**Halliburton**

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| **Halliburton** | |
|  | |
| [**Type**](http://en.wikipedia.org/wiki/Types_of_business_entity) | [Public](http://en.wikipedia.org/wiki/Public_company) ([NYSE](http://en.wikipedia.org/wiki/New_York_Stock_Exchange): [HAL](http://www.nyse.com/about/listed/hal.html)) |
| **Founded** | 1919, [Dallas](http://en.wikipedia.org/wiki/Dallas,_Texas), [Texas](http://en.wikipedia.org/wiki/Texas), [U.S.](http://en.wikipedia.org/wiki/United_States) |
| [**Founder(s)**](http://en.wikipedia.org/wiki/Entrepreneur) | [Erle P. Halliburton](http://en.wikipedia.org/wiki/Erle_P._Halliburton) |
| **Headquarters** | [Houston](http://en.wikipedia.org/wiki/Houston,_Texas), [TX](http://en.wikipedia.org/wiki/Texas), [USA](http://en.wikipedia.org/wiki/United_States) [Dubai](http://en.wikipedia.org/wiki/Dubai), [UAE](http://en.wikipedia.org/wiki/United_Arab_Emirates) |
| **Area served** | Worldwide |
| **Key people** | [**David J. Lesar**](http://en.wikipedia.org/wiki/David_J._Lesar) ([Chairman](http://en.wikipedia.org/wiki/Chairman)), ([President](http://en.wikipedia.org/wiki/President)) & ([CEO](http://en.wikipedia.org/wiki/CEO)) |
| [**Industry**](http://en.wikipedia.org/wiki/Industry) | Oil & Gas Equipment & Services |
| [**Products**](http://en.wikipedia.org/wiki/Product_(business)) | Technical services to the petroleum industry; Construction |
| [**Revenue**](http://en.wikipedia.org/wiki/Revenue) | ▲ [US$](http://en.wikipedia.org/wiki/United_States_dollar) 18.279 billion (2008)  ([U.S.](http://en.wikipedia.org/wiki/United_States) 46% [International](http://en.wikipedia.org/wiki/International) 54%) |
| [**Operating income**](http://en.wikipedia.org/wiki/Earnings_before_interest_and_taxes) | ▲ [$](http://en.wikipedia.org/wiki/United_States_dollar) 4.010 billion (2008) |
| [**Net income**](http://en.wikipedia.org/wiki/Net_income) | ▼ [$](http://en.wikipedia.org/wiki/United_States_dollar) 2.224 billion (2008) |
| [**Total assets**](http://en.wikipedia.org/wiki/Assets) | ▲ [$](http://en.wikipedia.org/wiki/United_States_dollar) 14.385 billion (2008) |
| [**Total equity**](http://en.wikipedia.org/wiki/Ownership_equity) | ▲ [$](http://en.wikipedia.org/wiki/United_States_dollar) 7.725 billion (2008) |
| [**Employees**](http://en.wikipedia.org/wiki/Employment) | 57,000 - March 2009 |
| [**Website**](http://en.wikipedia.org/wiki/Website) | [Halliburton.com](http://www.halliburton.com/) |

**Halliburton** ([NYSE](http://en.wikipedia.org/wiki/New_York_Stock_Exchange): [HAL](http://www.nyse.com/about/listed/hal.html)) is a [US](http://en.wikipedia.org/wiki/US)-based [oilfield](http://en.wikipedia.org/wiki/Oilfield) services corporation with international operations in more than 70 countries.

It is based in 1401 McKinney Street in [Downtown](http://en.wikipedia.org/wiki/Downtown_Houston) [Houston](http://en.wikipedia.org/wiki/Houston,_Texas), [Texas](http://en.wikipedia.org/wiki/Texas), in the [United States](http://en.wikipedia.org/wiki/United_States). U.S. office locations are also in [Anchorage, Alaska](http://en.wikipedia.org/wiki/Anchorage,_Alaska); [Bakersfield, California](http://en.wikipedia.org/wiki/Bakersfield,_California); [Denver, Colorado](http://en.wikipedia.org/wiki/Denver,_Colorado); [Lafayette, Louisiana](http://en.wikipedia.org/wiki/Lafayette,_Louisiana); and [Oklahoma City, Oklahoma](http://en.wikipedia.org/wiki/Oklahoma_City,_Oklahoma). Halliburton recently opened a second headquarters in [Dubai](http://en.wikipedia.org/wiki/Dubai), in the [United Arab Emirates](http://en.wikipedia.org/wiki/United_Arab_Emirates), in March 2007, where Chairman and CEO [David J. Lesar](http://en.wikipedia.org/wiki/David_J._Lesar) will work and reside, "to Focus [the] Company’s Eastern Hemisphere Growth." Corporate offices will remain in Houston and the company will remain incorporated in the United States. The company will consider Houston and Dubai as dual headquarters. Halliburton plans to move its headquarters to another site in Houston by 2012.

Halliburton's major business segment is the **Energy Services Group** (ESG). ESG provides technical products and services for [oil](http://en.wikipedia.org/wiki/Oil) and [gas](http://en.wikipedia.org/wiki/Natural_gas) exploration and production.

Halliburton's former subsidiary, [KBR](http://en.wikipedia.org/wiki/Kellogg,_Brown_and_Root), is a major construction company of [refineries](http://en.wikipedia.org/wiki/Oil_refinery), [oil fields](http://en.wikipedia.org/wiki/Oil_fields), [pipelines](http://en.wikipedia.org/wiki/Pipeline_transport), and [chemical plants](http://en.wikipedia.org/wiki/Chemical_plant). Halliburton announced on April 5, 2007 that it had finally broken ties with KBR, which had been its contracting, engineering and construction unit as a part of the company for 44 years.

**Business overview**

Energy Services, the company's historical cornerstone, includes drilling and formation evaluation, digital and consulting solutions, production volume optimization, and fluid systems. This business continues to be profitable, and the company is one of the world's largest players in this industry; [Schlumberger](http://en.wikipedia.org/wiki/Schlumberger_Limited) is its closest competitor followed by [Weatherford International](http://en.wikipedia.org/wiki/Weatherford_International), [Tesco Corporation](http://en.wikipedia.org/wiki/Tesco_Corporation) and [Baker Hughes](http://en.wikipedia.org/wiki/Baker_Hughes).

With the acquisition of [Dresser Industries](http://en.wikipedia.org/wiki/Dresser_Industries) in 1998, the Kellogg-Brown & Root division (in 2002 renamed to KBR) was formed by [merging](http://en.wikipedia.org/wiki/Merger) Halliburton's Brown & Root (acquired 1962) subsidiary and the M.W. Kellogg division of Dresser (which Dresser had merged with in 1988). KBR is a major international construction company, which is a highly volatile undertaking subject to wild fluctuations in revenue and [profit](http://en.wikipedia.org/wiki/Profit_(accounting)). [Asbestos](http://en.wikipedia.org/wiki/Asbestos)-related litigation from the Kellogg acquisition caused the company to book more than [US$](http://en.wikipedia.org/wiki/United_States_dollar)4.0 billion in losses from 2002 through 2004.

As a result of the asbestos-related costs and staggering losses on the Barracuda Caratinga FPSO construction project based in Rio de Janeiro, Brazil, Halliburton lost approximately $900 million [U.S.](http://en.wikipedia.org/wiki/U.S._dollar) a year from 2002 through 2004. A final non-appealable settlement in the asbestos case was reached in January 2005 which allowed Halliburton subsidiary KBR to exit Chapter 11 bankruptcy and returned the company to quarterly profitability. So, while Halliburton's revenues have increased because of its contracts in the Middle East, its bottom line continues to suffer.

At a meeting for investors and analysts in August 2004, a plan was outlined to divest the KBR division through a possible [sale](http://en.wikipedia.org/wiki/Sale), [spin-off](http://en.wikipedia.org/wiki/Spin-off) or [initial public offering](http://en.wikipedia.org/wiki/Initial_public_offering). Analysts at [Deutsche Bank](http://en.wikipedia.org/wiki/Deutsche_Bank) value KBR at up to $2.15 billion, while others believe it could be worth closer to $3 billion by 2005. KBR became a separately listed company on 5 April 2007.

**History**

**1919 to 1990**

Vida and Erle P. Halliburton first tried to find work cementing oil wells in [Burkburnett](http://en.wikipedia.org/wiki/Burkburnett,_Texas), [Texas](http://en.wikipedia.org/wiki/Texas) then moved their business (New Method Oil Well Cementing Company) to the [Healdton](http://en.wikipedia.org/wiki/Healdton,_Oklahoma) field near [Ardmore](http://en.wikipedia.org/wiki/Ardmore,_Oklahoma), [Oklahoma](http://en.wikipedia.org/wiki/Oklahoma).

* 1920: Reorganized
* 1921: Headquarters - [Duncan](http://en.wikipedia.org/wiki/Duncan,_Oklahoma), [Oklahoma](http://en.wikipedia.org/wiki/Oklahoma)
* 1924: Incorporated as Halliburton Oil Well Cementing Company (HOWCO)
* 1948: Became Listed on the [New York Stock Exchange](http://en.wikipedia.org/wiki/New_York_Stock_Exchange)
* 1957: Acquisition of Welex Jet Services of [Fort Worth](http://en.wikipedia.org/wiki/Fort_Worth,_Texas), [Texas](http://en.wikipedia.org/wiki/Texas)
* 1960: Name Shortened to Halliburton Company
* 1961: Headquarters - [Dallas](http://en.wikipedia.org/wiki/Dallas,_Texas), [Texas](http://en.wikipedia.org/wiki/Texas)
* 1962: Acquisition of [Brown and Root](http://en.wikipedia.org/wiki/Brown_and_Root) of [Houston](http://en.wikipedia.org/wiki/Houston,_Texas), [Texas](http://en.wikipedia.org/wiki/Texas)
* 1982: Workforce was 115,000
* 1982: Energy Industry Decline
* 1988: Acquisition of [Geophysical Service Incorporated](http://en.wikipedia.org/wiki/Geophysical_Service_Incorporated) from [Texas Instruments](http://en.wikipedia.org/wiki/Texas_Instruments)
* 1988: [Halliburton Logging Services](http://en.wikipedia.org/wiki/Halliburton_Logging_Services)
* 1988: Acquisition of Gearhart, which had previously acquired [Geosource](http://en.wikipedia.org/w/index.php?title=Geosource&action=edit&redlink=1) in 1985
* 1991: Workforce was 73,000

**1990s**



Halliburton offices in the [Westchase](http://en.wikipedia.org/wiki/Westchase,_Houston) area of [Houston](http://en.wikipedia.org/wiki/Houston)

* Following the end of the [Gulf War](http://en.wikipedia.org/wiki/Gulf_War), [the Pentagon](http://en.wikipedia.org/wiki/The_Pentagon), led by then Defense Secretary [Dick Cheney](http://en.wikipedia.org/wiki/Richard_Cheney), paid Halliburton subsidiary Brown & Root Services over $8.5 million to study the use of private military forces with American soldiers in combat zones.
* [Thomas H. Cruikshank](http://en.wikipedia.org/wiki/Thomas_H._Cruikshank), who served as [chairman](http://en.wikipedia.org/wiki/Chairman) and [CEO](http://en.wikipedia.org/wiki/CEO) from 1989 until 1995, was replaced by [Dick Cheney](http://en.wikipedia.org/wiki/Dick_Cheney).
* In the aftermath of [Operation Desert Storm](http://en.wikipedia.org/wiki/Operation_Desert_Storm) in [Kuwait](http://en.wikipedia.org/wiki/Kuwait) in 1991, Halliburton crews helped bring 320 burning oil wells under control.
* In the early 1990s Halliburton was found to be in violation of federal trade barriers in [Iraq](http://en.wikipedia.org/wiki/Iraq) and [Libya](http://en.wikipedia.org/wiki/Libya), having sold these countries [dual-use](http://en.wikipedia.org/wiki/Dual-use_technology) oil drilling equipment and, through its former subsidiary, Halliburton Logging Services, sending six [pulse neutron generators](http://en.wikipedia.org/wiki/Pulse_neutron_generator) to Libya. After having pleaded guilty, the company was fined $1.2 million, with another $2.61 million in penalties.
* In the [Balkans](http://en.wikipedia.org/wiki/Balkans) conflict in the 1990s, Kellogg Brown-Root (KBR) supported U.S. peacekeeping forces in [Bosnia and Herzegovina](http://en.wikipedia.org/wiki/Bosnia_and_Herzegovina), [Croatia](http://en.wikipedia.org/wiki/Croatia) and [Hungary](http://en.wikipedia.org/wiki/Hungary) with food, laundry, transportation and other lifecycle management services.
* In 1998 Halliburton merged with [Dresser Industries](http://en.wikipedia.org/wiki/Dresser_Industries), which included Kellogg. [Prescott Bush](http://en.wikipedia.org/wiki/Prescott_Bush) was a director of [Dresser Industries](http://en.wikipedia.org/wiki/Dresser_Industries), which is now part of Halliburton. Former United States president [George H. W. Bush](http://en.wikipedia.org/wiki/George_H._W._Bush) worked for Dresser Industries in several positions from 1948–1951, before he founded [Zapata Corporation](http://en.wikipedia.org/wiki/Zapata_Corporation).

**2000s**

* In December 2001, KBR agreed to build two [FPSOs](http://en.wikipedia.org/wiki/Floating_Production_Storage_and_Offloading) for [Petrobras](http://en.wikipedia.org/wiki/Petrobras) (Barracuda and Caratinga). By the time the project was complete, KBR had lost approximately $1billion on the contract.
* On April 10, [2001](http://en.wikipedia.org/wiki/2001) the Dresser division (excluding the former Kellogg division) entered an agreement to separate itself once again from Halliburton by management purchasing its equity, the new company to be called [Dresser Inc.](http://en.wikipedia.org/wiki/Dresser_Inc.)
* In 2001 [*The Wall Street Journal*](http://en.wikipedia.org/wiki/The_Wall_Street_Journal) reported that a subsidiary of Halliburton Energy Services called Halliburton Products and Services Ltd. (HPS) opened an office in Tehran. The company, HPS, operated on the ninth floor of a new north [Tehran](http://en.wikipedia.org/wiki/Tehran) tower block. Although HPS was incorporated in the [Cayman Islands](http://en.wikipedia.org/wiki/Cayman_Islands) in 1975 and is "non-American", it shares both the logo and name of Halliburton Energy Services and, according to [Dow Jones Newswires](http://en.wikipedia.org/wiki/Dow_Jones_Newswires) offers services from Halliburton units world-wide through its Tehran office. Such behavior, undertaken while Cheney was CEO of Halliburton, may have violated the [Trading with the Enemy Act](http://en.wikipedia.org/wiki/Trading_with_the_Enemy_Act). A Halliburton spokesman, responding to inquiries from Dow Jones, said "This is not breaking any laws. This is a foreign subsidiary and no US person is involved in this. No US person is facilitating any transaction. We are not performing directly in that country." No legal action has been taken against the company or its officials.
* In 2002, [Judicial Watch](http://en.wikipedia.org/wiki/Judicial_Watch), a public action law firm, filed suit on behalf of shareholders against Halliburton, its current and former directors, and its accounting firm, [Arthur Andersen](http://en.wikipedia.org/wiki/Arthur_Andersen) LLP and Arthur Andersen Worldwide, for alleged accounting irregularities, said to be profit inflation by accounting for cost overruns as revenue. The [U.S. Securities and Exchange Commission](http://en.wikipedia.org/wiki/U.S._Securities_and_Exchange_Commission) (SEC) investigated the same issue. Halliburton counters that the practice was approved by its accounting firm, Arthur Andersen, and conforms to generally accepted accounting practices. In August, 2004, Halliburton paid a $7.5 million fine to settle the issue.
* In April 2002, KBR was awarded a $7 million contract to construct steel holding cells at [Camp X-Ray](http://en.wikipedia.org/wiki/Camp_X-Ray).
* From 1995–2002, Halliburton Brown & Root Services Corp was awarded at least $2.5 billion but has spent considerably less to construct and run military bases, some in secret locations, as part of the Army's Logistics Civil Augmentation Program. This contract was a cost plus 13% contract and BRS employees were trained on how to pass GAO audits to ensure maximum profits were attained. It was also grounds for termination in the Balkans if any BRS employee spoke of Dick Cheney being CEO. BRS was awarded and re-awarded contracts termed "non-competitive" due to BRS being the only company capable to pull off the missions. DYNACORP actually won the competitively let 2nd contract but never received any work orders in the Balkans.
* In November 2002, KBR was tasked to plan oil well firefighting in Iraq, and in February 2003 was issued a contract to conduct the work. Critics contend that it was a [no-bid contract](http://en.wikipedia.org/wiki/No-bid_contract), awarded due to Dick Cheney's position as Vice President. Concern was also expressed that the contract could allow KBR to pump and distribute Iraqi oil. Others contend, however, that this was not strictly a *no-bid contract*, and was invoked under a contract that KBR won "in a competitive bid process." The contract, referred to as LOGCAP, is a contingency-based contract that is invoked at the convenience of the Army. Because the contract is essentially a retainer, specific orders are not competitively bid (as the overall contract was).
* In May 2003, Halliburton revealed in [SEC filings](http://en.wikipedia.org/wiki/SEC_filings) that its KBR subsidiary had paid a [Nigerian](http://en.wikipedia.org/wiki/Nigeria) official $2.4 million in [bribes](http://en.wikipedia.org/wiki/Bribery) in order to receive favorable [tax](http://en.wikipedia.org/wiki/Tax) treatment.
* As of 2003, Halliburton was still operating in [Iran](http://en.wikipedia.org/wiki/Iran). [CNN](http://en.wikipedia.org/wiki/CNN), in a report entitled "US companies are operating in Iran despite sanctions," reported that a Halliburton spokesperson told the news agency that HPS helps Iran build large oil rigs in the country's south.
* In February 2004, the [Government Accountability Office](http://en.wikipedia.org/wiki/Government_Accountability_Office) (GAO) released a [report on government contractors](http://levin.senate.gov/newsroom/supporting/2004/030404taxhavenGAOreport.pdf) [PDF](http://en.wikipedia.org/wiki/Portable_Document_Format) (774 [KiB](http://en.wikipedia.org/wiki/Kibibyte)) that use [offshore](http://en.wikipedia.org/wiki/Offshore_financial_centre) [tax havens](http://en.wikipedia.org/wiki/Tax_haven). It ranks the contractors in terms of the size of the contractors and provides information about how many subsidiaries the companies have offshore. Using data of the end of 2001, Halliburton ranked 30, had 17 [offshore](http://en.wikipedia.org/wiki/Offshore_financial_centre) companies in tax havens, and 131 foreign [subsidiaries](http://en.wikipedia.org/wiki/Subsidiaries).
* In October 2004, Halliburton opened a new 250,000-square-foot (23,000 m2) facility on 35 acres (140,000 m2), replacing an older facility that opened in 1948, in [Rock Springs, Wyoming](http://en.wikipedia.org/wiki/Rock_Springs,_Wyoming). With over approximately 500 employees, Halliburton is one of the largest private employers in [Sweetwater County](http://en.wikipedia.org/wiki/Sweetwater_County,_Wyoming).
* In January 2005, in response to an email from staff recommending that Halliburton donate money to victims of the Asian Tsunami, CEO Dave Lesar recommended that if employees wanted to donate money to charity, there was no worthier cause that he could think of than HALPAC, the Halliburton Political Action Committee. Later that same year, when musing on the loss of KBR staff in Iraq, he asserted that at least they died in a noble cause. Although this appeared to be therefore the official company position on the matter, he did not then alter the company's HSE policy to permit this as an acceptable mode of worker fatality.
* In September 2005, under a competitive bid contract it won in July 2005, to provide debris removal and other emergency work associated with natural disasters, KBR started assessment of the cleanup and reconstruction of [Gulf Coast](http://en.wikipedia.org/wiki/Gulf_Coast) [U.S. Marine](http://en.wikipedia.org/wiki/U.S._Marine) and [U.S. Navy](http://en.wikipedia.org/wiki/U.S._Navy) facilities that were damaged in the aftermath of [Hurricane Katrina](http://en.wikipedia.org/wiki/Hurricane_Katrina). The facilities include: Naval Air Station Pascagoula, Naval Station Gulfport, Stennis Space Center in [Mississippi](http://en.wikipedia.org/wiki/Mississippi), two smaller U.S. Navy facilities in [New Orleans](http://en.wikipedia.org/wiki/New_Orleans) and others in the Gulf Coast region. KBR has had similar contracts for more than 15 years.
* On January 24, 2006 Halliburton’s subsidiary KBR (formerly Kellogg, Brown and Root) announced that it had been awarded a $385 million contingency contract by the Department of Homeland Security to build "temporary detention and processing facilities" or [internment](http://en.wikipedia.org/wiki/Internment) camps. According to [Business Wire](http://en.wikipedia.org/wiki/Business_Wire), this contract will be executed in cooperation with the U.S. Army Corps of Engineers, Fort Worth District. Critics point to the [Guantanamo Bay detention camp](http://en.wikipedia.org/wiki/Guantanamo_Bay_detention_camp) as a possible model. According to a press release posted on the Halliburton website, "The contract, which is effective immediately, provides for establishing temporary detention and processing capabilities to augment existing Immigration and Customs Enforcement (ICE) Detention and Removal Operations (DRO) Program facilities in the event of an emergency influx of immigrants into the U.S., or to support the rapid development of new programs. The contingency support contract provides for planning and, if required, initiation of specific engineering, construction and logistics support tasks to establish, operate and maintain one or more expansion facilities."
* On April 15, 2006, Halliburton filed a registration statement with the [Securities and Exchange Commission](http://en.wikipedia.org/wiki/Securities_and_Exchange_Commission) to sell up to 20 percent of its KBR stock on the [NYSE](http://en.wikipedia.org/wiki/NYSE) under the ticker symbol "KBR", as part of an eventual plan for KBR to be a separate company from Halliburton.
* In February, 2008, a hard disk and two computers containing classified information were stolen from Petrobras while in Halliburton's custody. Allegedly, the content inside the stolen material, was data on the recently discovered [Tupi oil field](http://en.wikipedia.org/wiki/Tupi_oil_field). Initial police inquiries suggest that it could be a common container theft operation. The container was a ramshackle in complete disorder indicating that thieves were after "valuables and not only laptops", said an expert consulted by the daily newspaper Folha de S. Paulo.

By 2012 Halliburton plans to leave its Downtown Houston offices and consolidate operations at its [Westchase](http://en.wikipedia.org/wiki/Westchase,_Houston) and northern Houston offices; the north Houston office will become the new headquarters for Halliburton.

Halliburton is the only company mentioned by [Osama bin Laden](http://en.wikipedia.org/wiki/Osama_bin_Laden) in an April 2004 tape in which he claims that "this is a war [in Afghanistan] that is benefiting major companies with billions of dollars."

Internet pundit [John Burnett](http://en.wikipedia.org/wiki/John_Burnett) has described Halliburton's deals as recalling a Vietnam-Era controversy. He claims Vice President Cheney's ties to the company are reminiscent of President [Lyndon B. Johnson](http://en.wikipedia.org/wiki/Lyndon_B._Johnson)'s relationships with [Brown & Root](http://en.wikipedia.org/wiki/Brown_%26_Root).

Halliburton’s $2.5 billion "Restore Iraqi Oil" (RIO) contract was supposed to pay for itself as well as reconstruction of the entire country. Had the contract been fulfilled correctly, [Iraq](http://en.wikipedia.org/wiki/Iraq) would be able to export much more oil from its northern oil fields. Instead, the oil fields are barely usable and access to international markets is severely limited. Halliburton’s work on the pipeline crossing the [Tigris](http://en.wikipedia.org/wiki/Tigris) river at Al Fatah was a critical failure. Against the advice of its own experts, Halliburton tried to dig a tunnel through a geological fault zone. The underground terrain was a jumble of boulders, voids, cobblestones and gravel impossible for the kind of drilling Halliburton planned. "No driller in his right mind would have gone ahead," said Army geologist [Robert Sanders](http://en.wikipedia.org/w/index.php?title=Robert_Sanders&action=edit&redlink=1) when the military finally sent people to inspect the work.

Halliburton spent all of the $75.7 million allocated to the river crossing, including $100,000 a day while crews sat idle due to broken drill bits and jammed equipment. The US Inspector General estimated the money lost from oil exports at $5 million a day. After Halliburton had spent all the money allocated, the U.S. issued a new $66 million job order dedicated to the same task.

**Whistleblowing after Iraq war**

[Bunnatine Greenhouse](http://en.wikipedia.org/wiki/Bunnatine_Greenhouse), a civil servant with 20 years of contracting experience, had complained to Army officials on numerous occasions that Halliburton had been unlawfully receiving special treatment for work in Iraq, [Kuwait](http://en.wikipedia.org/wiki/Kuwait) and the [Balkans](http://en.wikipedia.org/wiki/Balkans). Criminal investigations were opened by the U.S. Justice Department, the Federal Bureau of Investigation ([FBI](http://en.wikipedia.org/wiki/FBI)) and the Pentagon's inspector general that continue to this date (2/24/09).

In one of the many examples of abuse, Greenhouse said that military auditors caught Halliburton overcharging the Pentagon for fuel deliveries into [Iraq](http://en.wikipedia.org/wiki/Iraq). She also complained that Defense Secretary [Donald Rumsfeld](http://en.wikipedia.org/wiki/Donald_Rumsfeld)'s office took control of every aspect of Halliburton's $7 billion no-bid Iraqi oil/infrastructure contract. After her testimony Greenhouse was demoted, allegedly for poor performance, though USACE. Greenhouse had received excellent performance ratings in the past. Greenhouse's attorney, Michael Kohn, stated in the New York Times that "She is being demoted because of her strict adherence to procurement requirements and the Army's preference to sidestep them when it suits their needs."

**Response by Halliburton**

In November 2006, Halliburton began unloading its stake in [KBR](http://en.wikipedia.org/wiki/KBR), its major subsidiary. By February 2007, Halliburton had completely sold off the subsidiary. This came after it was accused of “overcharging” in audit reports from the Pentagon.

In June 2007, just days after [Stewart Bowen](http://en.wikipedia.org/w/index.php?title=Stewart_Bowen&action=edit&redlink=1), the Special Inspector General, released a new report, the Army announced that KBR would share another $150 billion contract with two other contractors, Fluor and Dyncorp, over the next ten years.

**Financials**

The company's contracts in Iraq are expected to have generated more than $13 billion in revenue by the time they start to expire in 2006, but most offer low [margins](http://en.wikipedia.org/wiki/Gross_margin) — less than 2% on average in 2003 and just 1.4% this year for the [logistics](http://en.wikipedia.org/wiki/Logistics) work making these contracts less profitable than Halliburton's core energy business. The contracts in Iraq will be more profitable after the US Army reimburses them for costs that were originally investigated as potentially inflated. Meanwhile, KBR reconstruction contracts in Iraq 'tracked' by the US Department of Defense were shown to include as much as 55% of total project costs as overhead.

KBR has contracts in Iraq worth up to $18 billion, including a single [no-bid contract](http://en.wikipedia.org/wiki/No-bid_contract) known as "[Restore Iraqi Oil](http://en.wikipedia.org/wiki/Restore_Iraqi_Oil)" (RIO) which has an estimated worth of $7 billion.

An audit of KBR by the Pentagon’s [Defense Contract Audit Agency](http://en.wikipedia.org/wiki/Defense_Contract_Audit_Agency) (DCAA) found $108 million in "questioned costs" and, as of mid-March 2005, said they still had "major" unresolved issues with Halliburton.

**Ties with U.S. Vice President Dick Cheney**

In recent years the company has become the object of several controversies involving the [2003 Iraq War](http://en.wikipedia.org/wiki/2003_Iraq_War) and the company's ties to Former U.S. Vice President [Dick Cheney](http://en.wikipedia.org/wiki/Dick_Cheney). Cheney retired from the company during the [2000 U.S. presidential election](http://en.wikipedia.org/wiki/2000_U.S._presidential_election) campaign with a severance package worth $36 million. As of 2004, he had received $398,548 in [deferred compensation](http://en.wikipedia.org/wiki/Deferred_compensation) from Halliburton while Vice President.

Cheney was chairman and CEO of Halliburton Company from 1995 to 2000 and has received stock options from Halliburton.

**Employee safety**

In accordance with the [law of armed conflict](http://en.wikipedia.org/wiki/Law_of_armed_conflict) and to maintain [non-combatant](http://en.wikipedia.org/wiki/Non-combatant) status, Halliburton does not arm its truck drivers, who in Iraq are often the target of [insurgent](http://en.wikipedia.org/wiki/Iraqi_insurgency) attacks. In one case, on [September 20](http://en.wikipedia.org/wiki/September_20), [2005](http://en.wikipedia.org/wiki/2005), a Halliburton convoy of four trucks was ambushed north of Baghdad. All four trucks were struck by [improvised explosive devices](http://en.wikipedia.org/wiki/Improvised_explosive_device) and were disabled. Their US National Guard escort was thought to have abandoned the disabled vehicles, leaving the drivers defenseless. Three of the four truck drivers were executed by the insurgents while the surviving driver, Preston Wheeler, caught the event on video. Although the trucks had military camouflage paint, there were only civilians driving them. It was 45 minutes before the US military arrived again at the scene. However, in a statement by senior military officials in Iraq, an investigation revealed that troops did not abandon the civilians and were exiting the "kill zone" during the ambush.

**Alleged Gang Rape Cover-up by Former Halliburton Subsidiary, KBR**

Former Halliburton subsidiary [KBR](http://en.wikipedia.org/wiki/KBR_(company)) is currently alleged to have covered up a [gang rape](http://en.wikipedia.org/wiki/Gang_rape) of [Jamie Leigh Jones](http://en.wikipedia.org/wiki/Jamie_Leigh_Jones), one of its contractors, by several other [KBR](http://en.wikipedia.org/wiki/KBR_(company)) employees in [Iraq](http://en.wikipedia.org/wiki/Iraq) in 2005. Jones was allegedly not only drugged and raped by her coworkers, but then confined to a security container without food, water, or medical treatment for a full day before a guard allowed her to call her father. Jones's father then contacted his local Congressional Representative [Ted Poe](http://en.wikipedia.org/wiki/Ted_Poe), who approached the [State Department](http://en.wikipedia.org/wiki/State_Department) regarding the matter. Because of contractual restrictions, Jones is barred from suing her employer. Halliburton is claiming that they are "improperly named" in the claim, as they have since divested from KBR.

**Halliburton in the media**

* [*Africa Confidential Volume 45 No 5: Blowback*](http://en.wikipedia.org/w/index.php?title=Africa_Confidential_Volume_45_No_No_5:_Blowback&action=edit&redlink=1)  
  On March 5, 2004 Africa Confidential revealed that 'Investigations in France, Nigeria and the United States into claims that the US company Halliburton was party to a US$180 million slush fund to bribe Nigerian officials are growing in political significance. Two familiar questions are asked of US Vice-President Dick Cheney, Halliburton's Chairman and Chief Executive in 1995-2000: what did he know and when did he know it?'. In June 2004, in an article entitled Gas Leak, Africa Confidential reported that 'Allegations that contractors building Nigeria's fast expanding Liquefied Natural Gas complex have paid over US$180 million in illegal commissions have prompted parallel investigations in France, Nigeria and the United States. From sources close to these investigations, Africa Confidential has obtained details of the circumstances surrounding the award of the LNG construction contracts and a list of those who have received payments from the contractors' appointed agent, British lawyer Jeffrey Tesler.'

See www.africa-confidential.com for more reports from Africa Confidential's ongoing investigation into this matter.

* [*Iraq for Sale: The War Profiteers*](http://en.wikipedia.org/wiki/Iraq_for_Sale:_The_War_Profiteers) is a 2006 documentary by [Robert Greenwald](http://en.wikipedia.org/wiki/Robert_Greenwald).
* [*The War Tapes*](http://en.wikipedia.org/wiki/The_War_Tapes) is a 2006 documentary filmed by actual soldiers during their deployment in [Iraq](http://en.wikipedia.org/wiki/Iraq). Notably, Halliburton is mentioned to be charging the USA $50 each for the disposable picnic plates given to the soldiers in the mess hall that their meals are served on.
* [*Fahrenheit 9/11*](http://en.wikipedia.org/wiki/Fahrenheit_9/11) is an award-winning 2004 documentary film by American filmmaker Michael Moore, which touches upon connections between Halliburton and Bush administration's decision to invade Iraq in the disguise of false propaganda of Weapons of Mass Destructions (WMD).

**Environmental record**

In 2002 a Toxics Release Inventory (TRI) reports were done to see if chemicals being emitted were harmful to people from Halliburton's [Harris County, Texas](http://en.wikipedia.org/wiki/Harris_County,_Texas) facility. The facility had 230 TRI air releases in 2001 and 245 in 2002.

On June 7, 2006 Halliburton's [Farmington, New Mexico](http://en.wikipedia.org/wiki/Farmington,_New_Mexico) facility created a toxic cloud that forced people to evacuate from their homes.

**See also**

* [List of oilfield service companies](http://en.wikipedia.org/wiki/List_of_oilfield_service_companies)
* [Private military contractor](http://en.wikipedia.org/wiki/Private_military_contractor)