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Firms with Bush-Cheney Ties Clinching Katrina Deals

At least two major corporate clients of lobbyist Joe Allbaugh, President Bush's former campaign manager and a former head of the Federal Emergency Management Agency, have already been tapped to start recovery work along the battered Gulf Coast.

One is Shaw Group Inc. and the other is Halliburton Co. subsidiary Kellogg Brown and Root. Vice President Dick Cheney is a former head of Halliburton.

Bechtel National Inc., a unit of San Francisco-based Bechtel Corp., has also been selected by FEMA to provide short-term housing for people displaced by the hurricane. Bush named Bechtel's CEO to his Export Council and put the former CEO of Bechtel Energy in charge of the Overseas Private Investment Corporation.

Experts say it has been common practice in both Republican and Democratic administrations for policy makers to take lobbying jobs once they leave office, and many of the same companies seeking contracts in the wake of Hurricane Katrina have already received billions of dollars for work in Iraq.

Halliburton alone has earned more than \$9 billion. Pentagon audits released by Democrats in June showed \$1.03 billion in "questioned" costs and \$422 million in "unsupported" costs for Halliburton's work in Iraq.

But the web of Bush administration connections is attracting renewed attention from watchdog groups in the post-Katrina reconstruction rush. Congress has already appropriated more than \$60 billion in emergency funding as a down payment on recovery efforts projected to cost well over \$100 billion.

"The government has got to stop stacking senior positions with people who are repeatedly cashing in on the public trust in order to further private commercial interests," said



Joe Allbaugh, seen here working on the Bush 2000 campaign, has at least two corporate clients with Katrina deals. (Paul Whyte, USA TODAY)

Danielle Brian, executive director of the Project on Government Oversight.

Allbaugh formally registered as a lobbyist for Halliburton subsidiary Kellogg Brown and Root in February.

In lobbying disclosure forms filed with the Senate, Allbaugh said his goal was to "educate the congressional and executive branch on defense, disaster relief and homeland security issues affecting Kellogg Brown and Root."

Melissa Norcross, a Halliburton spokeswoman, said Allbaugh has not, since he was hired, "consulted on any specific contracts that the company is considering pursuing, nor has he been tasked by the company with any lobbying responsibilities."

Allbaugh is also a friend of Michael Brown, director of FEMA who was removed as head of Katrina disaster relief and sent back to Washington amid allegations he had padded his resume.

A few months after Allbaugh was hired by Halliburton, the company retained another high-level Bush appointee, Kirk Van Tine.

Van Tine registered as a lobbyist for Halliburton six months after resigning as deputy transportation secretary, a position he held from December 2003 to December 2004.

On Friday, Kellogg Brown & Root received \$29.8 million in Pentagon contracts to begin rebuilding Navy bases in Louisiana and Mississippi. Norcross said the work was covered under a contract that the company negotiated before Allbaugh was hired.

Halliburton continues to be a source of income for Cheney, who served as its chief executive officer from 1995 until 2000 when he joined the Republican ticket for the White House. According to tax filings released in April, Cheney's income included \$194,852 in deferred pay from the company, which has also won billion-dollar government contracts in Iraq.

Cheney's office said the amount of deferred compensation is fixed and is not affected by Halliburton's current economic performance or earnings.



Allbaugh's other major client, Baton Rouge-based Shaw Group, has updated its Web site to say: "Hurricane Recovery Projects — Apply Here!"

Shaw said on Thursday it has received a \$100 million emergency FEMA contract for housing management and construction. Shaw also clinched a \$100 million order on Friday from the U.S. Army Corps of Engineers.

Shaw Group spokesman Chris Sammons said Allbaugh was providing the company with "general consulting on business matters," and would not say whether he played a direct role in any of the Katrina deals. "We don't comment on specific consulting activities," he said.

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