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BILL MOYERS: Welcome to THE JOURNAL. Earlier this week on the CBS Evening News Katie Couric asked the presidential candidates what one book (other than the bible) they would take to the white house with them if they win. Here are their answers:

SEN. JOHN MCCAIN: WEALTH OF NATIONS by Adam Smith because we may be entering some pretty shaky economic times.

SEN. BARACK OBAMA: Doris Kearns Goodwin's book TEAM OF RIVALS. It was a biography of Lincoln, and he was confident enough to be willing to have these dissenting voices.

MIKE HUCKABEE: There's a great book by Francis Schaeffer that had a real influence on me, WHATEVER HAPPENED TO THE HUMAN RACE? And it talks about the dignity and worth of each individual.

SEN. HILLARY RODHAM CLINTON: I would certainly bring a--my copy of the Constitution because there apparently was not a copy in the Bush White House the best I can determine. So I would bring THE FEDERALIST PAPERS.

MITT ROMNEY: JOHN ADAMS by David McCullough. A truly great leader who made a difference for America, and his example is one I'd want to follow.

BILL MOYERS: Now I want to turn that question around and ask you. What's the one book you wish the winning candidate would take to the White House next January. Think it over carefully -- the one book our next president should read in preparation for leading the country. Send your nomination and next week we'll share your suggestions and I'll tell you mine. Post your suggestions on our [blog at pbs.org](http://blog.pbs.org).

In the meantime, here's the one book you will want to read during this campaign: UNSPUN: FINDING FACTS IN A WORLD OF DISINFORMATION by Kathleen Hall Jamieson and Brooks Jackson. It's the ammunition you need to be your own truth squad as this political season comes to a boil. Kathleen Hall Jamieson is with us now. She's the Director of the Annenberg Public Policy Center at the University of Pennsylvania and one of the country's careful readers of the political tea leaves. Welcome.

KATHLEEN HALL JAMIESON: Thank you.

BILL MOYERS: So, unspinning the spin, what was the big news of the week?

KATHLEEN HALL JAMIESON: The big news of the week was that the President of the United States with substantial power at his disposal, and in a presidency that has asserted an unprecedented level of authority for Commander in Chief suggested that there may be eventually a protective over watch mission.

PRESIDENT BUSH: American troops are shifting from leading operations to partnering with Iraqi forces and eventually to a protective over watch mission.

KATHLEEN HALL JAMIESON: What is a protective over watch mission? And is this President going to commit the nation and try to commit his successors to a more permanent role in Iraq than the Democrats would like? What are the consequences of that? What does it mean? Euphemisms are worrisome. Protective over watch mission doesn't

translate well into some clear conception of what we're going to do and what the commitment behind it entails. The second thing that I thought we ought to look at very carefully. "Tehran is also developing ballistic missiles."

PRESIDENT BUSH: Tehran is also developing ballistic missiles of increasing range and continues to develop its capacity to enrich uranium which could be used to develop a nuclear weapon.

KATHLEEN HALL JAMIESON: Important words in the context of the case that was made for intervention in Iraq. Why should we pay attention to these things? Presidential words matter. Presidential power is real. And in times of war, a President's capacity to act is much less constrained than it is in other environments.

BILL MOYERS: What's the relevance of this to the people listening? What should they take away from this?

KATHLEEN HALL JAMIESON: We had two major debates, highly informative debates in which that was not a featured element in the debate. And as a result, we didn't clarify what these people would do in relationship to it, except in the Democratic debate with Hillary Clinton saying that she and Senator Obama would be joining in order to try to move through Congress legislation, a proposal that would say that we're not going to let President Bush bind his successor about a permanent presence or a long term presence in Iraq. And we should ask the same question of the Republicans in the debate. Because perhaps, the Republicans believe it would be desirable to do that. And it's in that context that I would hear Senator McCain's statement about a long-lived presence in Iraq. What is the nature of that presence? The Democrats are being fairly specific about what they see as the length of the commitment, whether desirable or not. And the nature then of the other kinds of activities that they would engage in as President. When would they intervene and go back in? When would they not?

BILL MOYERS: This goes to the heart of my concern about elections. I mean, in 1964, you would not have imagined Lyndon Johnson going to war in Vietnam within a year. In the year 2000, election 2000, you would not have imagined. Nothing was said about George W. Bush invading Iraq within two years. I mean, is there much we can take away from the past as it's invoked in the campaign that tells us about the future of how a candidate will act once he or she is in the White House?

KATHLEEN HALL JAMIESON: To some extent, one can. Because one is looking at temperament and disposition of candidates. And asking whether or not they're going to be judicious about their-- the exercise of power in the White House. Whether they're going to be decisive. But there are some things that we haven't found a good way to learn from campaigns. I think part of the question that we have in campaigns is, how do we know what you will do in the unanticipated moments, Candidate? And what the candidate says the candidate will do sometimes doesn't forecast what the candidate actually will do. Hence, the concern with honesty and consistency, not irrelevant concerns, both to the press and the public.

BILL MOYERS: Character, as they say.

KATHLEEN HALL JAMIESON: Character, as they say. And we don't have a good way to say and here's where you're going to find it and there's where you're going to find it. But I can say one thing. Words do matter. In general, the words of a candidate do forecast governance.

BILL MOYERS: There was a lot of talk this week of endorsements. What do voters take away from endorsements?

KATHLEEN HALL JAMIESON: Endorsements are important because they sometimes bring supporters along with them. If I say United Farm Workers, what does that mean to you?

BILL MOYERS: It means Cesar Chavez.

KATHLEEN HALL JAMIESON: And Cesar Chavez is identified with which—

BILL MOYERS: Hispanics.

KATHLEEN HALL JAMIESON: Hispanics. And with which Democratic tradition? Robert Kennedy. Hillary Clinton received the endorsement of Robert Kennedy's heirs. Barak Obama received the endorsement of Edward Kennedy and Caroline K con-- contest of endorsement with the United Farm Workers endorsing Hillary Clinton. Why did she say on the debate last night, "I'm endorsed by United Farm Workers"? Because it becomes a signal to a particular constituency, that she falls into a tradition of activism on behalf of, in particular, Hispanics. That was tied back to the Robert Kennedy tradition and hence the other endorsements that she featured. Endorsements are a signaling mechanism.

BILL MOYERS: If you were McCain trying to convince the recalcitrant and very unhappy conservatives, the Rush Limbaugh's and the Sean Hannity's and all of the spokesmen for the hard right that you were conservative enough to be the nominee, why would you want the endorsement of Giuliani and Schwarzenegger, two of the most liberal Republicans in national life?

KATHLEEN HALL JAMIESON: You would want their endorsement to create a sense of inevitability and momentum. That those people across the country regardless of ideology were coming on board to your nomination. And you'd want to be signaling in the general election that you are in fact a candidate who encompasses both the moderates and the conservatives within your party. Because at the same time, when you are Senator McCain, you are featuring, and look at what he does in the debate, the endorsement by Phil Gramm. The endorsement by Jack Kemp. The endorsement by Warren Rudman. What is that signaling? It's signaling I'm a supply-sider, conservatives, relax about those two votes that I cast against the George W. Bush tax cut. Don't worry. I'm a fiscal conservative. And when he says, four former Secretaries of State support me, he's signaling, I'm a foreign policy conservative. Because in that list is George Schultz, revered as a Secretary of State, particularly in conservative circles.

BILL MOYERS: Under?

KATHLEEN HALL JAMIESON: Ronald Reagan.

BILL MOYERS: Reagan. Yeah.

BILL MOYERS: Two ghosts kept floating across the screen this week. John F. Kennedy and Ronald Reagan. How do you explain their reincarnation?

KATHLEEN HALL JAMIESON: Each side mythologizes its own past. And so, when the Republicans invoke Ronald Reagan, and, you know, Ronald Reagan was the presence in the room and is the presence in the room through much of this Republican debate—

KATHLEEN HALL JAMIESON: But what we're not hearing in the debate is, I'm in the Reagan tradition of immigration reform. It was President Reagan who signed immigration reform, now widely viewed as failed immigration reform. I'm in the tradition of Ronald Reagan spending cuts. It was Ronald Reagan in his autobiography who regretted that he wasn't able to make the spending cuts that he wanted to make. So, what do conservatives not feature? They don't feature those facets of the Reagan legacy that are inconvenient in the current debate. What are we invoking with the legacy of John Kennedy? It was Caroline Kennedy's endorsement ad for Senator Obama, with Edward Kennedy's impassionate speech and impassionate speeches. We're invoking the mythic past the same way that we're invoking the mythic past of Ronald Reagan on the Republican side.

BILL MOYERS: Mythic.

KATHLEEN HALL JAMIESON: Mythic. It's a construction. It's all the things we'd like to remember it to be if we're a Republican on one side, if we're a Democrat on the other. The inconvenient parts are being factored back. We're forgetting Bay of Pigs. We're forgetting—

BILL MOYERS: Which John F. Kennedy executed within the first few months of his administration.

KATHLEEN HALL JAMIESON: And which had been planned other-- Republicans.

BILL MOYERS: You could say he wasn't ready on day one.

KATHLEEN HALL JAMIESON: Well, and that's part of the problem with the analogy back to John Kennedy from Edward Kennedy and Caroline Kennedy. Because the Presidency was tragically cut short before John Kennedy had been able to get enacted most of his legislative agenda. And as a result, you don't have many specific accomplishments that you can turn to. And you have Bay of Pigs, an admitted mistake. And you have a campaign that was predicated in 1960 on a missile gap that didn't exist.

BILL MOYERS: But it-- but what they were doing it seems to me is invoking the buoyancy, the ebullience, the sense of optimism that, you know, Obama is said to represent without having the experience to back it up. Isn't that what they were invoking?

KATHLEEN HALL JAMIESON: And that's why—

BILL MOYERS: The charisma.

KATHLEEN HALL JAMIESON: That's why I say mythic. It is because on both sides, they move back and they select the pieces that they want you to remember. And they feature those pieces. And to some extent, people who haven't lived through those times, and a large part of the electorate hasn't lived through those times, are now being invited to see a part of the past without seeing in its full historical context. At a certain point, we're substantially misrepresenting the historical whole.

BILL MOYERS: But that's always the case in our-- in American politics, isn't it?

KATHLEEN HALL JAMIESON: That's always the case.

BILL MOYERS: You bring the past forward to tell-- to give it your meaning.

KATHLEEN HALL JAMIESON: And the question is, do we in the process lose some meanings that would help inform our understanding of the present

BILL MOYERS: I was struck that both Obama and Clinton were canonizing the man who had just dropped out of the race. And I'm speaking of course of John Edwards. I mean, you would have thought he was the giant on whose shoulders they stood as you listened to that debate.

KATHLEEN HALL JAMIESON: One of the interesting questions about endorsements is, when someone drops out of the race, can that person's endorsement carry any of that person's supporters to another candidate? Is that capacity to signal actually there? I suspect that largely, it is not. Largely, the people who come to vote in primaries are the more partisan and more informed. And as a result, already have a pretty clear second choice. But why are they appealing to the legacy of John Edwards? In part because if there are some of John Edwards' supporters out there who are trying to decide between the two, they'd like a signal sent that they're-- those supporters are welcome.

BILL MOYERS: What's your explanation of why Edward's message about poverty didn't get traction in this campaign? Has the fight for social and economic equality become a rogue mission within the Democratic Party?

KATHLEEN HALL JAMIESON: I don't think the argument about income inequality has found its concrete tangible expression that lets the country understand the nature of the problem. Income inequality is a-- is an academic abstraction. And it's a very important concept. But the Edwards campaign is predicated on that underlying notion. And if you had to listen across the rhetoric, and I think John Edwards was a very persuasive, very moving

candidate. He delivered a very effective stump speech.

BILL MOYERS: And his last speech was a very powerful speech.

KATHLEEN HALL JAMIESON: But there are moments in which you grasp a problem in the particular and the problem won't let you go after that. There is one of those moments in the 1960 campaign interestingly enough, when John Kennedy, a wealthy candidate, says that he learned of children who took part of their school lunch home so that there would be food at home for the children. Occasionally, there are little vignettes that just simply cut through and they grab the moment. And suddenly, you understand something.

As John Edwards argued about the veterans who are sleeping under bridges and are sleeping on our streets, I was surprised that that didn't become that kind of moment. Not because it was carrying to the broader theme of poverty, but because it carried in the context of our military engagement a particularly poignant message. So, my direct answer to your question is, I think there has to be a moment in which we're shocked by something. I thought the moment about veterans sleeping under bridges should have and could have become that. And didn't because the horse race coverage of the campaign is so strong, that by then, this candidate had been marginalized into third place, also ran, message can't be important. Well, sometimes, those candidates are carrying messages we need to hear and we need to act on.

BILL MOYERS: What do we expect for super Tuesday?

KATHLEEN HALL JAMIESON: What super Tuesday tells us because of the importance of delegates in a state is how silly this early process by which we're ready to declare winners and losers, nominees and also ran's after very, very early caucuses and primaries. You know, they-- some candidates dropped out of these races before they ever had a chance to appeal to a mass electorate. Some candidates were marginalized out by the press and their messages as a result weren't heard, before they ever had a chance to appeal to a mass electorate. But here's the tragedy. It's awfully difficult to appeal to that mass electorate if you haven't raised or don't already have large amounts of money. If one has a message coming into super Tuesday, it is the fact that Governor Romney outspent Senator McCain. And Senator McCain won in two different primaries, having been outspent. Message can triumph over money under some circumstances. That's hopeful. It's not across super Tuesday. The side message of super Tuesday. Open question. Is money decisive?

BILL MOYERS: Kathleen, we'll be back next week to talk about the aftermath of super Tuesday. Thanks for coming.

KATHLEEN HALL JAMIESON: You're welcome.

BILL MOYERS: We turn now from the rhetoric of the race to the reality of governance. Congress has begun a new round of hearings to get answers to questions the Bush administration refused to answer last year — questions about accountability. The heart of the matter is how do we know what the people in power are doing with the public's trust and the taxpayer's money if we are kept in the dark? Here's the first of reports we'll be bringing you over the coming months on some of the key hearings on Capitol Hill.

You are looking at some of the least known but most powerful people in Congress. The Oversight and Government Reform Committee is the main investigative body in the House of Representatives, it's charged with making sure the government is doing its job and holding the executive accountable. That means searching for waste fraud and abuse of power in any federal program. Henry Waxman, who has been in congress 33 years, has been ranking member of the committee since 1997.

REP. HENRY WAXMAN: The meeting will come to order.

BILL MOYERS: He took the chairman's gavel last year when the Democrats won control of Congress.

REP. HENRY WAXMAN: It's almost like having a policeman on the beat. If no one thinks they're being watched and being held accountable, they think they can get away with anything. And with this administration, the Bush Administration it's particularly dangerous because they've operated with enormous amount of secrecy. And they really did not want the Congress or the American public to know what they were doing.

REP. HENRY WAXMAN: If you would raise your right hand. Do you swear...

BILL MOYERS: Henry Waxman has a long history of digging. He put those seven tobacco company chiefs under oath in 1994 when he chaired a Subcommittee on Health and the Environment.

REP. HENRY WAXMAN: How many smokers die each year from smoking cigarettes?

JAMES JOHNSTON: I will explain...

REP. HENRY WAXMAN: No I want your answer. We have a limited time.

JAMES JOHNSTON: I do not know.

BILL MOYERS: Those hearings began to unravel the tobacco industry's claim that smoking was perfectly safe.

REP. WYDEN: Yes or no, do you believe nicotine is not addictive?

MR. CAMPBELL (PRESIDENT OF PHILIP MORRIS U.S.A.): I believe nicotine is not addictive, yes.

MR. TISCH (CHAIRMAN AND CEO OF LORILLARD TOBACCO COMPANY): I believe that nicotine is not addictive.

MR. HERRIGAN (CHAIRMAN AND CEO OF LIGGETT GROUP): I believe that nicotine is not addictive.

MR. SANDEFUR (CHAIRMAN AND CEO OF BROWN AND WILLIAMSON TOBACCO COMPANY): I believe that nicotine is not addictive.

BILL MOYERS: You've been around this town now over 30 years. You've seen it all. Since Watergate is this different?

REP. HENRY WAXMAN: I think it's much different. In fact, I think this administration is more secretive than the Nixon administration, which was obviously very, very secretive and didn't want to be held accountable and fought all the way to the US Supreme Court not to make information available to the Congress. They use the term executive privilege. When Nixon used it, people were shocked. Now, they just throw around executive privilege quite-- quite-- easily to say, "No, Congress isn't entitled to that information."

REP. HENRY WAXMAN: Today's hearing has been called to investigate allegations of misconduct at the general services administration.

BILL MOYERS: Waxman's committee held 40 hearings last year... It's understandable if you missed a few this one, for example:

REP. HENRY WAXMAN: I am very pleased to welcome the Honorable Lurita A. Doan.

BILL MOYERS: Lurita Doan is not a household name - but she is one powerful woman. She runs the GSA - the General Services Administration -- the largest broker of goods and services for the federal government. She manages nearly 500 billion of our tax dollars.

REP. HENRY WAXMAN: I think that's the kind of thing that Congress ought to be looking at. Because people work hard for their money. And whether you're a liberal or a conservative or whatever you call yourself, you shouldn't want to see it wasted.

BILL MOYERS: Lurita Doan was herself once a government contractor - providing surveillance equipment for border security and other projects. A big contributor to Republican campaigns, she was appointed by President Bush in 2006. Leaks from inside the GSA began to raise eyebrows.

REP. HENRY WAXMAN: We heard that Lurita Doan, who was the head of the agency, who had only been there six months at the time, was trying to give a special contract to a friend, a personal friend, rather than have competition. And secondly, we heard that she was also giving a- contract or directed people to give a contract-- I think it was Sun Microsystems-

BILL MOYERS: Right.

REP. HENRY WAXMAN: --even though her own employees were telling her that the government's not getting a good deal. They're overpaying for these services. So with these two issues we felt it was important to call her in. Her own Inspector General had criticized the way she was operating. And we wanted to hear what she had to say.

LURITA DOAN: I refuse to yield. I still believe that my actions were right. But I'm going to tell you, I'm not a perfect person. I make mistakes. And honestly, I'm probably going to make a few more. But there was no wrongdoing.

BILL MOYERS: As they combed through the documents looking for possible sweetheart deals, Waxman's investigators came upon a real surprise -- a powerpoint presentation given at her supposedly non-partisan agency by Karl Rove's White House Deputy, Scott Jennings.

REP. BRUCE BRALEY (D-IA): Can you tell us what if anything these slides have to do with the GSA's core purpose of procuring supplies and managing Federal Buildings?

LURITA ALEXIS DOAN: This brown bag luncheon I believe has been mischaracterized. This is a meeting that is a team-building meeting that is hosted by our White House Liaison, a GSA employee, a non-career employee and it is hosted every month.

REP. BRUCE BRALEY (D-IA): Well when the presentation begins with the White House Office of Political Affairs on the cover slide and the slide presentation has multiple references to the Republican's vaunted, 72 hour get out the vote effort, and its impact on a host of different Congressional races, which is what is contained on the other slides that are in this presentation, I think the American taxpayers have a very good reason to wonder whether the only team that was being helped during this briefing was the Republican party team.

REP. HENRY WAXMAN: It's a violation of what's called the Hatch Act. You're not supposed to be doing partisan politics when you work for the government as a way to try to keep people insulated from the old days when the machines used to insist that government employees work for the party.

REP. BRUCE BRALEY (D-IA): You have suggested that this wasn't intended to have a partisan purpose in your presentations and yet the Committee has been informed by multiple sources that after Mr. Jennings finished his presentation you took the floor, thanked him and then posed a question to the entire group of participants and, according to those sources, you stated, "how can we use GSA to help our candidates in the next election?" Now, reminding you that you are under oath, can you tell the committee whether, in fact you did make that statement?

LURITA DOAN: I do know that I am under oath, and I will tell you that honestly and absolutely I do not have a recollection of actually saying that.

REP. HENRY WAXMAN: And she said, "You know, I was there. I think I was pretty sure I was there. But I don't recall ever saying anything. In fact, I-- unless I did-- looked at my calendar, I'm not even sure I was there."

LURITA DOAN: I don't know how many times I said this but I will repeat again that I cannot - I do not recollect this. I honestly and absolutely have no recollection

BILL MOYERS: Waxman called her back a second time and pulled no punches.

REP. HENRY WAXMAN: It's unusual for me to ever call for the resignation of a federal official. But in your case, I don't see any other course of action.. I would urge you to resign.

BILL MOYERS: But Ms Doan is still in office, isn't she?

REP. HENRY WAXMAN: She's still in office, and I think we've got to ask that question again of the administration. Why is she still there if she violated the law? And why is she still there if she gave sweetheart contracts, misusing taxpayers' dollars?

BILL MOYERS: It's one of the mysteries Waxman hopes to solve this year. There are many more.

BILL MOYERS: You turned over a lot of rocks last year. Was there a pattern to what you kept discovering?

REP. HENRY WAXMAN: I think what we found that was most dramatic to me was that there has been a huge increase in the amount of activities that the government has contracted out. I-

BILL MOYERS: We call that outsourcing?

REP. HENRY WAXMAN: Well, outsourcing. And there's nothing with it if we're getting a better deal. Often times we can contract out the work and pay a lower price and get good quality. But we're now at the point of four hundred billion dollars contracted out each year. Two hundred billion dollars of which goes to contractors without any competition.

BILL MOYERS: How can that happen? Why no competition?

REP. HENRY WAXMAN: Well, when we first asked that question about Halliburton's activities in Iraq, they said, "Oh, we didn't have time to have competition." We later found out that some of the potential competitors complained that they would have like to have bid. And they could've bid for the work. And if we had competition we would have had better price and better quality. But it got to the point where the government was contracting out the-- trying to figure what work should be done. And then they wanted to contract the work itself. Now, they needed to oversee whether the money was being used effectively. So, they wanted to get a private contractor to do that as well. Well, that's an invitation to a lot of fraud, waste and abuse of--

BILL MOYERS: Did you find fraud, waste and abuse in that process?

REP. HENRY WAXMAN: Yes. We found billions of dollars that cannot be accounted for. That cannot be justified. And it's a scandal.

BILL MOYERS: A scandal made worse, Waxman says, because the person who should be cleaning it up - Secretary of State Condoleezza Rice -- hasn't been forthcoming with the committee. Her Republican allies on the Committee said she was too busy to testify.

REP. TOM DAVIS (R-VA): Given the number of House and Senate committees with far more direct jurisdictional claims on her time than ours, this precedent would make testifying up here her full-time job, to the detriment of our national security and stature.

REP. HENRY WAXMAN: We want to ask her questions and get them on the record. I think the American people are entitled to that, and I respectfully disagree with you.

BILL MOYERS: Secretary Rice finally appeared to testify under oath last October. After 8 letters of request and a subpoena.

REP. HENRY WAXMAN: And it was clear from Sec. Rice's testimony she didn't see any reason why she was supposed to keep people honest in her department. Because she didn't see that as her job. Well it was her job and ultimately became our job to make sure that they're acting with integrity and with openness and accountability.

REP. CAROLYN MALONEY D-NY: My question, Madame Secretary, is for you to put yourself in my shoes. I'm home in my district; I'm standing in front of a town hall meeting of hardworking American men and women who are paying their taxes. Many of them punch a clock for their time. They're accountable for their time and for their money. And how do I explain that the IG says that \$1.2 billion is missing that was supposed to train the police, the most critical of our missions to help stand up --

SEC. CONDOLEEZZA RICE: Well --

REP. CAROLYN MALONEY D-NY: And how do I explain \$4.2 million --

SEC. CONDOLEEZZA RICE: Congresswoman -- Congresswoman Maloney --

REP. CAROLYN MALONEY D-NY: -- for a swimming pool that has never been used?

SEC. CONDOLEEZZA RICE: You can tell your constituents this is not a matter of having "lost" the money. This is a matter of invoices, as I am told by the people who are doing this. This is a matter of invoices and records that were not solid enough for us to be confident that the goods and services were being billed properly. This was a Department of State audit of its own procedures that came under new management because there were problems with the Bureau of INL. And that's very often the case with many of the things that have been mentioned here. It is the Department that finds problems and then seeks to fix them.

BILL MOYERS: When Condoleezza Rice came before your committee, she said, "That-- that's-- the money's not really missing. It's an accounting problem."

REP. HENRY WAXMAN: She's very skillful. And she is knowledgeable that members have five minutes to ask questions. And if she can stall for five minutes, she'll get to somebody who might be friendlier in the next line of questioning. But she was evasive

REP. HENRY WAXMAN: Secretary Rice, one of my concerns, as we look at Iraq, is that our troops are sacrificing their lives, our nation's spending hundreds of billions of dollars to prop up a regime in Iraq that looks like it's fundamentally corrupt. Our committee held a hearing on the corruption in Iraq. And at this hearing, we heard from Judge Radhi Hamza al-Radhi. Judge Radhi described a rising epidemic of corruption inside the Maliki government that is even funding the insurgency and undermining our -- any efforts of political reconciliation.

BILL MOYERS: The Iraqi Judge Radhi Hamza al-Radhi, was appointed by the United States Government to root out fraud and corruption in the Iraqi Government.

REP. HENRY WAXMAN: I assume you are aware, Secretary Rice, that Judge Radhi told us his investigators had identified an enormous sum, \$18 billion, that corrupt Iraqi officials have stolen. Are you aware of that?

SEC. CONDOLEEZZA RICE: I'm aware of Judge Radhi's testimony to you, Mr. Chairman.

REP. HENRY WAXMAN: Thank you. He also told us that 31 people on his staff were brutally assassinated when they tried to investigate these corrupt officials. Were you aware

of that?

SEC. CONDOLEEZZA RICE: I'm aware of his testimony to you, Mr. Chairman. .

REP. HENRY WAXMAN: Judge Radhi raised He told this committee that Prime Minister Maliki used secret orders to stop investigations of corruption of top Iraqi ministers, including al-Maliki's own cousin, Salam al-Maliki, the former minister of transportation. Do you know whether this is true?

SEC. CONDOLEEZZA RICE: Let me say that everything that has been brought to the attention of either various boards in Iraq, or to our people, is being investigated.

REP. HENRY WAXMAN: So you're aware that -- of this allegation and you're aware that -
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SEC. CONDOLEEZZA RICE: I am not personally following every allegation of corruption in Iraq, Mr. Chairman. But I am certain that we are tracking these allegations of corruption, because no one is more concerned about allegations of corruption because no one is more concerned about what is, in fact, a pervasive problem of corruption than we are.

REP. HENRY WAXMAN: I was so stunned when finally she admitted that somebody at the State Department should have been looking after these things. And I said to her, "But you're the Secretary. You're in charge of the State Department. You're the one who should be making sure that the job is being done." But I think it was a rare moment of candor.

REP. LYNCH: Will you rescind the directive that prevents the State Department employees, high-ranking State Department employees, coming here and discussing in great detail the levels and degree of corruption in Iraq?

SEC. CONDOLEEZZA RICE: I'm here talking right now about corruption in Iraq, about concerns of corruption in the ministry, concern in corruption in particularly the minister of Interior --

REP. LYNCH: In very vague terms, though, Madame Secretary, with all due respect.

SEC. CONDOLEEZZA RICE: I'm here talking about -- specifically about our concerns about corruption. Now, I want to renew the offer that I made to the chairman, which is that any document that relates to this, any official who might have knowledge of those documents is available to you, at any time, anywhere, in closed session.

REP. HENRY WAXMAN: I said, "A closed session? That would mean we couldn't tell the American people about it." And we said, "We absolutely refuse that." She said, "Well, I've rejected the previous position that I've taken." Yet we didn't get any further cooperation from the State Department. But she acted as if she understood what we had to say and she was going to change things. And then, of course, she didn't change it at all.

BILL MOYERS: You pressed her hard on that.

REP. HENRY WAXMAN: We did press her hard on it because, after all, we're fighting in Iraq to sustain that government. The President has said they're our allies. And that's-- our men and women are in Iraq trying to keep them in power.

BILL MOYERS: What did you think when Secretary Rice said to you and I'm quoting, "Well, it's a young government."

SEC. CONDOLEEZZA RICE: It's a young government. It's a government that comes out of a dictatorial past. It's a government that has oil wealth, which we know sometimes leads to corruption, and it's a government that's fighting a war.

BILL MOYERS: Would you agree that patience is called for there?

REP. HENRY WAXMAN: Well, I think we need to be patient, but we need to be firm enough to say to them that they can't establish themselves as a viable government if they're losing so much money to the insurgents through fraud and corruption. And they can't unify their own country, if the people in Iraq see a government that is so corrupt. You have to ask, well what are we doing there?

BILL MOYERS: Some of the most heated questions put to the Sec. of State last October had to do with the oversight of the private security company known as Blackwater, hired by the State Department to provide protective services in Iraq. Blackwater first came to public attention three years before when four employees were killed in Fallujah. Their burned and mutilated bodies were dragged through the streets and hung from a bridge over the Euphrates River. The US retaliated by attacking Fallujah - a battle that marked an escalation of violence and an influx of insurgents. Early last year, lawyers for the men's families asked for a probe. And then the relatives appeared before Waxman's committee.

MS. HELVENSTON-WETTENGEL: The few minor things that they were promised when they took that employment were taken away from them -- every single one of them. If they'd had that armored vehicle, if they'd had that rear gunner, if they had a map -- I think it's referred to as a black zone, or a red zone? The military would not even go in there with the heaviest equipment over there. It was so dangerous.

REP. WELCH: What would each of you ask Blackwater to do to help you come to terms with the loss that you've suffered?

MS. ZOVKO: Just the truth. Do you -- I mean, basic truth. You know, we live in the best country in the whole wide world; why can't we have the basics, what we were built on? The truth, you know? God and truth.

MS. TEAGUE: I would like an account, from start to finish, of that day. Whether I want to hear it or see it, I would. Every minute of it, every part of it -- the truth.

MS. HELVENSTON-WETTENGEL: They showed such a callous disregard for life and now they claim we have no rights, that we don't have the right to sue them. I don't know about you, but I am outraged. Where is your outrage?

BILL MOYERS: What did you think when you listened to them?

REP. HENRY WAXMAN: Well, I thought that they were treated so poorly by Blackwater. Blackwater wouldn't give them the information about how their loved ones had actually died. They said, "Sue us if you want this information." Then when they were sued, they counter sued. Imagine countersuing people who have lost son or a husband. But then when we got the e-mails from-- internal e-mails from Blackwater-- it was clear that people in Blackwater knew they didn't give these boys the gunners to protect them. The type of vehicles that should've been sufficiently armored. They didn't even give them the-- map of the area. They stumbled into Fallujah . And that-- and then they were brutally killed. That just seemed to be a shocking way that Blackwater had mishandled protecting their own troops, living up to their own responsibilities to the people that work for them.

MS. HELVENSTON-WETTENGEL: And that's happening over and over. It didn't just happen to our four men. It's like the Wild West over there. What I don't understand is how our government can hire corporations like Blackwater knowing that they refuse accountability. I mean, what -- does that say about us as a country, as a nation?

BILL MOYERS: After some of Blackwater's men killed 17 unarmed civilians at a traffic stop in Baghdad in September Erik Prince, the former Navy commando who founded the company, was called to testify.

ERIK PRINCE: To the extent there is any loss of innocent life ever, let me be clear that I consider that tragic. Every life, whether American or Iraqi, is precious. I stress to the committee and to the American public, however, that I believe we acted appropriately at all times. I am prepared to answer your questions.

BILL MOYERS: What's your explanation for why it took eight months and a number of-- 17 or more civilian deaths at the hands of Blackwater guards before you could finally get him here?

REP. HENRY WAXMAN: That's a good question for us, but it's also a good question for the state department. Why did all those people, innocent Iraqis, get killed by people from Blackwater, which obviously has-- had to have-- of an impact on the Iraqi people when they see a private military that they don't distinguish between our regular military. They just know Iraqi civilians are getting killed by American military people. And the ones in charge at the state department, the only thing they thought to do was to try to cover up the killings.

REP. DANNY K. DAVIS (D-IL): Mr. Prince, you do admit that Blackwater personnel have shot and killed innocent civilians, don't you?

ERIK PRINCE: No, sir. I disagree with that. I think there's been times when guys are using defensive force to protect themselves, to protect the packages, trying to get away from danger, there could be ricochets, there are traffic accidents, yes. This is war. You know, since 2005 we've conducted in excess of 16,000 missions in Iraq, and 195 incidences with weapons discharge. In that time, did a ricochet hurt or kill an innocent person? That's entirely possible. Again, we do not have the luxury of staying behind to do that terrorist crime scene investigation to figure out what happened.

BILL MOYERS: Were you satisfied with Eric Prince's responses?

REP. HENRY WAXMAN: He gave a very self serving testimony to us. I can understand that that's what he wanted to do. That was in his interest to do it. But I don't think he was responsive or was willing to ever acknowledge that there were problems. And there were problems very serious problems with Blackwater in Iraq.

REP. PAUL HODES (D-NH): How could this happen? You've paid Blackwater over \$800 million. Didn't anyone -- didn't you or your subordinates ever stop to ask whether or not the legal framework was in place to hold these contractors accountable for its actions? The military certainly is when there is error committed. How could this have happened?

SEC. CONDOLEEZZA RICE: First of all, this is not just a problem for State Department contractors. We have a lot of contractors working in Iraq, and we want to make sure there's proper legal framework. But I don't think that it's proper to say that they were above the law. I just told you that one of the cases that was just referenced has, in fact, been referred to the Justice Department. We continue to believe that the tightening of that framework would make a great deal of sense, and we want to work for that legislation.

BILL MOYERS: Condoleezza Rice came here and conceded that there was a hole in the law as it applied to Blackwater. Do you know if that hole has been repaired?

REP. HENRY WAXMAN: We're not sure. When Blackwater-- military person commits a crime, they're not accountable under Iraqi law. They're not accountable under military law. So, the questions are they accountable under US law? And there's still an open question about that because they're not committing a crime in the US itself. So, the House of Representatives passed a bill to say that they would be held accountable under US law. I don't think the senate has passed that bill. And the Justice Department-- the FBI particularly is doing an investigation. The Justice Department said they may bring criminal charges. They haven't yet. And when they do and when they get convictions, we'll see what the courts have to say as to whether they're going to be held accountable under US law.

BILL MOYERS: And yet, Blackwater still are getting millions of dollars in government contracts. Just a couple of weeks ago they hired a big lobbying firm here in Washington to go after more contracts. What does that say to you?

REP. HENRY WAXMAN: Well, I don't know. We've had enough problems with intelligence by the CIA-- but at least they're accountable to us. I'm not sure what it's going to mean for

Blackwater being the agency to get intelligence for the US government

BILL MOYERS: If you go back to your district and you go down to the local diner and you have a cup of coffee and a guy is sitting there and he says, "Congressman Waxman, what do you make of Blackwater? What's your answer?"

REP. HENRY WAXMAN: I don't understand why we're contracting out military operations for this country. A soldier that's working for Blackwater is answerable to Blackwater which is answerable to its shareholders. American soldiers are answerable to the Constitution and the American people.

BILL MOYERS: The State Department is contracting out huge construction projects in Iraq as well. One such contractor - called First Kuwaiti - has a reputation that is hair raising.

BILL MOYERS: It is true that the State Department in Iraq hired a Kuwaiti company that's under investigation for kickbacks and bribery as well as using slave labor?

REP. HENRY WAXMAN: It's true. And they had information about it or-- and should have known about it. And yet, they went ahead with a contract anyway. And that's the company that did such a terrible job on building this new embassy in Baghdad.

BILL MOYERS: With no competitive bidding, the State Department gave First Kuwaiti \$600 million dollars to build the U.S. embassy in Baghdad - the largest and most expensive embassy in the world. This American fortress is now behind schedule and over budget - to the tune of an additional \$144 million dollars. But that seems almost mundane compared to the testimony of Rory Mayberry an American medic hired by First Kuwaiti.

RORY MAYBERRY: I believe I am one of only a few Americans that have recently worked on the site of the new embassy in Baghdad. My impressions about how the construction was being managed left me incredibly disturbed.

BILL MOYERS: Mayberry described how he boarded a plane in Kuwait City along with 51 Filipino laborers - who thought they were heading for hotel jobs in Dubai.

RORY MAYBERRY: Mr. Chairman, when the airplane took off and the captain announced that we were heading to Baghdad, all you-know-what broke out on the airplane. The men started shouting, it wasn't until the security guy working for First Kuwaiti waved an MP5 in the air that the men settled down. They realized that they had no other choice but to go to Baghdad. Let me spell it out clearly: I believe these men were kidnapped by First Kuwaiti to work at the US Embassy. They had no IDs, no passports, and were being smuggled past U.S. security forces. I had a trailer all to myself on the Green Zone. But they were packed 25 to 30 a trailer, and every day they went out to work on the construction of the embassy without proper safety equipment. I saw guys without shoes, without gloves, no safety harnesses, and on scaffolding 30 feet off the ground, their toes wrapped around the rebar like a bunch of birds.

BILL MOYERS: Despite being paid half a billion dollars in U.S. funds First Kuwaiti refused to send an official to testify.

REP. HENRY WAXMAN: Mr. Krongard we want to welcome you to our hearing today

BILL MOYERS: Howard "Cookie" Krongard was The State Department's own Inspector General-- the person Secretary of State Rice trusted to expose serious problems. Krongard was called before the committee after his own staff complained he wasn't rigorously pursuing a growing mountain of complaints from shoddy construction, to human trafficking to Blackwater.

REP. CUMMINGS: Your role as inspector-general is to investigate waste, fraud/abuse in the State Department. But your office has not completed any investigations into Blackwater activities.

BILL MOYERS: Cookie Krongard's failure to investigate Blackwater really tripped him up. The Oversight Committee uncovered a bizarre situation involving Krongard's brother, Buzzy.

REP. CUMMINGS: I'm trying to understand why you are so resistant about investigating Blackwater. I would like to show you a letter the committee obtained and ask you to comment on it. This letter was sent from Eric Prince, the CEO and founder of Blackwater. He issued that letter on July 26, 2007. Mr. Prince sent this letter to Alvin, "Buzzy" Krongard, your brother. The letter invites him to serve on Blackwater's Worldwide Advisory Board. My question is this: did you know that your brother, Buzzy Krongard is on Blackwater's advisory board.

MR. KRONGARD: Sir, I dispute that. As far as I know that is not correct. There is nothing in here that suggests that my brother accepted this July 26th invitation.

REP. HENRY WAXMAN: He thought he could just get away with saying, "No, it's not true." His brother's not on the board of Blackwater. And that would be it. But the members of our committee were ready. And one member asked him-- here's-- "See, this e-mail from Eric Prince, who's the head of Blackwater to your brothers, thanking him for joining the board."

REP. CUMMINGS: Let me try to ask you this, Mr. Krongard, did you know where your brother is this week? Do you know?

MR. KRONGARD: No, sir, I don't.

REP. CUMMINGS: According to this e-mail, Mr. Prince invited your brother to be at a board meeting to discuss strategic planning, and this meeting is taking place right now in Williamsburg, Virginia, this week as we speak. Staff contacted the hotel to speak to your brother and the hotel confirmed that he was scheduled to be there. And did you know that?

MR. KRONGARD: No, sir, I did not.

REP. HENRY WAXMAN: And then we broke.

REP. HENRY WAXMAN: Mr. Krongard we are going to recess until 12:10. I think we will be ready at that point to reconvene the hearing. So we are going to stand and recess

REP. HENRY WAXMAN: And then when we came back, he claimed to have this call that he finally decided to make to his brother to find out what was really going on.

MR. KRONGARD: During the break I did contact my bother. I reached him at home. He is not at the hotel. But I learned that he had been at the advisory board meeting yesterday. I had not been aware of that. And I want to state on the record right now that I hereby recuse myself from any matters having to do with Blackwater.

BILL MOYERS: What when through your mind as you watched that performance unfold before your eyes?

REP. HENRY WAXMAN: The man was absolutely lying. His brother claimed that he informed him well in advance that he was on board of Blackwater. When he was asked after our hearing, the brother made that statement publicly. And we even threatened to bring both brothers in, put them under oath and see who was telling the truth and who was not.

BILL MOYERS: Why didn't you do that?

REP. HENRY WAXMAN: Well, we were set to do it, but we heard from Mr. Krongard at the-- inspector general of the state department, offering to quit rather than have that hearing. And in my view, it was better to have him leave that job than to go through a hearing that would've been embarrassing. But at least we got the result that seems is the

best interest of the American people.

BILL MOYERS: What does the failure of the inspector general's office at the state department and that episode say about oversight in Iraq today?

REP. HENRY WAXMAN: Here the watchdog, the Inspector General for the State Department was impeding the work of doing the investigations to keep the State Department honest. Nobody was keeping them honest.

SEN. LEAHY: Jennings, do you solemnly swear the testimony you are giving is the truth the whole truth

BILL MOYERS: Remember Scott Jennings? Karl Rove's deputy from the White House Office of Political Affairs -- the same fellow who gave that power point presentation to Lurita Doan and her staff explaining how the non-partisan GSA could help elect Republican candidates. Jennings also testified before the Senate Judiciary Committee last year in the US Attorney investigation. Henry Waxman's ears perked up when he heard Jennings admit to conducting official White House Business - U.S. government business - on an email account that belonged to the Republican National Committee .

SEN. LEAHY: How frequently did you use this e-mail address?

MR. JENNINGS: It -- I believe I've seen published accounts that have several thousand e-mails on an active server at the RNC, so it's fair to say that I used it daily.

SEN. LEAHY: And would the "thousands" that are referred to, would you think those are correct?

MR. JENNINGS: Yes, sir. I have no reason to believe it's not.

BILL MOYERS: Jennings wasn't the only one. Waxman's Committee found that at least 88 white house staff members were conducting business on the partisan server. Waxman has been trying to get those email for months.

REP. HENRY WAXMAN: We want to know on what basis some of these decisions were made in this administration. Well you would expect that government email would be available to Congress. Were they trying to keep the information off the government email sites because they didn't want anybody to know about it? Were they trying to undermine the Presidential Records Act?

BILL MOYERS: The 1978 Presidential Records Act was passed in the aftermath of Watergate when President Nixon tried to prevent access to his taped discussions when 18 and half minutes of those tapes went missing -- Nixon's secretary Rose Mary Woods demonstrated how she accidentally erased the information while answering the phone and transcribing at the same time. An explanation that became known as the "Rose Mary Woods Stretch." Now, the minute a White House document is created - by law it must be preserved. By law it belongs to the public. But along with the records of the Republican National Committee, millions of White House email messages have gone missing as well. Just the other day Waxman disclosed that the White House, itself, told his investigators that they had no archived email from certain White House offices for hundreds of days between 2003 and 2005.

This would include email related to some of the biggest controversies of the Bush Administration: The destruction of the CIA's interrogation tapes, the leak by Karl Rove and others of a CIA agent's identity, and many other unsolved mysteries.

BILL MOYERS: On the basis of unfinished business, what do you-- what's the question you want to ask about spending in Iraq?

REP. HENRY WAXMAN: If we're going to spend money in Iraq, are we doing any good? Are we rebuilding the country? Or are we just throwing money down a rat hole? And if

contractors are hired to do the work, we've got to make sure that they compete for the jobs, so we can get the one who can do the job best through competition. And they need to be scrutinized constantly to be sure we're getting our money's worth.

BILL MOYERS: What are the questions you want to know about Blackwater?

REP. HENRY WAXMAN: I want to know, are we getting our money's worth? Do we need Blackwater? Are they doing harm to our mission in Iraq? And can-- if they break the law, are they going to be held accountable, the way a U.S. military personnel person would be held accountable for any violations of the law?

BILL MOYERS: What do you want to know from Condoleezza Rice?

REP. HENRY WAXMAN: Well, I want a lot from Condoleezza Rice. I want to know, as secretary of state, that she's supervising the money that's being spent by the Department of State in Iraq. That she's making sure that we're not supporting a government that can't rally its own people because it's so corrupt. The second thing, and most important thing I want to know from Condoleezza Rice, is what did she know about the false claim of Saddam Hussein having potential nuclear weapons? And did she participate in a conspiracy with people in this administration the lie to the American people to get us into a war? She's the one, I think, along with the president, has to be held accountable. Because she was the one who was supposed to work with the president to be sure he had the right information, and had the truth before those decisions were made.

BILL MOYERS: Do you regret your vote for that resolution?

REP. HENRY WAXMAN: I certainly do regret my vote. I would not have cast that vote had I known that they were lying.

BILL MOYERS: Do you get frustrated? Do you feel the administration has really been held accountable?

REP. HENRY WAXMAN: Oh, I get frustrated. And I think this administration is doing a lot, maybe all it can, to keep from being held accountable.

BILL MOYERS: Congressman Waxman, thank you very much for your time.

REP. HENRY WAXMAN: Thank you so much.

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