

## **Senate Democratic Policy Committee Hearing**

### **“Have Bush Administration Reconstruction and Anti-Corruption Failures Undermined the U.S. Mission in Iraq?”**

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#### **Introduction**

My name is James F. Mattil. I was employed by the U.S. Department of State as Chief of Staff for the Office of Accountability and Transparency (OAT) at the U.S. Embassy Baghdad, from October 2006 through October 2007. I welcome your invitation to testify today, but am distressed that it is necessary.

During my tour in Iraq, my duties included serving as acting senior consultant to the Iraqi Commission on Public Integrity (CPI), as acting senior consultant to the Iraqi Inspectors General and as liaison between OAT and the intelligence community.

This was my second tour in Iraq. I previously worked for a Department of State contractor as Program Manager for the Iraqi Business Centers and in information operations with MNC-I. My career background is in the private sector, where I founded two manufacturing firms and two non-profit organizations.

#### **Background**

The Office of Accountability & Transparency (OAT) was set-up to provide assistance, training and support to Iraq’s anti-corruption agencies, the Board of Supreme Audit (BSA), the Iraqi Inspectors General (IIG) and the Commission on Public Integrity (CPI).

In the 11 months that I served in Iraq, OAT was under-staffed for its mission and has had NO operating budget. In fact, the proposed staffing of OAT was cut from 25 staff to 6 without knowledge or input from OAT staff, or any other known oversight. There was no transparency even with the office of transparency.

Our job was to implement U.S. policy, but whenever we tried, our own officials blocked us. In the OAT Baseline Report you can read the official embassy anticorruption strategy.

#### **Overview**

Although fighting corruption is often cited as one of our “highest priorities,” it was not even one of 18 Iraqi benchmarks associated with “the Surge.” Corruption and its consequences are the fuel that sustains the insurgency, providing the money, the people and the motivation to fight Americans in Iraq.

Stuart Bowen of SIGIR correctly calls it “*the second insurgency.*”

Hence, it’s only reasonable to ask why fighting corruption is not a higher priority in Iraq and why the United States government has not provided more resources and political support.

In retrospect, it seems reasonable to conclude that the reasons are either: *gross incompetence, willful negligence or political intent* on the part of the Bush administration and more specifically the Department of State.

Since we have done so little, it’s easy to see why the government of Iraq has not done more; we have demanded no better.

Without a vision and sincere commitment to building a new Iraq, and without hope and dedication, the alternative is for Iraqi leaders to plunder Iraq for short-term financial gain. That’s what’s happening. That’s also what Iraqi citizens see to be happening. That’s why so few Iraqis support the US mission. And that’s why so many Iraqis are willing to fight America.

Equally disturbing is that in the hands of criminals CPI can be a vicious tool to persecute political enemies and protect political cronies. And this is why the Prime Minister’s office waged an unrelenting 10-month campaign against Judge Radhi – to gain control of CPI. But why has the US allowed this to happen and have we been complicit?

To date, CPI has been nominally effective, but it could be considerably more effective almost immediately – all that’s needed is the forthright and dedicated political will by the Prime Minister and honest servants within the government of Iraq. Without the political will fighting corruption within the government of Iraq is fruitless.

- We have not demanded transparency or accountability from the government of Iraq.
- We have not demanded that the government of Iraq comply with Coalition Provisional Authority (CPA) orders, the Iraqi constitution or the rule of law.
- We have remained silent in the face of an unrelenting campaign to subvert the independence of CPI.
- We have ignored the consequences of “secret orders” issued to CPI by the Prime Minister’s Office that grant Iraqi officials a license to steal.
- We allowed ourselves to be bullied and excluded from the Joint Anti-Corruption Committee (JACC), a bilateral council, by the Prime Minister’s so-called anti-corruption czar, the IG at the Ministry of Health, a man associated with the Mahdi militias.
- We witnessed a campaign of threats and intimidation that has driven CPI’s leaders to seek refuge in safe houses and forced them to seek political asylum in America. Think about this! Those who attempt to enforce the rule of law have become the victims, not the protectors. And we did nothing.
- And we have watched as America’s troops die and suffer in an effort to support a government that appears unwilling to help itself.

OAT advisors were acutely aware and seriously concerned by an unrelenting campaign by the Iraqi Prime Minister’s office to undermine the independence of CPI, seize control over

CPI and to interfere with investigations of corruption within the government of Iraq. OAT has passed this information up the chain of command and briefed Ambassadors Saloom and Crocker about the problems, to no avail. We expected that America's diplomats would demand good governance in exchange for American support; apparently this has not happened.

### **Iraqi Political Will**

During recent testimony to Congress Ambassador Crocker was quoted as saying, ***“I do believe Iraq’s leaders have the will to tackle the country’s pressing problems, although it will take longer than we initially anticipated because of the environment and the gravity of the issue.”***

*Based on my experience in Iraq and my direct contact with CPI over the past eleven months, I must respectfully disagree with Ambassador Crocker’s conclusion that Iraq’s leaders have the will to tackle the country’s pressing problems. I’ll explain:*

Iraq’s endemic corruption is an integral element of the insurgency, providing money, personnel and motivation to insurgents and terrorists.

The Iraqi Prime Minister has repeatedly pledged to enact reforms to fight corruption as part of the International Compact with Iraq. But his deeds do not match his promises.

- Prime Minister Nuri Al-Maliki and his proxies have expended enormous time and energy fighting Iraq’s anti-corruption agencies, not corruption.
- The Prime Minister’s office has ignored the Iraqi constitution and thrown it into the Tigris River, as they have attempted to seize control over CPI’s internal operations, replacing staff and withholding funds.
- Most notably, the Prime Minister issued “secret orders” to CPI, prohibiting that agency from referring cases to the courts if the cases involve former or current high-ranking Iraqi government officials, including the Prime Minister. This order interferes with investigations of graft and corruption involving U.S. funds, Development Fund for Iraq (DFI) funds entrusted to the U.S. government, as well as Iraqi funds. The secret order is, literally, a license to steal.
- The Prime Minister has issued additional secret orders demanding that the DG of investigations be replaced.
- After Judge Radhi resigned, the Prime Minister appointed a new acting CPI commissioner, Moussa Faraj, who three weeks earlier had been arrested and jailed on corruption charges. Faraj was out on bail and had yet to appear in court when he was appointed commissioner of Iraq’s lead anti-corruption agency.

The US Embassy Baghdad has been briefed on all of the information in this statement. In addition, classified intelligence reports document even more troubling information that amplifies the information in this statement. Our leaders have remained silent, giving tacit approval to corruption.

## **Problems & Issues**

Our job was to implement U.S. policy; however there appeared to be two policies – Plan A (written) and Plan B (unwritten). In retrospect, it seems that policy was often overruled or guided by an invisible voice somewhere up the chain of command – a voice without a conscience.

U.S. or Iraqi Funds – Given the lack of transparency and accountability within the government of Iraq, it's virtually impossible to track money. Iraqi government computers at the Board of Supreme Audit (BSA) were stolen; the Central Bank of Iraq caught fire – twice. Neither CPI nor U.S. government agencies have legitimate access to track money. But does it really matter? Every U.S. dollar provided frees up 1,400 Iraqi dinars for theft, waste and abuse.

Gun Control – One of the few assets OAT might have been able to provide were weapons for CPI investigators to help empower and protect them so they could function and survive. After purchasing weapons for CPI, OAT was unable to get State Department legal department approval to release some 500 Glocks and 100 shotguns to CPI. When Judge Radhi defected and Faraj was illegally appointed CPI commissioner, U.S. government personnel were no longer allowed to enter “the zoo,” which had fallen under control by elements of the Mahdi militia. In effect, these weapons were in enemy hands, beyond U.S. control and “inside” the International Zone (IZ).

SIGIR vs. CPI - An OAT report concluded that Iraq is incapable of even rudimentary law enforcement. Yet, CPI has brought more cases to court than SIGIR, the Special Inspector General for Iraq Reconstruction – despite the security situation. The fact is, SIGIR needs CPI to investigate the Iraqi side of joint corruption, so without cooperation and assistance from CPI, the U.S. government will have incredible difficulty bringing war profiteers to justice. Yet some of Iraq's top investigators languish in Virginia, undocumented and unemployed.

Government of Iraq Organization Charts – One of my first attempted projects was to create an organization chart of the Iraqi government with cooperation from the intelligence community. The charts would identify names, positions, sects, and political, tribal affiliations. These linkages would help identify the sources and methods of corruption within the government of Iraq. I was surprised that such information didn't already exist and was even more surprised when I was told that U.S. Embassy officials objected to having such a chart and would not provide necessary information.

OAT Strategic Plan – In late December 2006, I prepared a strategic plan for OAT based on a series of laws, CPA orders and official U.S. policy statements. The acting director of OAT ignored this document and proceeded to act on his own agenda or an agenda dictated by some invisible hand. The OAT staff was cut and funding for projects was never budgeted or allocated. When embassy officials requested the strategic plan, I was told it should not be given to them, even though these were the people to whom we reported.

Midnight Taskings – On several occasions, OAT received taskings from the White House, the National Security Council and the State Department. Typically, these taskers asked for suggestions on how to fight corruption, “if” we were given a free hand. Responses were

prepared by staff from OAT and the International Criminal Investigative Training and Assistance Program (ICITAP), which included former FBI agents and other senior U.S. police advisors who had served in Bosnia and Kosovo. None of the suggestions were ever implemented and one funded program to change a kitten into a tiger was killed.

The Pet Iraqi Syndrome – U.S. officials who work closely with Iraqi counterparts are prone to adopt their Iraqi counterpart as the one loyal and honest official, especially when they speak English. These Iraqis often cited fear of CPI prosecutions for failure to execute their budgets. This is a red herring. No one can be tried without approval of the relevant minister due to Article 136(b). The U.S. embassy strategy states that repealing this law is a top priority, yet it remains on the books. Meanwhile State Department officials actively defend 136(b), claiming that it prevents abuse by CPI and that ministers can't really use this law without political blowback. This almost sounds plausible, except that invoking 136(b) is done in secret so the public never knows if or when it has been used.

Along these same lines, the embassy economics advisor relied on his pet Iraqis to lead him to conclude, as he told me and Chris Griffith, "we want to see Judge Radhi out." Apparently, this became yet another element of the unpublished embassy anticorruption strategy.

The Infamous Report – In response to constant accusations of sectarian prosecution and abuse, the senior consultant to CPI, Vincent Foulk, tasked staff to conduct a data analysis and report on CPI anticorruption efforts. The report found that prosecutions were not based on sectarian criteria and generally complied with the government of Iraq's demographic breakdown. However, the report was also seen as an embarrassment to U.S. efforts and was retroactively declared "classified" nine months after it was released, when U.S. media finally discovered it, when it was already in the hands of Congress and on the Internet.

OAT Boycotts ACWG – In July 2006, after the transition from the Iraq Reconstruction Management Office (IRMO) to the Iraq Transition Office (ITAO), an internal power struggle emerged between the U.S. Departments of State and Justice. OAT personnel were directed to boycott the weekly Anticorruption Working Group (ACWG) meeting, even though OAT was the only office that regularly provided information at this so-called, mission-wide coordinating meeting.

Iraqi Refugees and Political Asylum - I must add that the U.S. response to Judge Radhi's departure from CPI is personally disturbing to me and others. It has been a shameful national disgrace.

Judge Radhi's daughter and son were accepted to study at George Mason University in 2005, but have been denied student visas by the State Department. Repeated requests for help by officials at the Departments of State and Defense were ignored.

After Judge Radhi and his associates applied for political asylum, the State Department provided no assistance or support to 24 Iraqi men, women and children in dire need. Worse yet, State directed all OAT employees to avoid any contact with these Iraqis. State issued a memo prohibiting embassy staff from writing reference letters on behalf of these Iraqis. I confess; I disobeyed these orders and brought food and clothing, took the families to doctors and bought

medicine for their children. I solicited help from dozens of NGOs, refugee assistance groups and churches. I found that no federal or state government agency and none of America's faith-based initiatives are authorized to provide aid. The first source of substantial financial aid was Judge Brennan. Fortunately, the Quakers have also helped, providing endless hours and supplies. We owe them a debt of gratitude.

The U.S. government has done nothing, nothing but delay and obstruct the immigration process. This travesty has continued for 10 months, and there is no end in sight. Judge Radhi's son remains a stateless person stuck in England, despite assurances from U.S. officials to Rep. Waxman's committee that this would be one of their top priorities.

State may claim that their purpose is to avoid accusations that the U.S. is taking sides in internal Iraqi affairs. However, by abandoning loyal and dedicated Iraqi law enforcement officials, while ignoring the transgressions of Prime Minister Al-Maliki, the U.S. is taking sides – arguably, the wrong side.

Judge Radhi and his associates, Mr. Salam, Mr. Amer, and military translators Mr. Atheer and Mr. Latif have earned and deserve America's support. Instead, they have all been abandoned. If we refuse to stand by those who stand by us, we undermine all future efforts to build coalitions and win friends and allies.

### **Postscript:**

Despite the obstacles and failures outlined herein, the OAT office received the Department of State's "*Meritorious Achievement Award*." In December 2007 OAT was dismantled.