Senate Democratic Policy Committee Hearing

"An Oversight Hearing on the Bush Administration's Plan to Rebuild Iraq's Hospitals, Clinics and Health Care System: What Went Wrong?"

July 28, 2006

0:00

SEN. DORGAN: We are going to call the hearing to order this morning. I am Senator Byron Dorgan. I am joined by Senator Bingaman and we will be joined by other colleagues as we proceed. This is a hearing of the Democratic Policy Committee. This is the 9th oversight hearing we have had on the issue of contracting in Iraq. The contracting that exists through the Defense Department through the Corps of Engineers and also other contracting for not only reconstruction but the contracting for providing services in Iraq. We have been conducting these hearings because the oversight committees of the Congress have decided largely not to conduct hearings and I regret that. We have invited Republicans to join us at these hearings. At the last hearing I believe we had a Republican member of the U.S. House with us. This is not about partisanship. It's about providing oversight with respect to what we are spending here in the federal government. The question is, with respect to these contracts, what are we accomplishing with the money that we are spending? This morning coming to the Capitol building I see in the *New York Times* a story on the left hand side, "A Series of Woes Mar Iraq Project Hailed as Model." It describes a $300 million project. It describes the building of a hospital in Iraq and the difficulties and the waste of money. Similar articles have been in the *Washington Post* and many other journals across the country. There has been precious little work by the U.S Congress to see how this money has been spent. The hearing this morning is going to focus on the rebuilding of Iraq's hospitals, clinics and health care system. I want to put out a chart that will show also a story in the *New York Times*. "U.S. Pays for 150 Iraq Clinics and Manages to Build 20." You will see that it says a $243 million program led by United States Army Corps of Engineers to build 150 health care clinics in Iraq in some cases has produced empty shelves of crumbling concrete and shattered bricks cemented together in uneven wells. In a wide range of areas the American taxpayer has been taking a bath and has been fleeced, in my judgment, by waste, fraud and abuse. Not by the millions or tens of millions, but by the hundreds of millions and billions of dollars.

2:35

Today we are going to hear about the issue of contracts to build and refurnish – refurbish, rather – health care clinics and hospitals in the country of Iraq. With respect to today's testimony, we will hear about contracts the Army Corps of Engineers gave the Parsons Corporation, a $243 million contract, and they actually got another $70 million contract to repair health clinics and hospitals. It's interesting to me that money is gone but

the work is not done. In the *New York Times* article this morning, with respect to one of the other contracts, the spokesman for U.S.A.I.D., the state department agency in charge of the project – the contracts are signed in most cases by the Army Corps of Engineers – but the spokesman says, well they actually cancelled the contracts with respect to this particular story. Parsons, with respect to the hearing we are going to have today. While the contracts are being cancelled, our government people said, technically the contract is not being terminated because the contract did not actually require the company to complete the hospital. They are under a contract, which means their job is over when the money ends. So despite not finishing the hospital, they did complete the contract. So apparently our government figures if you spend the money, you have completed the contract. That is the most unbelievable nonsense I have ever heard. You spend the money, we say you have completed the contract.

4:20

Now who suffers? Well, when we have this kind of waste and I think abuse – and perhaps in some cases fraud, because the contracts we are talking about here are contracts that are rewarded to American companies and they make contracts with, at least in one of these cases, with a Jordanian company to oversee the Iraqi subcontractor. It is unbelievable what is going on and no one is accountable. In the case today, we're talking about the $243 million contract to repair or build 142 health clinics, and only 20 were built. The Corps of Engineers says "well that's the contractor's fault." And the contractor says "that's the Corps of Engineers fault." It's interesting to watch everybody point fingers. Meanwhile, health care isn't being provided to the Iraqi people. The clinics aren't getting built, the American taxpayer is being fleeced, and nobody seems to give a damn. And that is why we have decided to continue to hold oversight hearings. If the oversight committees of this Congress decide to do their job, and hold these hearings, we would no longer need to do so. But somebody needs to ask the question: what on earth is going on? Who is responsible? How are we going to stop this waste? And how are we going to assure when we spend money that it is spent effectively? In this case it was for the purpose of providing better health care for the Iraqi people. Clearly that has not happened, and neither have the subcontractors' contracts been completed because the money was spent. Unbelievable. Senator Bingaman?

5:49

SEN. BINGAMAN: Thank you very much, Senator Dorgan, for having this hearing. This is an essential function which needs to be performed by someone here in the Congress. As you point out, the committees of jurisdiction are not performing this function. I commend you for being willing to. The way our government was structured, Congress was supposed to hold the Executive Branch accountable to execute the laws and to spend the taxpayers' dollars in reasonable ways, and that is not happening right now. The Congress is not holding the Executive Branch accountable. So I congratulate you on doing what you are able to do through the Democratic Policy Committee. I recognize that the environment in Iraq today is a very challenging environment in which to provide health care services or any kind of services. I think we sort of have to acknowledge that going in.

But even with that, I think you are right, that there are instances where we have mismanagement, waste and abuse, and perhaps fraud in the use of taxpayer dollars. We are not doing as well as we could, even given the very difficult circumstances that we face over there. I look forward to hearing from all of these witnesses. I am sure that they have some insight and some facts to present to us today that will help us to understand not only what was going on before, but how do we fix it looking forward, because the truth is we are in Iraq for a while. I mean this administration does not want to hear that, but the truth is that we are there for quite a while and this administration doesn't want to hear that very often. We got a lot of troops there. We have got a great interest in seeing that situation improve. And we are continuing to pour billions and billions of dollars into Iraq every week. We need to be sure those dollars are spent well. So thank you again for having the hearing.

8:04

SEN. DORGAN: Senator Bingaman, thank you very much. As I said we will be joined by other Senators, but we wish to begin. And the first witness today will be Ali Fadhil, a Fulbright Scholar. He is a doctor, a reporter, an interpreter, independent filmmaker, trained as a physician at the Baghdad University College of Medicine. Dr. Fadhil left Iraq to practice at a private hospital in Yemen in 2001. He returned to Iraq in June of 2003. He began working as an interpreter for the *Financial Times* and left medicine in mid-2004 to pursue a career in journalism. His articles on the battles for Fallujah have appeared in the *Guardian* and other newspapers worldwide. He has also directed and produced investigative documentaries including "Iraq's Missing Billions." He is now a Fulbright Scholar earning a masters degree in journalism from New York University. He has done a substantial amount of work and knows a fair amount about the issue of health care and the spending of money in pursuit of health care clinics in Iraq. We have invited Mr. Fadhil to share with us his work. Mr. Fadhil, thank you for being with us.

9:15

FADHIL: Thank you very much. I am delighted to be here today. And I will try to do my best. First, I would like to thank you, Chairman Dorgan and Senator Bingaman, and members of the Committee. My name is Ali Fadhil, as we mentioned. I am an Iraqi physician now studying in the United States as a Fulbright Scholar.

In 2001, after completing my medical training in Iraq and working briefly in Baghdad, I moved to Yemen for a year and a half and became a general practitioner at a private hospital in Sana'a and other different areas. On June 4, 2003, after the fall of the old regime, I returned to the Surgical Specialties Hospital in Baghdad. Later that year, I was hired by a reporter from the *Financial Times* to work with him as an interpreter. For a while I learned to work as an interpreter and a physician as well.

By mid-2004, I had left medicine and begun a new career in journalism. I assisted George Packer of *The New Yorker* Magazine, and the author of *Assassin's Gate*, and I worked as a reporter and interpreter for National Public Radio with several western

journalists. Ultimately I began working with the *Guardian* newspaper, and trained to work with Guardian Films. Most of my films were produced with them.

In January 2006, while working as an investigative reporter for Guardian Films, I visited two of the 142 clinics, or what they call it in Iraq, what Parsons call it, the "super clinics," of these two, one was based in Baghdad, and one based in Diwaniya.

I also visited three hospitals that Parsons was paid to refurbish under a separate contract – 3 of 18. The short video clips that you will see today are from one of those hospitals, the pediatric hospital in Diwaniya. One of these hospitals: the conditions there – and the reaction of Iraqi doctors and citizens – are repeated at all of the facilities that I visited. You can see more footage from the hospital in the full Guardian Films documentary, "Iraq's Missing Billions."

At this point I would like to show you the film, and I am available to answer any questions you may have. I have also submitted a longer statement for the record.

To elaborate further on the situation at the maternity and pediatric hospital in Diwaniya, I would first like to say that Parsons bears the most responsibility for the poor quality of work. But other bodies observed Parsons' work, and all of them are partially responsible for observing and evaluating the work done by the local Iraqi firm. These bodies are the Project and Contracting Office (PCO) which is based in the grey zone and dispatches everywhere in Iraq including Diwaniya. Also the Army Corps of Engineers,which is referred to by local officials in Diwaniya hospital as the American Army.

SEN. DORGAN: Alright, we will start the video at this point.

VIDEO:

NARRATOR: Ali Fadhil is an Iraqi doctor, but he is also a journalist who has won international awards for his dangerous work uncovering the truth about conditions in Iraq today. We asked him to investigate the human consequences of the coalition's failure to build Iraq as promised. Ali and his family live in Baghdad. His daughter Sarah is just three.

FADHIL: Sarah was born four days before Saddam fell. I think of her as the future of Iraq. That future depends on Iraq being rebuilt. This was the promise made by the United States and Britain.

PRESIDENT BUSH: We will help them rebuild basic services such as electricity and water and to build new schools, roads and medical clinics.

NARRATOR: Few things provide a better barometer of the state of a nation's health than the state of its health services. The coalition says it spent hundreds of millions of dollars on this. So we asked Ali to use his medical expertise to see what is being

achieved. While dispatchers went to the United States in search of the people who spent Iraq's money, Ali set off to look at reconstruction in one small area of Iraq.

FADHIL: They spent actually $527 million in a very small section in the south in a part called Diwaniya, I believe it is a good place to go and see. So we will go and see what the Americans have done so far.

NARRATOR: Ali headed towards Diwaniya, 100 miles south of Baghdad, on one of the most dangerous roads in Iraq. Because of the danger, only an Iraqi could attempt this type of investigation, but he will be risking his life to do it.

FADHIL: I decided to visit Diwaniya's only pediatric and maternity hospital. The years of wear, neglect by Saddam, and western sanctions left this hospital in a horrible state. So the staff was very pleased when the Americans promised a full, million-dollar refit. But with just a week to go before this part of the hospital is set to open, it is not looking very promising. The hospital manager has invited me to join an investigating tour. The American contractor is not happy about me filming.

15:35

As we walk around, the problems are obvious. Outside we can see an open manhole and sewage in the garden. And in the kitchen, more blocked sewage. Everywhere the standard of work is terrible. Things have melted. Pipes have not been connected. And in the operating changing room, you can smell raw sewage. But there is one thing that to a doctor seems incredible: the flooring has been done so badly, it is now a potential killer. I can even see ants crawling under the flooring. And this is in an operating theatre that is going to be in use in a week's time. The man in charge of maintenance is in despair.

NARRATOR: The American contractor told us that all the work had been done by Iraqi subcontractors overseen by them and U.S. government agencies. But for Iraqis the real issue is this: the coalition had $23 billion of Iraq's own money. So what have they done with it? In Diwaniya Dr. Ali Fadhil is finding that the problem is not crime, but the lack of basic equipment.

FADHIL: This is a maternity hospital. Yet the neo-natal care unit is desperately short of proper facilities. There are only 14 incubators, and they are old, made in the 70s. Most are broken, doors held in place by wires and tubes and even plasters. This is unhygienic. They should be sealed to keep out germs.

Staff here feel angry, but they also feel betrayed. The coalition says it spent hundreds of millions of dollars on health, yet still babies suffer unnecessarily for lack of basic equipment.

I wanted to check on the condition of Sarah and Abas. The twins were one-and-a-half months premature. Their mother was still unwell after the birth and being cared for in

another ward. She had not been told how weak her children were. When I found Sarah, the doctor was having a difficult time trying to treat the child without proper drugs or ventilation equipment. With no suitable mask to resuscitate her, he could only hold the tube to her nostril.

19:05

SEN. DORGAN: Dr. Fadhil, thank you very much. We have a good number of questions. And the point of this is that we have spent a substantial amount, an enormous amount of money has been spent by our country, and the question is, what happened to that money? What was done with that money? And so we will have a series of questions for you. But thank you very much for bringing us that dramatic video.

Doctor Richard Garfield is a Professor of Nursing at Columbia University. He has visited Iraq each year since 1996 to collaborate with UNICEF, the World Food Program, and the Iraqi Ministry of Health. Prior to 2003 he evaluated the quality of mortality studies and created independent estimates of mortality changes. He evaluated the overall humanitarian impact of the Oil for Food Program, participated in research on income and living standards in Northern Iraq, and has done a substantial amount of work since the 2003 invasion. Mr. Garfield has worked in Iraq for the World Health Organization and UNICEF and the international medical corps to assist in reconstruction and to manage the reactivation of health services. Dr. Garfield, thank you very much, we appreciate your being with us. You may proceed.

20:25

PROF. GARFIELD: Thank you for inviting me. Thank you for actually addressing these questions. We, in 2003, in the months following the invasion, saw that we would end up in the situation that we are talking about here. It was pretty much a forgone conclusion.

First of all, the people who were put in charge of rebuilding the health sector didn't know what they were doing. What I mean by that is that the individual that was put in charge of the CPA and his entire staff, among them, none of them had training in public health. None of them had lived overseas, and not one of them had participated in the reconstruction of a country following a disaster or a war. We have people with those sorts of expertise in the United States and some of them in the U.S. government. But none of them were appointed to the CPA health office. So I think it was inevitable that some of the priorities and some of the programs would be inappropriate. And when interviewed for this video, that individual, Mr. Haveman, who was the health advisor to the CPA, when it was asked how he was put in charge of post-war reconstruction, his response, that I only saw on the video in the later section was, what is the difference in a post-war situation? What is the difference in a pre-war situation? If after a few years, you can see that things have not improved despite the enormous amount of money that has gone into the program, if you are still asking or rhetorically suggesting that there is not a difference in post-

conflict situations to normal development situations, that shows that you still have not learned what is involved.

22:34

These situations are different, as the Senator mentioned in the beginning. It is a challenging environment, therefore we need people who are familiar with those challenges and would be able to organize programs that would respond appropriately and effectively to them. We did not have that. And it was clear from 2004 forward, despite the personal level commitment of those people, that they would not be able to give the priorities to make those funds effective.

So what I'm saying is apart from ineffectual systems of administration of the monies where a subcontractor gave to a subcontractor gave to a subcontractor without supervision in the field, without a hands-on plan, even if those inefficiencies hadn't occurred in the system, we would have had, at best, a very poor investment for the monies that we had put out. And the article that you mentioned this morning, on evaluating the Basra hospital, is another aspect of this. It is true that there are tremendous cost over-runs, it is true that there has not been much building. But even if we had done a good job of building it, it was the inappropriate action at the time it was decided to build it. The supplemental appropriations which, Senate and House voted on for funding for health in Iraq, in the postwar period, involved I think it was $860 million, and neither the House nor the Senate – neither of them voted on the building of that hospital. That hospital was something of a boondoggle. It was a showy project which didn't respond in an effective fashion for the monies involved to the health needs of the situation.

24:35

SEN. BINGAMAN: Could you just clarify for me which hospital it is you're referring to?

GARFIELD: The Basra Hospital.

SEN. BINGAMAN: The Basra Hospital. This is the one that is featured in the article that Senator Dorgan referred to?

GARFIELD: Yes.

SEN. BINGAMAN: Thank you

GARFIELD: The majority of cases of diarrhea in Iraq are treated inappropriately. The physicians do not know how to treat diarrhea appropriately. Parents do not know what's the appropriate approaches to sanitation. Of course these are problems everywhere, but they are particularly problems in Iraq, that the misfit between the level of resources that are there and the sanitary education and response is remarkable, greater than any other country I've worked in the past. We should have been involved in health education and

health promotion. We should be addressing diarrhea before we're trying to diagnose rare and difficult to treat cancer cases. But that doesn't give you a showy project. Nonetheless, even these people who were inappropriate and untrained for their work in running the CPA health section did not want to have their funds being used for the building of that hospital. And it was taken out of the bills in Congress and it was put back in after both houses had voted on it because of White House intervention. There were people who, again, were not trained in public health, had no expertise, didn't know anything about the region, who thought that this was a way that they could make a very wonderful contribution, a contribution which would be showy and maybe useful at a political level, but not appropriate at a technical level.

26:13

Until we deal with simple diarrhea more effectively, it just didn't make sense to be putting the monies in this area. So if the monies had been used better, we'd be in a better situation in that hospital. But overall, the health of Iraqis would not be in much a better situation, because this is not where that first $350 million, which is that what hospital would cost at least, should have been going to start with. Iraqis are actually consuming more antibiotics per capita than people in the United States. The perception is not this, the perception is that there aren't antibiotics, and that perception is because almost everybody gets prescribed antibiotics whether they need them or not, and very often are prescribed double and triple doses, under three different names of the same antibiotic. This means that the country is consuming an enormous amount of medicines but that medicine may not be there when the appropriate case that could use the antibiotic is getting it. This requires better training of physicians; this requires primary care and the linking of health offices and medical schools to the physicians who are in the clinics. It doesn't require CAT Scans. It doesn't requires that fancy stuff. A health system needs that fancy stuff, but it doesn't need that until the basics are there first. And that's where the investment should have gone, and the people who were in charge and then were put in charge under the PCO don't have the training or experience to recognize that these would be the fundamental health issues where we would make a difference.

27:40

The saddest part of the situation to me is not the cost overruns, sad as that is, it's that since the time of the CPA and the PCO offices, the U.S. involvement has not strengthened any of the monitoring conditions to know what are the major diseases of the Iraqis. We actually knew better under Saddam what health conditions were than we do today. Because you need people who are experienced in international health to think forward about how to strengthen information systems in the hospitals and clinics and how to mount periodic monitoring efforts to see how we're doing in the field. In fact, we don't know how we're doing in the field, because the last effort was one run by UNDP in 2004. There has been none since then, and none came out of CPA or the PCO,w and there are no plans from those groups today. Iraqi authorities were capable of dreaming up beautiful hospitals. We didn't need to bring in expert Americans to do that. Americans had the capacity and we had the experience around the world of improving information systems,

strengthening the training of physicians and nurses to do appropriate care for the care that fits for the condition, strengthening community health, monitoring the flow of medicine so you know where they are in the warehouse system and who's using more and who's using less; those were the experts that we should have brought in and didn't from the start and still haven't done so today.

29:15

So I want to close these initial remarks by saying our disgust at the misappropriation and the misuse of funds should not suggest that we should "cut and run" – this is not a comment about the military situation, I'm not addressing whether we should or should not be engaged militarily – but having helped to overthrow a regime which was inappropriate and spending money, very little money and very inappropriately for the health and well-being of Iraqis, we have a commitment to help see them through. We have the expertise to do it, which we haven't yet applied. If anything, now is the time to get more engaged in helping Iraqis to learn how to do these things, like these two Fulbright Scholars are – there's one piece of American involvement which makes the difference – because some Iraqis are getting training on how to know how much the health system is spending. The Health Ministry doesn't have people who have any training in that. We know how to do that, so we ought to be training Iraqis so that they can manage their system, find out what the diseases are, and then make the fit of training and administrative systems so that whatever comes in the top doesn't just come out like a sieve through the sides. We should be more engaged than we have in the past to make sure those things happen because we have the expertise to help them to do that.

SEN. DORGAN: Dr. Garfield, thank you very much. Once again, the perspective here is that we have sent a great deal of money, a great deal of American tax dollars has been spent. The question is what has been the result of that? Who got the money? And what is happening with respect to health care in Iraq that this money was supposed to be addressing. Next we will hear from Mary Paterson. Dr. Mary Paterson is a registered nurse, an associate professor, an assistant dean at the School of Nursing at Catholic University, 26 years of experience in the health administration, teaching international health development work. In 2002 and 2003 she provided technical supervision over a $100 million portfolio of U.S.A.I.D. funded health projects as an international health practice manager at ABT associates. Because of her experience with U.S and foreign health care systems, knowledge of the Middle East, a culturally sensitive approach to health care reforms, and background in the Army Reserves, in 2003 Dr. Paterson was selected to run the Iraq health system strengthening project. And Dr. Mary Paterson, thank you for being with us and we are anxious to hear your message.

31:50

DR. PATERSON: Thank you Chairman Dorgan. Members of the Democratic Policy Committee, and concerned ladies and gentlemen here. I thank you very much for this opportunity to talk about what we tried to do in 2003 in Iraq, what we learned, and perhaps suggestions for how we might do better in the future. Just a short background –

the USAID project that I was directing was a $40 million, rather small project, one year. Its purpose was to strengthen post-conflict health care systems in Iraq. It was not a reconstruction project. The contract was focused on maternal/child health and communicable disease control in the post-conflict situation. In order to deliver the results that we intended, my team understood that a priority was to work with the Iraqi health care providers to review pre and post-war situations in the health care sector and decide on how best to strengthen the systems that existed and reconstruct those that had been destroyed. Prior to my travel to Iraq, ABT Associates held briefings for all of the concerned parties to the contract, as well as with the CPA senior health advisor, Mr. James Haveman. We briefed him at the Pentagon.

At the initial stage of our project we were established in a small hotel in Baghdad, outside the green zone. My team began working and our initial focus was the Al Karkh district of Baghdad and we approached that health district which has provided services to 1.2 million people in Baghdad at the request of the Army Civil Affairs Unit that had been working with them there. We began to assess the primary health care situation in Al Karkh and simultaneously other members of my staff deployed across Iraq on an assessment visit to understand the situation in the primary health care clinics and the essential services that were provided in Iraqi hospitals. These activities were initiated at a time when the main emphasis at the CPA was on reconstruction projects. The underlying assumption was that there was no health infrastructure in Iraq worth preserving, and that the existing situation was not important. It was not important to understand since everything would be reconstructed. The ideology of this approach had the effect of isolating Iraqi health experts, since in the view of the CPA they represented the old, obsolete system that no one needed to understand. Despite this CPA orientation, we had a contractual obligation to work with the existing Iraqi health care system and with its providers in the post-conflict situation in Iraq. I would like to briefly summarize the findings from our work. My written statement contains more detail.

35:32

First of all, Iraq had well-trained physicians. They had basic medical training in English. We found them capable counterparts. The Iraq health care sector suffered from adverse social political environment and extreme under-financing. All the statistics that Dr. Garfield and his colleagues made available to us made that situation very apparent. In 1999-2000 Saddam's government had revoked the public's commitment to health care financing, especially in the primary health care sector. Primary health care clinics had to self-finance to a large extent. We found that relatively inexpensive solutions would have remarkably improved the situation for many primary health care clinics, maternity hospitals, and emergency rooms. I would like to emphasis that. It is not expensive reconstruction projects that would have solved many of the post conflict problems in Iraq. It is essential primary health care services, health education, health promotion of the type that Dr. Garfield described that would have made a marked difference in this situation to vulnerable populations in Iraq.

37:10

We knew that the centralized drug act accusation and distribution system needed immediate support and assistance. We recommended that support and assistance early on and we understood that to improve and create sustainable primary health care systems in the future it was important to work with the Iraqi government, the nascent Iraqi government, to negotiate a larger share of the national resources for the health sector in Iraq. It is not enough to put in quick fixes. Sustainable health care systems require sustainable financing. It was very important to work with our Iraqi colleagues to establish such a formula at the national level.

During the post-conflict period we had a clear opportunity to establish good relations with Iraqi health care providers who were very willing to work with us. They understood the need to work as a team to understand and remedy some of the worst problems in primary health care. Much of my time in Iraq was not focused on work with the Iraqis to improve the primary healthcare, but in discussions with Mr. Haveman on why the work needed to be done at all. Particularly we were unable to make a convincing case to him on why it was vitally important to re-engage with the administrators and providers in Iraq in order to understand professional values, ways of doing business, motivation, work environments, and most importantly resource needs.

I would like to quote a remark Mr. Haveman made to one of my team leaders. He stated, "We are done with the corrupt government of Saddam Hussein, why do we need to study what they had in the past?"

Given this attitude from the CPA, it was extraordinarily difficult for us to suggest reasonable and inexpensive solutions that would have immediately improved the situation. At one time we were asked for $16,000 to allow the primary health care clinics in Al Karkh to purchase renewable sterile supplies and other things that they had been unable to purchase because their bank accounts were frozen by the CPA. We were unable to approach the CPA effectively with that request.

At the end of the day, I was not a successful advocate for the participatory strategy that I believe is important to reconstitute the Iraqi health care system. I was asked not to return to Iraq by Mr. Haveman after 3 months of start up work. I firmly believe, as an experienced development professional and health care provider for 26 years, that much could have been accomplished if we had been allowed to implement the project work plan.

Improvement of the primary healthcare in Iraq is much more complicated now but there are experts who understand how to work in these situations, and I believe could effectively eliminate some of the worst problems that exist.

At the end of the day, I would like to suggest that the principles of respect for professionals, team work, and good professional practice would be accepted by concerned health providers worldwide. That has been my experience unfailingly in every country where I have worked with concerned health professionals. I ask this important committee to enable this approach as much as possible. Thank you.

41:15

SEN. DORGAN: Dr. Patterson, thank you very much. We appreciate your testimony and being here today. We have been joined by Senator Dayton. Senator Dayton, welcome. I think we will hear from the last witness and then we will ask some questions and ask you to participate as well. Finally, we will hear from Hala Al Saraf. She is a Fulbright scholar at Columbia University, a scholar of health policy at Mailman School of Public Health at Columbia. She was employed by the World Health Organization previously in Baghdad where she administered and coordinated Iraqi human resource development training programs, workshops, and fellowships in Iraq, Jordan, and elsewhere. Ms. Al Saraf has managed the health program budget for the World Health Organization's Baghdad office, developed and implemented fundraiser proposals for the rehabilitation of health centers in Iraq, and managed a project on the rehabilitation of primary health care in Iraq funded by the United Nations Development Program. We appreciate very much you being here. You hold a degree in English translation from a university in Iraq, a University College of London certificate in public health, and a diploma in humanitarian assistance from Fordham University's Center for International Health and Cooperation. Ms. Al Saraf, thank you very much, you may proceed.

42:41

AL SARAF: Thank you Mr. Chairman and please allow me to say that I am very honored to be here to see the partnership and collaboration between the U.S people and our people and how it could be a cornerstone in development of nation-building in Iraq.

Actually, my work experience goes back to 1997 with the Ministry of Health when I started working under the regular program that the U.N. has with the country. And throughout my years of work with them I have always worked in different programs. I identified one of the bottlenecks that always hampers or comes as a problem and that relates to health policy. So when the fortune came that I had the chance to join the Fulbright I had in mind to work on health policy. I saw that when tried to work with-during the reconstruction program after 2003 how the Iraqis needed to work with the CPA and they needed to share as much they could but unfortunately they were not the decision makings-makers and a number of things. Though I cannot talk officially about corruption, financial corruption, because I was not involved in this. But I could understand that any loss of money and wasted management is an administrative corruption and in Iraq unfortunately we witnessed a lot of that. One thing that we could not achieve since 2003, and up to date, is coming up with a clear policy as to how the money should be spent and who should decide priorities and on what basis. In regards of the hospital in Basra, this was my first study here and I studied really that even if we go ahead and construct this project, which is a very showy project, as Professor Garfield says, what are we going to achieve in terms of sustainability? Since the human resources are not geared to take over, there is no clear policy in financing it and no clear information system to support the different components and different departments to maintain it. Like Dr. Paterson said, even the health financing system that was somehow supporting the functionality before the

collapse of regime has been stopped, suspended since the CPA took over. So basically the hospitals and health clinics have had to function with the minimum budget, and interrupted flow of money, and the health workers have to deal with this situation. Listening to everybody else I can understand the anger it brings to the Iraqi people from the minute of high expectations to a standard that they cannot deliver, that they cannot get the basic essential care they need for their children and their family. The current situation that we have, in terms of violence, is effecting the health workers and the continuous brain drain and assassination of health workers and health professional in Iraq.

46:00

The Ministry of Health has reported so far more than one hundred doctors were killed since 2003. More than one hundred sixty-four nurses were killed while delivering health care. There's a kind of a gap now in medical education because of doctors fleeing out of the country because of the continuous kidnapping and assassination and they are leaving the country. This leaves the medical graduates with no solid clinical training in a number of areas. Now they have to deal in these hospitals and clinics with very difficult situations and the hardship of continuous emergencies and demands. Unfortunately, they don't have enough training to deal with it. They have been complaining about this situation and they have put it in writing. And I don't see how we can help them without your support. What I am trying to put together here is that, and remark on the comment made by Mr. Haveman, about the health system brought by Saddam. Actually Iraq had the health system much longer before Saddam. The first health clinic was established by the Jewish community in 1882 and the first medical school was established in 1884 by the Catholic mission, French Catholic mission in Iraq. And the first medical school established was 1920, and that was at a British base. This is where Dr. Ali and many famous doctors, even here working in the U.S., graduated from.

47:54

So unfortunately we are in a situation that we are losing this wonderful expertise because of the violence and because there is no security for their lives. This has affected the health system. The patients now have no access to get health care. Even if this hospital was established and implemented, there is no access for the patients to go to it because of the insurgency, or there are no doctors who could perform the essential requirements. And if there are no supplies, like the poor guy who has to hold the tube for the poor baby to breathe, I don't know how this could help the health system in Iraq. And I don't know what kind of assistance, unfortunately, we got out of it.

Yet, I am not the pessimistic type. I still see hope, and I still think there is a lot to be done. If we could try to maintain the remaining expertise, trying to find safe havens for them in stable, peaceful areas in Kurdistan. If we could get help to relocate the current expertise so that we ensure their return back once the security stabilizes, I think we will be achieving a bit of a success.

Another area is investing on all of us people who enjoy here the wealth of knowledge we receive here as Fulbright Scholars, as visiting students, exchange program students. We are all geared up to go back to our country and serve. We hope that we would have the opportunity to serve in our system. I really believe that policies should emerge from our own society. Policies cannot be imported, unfortunately; it doesn't work. Culturally, administratively, politically, we cannot import a policy and try to make it happen for us. It didn't happen for us, and I hope that soon, with your assistance, we could have *our* policy set back to meet our requirements. And this is the only way to go. Thank you very much.

49:59

SEN. DORGAN: Ms. Saraf, Al Saraf, your optimism is inspiring and we appreciate very much your being here to express that and to give us your other thoughts. The fact is all of us, I think, want the same thing. We have committed resources to try to be helpful to the Iraqi people during this very difficult time. And the question is: how are those resources being spent? Are some being wasted, some being stolen? Are they being used inefficiently?

And let me ask just a few questions at the front end, and then we'll call on my two colleagues, and then I will finish asking some questions later. But I want my colleagues to be recognized very quickly as well.

Mr. Fadhil, you showed us footage, it was pretty dramatic, from one hospital. But you said that you saw similar conditions at other hospitals that you visited. Can you describe that? I mean, we see sewer backups, water on operating room floors and so on. Is that atypical or is that something you've seen elsewhere?

FADHIL: Actually, you can see it in the three hospitals I visited. Actually, in Najaf, which is another hospital in another city in the south of Baghdad, the hospital there for pediatric and maternity there is much worse than in Diwaniya. And the reason is because Parsons started late in 2004 with the, in late 2004, yes, after the violence stopped in Najaf, after the confrontation between the U.S. and militants from the Sadr Mahdi army. They started reconstruction and when you go there you can see the reconstruction is really slow. It goes in really slow movements and it's, in fact, they stopped. The hospital is not working. It's not functioning like in Diwaniya because it's totally, totally ruined.

52:06

The facilities I visited…there's another hospital, which you can see it on Parsons' website, it's called Ibn-Baladi. This is at the edge of, at the north-west edge of, Sadr City in Baghdad, which, you know, it's a slum where almost three million people live in this part of Baghdad. And most of them are very poor people, very uneducated. The hospital in Ibn Baladi was supposed to be completed in October 2005. By the time I visited, that was the twenty-second of October 2005, that was the date when it was supposed to be finished. But, in fact, the work was thirty percent done. And of course the manager

complained, the doctors complained. They were complaining of several issues. They were complaining that the original materials they have like windows – the double glazed windows – they were removed, and single, ordinary, local-market windows being bought. They were having problems with the sewage as well, because they are not replacing the sewage, sewers pipes completely. In fact, they're opening it.

SEN. DORGAN: These were, but these were projects, you believe, where Parsons was…we spent $243 million…Money's gone, only a small fraction of the projects that were supposed to have been done were done. And you took a look at the projects that Parsons had done and you say shoddy workmanship, bad products, bad materials? Is that a fair assessment?

FADHIL: Yes, in fact, our first approach is to find out what Parsons exactly…what was more interesting for us is the one hundred fifty clinics, the super clinics…

SEN. DORGAN: Right

FADHIL: Which then turned into one hundred forty-two. But, in fact, when I went to the Ministry of Health, where I spent almost a month trying to find out where all these health clinics, where simply the officials said: there are no clinics, they are imaginary clinics. But you can't find, there is only one about to finish in Harriah City. That was the only one about to finish.

54:10

And there was supposed to…supposed to be delivered by the date I visited the Ministry of Health, but there were…it turned to be it has too many problems: electrical problems…

SEN. DORGAN: You're saying the other clinics don't exist?

FADHIL: The other clinics, there were only like…it's just a building, it's like a half-finished building: marble at the front, bricks at the side, you see inside it's just a ghost building, you can't find anything. It's just, as you said; it's just bricks and walls. That's, that's all that it is. And, in fact, in Diwaniya, there is also another one, one of these super clinics. It's also, this one it's really like the work is at the beginning. Really at the beginning. And there was supposed to be another one, in another, in another district in Diwaniya, but they never started. And so on, and so on. The problem is that you can realize from the officials at the hospitals is that Parsons never goes back to the engineers, to the doctors, to anyone who is expert in the hospitals. For example, Parsons in Diwaniya, the engineer who was responsible for the maintenance of the hospital, (Ali Hussein Jasm?), the one you see in the film, he was there in 1984. And that was the date when the hospital finished. So he was there basically from the first day the hospital started, opened. And he was expert in everything in the hospital, but he was frustrated with the work that the local contractors were doing because he doesn't have the equipment,

he doesn't have the facilities that he can bring, he can provide. This was a second class at least, second class, sorry, work. And he was basically complaining that we thought the United States is the biggest nation in the world, they have all this. What we hear and what we see in the TV and all of this about their size, professionals, where are they?

56:15

Why are we seeing this work? Why this shoddy work?

SEN. DORGAN: Let me just…you actually saw raw sewage bubbling up in operating rooms?

FADHIL: The… yes.

SEN. DORGAN: And these were operating rooms in hospitals that the American taxpayers had paid to refurbish?

FADHIL: Yes, these were operating rooms that were about to start working in two weeks.

SEN. DORGAN: Let me just ask a question about the young baby that you showed in your video. Do you know what happened to that young child?

FADHIL: Yes, the twin babies, this was the sister, and his, her brother was upstairs in the neonatal care unit. They have a syndrome called respiratory distress syndrome, and this is a common case in poor societies. And especially in the south we have too many cases coming to the hospital every now and then. And it's basically because of poor health education to the families and poor prenatal education. The…that child you saw had…she needed drugs, a drug called Sirfactint. That drug is not available in Iraq. It's available in Jordan, in other countries, but it's not available in Iraq. Since…from the very beginning of the, of the inventment of this drug, and also she needed a regular, measured oxygen percentage, which you can't provide.

58:00

FADHIL: In fact, what they have is an incubator with a broken thermostat so the child gets toasted inside and loses a lot of fluid and dies because of dehydration. And for her, for this poor child, she died when I was there in the emergency room, and the next day her brother died as well for the same reason.

SEN. DORGAN: The other, all three of you, Dr. Garfield, Dr. Paterson, and Ms. Al Saraf, all three of you seem to indicate that the building of this very large children's hospital at Basra, despite the fact that in this morning's newspaper we see reports that a substantial amount of the money has been spent in vast over-runs, not the kind of progress on the hospital that the taxpayers expect, and I believe a suspension of the contractor. All three of you, not withstanding that, believe that's not a very wise use of our money in

terms of addressing health care in Iraq as I understand the testimony. I'm going to have you just hold on that for a moment, I'm going to turn to Senator Bingaman and Senator Dayton so that they can begin to ask some questions and when they are completed I'll come back and ask you about that and other things.

SEN. BINGAMAN: Well again, thank you all for being here. Dr. Garfield, you referred, I think the phrase you used was the "ineffectual systems for the administration of funds." I think you were talking about where we hire a contractor, who hires a subcontractor, who hires another subcontractor. Could you elaborate a little about what's wrong, what are the systematic problems in the way we administer the funds that we were spending over there?

59:58

GARFIELD: I can't elaborate as well as some people who were more deeply involved with this, I was peripheral to that system. But the inappropriateness starts with a large building project that Iraqis don't know about, may not have considered among their priorities, and isn't integrated into a system. Then the planning is done by people who have never visited Iraq, by a construction firm that was, I think in every case a U.S. firm. I visited some of the early projects in the field and the people actually carrying them out had plans for building clinics that were just regular houses, they didn't even have the appropriate engineering plans for the use that these buildings were going to be put to because the initial consultants just pulled something out of the file that wasn't specific to the specs. The CPA office had a very small staff that had never been in charge of these kinds of programs and was inundated with information that they couldn't review, and so was unable both technically and just in terms of time in the day to review the projects they were sending for contracting. Contractors knew that they had little, there was little accountability to those who were funding them, and then the subcontracts started. We had three or four layers of consultants, very often, before there was groundbreaking done. And then the people who broke ground never were in a position to receive even the information from the prior consultants who were no longer on the scene and the institutional memory had been lost. That's a partial answer to your question of multiple layers and lack of accountability among all of the different layers.

1:02:14

SEN. BINGAMAN: Let me ask about, and you know, it would seem, Ms. Al Saraf, I think this was a point you were making, and Ms. Paterson also. It would seem that the right way for us to proceed in improving health care in Iraq would be to work through their Ministry of Health. And when I was in Iraq in April with several other Senators, and what we heard from our own military commanders there was that the most important thing we could do now, was to, I think the phrase I heard several times was to empower these Iraqi ministries so that they could begin to function as a government and actually show some signs of improvement for the Iraqi people to see. I guess, hearing from all of you that that's not the approach we took, to spending these health care dollars. It was not to empower this Ministry of Health, the Iraqi Ministry of Health, to become a functioning,

capable organization pursuing priorities that they had identified. Instead we sort of overlaid these priorities and tried to do it outside of that system. Is that an accurate description? Dr. Patterson? Ms. Al Saraf, any of you want to comment? I'd be anxious to hear your reaction.

1:03:45

PATERSON: I think that is exactly correct. In the early days of course there was not yet an organized ministry but there was a significant amount of technical expertise in the Ministry of Health without leadership because of debathification. So senior administrators had been removed but technical people were still there and trying to function. At that time if we had engaged with them, understood the situation in the ministry, and started working I think we could have been far, far more effective. For example, there was an extremely capable quality assurance group in the ministry trying its best to continue despite all of the disruption, the work in assuring quality of healthcare. They were simply left leaderless and no one talked to them, and of course they became demoralized, eventually I suspect, just stopped working.

SEN. BINGAMAN: Ms. Al Saraf, do you have a comment?

AL SARAF: Yes, please. I have been involved in health facility construction with the Ministry of Health prior to 2003 and I can assure you that they have very strict regulations in terms of handing over buildings and receiving buildings and they have so many bounding conditions that obligate the contractor to remain in a position to fulfill duties even months, and sometimes it takes, subject to the amount of the contract, a year after the conclusion of the contract. This is exactly like Dr. Paterson says, it's a set rule, it does not change with change of heads of administration, though it may affect them to some extent, but this is the ruling guide for construction. Apparently in all the other projects, those people, technical people, were kept aside and a different pattern took place in terms of reconstruction. And I would like to bring to the attention that the reconstruction that happened after 1991, it shows the great capacity of Iraqi contractors to work, even under pressure, but perform and implement and achieve. And the Iraqi contractor syndicate has some of the very well known names in the Arab world among Iraqi contractors. Unfortunately those are sitting at home, and other subcontractors are taking over, and maybe that's something to do with the quality as Dr. Paterson says.

SEN. BINGAMAN: Yes, doctor.

FADHIL: Yes, actually thank you. Adding to the last point Ms. Al Saraf said, the contractors in Iraq, like the company that works in Diwaniya, Dhifaf Al-Nahrain, if you search in the registered companies in Iraq, you can find the name, Dhifaf Al-Nairain, you'll find the name Dhifaf Al-Nairain, which is another well known company in Iraq. When I asked about the history of the Dhifaf Al-Nahrain, it's a company that was formed immediately after the fall of the regime. The head of the company was someone who was a translator working with the U.S. Army, and he got access to have these contracts. But in fact, they've never done any project, that was their first project.

1:07:20

SEN. BINGAMAN: You're saying that the established contractors that would have normally been hired to do this work were sort of bypassed and instead these other organizations were put together to get the work and to do it without the expertise to do it.

FADHIL: Well sir, we don't see any American contractor working in any part of Iraq. That's really rare. Myself, I've been in Iraq everywhere, I've never seen an American contractor working on an Iraqi project, only see Iraqi contractors. The way the American companies work is, they come once every one or two weeks to oversee what the local contractor had done. That's all that they do, they give their notes and they leave. That's what is happening in Diwaniya, that's what is happening in Najaf. It's not happening in places like the province where the Sunni Triangle is because they can't reach these places. But I'd like also to add one thing about the administration. I think what Ms. Paterson said is applicable in 2003, and it's maybe applicable in 2004, but now as an observer and as a journalist and a doctor, who's been in the Ministry of Health in the months, when I was in Iraq last year, you can't do anything now. There's no way that you can fix or you can help the health system in Iraq. The reason is because the Ministry of Health is politicized. It has four different ministers, four of them with different political agendas. The first one was from the Dawa party, the second one came also from the Dawa party, the third is from southern militias, the fourth is also from southern militias.

And the way they deal, if you go, if you walk inside the Ministry of Health right now, you'll find most of the general directors who had 15, 20, 35 years in running the departments in Ministry of Health, they were fired, even though they were not Bathist, even though they are not part of the re-Bathification agenda. They were fired. For an example, the engineer who is the director-general of the construction office in the Ministry of Health, his name is Engineer Hasan Asadi. When I met him, when I interviewed him, he was bragging that he is an officer in the army and he fought against the British forces, he held them back there. And the way he is running the office, he can't open his personal e-mail. He has somebody to open the e-mail for him. So you can imagine what kind of health systems you have, and what kind order you can give to this Ministry of Health to run, they can't; because they are politicized, simply. If you go inside you'll see pictures of the leader, Runuk Dasei, everywhere. If you say one single word against him, as Minister of Health, you will be abducted. Two of the members of this party, Sunni party, were kidnapped inside the Ministry of Health, and they were released later on by the Mahdi militias. It's not a way of working, it's not a safe way for Iraqis, even expert Iraqis, to attempt to attend work. In addition to, if you want to work with professional Iraqis, right today, you won't find them in Iraq, they're outside. To give you a clue about that, in a recent phone call with a friend of mine who works in Medical City, which is right adjacent to the Ministry of Health in Baghdad, central Baghdad. I asked him what he is doing, he is working on a Fulbright scholarship and he kind of won it, he is coming soon. I asked him about our colleagues, no one of our colleagues, no one of our professors is working at the Medical City. Himself, he is a student of the board of thermology, he is going to leave the board, even though he is in his third year, because there are no professors to teach him.

SEN. BINGAMAN: Thank you very much.

SEN. DAYTON: Thank you Mr. Chairman. We thank you all for your participation here today. First of all I want to say that you. More than anyone else in Washington, you have worked tirelessly to bring the truth about what is happening in Iraq and what isn't happening there to this Congress and the American people, and I salute you for it. It's just been extraordinary how you have persisted, how your staff worked in these areas. Unfortunately the majority in our body has control of the committees, chairs of the committees just want to ignore, turn a blind eye to what's really going on. The administration certainly wants to turn a blind eye to what's going on, and the tragedy is that then the Iraqi people are left to suffer, are left to die, as you described, and we sometimes wonder why they don't have a better regard for the Untied States and the efforts our heroic troops who are working to hold their country together. The other tragedy is, those troops, which include now over 2,600 National Guard men and women who have recently been deployed in Iraq who have been away from their families for almost nine months, will be away from their families for another nine months. Some of them will never see their families again because they won't return alive. And they bear the brunt of this, they suffer along with the Iraqi people, the consequences of these failures, because they're there taking the brunt of the insurgency, and it's just appalling. The willful blindness of the Republican majority in this Senate, the failure of the Senate committees to do what this committee is doing under your leadership, Senator Dorgan. Their failure is just beyond words, it's immoral. The failure of this administration to take responsibility, to be honest about this to themselves perhaps, but certainly the American people is also immoral, and the failure of these companies, as you described Dr. Fadhil, those failures are repeated in a story today in the *New York Times* about the failure of the Bechtel corporation to construct a hospital in Iraq. Here's the American government, apologists saying, "Bechtel did the best it could, as it faced everything from worsening security to difficult soil conditions."

1:14:35

Well, I acknowledge that there is worsening security there and that's again the failure of the administration and its policies have made it more difficult for everyone to function in Iraq. But I'm sorry this is Bechtel corporation, a major international contractor and they can't deal with difficult soil conditions? And the problem in part, as you described it Dr. Garfield, is that western engineers were seldom seen at the project. It was simply mismanaged. They're just siphoning off, and we don't know how much money at the top. They're just ripping off the American taxpayer, taking their cut of the money and after that dumping some portion of the rest of that on these subcontractors, and evidently showing up every couple of weeks just to check in, "hi, how ya doin'," and then get out of there. They ought to be prosecuted, these companies should be prosecuted. They should be required to return every dollar that they've taken from the American taxpayer when they haven't produced a project and walked away from it. I mean talk about cut and run, Bechtel is cutting and running, Parsons is cutting and running; leaving the Iraqi people and our troops behind to suffer the consequences. Those who are responsible and are doing so

knowingly ought to be prosecuted criminally; it's time for some accountability here. Corporate executives who are responsible or whoever they have given that responsibility to should be prosecuted criminally if they have knowingly defrauded the American taxpayer and the American government, which it appears to me that they have.

Chairman, again I thank you for this. This is so frustrating to see this go on, as you pointed out, when we sat here together months ago, we heard descriptions of raw sewage bubbling up; this was in the bathrooms of American troops. Putting their lives on the line, giving their lives over there, and they've got raw sewage because another American contractor won't be responsible for the tasks it's undertaken. It's just beyond the pail.

1:16:45

You also, Dr. Garfield, described how part of this problem has developed because nobody from the U.S. Provisional Coalition you said arrived for nine weeks to take responsibility for starting to reconstruct the Iraqi public health system after the overthrow of the Saddam Hussein regime, and then from your description it sounds like it got even worse when we did arrive than when they went there, because of there actions. You describe a Mr. James Haveman, am I pronouncing that correctly? That's Mr. Haveman, not doctor. And he's in charge of all the public health for the provisional authority and for the entire country of Iraq at that point, and he's not a doctor, he doesn't have a degree in public health, and he hadn't even lived outside the United States. Well, I don't care; if he's not competent he's no constituent of mine. If he's not competent and he took on that responsibility, fired you Dr. Paterson, and fired whoever else who had expertise who were already there, and then oversaw the failures that ensued, then that's the basis of my criticism.

It's inconceivable that there would be somebody without any qualifications, never took part in a post-war or post-disaster reconstruction. We had a director of FEMA whose previous experience was running the Arabian Horse Association; he's suddenly in charge of disaster relief of the entire country. We have somebody come in here without qualifications, and again I fault the administration for putting in who weren't qualified to take on those responsibilities. Dr. Paterson, were you ever told why you were dismissed or replaced?

PATERSON: I was not. Mr. Haveman simply requested my removal. I believe it was because I was trying to deliver the contractual deliverables that had been agreed, and they were not a priority to him.

SEN. DAYTON: Dr. Garfield, you said here that the people in the healthcare system in Iraq said that in the aftermath of Mr. Haveman's administration the healthcare system in Iraq became more corrupt than it was under Saddam Hussein. Could you elaborate on that please?

GARFIELD: I didn't remember having said that, but it's an important point.

SEN. DAYTON: It's in your testimony, the written testimony.

GARFIELD: Corruption under Saddam was extremely rigorous. Meaning you knew exactly how much they were taking. In the primary healthcare system under self finance the Ba'ath Party took 10% into party coffers. Sort of like mafia protection. The rules were strict and brutal and you knew what the rules were, and anybody else who tried to get in on the game got squashed. Getting rid of the administrative capacity of the government to run corruptly everyone was freed up to become their own independent entrepreneur in corruption. That's the heart of it.

SEN. DAYTON: Thank you. Dr. Fadhil, in your response to Senator Bingaman's inquiry that now in the Department of Health, Ministry of Health I guess in Iraq, if someone criticizes some of this corruption they weren't just fired, you said they were abducted. That means they might not ever be seen again, is that what you were saying?

FADHIL: Yes, exactly. I'd like also to say, there is a scene that I filmed which is not in the film, that in a zone of the hospital where the workers of the local contractor were working. They were using kitchen knives to peel off the floor to replace it, and that's the quality of work that Iraq is seeing in that hospital, and the rest of the hospitals.

SEN. DAYTON: Thank you, Mr. Chairman, again for holding this very, very important hearing.

SEN. DORGAN: Senator Dayton, thank you very much. I asked the question, and let me give you the opportunity to answer it. My sense was that the three of you feel that the Basra hospital is an inappropriate expenditure of money, because other things that need to be done are not being done and when this hospital is done it's likely that it will not be equipped to provide the kind of sophisticated care it's being built for. Dr. Garfield, can you respond to that?

GARFIELD: At best it is a much lesser good for much more money then funds could have been used for. Not that somebody who needs hospitalization shouldn't have hospitalization, but we could prevent twenty deaths among kids who have common illnesses if we had a system for supervision of physicians and ongoing education for those who are in practice and we built some of the clinics that could have been built with the money that is going into the hospital. If the hospital ever starts to function, it will be at the very best a much lesser good and a much smaller bang for the buck relative to the epidemiologic conditions in Iraq.

1:23:02

SEN. DORGAN: Dr. Paterson, if you want to respond to that you may, but I want to ask you about the fellow who was brought in by our government to run the healthcare systems in Iraq. He was brought in by the Coalition Provisional Authority, that was the authority that was created by the order of Secretary Rumsfeld who signed the order creating that. So in effect that was us. We brought in a fellow to run the public healthcare

system. As I understand what you have told us is you were in Iraq and you and others had put together a plan. This person without a background in public health said, "I'm not interested in the plan," and then began on his own doing what?

PATERSON: I believe he was interested in reconstruction. My best understanding was that he believed that "Build Back Better" was the phrase that I heard. The particularly difficult situation was that, referring to Senator Dayton's comment, we were a U.S. government contractor, we took our obligations very seriously. We had a signed contract and an approved work order for the work that was to be done. At the time I presented that to Mr. Haveman as representative of the CPA he said I'm not interested in any of that.

SEN. DORGAN: So the government had paid for your work through a contractor and that work was then discarded?

PATERSON: Yes, of course and it makes for a rather difficult situation since we were contractually obligated for those deliverables.

SEN. DORGAN: Mr. Fadhil, I'm interested in trying to understand a bit more, we had understood there were roughly 150 or so health clinics that were going to be built, rehabilitated, and you say that a good number of these are fictional or imaginary health clinics, they don't exist. Tell me about that.

FADHIL: That's according to the Ministry of Health

SEN. DORGAN: The Iraqi Minister of Health?

FADHIL: The Iraqi Minister of Health, because I was trying to locate these places because it's interesting to go and see these health clinics. If this would have been built it would have been a jump start in the health system in Iraq. The problem in Iraq was more of equipment and medicine, rather than buildings. We didn't need buildings. We needed, urgently we needed equipment, because all the equipment we had was either old or the new ones brought from the Oil for Food program were from China, not very well working, and most of them broken.

SEN. DORGAN: I apologize for interrupting you, you've made that point and I think I understand, there's a desperate need for the right kind of equipment, but the contract that the U.S. government did with the Army Corps of Engineers wrote a contract with the Parsons Corporation for $243 million to either build or repair 142 health clinics.

FADHIL: No, sir, build 150 clinics, and then it was decreased to 142. But to either fix or replace the aging hospitals or the existing hospitals across Iraq.

SEN. DORGAN: So we have a company called Parsons, that has since lost this contract, that is in Iraq for the purpose of building 142 health clinics?

FADHIL: Yes.

1:26:50

SEN. DORGAN: And you're saying that the Iraqi Minister of Health says, when you're asking where are these health clinics? [Parsons Corporation] said, "no, no, no, many of these are imaginary clinics. They don't exist."

FADHIL: Yes, sir, they were willing to have at least 15 of these and that would be enough for them. They were willing that they would have one in Sadr City, one in Horea, and Baghdad, East and West Baghdad, and then they do one in each province, but in fact the very best places like Kurdistan, where it is very, very safe, none of these were built. In very safe places in the deep south like Zubayr none of these were built, and they were imaginary. But the Iraqi Ministry of Health officials, they were saying to me that "we have no other choice, we can't tell them we don't want it, it's their money, and that's what they're telling us, it's their money, so at least we will have 15. That will be enough." But they never had these 15.

SEN. DORGAN: And you understand that my interest, our interest here is that we've spent the money. We're trying to understand what happened to the money. Has any of this measurably improved the health of the Iraqi people? The point of all of this is of course humanitarian. We understand the suffering, the immense suffering of the Iraqi people in this moment. It's a very tough time with security issues and other things. Last week we read that an average of 100 deaths occur per day of civilians. This is all about post-removal of Saddam, it's about the Coalition Provisional Authority first, and then the development of a constitution and a government in Iraq, and it's about humanitarian assistance to try to provide better healthcare to people who are in this situation. We spend the money; the question is what do we get for it? Part of it, as I understand the discussion today, is we spent the money on the wrong things, because we put someone in charge over there who decided to move in a direction that was probably not constructive at all, according to three of you. Part of it may be that we were being charged for things that didn't exist, and the other part that we saw on the video is we had a contractor build things that were done in an incompetent way in a manner that is shoddy workmanship and slapping together things that would pass as an operating room in a hospital that wouldn't pass any test anywhere in the world. The reason that it's important to ask these questions is this is not complete, this will continue, and if we've been wasting money. We shouldn't continue to waste money. If we've been ineffective in delivering healthcare to people who desperately need it we shouldn't continue to be ineffective. We ought to figure out what on earth is wrong, and how do you fix it? And not yesterday, but today. That's the purpose of this, it's not to embarrass anybody, but if asking tough questions is embarrassing that's just tough luck.

I agree with my colleague. I think everybody ought to be accountable here with respect to the taxpayer's money they have spent through contracts, what has happened to that money, who's responsible for that money being wasted, or for the American people being defrauded, if that's the case. That's the purpose of this, I want to underscore that once again. I think all four of you have provided a substantial amount of information, and

I'm going to invite the folks from the Parsons Corporation to be present and testify if they wish to respond, and I'm going to invite Mr. Haveman to come to this committee if he wishes to be present. We're going to continue to investigate all that we see that represents waste, fraud, and abuse. Because it does two things, it cheats the American taxpayer, and I think it cheats the people of Iraq, who were promised and who expected some humanitarian aid to try to give them an opportunity to experience some basic level healthcare during some very, very difficult times in that country. It's not easy, perhaps, for you to come here and spend your time with us, but I want to thank you for doing that today. Ms. Al Saraf, you will be going back to the country of Iraq, I assume?

AL SARAF: I shall, yes, I shall, I'm determined to go back. I have my family there, and I need to join my family.

SEN. DORGAN: Mr. Ali Fadhil, the reports that I have seen indicate the kind of work you have done there as an Iraqi you've done at substantial risk to your life, and I assume even speaking out is difficult, but you're a doctor, you're an investigative journalist, and I suspect you just feel the need to speak out about what you have seen.

FADHIL: Exactly. I'm also planning to go back as soon as possible. I am working with the frontline, and also an interesting subject about the Iraqi police, and we're trying to do that project in Iraq soon, by the end of this year.

SEN. DORGAN: Well, we want both of you to be safe, and we hope that in some way the violence begins to abate and the rebuilding of Iraq and the reconstruction of Iraq will proceed with Iraqi people working together to build a much better country. We know it's been a very difficult time.

I want to thank Dr. Garfield and Dr. Paterson. The area of public health is a very, very important area, and you've touched on something I've heard so often today. Often it's the basics, clean water for example, it's the basics of healthcare that are so very important and so overlooked, and that's why when we go back and take a look at what these contracts were about and why, I suspect we will get a better understanding of exactly what you described; a lack of the basics, a lack of the fundamentals being put together, while even some of the showy and some of the more conspicuous accomplishments that really don't exist at the ground level of public healthcare.

But I want to again thank all four of you for being here. We very much appreciate your participation.

This hearing is adjourned.