

SUBCOMMITTEE ON NATIONAL SECURITY, EMERGING THREATS
AND INTERNATIONAL RELATIONS

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MEMORANDUM

To: Members of the Subcommittee on National Security, Emerging Threats, and International Relations

From: Thomas Costa, Professional Staff

Re: Briefing memo for the hearing *The Iraq Oil-for-Food Program: Starving for Accountability* scheduled for Wednesday, April 21, 2004 at 10:00 a.m. in room 210 Cannon House Office Building.

PURPOSE OF THE HEARING

To examine the UN-run Iraq Oil-for-Food Program and steps being taken to ensure future program integrity.

HEARING ISSUES

- 1. What is the status of the Iraq Oil-for-Food Program?**
- 2. What is the US doing to ensure integrity of the Iraq Oil-for-Food Program?**

BACKGROUND

As the General Accounting Office (GAO) has reported, in August 1990, Iraq invaded Kuwait, and the United Nations (UN) imposed sanctions against Iraq. (**Attachment 1**) Security Council Resolution 661 of 1990 prohibited all nations from buying and selling Iraqi commodities, except for food and medicine. Security Council Resolution 661 also prohibited all nations from exporting weapons or military equipment to Iraq and established a sanctions committee to monitor compliance and progress in implementing the sanctions. The members of the sanctions committee, known as the “661 Committee,” were members of the Security Council, which includes the United States. Subsequent Security Council resolutions specifically prohibited nations from exporting to Iraq items that could be used to build chemical, biological, or nuclear weapons. (**Web Resource 1**)

THE OIL-FOR-FOOD PROGRAM (OFF)

In 1991, the Security Council offered to let Iraq sell oil under a UN program to meet its people’s basic needs. The Iraqi government rejected the offer, and over the next 5 years, the UN reported food shortages and a general deterioration in social services. (**Web Resource 1**)

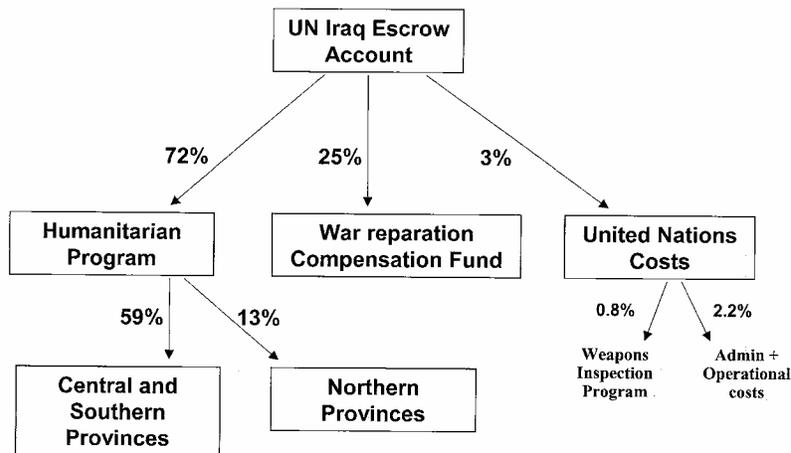
In April 1995, the UN Oil-for-Food Program (OFF) was authorized by Security Council Resolution 986. (**Web Resource 2**) Over the next several months, the UN conceded several issues of control over the program to Iraq, and in December 1996, Iraq agreed on OFF. The program permitted Iraq to sell up to \$1 billion worth of oil every 90 days to pay for food, medicine, and humanitarian goods. It also left Iraq a measure of sovereignty, at the insistence of other Security Council members. This level of control and sovereignty granted the Hussein regime the power to determine, with certain exclusions, both to whom to sell oil and from whom to buy needed goods. The 661 Committee, however, had veto authority over all contracts. (**Web Resources 1 and 3**)

The objectives, according to the Department of State, were “to address the humanitarian needs of the Iraqi civilian population” and “to continue constraining Saddam Hussein’s ability to use oil revenue to build a military arsenal.” (**Web Resource 3, p. 2-3**)

Subsequent UN resolutions increased the amount of oil that could be sold and expanded the humanitarian goods that could be imported. In 1999, the Security Council removed all restrictions on the amount of oil Iraq could sell to purchase civilian goods. (**Web Resource 1**)

OFF was the largest humanitarian relief operation ever launched by the international community with Iraq oil exports totaling \$64.2 billion and combined with the sanctions regime “constituted the most comprehensive and intrusive regime ever imposed by the [UN] Security Council.” The program was administered by the UN Office of the Iraq Program (OIP). (**Web Resource 3, p. 2-3**)

**Oil for Food: Oil Sale Proceeds
from Letters of Credit**



(Attachment 2)

Revenue from the program funded \$46 billion in humanitarian assistance (72% of the program funds), \$16 billion for war reparations awarded by the UN Compensation Commission (UNCC) (25% of the program funds), and \$2.65 billion to pay for the administrative costs of OIP, the UN Monitoring, Verification, and Inspection Commission (UNMOVIC), and the UN Special Commission (UNSCOM) (3% of the program funds). Of the 72% percent of the funds dedicated to humanitarian programs, 59% were dedicated to the

central and southern provinces of Iraq and 13% to the northern, mostly Kurdish, provinces. In addition, 0.8% of the United Nations administrative costs were allocated to the weapons inspection program and 2.2% to other administrative costs. Surplus administrative expenses were reprogrammed into humanitarian programs. (**Web Resource 3, p. 2-3, and Attachment 2**)

The UN and the Security Council monitored and screened contracts that the Iraqi government signed with commodity suppliers and oil purchasers, and Iraq's oil revenue was placed in an UN-controlled escrow account run by the international French-owned bank, BNP Paribas out of New York.¹ (**Web Resource 1**)

In May 2003, UN resolution 1483 requested the UN Secretary General transfer the OFF to the Coalition Provisional Authority (CPA) by November 2003. Surplus funds within the UN escrow account, as well as new funds from the sale of oil, were subsequently transferred to the CPA-run Development Fund for Iraq (DFI). To date, \$7.6 billion has been transferred from the UN account to DFI. (**Web Resources 1 and 3**)

RESULTS OF OFF

As GAO noted, OFF appears to have prevented or ended a humanitarian crisis in Iraq. According to the UN, the average daily food intake increased from around 1,275 calories per person per day in 1996 to about 2,229 calories at the end of 2001. In February 2002, the UN reported the program had considerable success in several sectors such as agriculture, food, health, and nutrition by arresting the decline in living conditions and improving the nutritional status of the average Iraqi citizen. (**Web Resource 1**)

Nevertheless, the Defense Contract Audit Agency (DCAA) concluded half of at least 368 of 759 contracts examined in a joint September report with the Defense Contract Management Agency (DCMA) were overpriced by at least 5% of the contract value, and some of the monies were used to purchase questionable goods, including a fleet of 300 "high-end" Mercedes-Benz automobiles. (**Web Resource 4**)

¹ Based on an April 14, 2004, staff briefing with BNP Paribas representatives, while the UN escrow account had some additional approval procedures, the account was run in accordance with standard banking procedures, and no transactions were made without the approval of the UN.

Furthermore, GAO estimates “the former Iraqi regime attained \$10.1 billion illegal revenues from the Oil for Food program, including \$5.7 billion in oil smuggled out of Iraq and \$4.4 billion through surcharges on oil sales and illicit commissions from suppliers exporting goods to Iraq.” (**Web Resource 1, Highlights**)

Allegations of corruption have generally fallen into four categories:

- Oil smuggling;
- Surcharges on oil exports;
- Kickbacks on humanitarian contracts; and
- Alleged abuse by UN personnel.

OIL SMUGGLING

According to U.S. government officials and oil industry experts, Iraq smuggled oil past the sanctions regime through several routes, often under the rubric of “trade protocols.” These protocols were signed official agreements with Jordan, Turkey, and Syria to purchase Iraqi oil outside of OFF and avoid sanctions. The proceeds from the resale of the oil were split into a cash and a trade account. Cash account monies were deposited through front companies in banks in Jordan and Lebanon. Trade account monies were used to purchase goods from the “trade protocol” partners. (**Web Resources 1, 3, and 5**)

Oil entered Syria by pipeline, which the Syrians claimed was “being tested,” crossed the borders of Jordan and Turkey by truck, and was smuggled through the Persian Gulf by ship. (**Web Resources 1, 3, and 5**)

A number of oil smuggling operations were caught and stopped. The Multinational Maritime Interception Force (MIF) reduced the amount of oil being smuggled along Iran’s southern coast by small vessels. Nevertheless, according to the State Department, the former Iraqi government “orchestrated the largest share of non-compliance with the [Security] Council’s demands through outright oil smuggling and the procurement of unauthorized goods completely outside the context of the OFF program.” Moreover, oil smuggling increased after 2000, reaching a peak level of \$2

billion in 2002, totaling an estimated \$5.7 billion over the life of the program. **(Web Resource 3)**

SURCHARGES ON OIL EXPORTS

Another avenue the Hussein regime used to generate illicit funds involved unauthorized surcharges on oil sales. In order to maintain a certain degree of sovereignty, the Iraqi State Oil Marketing Organization (SOMO) was allowed to set a fair market price for Iraqi oil with the approval of the 661 Committee. However, SOMO kept the price low in order to conceal an extra 10 to 50 cents per barrel “surcharge” on top of the oil selling price amid fluctuations in global oil prices and costs involved in shipping to different destinations. These surcharges were secreted away by the Iraqi regime. **(Web Resources 3 and 5 and Attachment 3)**

Evidence of the surcharges surfaced “as early as the fall of 2000, when the UN oil overseers informed the 661 Committee of instances in which the GOI [Government of Iraq] was requesting imposition of an additional fee on the sale of Iraqi crude.” **(Web Resource 3, p. 5)** In a March 7, 2001 report, the Secretary General warned that surcharges were not permissible. **(Attachment 4)**

In response the US and United Kingdom (UK) issued a December 15, 2000 statement stating additional fees above the approved oil selling price were unacceptable and that all revenue from oil sales was to be deposited in the UN escrow account. Nevertheless, the surcharge scheme continued. In April 2001, the US and UK began blocking approval of Iraqi oil pricing and raised the issue in over 40 Security Council and 661 Committee meetings.

Consequently, the US and UK made use of the consensus rules governing the 661 Committee to impose “retroactive pricing” of Iraqi oil sales. Both governments would withhold support of SOMO pricing until the end of each month. This allowed experts from both countries to ensure that SOMO prices reflected the “fair market value” required under OFF. **(Web Resource 3 and 5)**

The retroactive pricing had the desired effect and reduced oil premiums by “as much as 50 cents per barrel to an accepted industry variation of 3 to 5 cents per barrel.” **(Web Resource 3)**

According to SOMO records, one quarter of the companies purchasing oil, mostly Russian, paid cash. The records also show the Iraqi embassies in Moscow, Turkey, Switzerland, and Vietnam received \$61 million in cash from these companies. Some of the biggest oil companies in the world are listed as having paid surcharges, though most have denied doing so. However, when some companies complained to the UN about the surcharges, Iraq reacted by increasing loading fees, which were collected by two Jordanian companies, at its ports. (**Attachment 3**)

Oil was only supposed to be bought by end users of the oil, such as refineries. However, the Iraqis also used middlemen and front companies to act as intermediaries in the buying of oil and reselling it to end users. (**Attachment 3**)

Smaller oil traders were often required to buy illicit vouchers through middlemen in the United Arab Emirates in order to get the opportunity to buy Iraqi oil. Sometimes the vouchers were also received as payment for importing illicit goods into Iraq. On January 25, 2004, *Al-Mada*, an independent Iraqi newspaper, released a list of about 270 individuals who allegedly participated in the voucher scheme. Among those listed were individuals, political parties, and groups from over 50 countries, the bulk of whom were Russian. French, Malaysians, Chinese, Syrians, Egyptians, Swiss, Jordanians, Turks, Italians, Yugoslavians, and agents of the United Arab Emirates also figured prominently on the list. Also of particular note were prominent current and former government officials from France, Russia, Jordan, and the United Kingdom and the UN head of OFF, Benon Sevan. (**Web Resources 6 and 7**) In the period leading up to the Iraq war in late 2002 and early 2003, Russia, France, China, and Syria all sat on the UN Security Council. (**Web Resource 8**)

KICKBACKS ON HUMANITARIAN CONTRACTS

In late 2000, allegations of a kickback scheme involving after-sale service fees on humanitarian contracts emerged. The US and UK raised the concern with OIP and the 661 Committee and in March 2001 submitted formal proposals to address these concerns. In the absence of evidence, the proposal received no support from the 661 Committee members. (**Web Resource 3**)

Proceeds from OFF oil sales were deposited in the UN escrow account to be used primarily for humanitarian purposes. However, the Hussein regime ordered each government ministry to add a kickback, usually amounting to 10% of the contracts value, to most humanitarian contracts. Vendors were told to inflate the price of the contract by the suggested amount and once paid out of the UN escrow account, “kick back” the percentage to the Iraqi government. For example, “a vendor would submit records to the UN indicating that it was selling \$110 worth of goods to Iraq, when in fact the vendor was selling only \$100 worth of goods, and was returning the additional \$10 to Iraq as a kickback.” The illicit funds were then delivered in cash to the Hussein regime or used to purchase goods in violation of sanctions. (**Web Resource 5**)

In briefings by the UN and the Departments of State and Defense, it was repeatedly noted that a 10% increase in contract value, especially given the wide variety of goods purchased and sizeable amounts of the contracts, was difficult to notice. Consequently, DCAA notes “OIP performed very limited, if any, pricing reviews or cost audits on individual contracts. The DCAA review team was further advised by UN officials that no contracts were disapproved solely based on pricing.” (**Web Resource 4**)

As with the surcharges, companies reluctant to include kickbacks in their dealings with the Iraqis were encouraged to work through middlemen or front companies. (**Attachment 3**)

Despite allegations, no actual evidence had come to light prior to CPA taking over administration of Iraq. (**Web Resource 3**)

ALLEGED ABUSE BY UN PERSONNEL

As noted above, Benon Sevan, the Executive Director of OFF, was listed in the *Al-Mada* article of those allegedly participating in the illicit vouchers for oil scheme. In addition, documents suggesting payoffs to Mr. Sevan by the Hussein regime have also been reported in the media. Mr. Sevan has denied the allegations, stating, “it was incumbent on those who published these allegations to provide the necessary documents.” (**Web Resource 7 and Attachment 5**)

Concerns have also been raised in the press about potential nepotism involving UN Secretary General Kofi Annan. Kojo Annan, the son of the Secretary General, at one time worked for the Switzerland-based company, Cotecna. In December 1998, while Kojo Annan was still affiliated with Cotecna, the company was hired by the UN to monitor goods entering Iraq under OFF. In 1999, the UN responded to initial questions about the relationship by stating Cotecna tendered the lowest bid and the UN was unaware of any affiliation between Kojo Annan and Cotecna. (**Web Resource 10**) In briefings with the State Department, staff was told CPA has renewed the Cotecna contract.

DISCUSSION OF HEARING ISSUES

1. What is the status the Iraq Oil-for-Food Program?

Pursuant to the May 22, 2003, UN Security Council Resolution 1483, OFF ended on November 21, 2003. During the May 22-November 21, 2003 timeframe, the Secretary General was authorized to “prioritize,” in coordination with CPA and the Interim Iraqi administration, contracts agreed to by the Hussein regime in order to meet the needs of the Iraqi people. (**Web Resource 9**)

With the fall of the Hussein regime, oil smuggling and surcharges on oil exports stopped. In addition, according to the State Department,

By June 2003, we had learned from Iraqi officials that many of the ministries had both records that documented and personnel with detailed knowledge of the “kickback” system under Saddam Hussein’s regime, under which many suppliers had agreed to inflated prices and to pay a certain percentage of the inflated contract value into foreign bank accounts of regime officials. While the CPA was determined to avoid perpetuating any corruption related to these contracts wherever possible, the UN and CPA believed the Iraqis were best placed to determine what OFF goods they needed to rebuild their country – including its oil, electrical, and public works infrastructure. Many of the contracts they selected included “kickbacks.” It was agreed that the best way to deal with these “kickbacks” in the prioritized contracts was for the responsible UN agency to negotiate the removal of the “kickback.” (**Web Resource 9, p. 3**)

By not addressing certain contracts, this prioritization effectively cancelled those contracts when the contract expired. (**Web Resource 9**)

On November 22, 2003, CPA began a successor program, the Development Fund for Iraq (DFI), to handle the sale of oil and purchase of humanitarian goods. **(Web Resource 9)**

In response to allegations of abuse by UN personnel, the Secretary General requested the UN Office of Internal Oversight Services (OIOS), which is similar to a US Office of Inspector General (OIG), to open an investigation into all alleged misconduct by UN employees. **(Web Resource 3)** The Secretary General has also announced plans to appoint an independent panel to investigate all allegations of corruption and fraud within OFF. **(Web Resource 11)**

Nevertheless, there are a number of concerns as to why the various schemes to corrupt the program and undermine the sanctions regime were allowed to continue in some cases and not uncovered in others.

Why did the US not intervene to stop countries like Syria, Jordan, Turkey from smuggling oil out of Iraq in violation of the sanctions? Why didn't the UN or the US uncover concrete proof of the kickback schemes? Why were 661 Committee members resistant to investigating allegations of kickbacks?

It has been suggested the focus of the sanctions and OFF was in preventing the Hussein regime from acquiring goods to be used in weapons and to prevent a humanitarian crisis in Iraq. In both cases, the sanctions were characterized as generally successful. The focus was not on preventing the Hussein regime from enriching itself personally or preventing corruption of the program. Support for the sanctions was declining among the Security Council members and stricter controls were rejected. Consequently, the US allowed for the easing of the rules of what could be bought with OFF proceeds in order to maintain the sanctions regime.

It also is noteworthy that prominent citizens of Security Council members, especially permanent Security Council members such as Russia, France, and China, were allegedly involved in the oil voucher scandal. If some of the allegations prove true, it is quite possible those citizens were able to exert some influence on the decisions of their governments to reject additional controls on Iraq and to oppose the Iraq war. Furthermore, companies

participating in OFF and involved in any form of abuse of the program were most likely aware of the corruption, even those working through middlemen.

However, these political counterpressures do not seem to absolve the UN from taking steps to investigate alleged corruption. OIP was responsible for implementing OFF, including monitoring of oil sales and the purchasing of goods. Despite issuing a report calling for the end of surcharges, the UN launched no investigation into the alleged practice or other alleged manipulations of the program. In addition, when allegations of corruption emerged, the 661 Committee, which approved oil sales and humanitarian contracts, could have taken a harder look at what the Hussein regime was doing – even if such oversight was not a primary goal of the program. (**Web Resource 1 and Attachment 4**)

The UN has also failed to account for a \$5 billion discrepancy in OFF. The Secretary General has stated the UN oversaw \$65 billion in oil sales, but the UN Compensations Commission places the figure at “more than US \$70 billion.” The UN reportedly responded to questions by suggesting, “Maybe it was an approximate figure, just rounded up.” (**Attachment 6**) The UN also supplied incomplete and sometimes erroneous data when it turned OFF administration over to CPA. (**Web Resource 1**)

2. What is the US doing to ensure integrity of the Iraq Oil-for-Food Program?

The Departments of State, Defense, and Treasury have all played a roll in trying to uncover corruption of OFF.

CPA and State assisted in the prioritization and renegotiation of over 5,000 humanitarian contracts in order to recover kickbacks. In approximately 300 cases, suppliers refused to lower their fees by 10%, arguing they did not participate in the kickback scheme. “These cases were resolved by CPA querying the Iraqi ministry to confirm – and , where possible, to document – the presence or absence of the extra fee.” By the end of the OFF program in November 2003, 251 contracts had not been prioritized and renegotiated. The UN turned over those contracts to the Defense Contract Management Agency (DCMA) for renegotiation. That work is ongoing. Many OFF contracts will continue beyond June 30, 2004. (**Web Resource 8**) CPA also is assisting the Iraqi Board of Supreme Audit, an official Iraq body, to

launch a Baghdad-based investigation into the allegations of abuse in the OFF program.

DCAA has provided “financial advisory services to support the transition of the Oil for Food program to the CPA in Northern Iraq” in order to strengthen the internal and financial controls of the CPA Office of Project Coordination (OPC). **(Web Resource 4)**

However, according to GAO, CPA officials provided inadequate staff to properly manage the transfer and implementation of OFF even as CPA realized that UN data was incomplete. CPA also failed to privatize the food distribution system and delayed negotiations with the World Food Program (WFP) to administer the system, resulting in food shortages. Consequently, the CPA Office of Inspector General will be contracting an independent accounting firm to review:

- Oil-for-Food contract authentication and payment process;
- Contract amendment process;
- Potential financial liabilities;
- Funding, selection, oversight and administration of the Oil-for-Food projects in the Northern Provinces;
- Safeguarding of all Oil-for-Food assets (inventory and cash);
- and
- Identify risk for fraud, waste and abuse.

(Web Resource 4)

Treasury has worked to identify and seek repatriation of Iraqi assets located outside Iraq, including those assets frozen under the sanctions regime, “assets that exist in the countries that did business with Iraq either legally or illegally under the UN sanctions regime in place before March 2003 (called “trading states”) – Jordan, Lebanon, Syria, and Turkey,” and looted assets. Treasury investigations are led by the Office of Foreign Asset Control (OFAC) and have required coordination with the Departments of State, Defense, Justice, and Homeland Security, as well as the intelligence community. The result has been the creation of two interagency mechanisms, the Iraqi Asset Working Group and the Defense Intelligence Analysis Center (DIAC) Fusion Center. **(Web Resource 5)**

In addition, the Iraq Governing Council has hired KPMG and the British law firm, Freshfields Bruckhaus Deringer, to carry out an investigation of all corruption of OFF. (**Web Resource 12**) And as noted above, the UN has launched its own investigation of its personnel and will be creating an independent panel to carry out an investigation.

WITNESS TESTIMONY

Witnesses were informed the purpose of the hearing is to examine the status of the Oil-for-Food Program in Iraq and US government efforts to ensure the integrity of the United Nations-administered effort. Witnesses were further told the Subcommittee wanted to understand what went wrong with OFF and how transparency and accountability can be maintained in such programs.

State Department witnesses, including Ambassadors **John D. Negroponte**, **Robin L. Raphel**, and Patrick F. Kennedy and Assistant Secretary Kim R. Holmes, were asked to discuss the US role as a member of the Security Council in administering the Oil-for-Food Program, including oversight of contracts and the overall integrity of the program. State also was asked to discuss what the US has learned about alleged abuses of the Oil-for-Food Program and possible violations of UN sanctions by UN member states.

Mr. **Michael J. Thibault**, Deputy Director, Defense Contract Audit Agency (DCAA), was asked to discuss the role of DCAA in addressing the problems associated with the transition of the Oil-for-Food Program from the UN to CPA, overpricing in the program, and providing management assistance to the program.

Mr. **Jeff Ross**, Senior Advisor to the Deputy Assistant Secretary, Executive Office for Terrorist Financing & Financial Crimes, Department of the Treasury, was asked to discuss efforts by the Department of the Treasury to investigate abuses in OFF, including smuggling, illicit surcharges, and kickbacks, and assist the Iraqis with asset recovery resulting from abuses in the program.

Mr. **Claude Hankes-Drielsma**, Advisor, Iraq Governing Council and Chairman, Roland Berger, Strategy Consultants, is expected to discuss his role as an advisor to the IGC, what he has learned about alleged abuses of the Oil-for-Food Program and possible violations of UN sanctions by

member states, and the investigative roles of KPMG and Freshfields Bruckhaus Deringer.

Dr. **Nimrod Raphaeli**, Senior Analyst, Middle East Media Research Institute, Dr. **Nile Gardiner**, Fellow in Anglo-American Security Policy, The Heritage Foundation, and Ms. **Claudia Rosett**, Senior Fellow, Foundation for the Defense of Democracies and Adjunct Fellow, Hudson Institute, are expected to discuss how the Hussein regime manipulated the Oil-for-Food program, the identities of the illicit beneficiaries of the Oil-for-Food program, and the responsibilities of the UN and UN member states to ensure the integrity of the program.

Dr. **Edward C. Luck**, Director, Center on International Organization, School of International and Public Affairs, Columbia University was asked to discuss the history and challenges involved in the Oil-for-Food program. In particular, he is expected to address those challenges involved in the creation of the program that may have encouraged the abuse of the program.

WITNESSES

PANEL ONE

The Hon. John D. Negroponte

United States Representative to the United Nations
U.S. Mission to the United Nations
U.S. Department of State

The Hon. Robin L. Raphel

Coordinator
Office of Iraq Reconstruction
U.S. Department of State

The Hon. Patrick F. Kennedy

U.S. Representative for United Nations Management and Reform
U.S. Mission to the United Nations
U.S. Department of State

The Honorable Kim R. Holmes

Assistant Secretary

Bureau of International Organization Affairs
U.S. Department of State

Mr. Michael J. Thibault
Deputy Director
Defense Contract Audit Agency
U.S. Department of Defense

Mr. Jeff Ross
Senior Advisor to the Deputy Assistant Secretary
Executive Office for Terrorist Financing & Financial Crimes
U.S. Department of the Treasury

PANEL TWO

Mr. Claude Hanks-Drielsma
Advisor, Iraq Governing Council
Chairman, Roland Berger, Strategy Consultants

PANEL THREE

Dr. Nimrod Raphaeli
Senior Analyst
The Middle East Media Research Institute

Dr. Nile Gardiner
Fellow in Anglo-American Security Policy
The Heritage Foundation

Ms. Claudia Rosett
Senior Fellow, Foundation for the Defense of Democracies
Adjunct Fellow, Hudson Institute

Dr. Edward C. Luck
Director
Center on International Organization
School of International and Public Affairs
Columbia University

WEB RESOURCES

0. UN Office of the Iraq Programme Oil-for-Food, <http://www.un.org/Depts/oip/>.
1. Testimony of Mr. Joseph A. Christoff, Director, International Affairs and Trade, General Accounting Office, before the Senate Foreign Relations Committee hearing on *A Review of the United Nations Oil-for-Food Program*, April 7, 2004, <http://foreign.senate.gov/hearings/2004/hrg040407a.html>.
2. United Nations Resolution 986, April 14, 1995, <http://ods-dds-ny.un.org/doc/UNDOC/GEN/N95/109/88/PDF/N9510988.pdf?OpenElement>.
3. Testimony of Ambassador John D. Negroponte, United States Representative to the United Nations, before the Senate Foreign Relations Committee hearing on *A Review of the United Nations Oil-for-Food Program*, April 7, 2004, <http://foreign.senate.gov/hearings/2004/hrg040407a.html>.
4. Testimony of Michael Thibault, Deputy Director, Defense Contract Audit Agency, before the Senate Foreign Relations Committee hearing on *A Review of the United Nations Oil-for-Food Program*, April 7, 2004, <http://foreign.senate.gov/hearings/2004/hrg040407a.html>.
5. Testimony of Juan C. Zarate, Deputy Assistant Secretary, Executive Office for Terrorist Financing & Financial Crimes, U.S. Department of the Treasury, before the House Financial Services Subcommittee on Oversight and Investigations, March 18, 2004, <http://financialservices.house.gov/hearings.asp?formmode=detail&hearing=282&comm=4>.
6. “The Beneficiaries of Saddam’s Oil Vouchers: The List of 270,” The Middle East Media Research Institute, Inquiry and Analysis Series – No. 160, January 29, 2004, <http://memri.org/bin/opener.cgi?Page=archives&ID=IA16004>.

7. Raphaeli, Dr. Nimrod, "The Saddam Oil Vouchers Affair," The Middle East Media Research Institute, Inquiry and Analysis Series – No. 164, February 20, 2004,
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8. "The UN Security Council and the Iraq War," Wikipedia,
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9. Testimony of Ambassador Robin L. Raphel, Iraq Reconstruction Coordinator, U.S. Department of State, before the Senate Foreign Relations Committee hearing on *A Review of the United Nations Oil-for-Food Program*, April 7, 2004,
<http://foreign.senate.gov/hearings/2004/hrg040407a.html>.
10. Rosett, Claudia, "Kojo & Kofi," *National Review Online*, March 10, 2004,
<http://www.nationalreview.com/script/printpage.asp?ref=/comment/rosett200403101819.asp>.
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12. "'Massive scam' in Iraqi oil program," *The Australian*, March 29, 2004,
<http://www.theaustralian.news.com.au/printpage/0,5942,9112427,00.html>

ATTACHMENTS

1. Christoff, Joseph A., "Appendix I: Timeline of Major Events Related to Sanctions Against Iraq and the Administration of the Oil for Food Program," *United Nations: Observations on the Oil for Food Program*, GAO –04-651T, April 7, 2004.
2. BNP Paribas and United Nations Office of the Iraq Program flow charts.
3. Sachs, Susan, "Hussein's Regime Skimmed Billions From Aid Program," *The New York Times*, February 29, 2004.

4. Crossette, Barbara, “Iraq Is Running Payoff Racket, U.N. Aides Say,” *The New York Times*, March 7, 2001.
5. Raphael, Therese, “The Oil-for-Food Scandal,” *The Wall Street Journal*, March 11, 2004.
6. Rosett, Claudia, “The Real World: Fishy Accounting Over Iraq,” *The Wall Street Journal*, February 25, 2004.