

Senate Democratic Policy Committee Hearing
“An Inside View of the ‘Second Insurgency’:
How Corruption and Waste Are Undermining the U.S. Mission in Iraq”

Anonymous Witness
Former Senior Advisor to the U.S. Government in Iraq

I am an Iraqi-American who, for the last five years, has served as a Senior Advisor for high-ranking Department of Defense and State Department officials in Iraq. As a native of Iraq forced to leave the country because of my opposition to Saddam Hussein and his regime, I have a deep understanding of Iraqi politics, culture and history. I also have an extensive network of professional and social contacts throughout the country, including current and former top Iraqi government officials.

Since 2003, I have been able to use my knowledge of Iraqi society to benefit both my home country, Iraq, and my adopted country, the United States. I have requested anonymity this afternoon, not because I fear for my life, God has always been my protector, but because showing my face now would probably prevent me from being able to serve in Iraq in the future. Shielding my face bothers me, but it is a necessity if I am to continue to be effective in Iraq. Respectful Senators, I have decided to testify today because I know first-hand that corruption is undermining the U.S. mission in Iraq and making life incredibly difficult for both our American soldiers and innocent Iraqis.

I am privileged to be testifying at the same hearing as Mr. Salam Adhoob, who is a true hero for serving the Iraqi people so courageously as chief investigator of the Baghdad office at the Commission on Public Integrity (CPI). I heard Mr. Adhoob describe the Bureau of Supreme Audit (BSA) report that could not account for more than \$13 billion in American reconstruction funds, including “ghost projects” that never existed and projects that the Iraqi government never wanted. Before I describe the pervasive corruption in the Iraqi government, and discuss my fears that we are losing Iraq to the criminals and the corrupted, I would like to relate my own personal experience with one major American reconstruction project that the Iraqi Ministry of Justice did not believe should be built.

I attended meetings in 2005 and 2006 between U.S. government officials, the Iraqi Minister of Justice and his Deputy, and representatives of the Parsons Corporation to discuss the Kahn Bani Sa'ad prison project. During the meetings, both the Minister of Justice and his Deputy clearly stated that the government of Iraq did not want the prison to be built because, among other reasons, it was too close to the Iranian border. The U.S. government officials -- in front of the American contractor -- said that the prison was going to be built anyway, despite the opposition of the Iraqi government.

Even now, three years and \$40 million dollars later, roofs are missing, floors have collapsed, there is no plumbing or electricity, windows have not been installed, and roads in the complex remain unpaved. The Special Inspector General for Iraq Reconstruction (SIGIR), Mr. Stuart Bowen, has called it "the worst project we've seen." When U.S. officials attempted to transfer the prison to the Iraqis, the Iraqi government's decision to abandon the project was based not only on its deplorable condition, but also on the fact that the Iraqis did not want the prison in the first place.

As billions of dollars have been wasted on reconstruction projects -- many of which were either not needed or not built -- billions more have been lost due to rampant, widespread corruption in the Iraqi government. This corruption has gone largely unchecked because the Iraqi judicial system has been thoroughly corrupted as well. The American government, which has looked the other way, has been complicit in the creation of this "culture of corruption" and has allowed the rule of law in Iraq to become a sword in the hands of corrupted officials and Islamic extremists.

There are hundreds of examples of corruption in the Iraqi government, but allow me to give you three significant examples based on my own personal experience in Iraq:

- Top Iraqi government officials within the Ministry of Oil and other Ministries have worked with Al-Qaeda and Iraqi Islamic States terrorists at the major northern oil refinery at Baji to steal oil from the refinery and sell it on the black market to enrich themselves and fund terrorist attacks against U.S. and Iraqi troops. When U.S. troops arrested the head of the oil refinery, Ibrahim Musalat,

one year ago, these same corrupt Iraqi officials used their influence through the U.S. Embassy to secure Mr. Musalat's release.

- High-ranking Iraqi government officials, including Ministers, Members of Parliament and judges, have received monthly salaries and gifts from foreign governments, including Iran and Saudi Arabia.
- Officials in Iraqi ministries have created private detainee operations through which innocent Iraqis are detained -- essentially kidnapped -- and then released in exchange for ransoms.

This wildfire of corruption in Iraq has been fueled by a non-functioning legal system that is based not on equal justice under law, but on sectarianism, cronyism and graft. There have been and still are many honest law enforcement officials in Iraq, including Judge Al-Radhi and Mr. Adhoob at the CPI, but their efforts have been stopped cold by high-ranking Iraqi government officials. Again, there are many, many examples. Here are a just few that illustrate the point that the rule of law in Iraq has been hijacked by criminals and corrupt government officials:

- Top Iraqi government officials took advantage of the recently-passed amnesty law to release hundreds of CPI suspects -- some of whom fraudulently pocketed hundreds of millions of American taxpayer dollars and smuggled Iraqi oil -- in exchange for bribes.
- In early 2007, American soldiers arrested two individuals at a Baghdad check point who were attempting to drive into the Green Zone with plastic explosives hidden in their car. After the U.S. Army detained them and then passed them to an Iraqi court, the cases against these individuals were dismissed, despite all the evidence that had been compiled against them. I accompanied U.S. government officials, including representatives from the Defense and State Departments, to a meeting with the top judges at the Central Criminal Court of Iraq. During a heated exchange, I heard the last names of the two detainees and immediately understood why they had been released. Under Saddam, no judge dared to pass sentences on any Sunni with a "Tikriti" last name. In Shiite-dominated Iraq, no judge will dare to convict anyone with a "Hakim" last name. The role sectarianism plays in the Iraqi justice system was driven home once again in March 2008 when Hakim Al-Zamili, a former deputy health minister who -- after a year-long investigation -- had been accused of turning hospitals into death zones for Sunnis, was ordered released when prosecutors suddenly dropped the case against him on the second day of his trial.

- In one case in which it appeared that justice might be served, a former Minister of Electricity, Ayham Al-Samaria, was convicted of taking kickbacks from contractors and sentenced to two years in prison (he had four more corruption cases pending against him). While serving his sentence, Mr. Al-Samarai was smuggled out of his cell by American private security contractors and taken to Baghdad International Airport, from where he flew to Jordan and then to Chicago. When the American security contractors arrived at the prison, I received a call from a CPI investigator and an Iraqi police officer. With the approval of my boss, I called Prime Minister Al-Maliki's direct line and spoke to both him and his Chief of Staff. Mr. Al-Maliki promised to take immediate action to prevent Mr. Al-Samarai from fleeing Iraq. No action was taken, however, to prevent his flight. Mr. Al-Samarai is now free in the United States (despite the fact that both the Iraqi police and Interpol consider him to be a fugitive from justice).

Unfortunately, each time I tried to convince U.S. officials to use their influence to force Iraqis to crack down on corruption and restore the rule of law, I got the same answer: "this is an internal issue" for the Iraqis to work out. This is total nonsense when American troops are sacrificing their lives in Iraq, billions of U.S. taxpayer dollars are being stolen, and ordinary Iraqis are living in unsafe, harsh conditions on a daily basis. I do not believe that the United States, with the stability and political reconciliation of Iraq hanging in the balance, can afford to do nothing.

Here are my recommendations for steps the United States Senate can take to respond to the "corruption crisis" in Iraq:

- 1) Form a Special Senate Committee to aggressively and effectively investigate corruption in the Iraqi government immediately and, as necessary, recommend that the Department of Justice initiate legal action against those suspected of stealing American money or conspiring to attack American troops in Iraq;
- 2) Create a special anti-corruption investigative team that operates in Iraq and reports to the Special Senate Committee; and
- 3) Pass legislation that empowers the U.S. government to freeze the assets of persons or institutions that have conspired with terrorists to engage in corrupt practices in Iraq, and to prevent them from entering the United States.

Despite all these problems, I am optimistic about the future of my homeland. American policymakers, however, must take wise, quick action to ease the hardship of the Iraqi people. Iraqis are a good and honest people who deserve a good and honest

government. But the Iraqi people will not achieve this goal -- and will not achieve stability or political reconciliation -- without the active support of the U.S. government to crack down on corruption and restore the rule of law.

The Iraqis have not given up hope and never will, but they are puzzled why the United States continues to support corrupt Iraqi officials and Islamic extremists. I have heard them say, "God never failed us, but American decision-makers have repeatedly over the last six years." While I agree with this statement, I also believe we the United States must change course immediately to work with honest, law-abiding Iraqis to root out corruption and put the criminals behind bars.