On July 26, 2007, the Committee held the first congressional hearing on the Baghdad Embassy construction project, examining evidence of substandard work by the prime contractor, First Kuwaiti General Trading & Contracting Company. On October 9, 2007, and February 9, 2008, Chairman Waxman disclosed additional evidence of extensive flaws in the construction of the Iraq Embassy.

These investigations have led to new oversight of the embassy construction project. In December 2007, Gen. Charles Williams, the director of the State Department's Bureau of Overseas Building Operations, resigned from his position. The Committee has also learned that the two top State Department officials in charge of the Embassy construction project, James Golden and Mary French, have also resigned. The Department of Justice is now conducting a criminal investigation into the matter.