, he later transferred to Logistics as a heavy truck driver at Camp Speicher, a sprawling 24-square-mile installation near Tikrit in northern Iraq.

Dinsmore says the work crews he supervised at the former Iraqi airbase were made up of Hindis, Pakistanis, Nepalese, and Filipinos working for First Kuwaiti.

Working at Camp Speicher for seven months before returning home in May 2005, Dinsmore said he knew of three different instances of TCN construction workers who refused outright to work or showed up only to sit out most of the day. Asked what was going on, TCNs told him that First Kuwaiti had not been paid them for several months and that they didn't want to be treated that way.

"I heard that several hundred Filipinos were fired in September 2004 before I got there because of labor problems," Dinsmore said. After discovering that the TCN assistants were not paid any overtime, he was careful to get them back to their compound after their 10 hour day.

Like Powell and Reynolds, Dinsmore recounted dismal working conditions. "One of the construction Filipinos told him that they were treated like human cattle by some of the Western employees there and that they did not receive enough medical treatment when they were ill."

Many times, Dinsmore said, he would buy non-prescription drugs from the PX for his crews, especially when a very bad virus was going around during the winter of 2004-2005. If the case was bad enough, he would take the workers to the KBR clinic. His supervisor and the clinic medics told him that treating TCNs violated company policy. "We were told that First Kuwaiti was supposed to take care of them," Dinsmore said.

Dinsmore also turned to the Army for food. He says the food First Kuwaiti served was so poor, that he and other KBR employees would hand out military field rations – known as "meals ready to eat" or MREs. "When the Army stopped that practice, many of us KBR people would pick up "to go" plates from the DFAC [dining facilities] and hand them out to the TCNs we were responsible for. If you want them to work well, you've got to feed them."

Despite these conditions, TCNs finished jobs ahead of schedule, says Dinsmore. He credits these workers for personal praise he won from KBR and the military for his own performance. "The reality was that without the TCNs, very little construction would get accomplished on time on Speicher," said Dinsmore adding that "I heard that eventually KBR took care of the pay issue."

First Kuwaiti manager Wadih Al Absi insists that his company provides the same quality of living and food that the U.S. Army provides to its soldiers and that the company has received commendations from the Army. "We have no problems with our employees; they get excellent care," he said.

First Kuwaiti holds \$600 million in Army contracts, Al Absi said. The company is also a leading competitor for being awarded a forthcoming \$500 million contract to build the U.S. embassy in Baghdad and presently holds contracts over \$300 million for preliminary work on the project.

Let Them Eat Sand

Randy McDale, who rose to be a KBR foreman for heavy construction equipment at Camp Victory and other installations near the Baghdad International Airport, confirmed many of the other contractors' and TCN's charges of miserable conditions and inadequate safety.

"Everyday was like T-bone steaks for us, but I would starve to death before eating what they had," he said of the workers with PPI. "Guys would just go and get lunch for them and bring it to the work site. The TCNs couldn't get it fast enough."

McDale, a KBR foreman for heavy construction equipment at Camp Victory and other installations near the Baghdad International Airport, spent 15 months in Iraq before returning home in April to an eight-year-old trailer house on 35-acres of land in cattle ranch country outside of Bogata, Texas, "halfway between Paris and Texarkana."

Earning about \$7,500 to \$8,000 a month before his promotion, McDale said many American workers saw a clear line between themselves and the TCNs. "There's a prejudice among some Americans that they are not equal and just labor force," he said. "Americans are supposed to be the experts."

The division was made all the more clear to McDale by TCNs' lack of protective armor for threat alerts and boots and hard hats for construction work. "Some were wearing sandals walking in the mud when it was winter and 40 degrees," he said of the Indians, Sri Lankans and Filipinos he worked with. "One guy didn't even have a coat."

KBR gave McDale grief after he requested 20 hard hats for his workers, he said. "I don't know why KBR wasn't giving PPI a hard time for not getting the right equipment. That's the way it works in the States. If a subcontractor isn't ready, you fire them."

Willing to Return

Although Filipino passports now explicitly ban entry into Iraq, the ranks of Filipinos sneaking over the border from neighboring countries has as swelled from an estimated 4,000 before the 2003 ban to 6,000 today.

Filipinos "believe it is better to work in Iraq with their lives in danger rather than

face the danger of not having breakfast, lunch, or dinner in the Philippines,” said Maita Santiago, secretary-general for Migrante International, an organization that defends the rights of more than a million overseas Filipino workers.

Despite complaints about First Kuwaiti, Autencio said he would return to Iraq if he had guarantees for proper food and pay. “I would take my chances abroad if I couldn’t find a decent job here,” he said during an interview at his home in Pasig City, an urban area in metropolitan Manila “But I’d take any job here that pays enough to buy me a second hand car and start my own business.”

Soliman, now finds his problems with PPI and injuries in Iraq pale in comparison to life back in the Philippines. Jobless, he sees his life teetering on the edge. He may be splitting up with his wife, and plans for providing a new home to his family are on hold. He says he doubts that PPI will be sending money for his final medical checkup or even the several months salary he says he is still owed But those things don't matter so much.

What really matters now is finding another job. “If you hear of anything, let me know,” Soliman said at the end of the interview. “I would even go back to Iraq.”

David Phinney is a journalist and broadcaster based in Washington, DC, whose work has appeared in The Los Angeles Times, New York Times and on ABC and PBS. He can be contacted at: phinneydavid@yahoo.com.

Translate this page

(In accordance with Title 17 U.S.C. Section 107, this material is distributed without profit to those who have expressed a prior interest in receiving the included information for research and educational purposes. Information Clearing House has no affiliation whatsoever with the originator of this article nor is Information Clearing House endorsed or sponsored by the originator.)

 E-MAIL TO A FRIEND

Join our Daily News Headlines Email Digest

Fill out your emailaddress
to receive our newsletter!

[Subscribe](#) [Unsubscribe](#)

[Powered by YourMailinglistProvider.
com](#)

Information Clearing House

Daily News Headlines Digest

[HOME](#)

[COPYRIGHT NOTICE](#)