

The Corporate Invasion of Iraq

Profile of U.S. Corporations Awarded Contracts in U.S./British-Occupied Iraq

Prepared by **U.S. Labor Against the War (USLAW)**
for **The Workers of Iraq** and **The International Labor Movement**

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Executive Summary

The United States and Great Britain are now occupying powers as a consequence of an unprovoked military invasion of Iraq. The war was conducted in violation of established international law, treaties and the U.N. charter, and has been condemned by an overwhelming majority of the international community. Each justification, excuse and rationale offered for this immoral war has proven groundless and unsupportable.

The most urgent priority now is to meet the humanitarian needs of the Iraqi people, to establish security and basic public services, and to quickly organize an interim governing authority that fairly represents all elements of Iraqi society. This will put the nation on the road to popular governance, and should lead to the speedy withdrawal of all foreign military forces from Iraq.

A strong, independent, free and democratic labor movement and respect for workers and human rights must be an essential pillar of a new democratic Iraq. Prior to its suppression by the Hussein regime, Iraq enjoyed a robust and broadly representative labor movement. Its legacy provides the seedbed for reestablishing an independent labor movement with internationally recognized workers' rights to organize, bargain and strike. However, the occupying powers have invited into Iraq private corporations with an established record of labor, environmental and human rights violations. These corporations were chosen by the Bush administration, which itself is considered by many as the most anti-worker, union-hostile administration in modern U.S. history. This does not bode well for respect of workers rights in Iraq.

This report profiles eighteen of the most prominent U.S. corporations to which the Bush administration has given large, highly profitable contracts to operate in Iraq. A careful reading of the history of these companies shows that, for the most part, they do not bring with them a commitment to respect the rights of Iraqi workers. They come in pursuit of profit and a desire to control and exploit Iraq's natural resources, labor and markets.

Half or more are privately owned and therefore not required to account to public shareholders, nor to file even the minimal financial reports required of publicly traded corporations. The majority is firms whose workers have no unions; several have well-established records of hostility toward unions and workers who seek to organize them. Some of the largest contracts issued by the Bush administration for work in Iraq have been issued without competitive bidding to firms with inside connections to the administration. Many have past and present associations with the Bush administration through business or political relationships or elected and appointed government positions that give them privileged access in their dealings with the government.

The record recounted in the pages of this report is marked by cost overruns, accounting irregularities, financial dereliction, fraud, bankruptcy, overcharging, price-gouging, profiteering, wage-cheating, deception, corruption, health and safety violations, worker and community exploitation, human and labor rights abuses (including use of forced labor), union-busting, strike-breaking, environmental contamination, ecological irresponsibility, malpractice, criminal prosecutions, civil law suits, privatization of public resources, collusion with dictators, trading with regimes in violation of international sanctions, drug-running, prostitution, excessive executive compensation, and breach of fiduciary duty to shareholders and the public.

If photos of corporate criminals were hung on post office walls, many of the firms identified in this report would find their profile prominently displayed there. U.S. Labor Against the War, a national network of unions opposed to the war in Iraq, publishes this report as an act of solidarity with and support for the workers and labor movement of Iraq. We hope it will expose to public scrutiny the records of these corporate lawbreakers. We also hope that it will be used by the international labor movement as part of a broad effort to support the rights of Iraqi workers. We stand ready to provide Iraq's emerging labor movement with additional details as they become available to us. This report, therefore, should be considered a work-in-progress.

NEEDED:

A Global Campaign to Win Internationally Recognized Labor Rights for the Workers of Iraq!

In the wake of the unlawful and immoral U.S.-led invasion and occupation of Iraq, the U.S. government is now awarding billions of dollars in contracts to U.S. corporations — including some with corrupt, scandal-ridden, anti-labor histories and close ties to the Bush administration — for the "reconstruction" of that country. These companies obviously intend to profit handsomely from the devastation of Iraq while privatizing and putting under foreign control as much of Iraq's industry, services and wealth as they can get their hands on.

"Ensuring respect for workers' rights including freedom of association must be central to building a democratic Iraq and to ensuring sustainable economic and social development. Democracy must have roots. It requires free elections, but also mass based, democratic trade unions that help secure it and protect it as well as being schools of democracy. Free trade unions, an irreplaceable pillar of civil society, also bring together people of different backgrounds to promote and defend their interests at work, an essential feature of democratic stability. The UN's International Labour Organisation (ILO) must play a central role in supporting economic reconstruction, in generating decent employment and in supporting the development of tripartite processes and social dialogue...." ICFTU, May 30, 2003

In this situation, nothing could be more important to the welfare of Iraqi workers and their families than having the right to organize, bargain collectively and, if necessary, strike to defend themselves and advance their interests against these corporations. This applies not only to fighting for decent wages and working conditions but also for making sure that the Iraqi people, not foreign corporations, control the resources and economic future of their country.

Although the Bush regime now claims the war on Iraq was fought to bring democracy to that country (having found no weapons of mass destruction), we can be sure that its definition of "democracy" does not include workers' rights and strong independent unions. Bush and his cohorts have waged a relentless assault against organized labor and working families in the U.S. We would expect nothing different in their treatment of unions and workers in Iraq. Similarly, consistent with their anti-labor records in the U.S., we that expect some U.S. corporations now operating in Iraq are likely to violate the labor rights of Iraqi workers. Evidence of that has already surfaced in the city of Basra in the decision of a Kuwaiti firm operating as a sub-contractor for Kellogg, Brown & Root to use Asian rather than Iraqi workers to perform repair and reconstruction work there. Evidence of the resurgent labor movement also surfaced in the demonstrative response this decision received by Iraqi workers. The workers' movement there has deep roots.

There is a legacy of labor activism in Iraq upon which can be built a modern labor movement if given the chance. The first organized strike was in 1927 by railway workers, who two years later organized the first trade union. The post-World War II era witnessed a major upsurge in labor organizing, and labor played an important role in overthrowing the monarchy in 1958. By 1959 there were a quarter-million Iraqi workers organized into a vibrant and pluralistic labor movement that continued until Saddam Hussein seized power in 1979. As Hussein consolidated his power, he clamped down on labor rights. According to an International Confederation of Free Trade Unions (ICFTU) report on Iraq, a 1987 law outlawed independent trade unions in favor of a government-controlled federation, prohibited unions in the public sector and in state-owned enterprises, and made almost all strikes illegal.

Still, the various governments of Iraq have ratified fifty-seven ILO conventions over the years including the critical Convention 98 establishing the right to organize and bargain collectively. These ILO conventions have the force of law once ratified. Already there are stirrings among the workers of Iraq -- protests to demand unpaid wages, demonstrations against the selection of corrupt managers, resistance to the indignities of occupation.

The international workers' movement and labor federations and unions around the world must be at the forefront of the struggle to guarantee the observance and enforcement of all ILO standards and international conventions for the promotion and protection of labor rights in Iraq. U.S. Labor Against the War will enthusiastically support a campaign to secure for Iraqi workers the labor rights necessary for a decent and dignified existence and as the foundation for a truly democratic society. To that end, we offer here brief profiles of some of the U.S. corporations that have been awarded contracts to "rebuild" — or more aptly, to privatize — Iraq.