

Iraq: Biggest Corruption Scandal in History

'A colonizer never leaves the colony in the hands of honest people' - Iraqi saying

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In her article "Iraq's century of humiliation in the globalised age", Aneela Shahzad writes:

"In May 2020, the Special Representative of Secretary General for the UN Assistance Mission for Iraq announced that the poverty rate in Iraq would double to 40% from around 20%, where it currently stands, 'the Iraqi economy is expected to contract by 9.7% in 2020... (and) there will be a decrease in economic opportunities.' How is there a 350% increase in oil production and only 'decrease' in economic opportunities for the Iraqi people? The people, whose cities have been bombed to ruins from Fallujah to Mosul; of whom over three million were killed and over two million displaced during the war; and who have been suffering disease and death due to shortage of food and medicine for the last four decades."

Is it the oil-resource curse that has brought the Iraqi people to this deplorable condition? Or, have the US-installed political system and after them the Iranian influence over Iraqi politics, been the main reasons behind mischiefs such as the case of "an estimated \$239.7 billion has left the country illegally since 2003", currently being inquired by the Iraqi parliament. Most of this money was indeed oil money, meaning that both oil and revenue have been conveniently syphoned away from Iraq, leaving its people in harrowing dearth." [1]

A *Transparency International* report, published March 16, 2005, states that: "The reconstruction of post-war Iraq is in danger of becoming 'the biggest corruption scandal in history.'" [2]

The analysis underneath tries to give an overview – although incomplete – of the rampant corruption imported by the US invaders and optimized by its installed Quisling government. It is only one aspect of the total destruction of the Iraqi state. This is the story of a country that was targeted to become a failed state, by design of the imperialist and neoliberal US/UK elites, or should we call them "the organized-crime world syndicate". The sectarian political and neoliberal economic system they installed is totally broken, beyond repair. The Iraqis call the period after the withdrawal of US combat troops "the second face of the occupation", leaving in place all the neoliberal sectarian laws the occupiers enacted.

The criminal activities of the occupiers are well documented, many times reported and analysed, but the US still refuses to accept responsibility and accountability for its gross violations of International Humanitarian Law. It's very important that the true story of Iraq is repeatedly told, until it becomes part of humanity's collective memory, because Iraq serves as a template for the nefarious consequences of what "humanitarian" imperial interventions really mean, as is the case for other "humanitarian" war zones, from Afghanistan to Libya. "Bringing democracy" is always the official narrative, the harsh reality however is

destruction, plunder, submission, exploitation and oppression. The truths about corruption have to be documented, explained and repeated over and over again. Hence this article.

This is well formulated in the message that novelist, painter and poet **John Berger** (+ 02.01.2017) wrote on 18 June 2003 in support of the *World Tribunal on Iraq* initiative, the greatest achievement of the global peace movement ever:

“The records have to be kept and, by definition, the perpetrators, far from keeping records, try to destroy them. They are killers of the innocent and of memory. The records are required to inspire still further the mounting opposition to the new global tyranny. The new tyrants, incomparably over-armed, can win every war – both military and economic. Yet they are losing the war (this is how they call it) of communication. They are not winning the support of world public opinion. More and more people are saying NO. Finally this will be the tyranny’s undoing. But after how many more tragedies, invasions and collateral disasters? After how much more of the new poverty the tyranny engenders? Hence the urgency of keeping records, of remembering, of assembling the evidence, so that the accusations become unforgettable, and proverbial on every continent. More and more people are going to say NO, for this is the precondition today for saying YES to all we are determined to save and everything we love.”[3]

It was not Saddam Hussein who introduced a culture of endemic corruption



Saddam Hussein’s government had progressive plans to modernize Iraq and turn the country into a model society. In a region where government corruption is the norm, Saddam had decided he would ban corruption from his own country. According to him, corruption was not only morally wrong, it was treason. For example, in January 1979, four officials were executed for accepting bribes. This policy changed dramatically after the 2003 invasion.

Patrick Cockburn: “Why is the corruption in Iraq so bad? The simple answer that Iraqis give is that “UN sanctions destroyed Iraqi society in the 1990s and the Americans destroyed the Iraqi state after 2003”. Patronage based on party, family or community determines who gets a job. There are many winners as well as losers and all depends on Iraqi oil exports going up and prices staying high. “I only once saw panic in the cabinet,” says an ex-minister, “and that was when there was a sharp drop in the price of oil.”[4]

Of course there was corruption during Saddam’s reign, as is the case in all countries around the world, but many Iraqis recall that, after the devastating US air strikes during operation Desert Storm in 1991, power stations and other facilities were patched up quickly using only Iraqi resources, while, despite the \$ 53 billion “aid” for the “reconstruction” spent since the 2003 invasion, 70 percent of Iraqis have no decent access to drinking water or electricity. The available funds went into the pockets of foreign contractors and corrupt officials.

Spot the difference.

From the first days after the invasion, the US and its coalition partners created a wasteful, opaque and corrupt system in Iraq. Massive theft, fraud, bribery and crimes of all kinds have failed reconstruction, infecting the government and wider society. There are hundreds of fraudulent, incomplete, failed or useless projects that have cost Iraq tens of billions of dollars. Judging from the final results, the projects have delivered surprisingly little lasting benefit to the Iraqis. These corrupt acts are a clear violation of the occupier's responsibilities under the Geneva Conventions, the UN Convention against Corruption (2003) and Security Council resolutions.

Transparency International ratings for Iraq

in the 2006 Corruption Perceptions Index of Transparency International, Iraq was ranked 160th of 162 countries; in 2007: 178th of 180 countries; in 2008: 178th; in 2009: 176th ; in 2010: 175th out of 178 countries; In 2011: 175th out of 182 countries; in 2012: 19th out of 174 countries; in 2013: 171th of 177 countries; 2014: 170th of 175 countries; in 2015: 161th of 167 countries; 2016: 166th out of 176 countries; in 2017:167th of 180 countries; in 2018: 168th; in 2019: 175th in 182 countries.

Iraq is the most corrupt country in the Arab world, according to Transparency International reports. Deep-rooted corruption in Iraq is one of the factors hampering reconstruction efforts for more than a decade. The exact magnitude of the corruption and waste of Iraqi public funds is difficult to ascertain. But several officials have provided figures ranging between \$229 billion and \$1 trillion.



Former Prime Minister Nouri al-Maliki lost \$ 500 billion during his tenure (2006-2014), according to the Iraqi Integrity Commission (CPI). “Nearly half of the government’s revenues during the eight-year period were ‘stolen’ ”, said Adil Nouri, the CPI spokesperson. He called this “the greatest political corruption scandal in history”. Iraq’s oil revenues were \$ 800 billion between 2006 and 2014, and the Maliki government also received \$ 250 billion in aid from various countries, including the US, during that time.[5]

Iraqi MP Khalid al-Alwani revealed on July 13, 2011, that the extent of financial and administrative corruption in Iraq could amount to \$ 229 billion[6]. He said the scale of corruption in Iraq is “enormous” and attributed rampant corruption in Iraq to “the high volume of sales ... the lack of accountability and lack of judicial oversight”.

Rahim al-Darraji, a former member of the Finance Committee in Parliament, estimated in 2020 the looted funds in Iraq at around \$ 450 billion.[7]

“Since 2003, corrupt officials and politicians in Iraq have squandered about a thousand billion dollars in public money, without developing any service sector in the country”, The Arab Weekly wrote on 19/09/2020[8].

An Iraqi parliamentary committee estimated that about \$ 239.7 billion has been smuggled out of Iraq since 2003. “The amount was smuggled in the form of false receipts and many commissions were paid to civil servants,” Taha al-Difai, a member of the Integrity Commission, told the official Iraqi News Agency on January 4, 2021. He cited political pressure on an anti-corruption committee formed by the government to investigate allegations of corruption in the country. “About \$ 685 billion has been disbursed since 2003,” he said, adding that this amount was “wasted on contracts and rampant corruption.”[9]

After reading these staggering figures, take a moment to reflect on the acute humanitarian needs of the Iraqi population. 2.4 million people are in acute need in 2020-2021 compared to 1.8 million people in 2019-2020, with the proportion of out-of-camp IDPs in acute need increasing from 36 percent in 2020 to 45 percent in 2021.[10] Overall, 5.6 million people, including 2.6 million children, continue to need humanitarian assistance. This includes 1.8 million people (814,000 children and 15 per cent people with disabilities) facing acute humanitarian needs.[11]

As the World Bank has noted, oil has enabled Iraq to appear on paper as a middle-income country, a classification based on the simple math of taking its oil-inflated GDP and dividing it by population. But by almost every other measure, Iraq is a barely managing Third World economy.[12]

Does anyone still believe Iraq’s corrupt political process can be rectified? March 19, 2021 will commemorate the 18th anniversary of the criminal invasion of Iraq and since 2003 the situation for the Iraqi people has only deteriorated, while a small political and collaborationist elite and their foreign masters have shamefully enriched themselves.

Again, spot the difference with the Iraqi governments before 2003.

The Looting of Iraq



Soon after the conquest of Baghdad, American commanders and political leaders announced a massive program to rebuild Iraq and bring prosperity. President Bush even compared those efforts to the Marshall Plan in Europe after World War II[13]. Washington spent billions of dollars of Iraqi oil revenues and billions of US grants to fund thousands of projects. But because of fraud, corruption, and theft, these programs failed and money was increasingly

diverted to shadowy “security” operations. Gangsterism started in the earliest days of the occupation under the US-administered provisional government, the *Coalition Provisional Authority* (CPA). It went even further after that, under the (approving) eyes of US officials and advisers. Corruption, imported by the occupier, was rampant thanks to the very weak government system they created.

Huge funds have been stolen or lost by the occupying authorities and their local accomplices. The US government had decided to acquire all Iraqi assets and funds around the world, totalling \$ 13 billion. Subsequently, Iraqi funds in the US (\$ 3 billion) were confiscated. And finally there was a forced transfer of funds from the Iraqi account at the Swiss bank UBS to the Anglo-Americans.

The occupation authorities also obtained the accumulated funds from the oil-for-food program (approximately \$ 21 billion up to March 2003). In the first week of the occupation, US forces in government buildings in Baghdad collected about \$ 6 billion from the Iraqi Central Bank and \$ 4 billion from other Iraqi banks. Also, \$ 2 billion of Iraqi funds in Arab and other foreign banks (national emergency reserves) was stolen.

Where have all those funds gone? Instead of depositing these funds – as well as the income from oil exports – in an account in the Iraqi central bank, the occupation authorities parked all these assets in an account *Development Fund for Iraq* (DFI) at the US central bank, New York- branch, where all financial transactions are done in utmost secrecy.

The invasion allowed the US to steal money from Iraq’s oil revenues. *Christian Aid* found that of the \$ 5 billion of invested assets from Iraqi oil revenues after 2003, only about \$ 1 billion could be recovered. The missing 4 billion was found in the *Federal Reserve*, after the investigation by *Christian Aid*[14]. This was in direct violation of the UN resolution requiring the *International Advisory and Monitoring Board* (IAMB) to monitor these funds.

Paul Bremer Created a Garden of Eden for War Profiteers in Iraq

The clearest statement of intent for the future of the Iraqi economy was Bremer Order 39, which permitted full foreign ownership of Iraqi state-owned assets and decreed that over 200 state-owned enterprises, including electricity, telecommunications and the pharmaceuticals industry, could be dismantled. Order 39 also permitted 100 per cent foreign ownership of Iraqi banks, mines and factories; and allowed these firms to move their profits out of Iraq. It has been argued already in the British courts that Order 39 constitutes an act of illegal occupation under the terms of the Hague and Geneva Conventions. Article 55 of the Hague regulations asserts that occupying powers are only permitted to administer public assets. The effect of Article 55 is to outlaw privatization of a country’s assets whilst it is under occupation by a hostile military power.[15]

Transnational corporations, mostly belonging to Western states have succeeded to negotiate very favourable contracts. Private or listed companies received at least \$ 138 billion in government contracts from the US taxpayer for services such as providing security, infrastructure works and catering for the troops.

Ten companies received 52 percent of the funds, according to an analysis by the *Financial Times* in March 2013. Since the invasion, Halliburton (military/oil), Veritas (military/finance), the Washington Group (military/oil), Aegis (military), International American Products (electricity), Fluor (water/sewage), Perini (environmental cleanup), Parsons

(military/construction), First Kuwaiti General (construction), HSBC Bank (finance), Cummins (electricity) and Nour USA (oil), to name just a few, have made huge profits at the expense of the Iraqi treasury and US taxpayers. US and UK companies received 85 per cent of the value of CPA contracts whilst Iraqi firms received just 2 per cent of the value of those. Most went to US firms[16]. No less than 60% went to the American Halliburton, on the basis of outrageous no-bid contracts. Financial reporting was shoddy or non-existent.

To illustrate the extent of the looting, waste and corruption, here are a few examples.

Billions of dollars in Iraq 's vital oil production have been stolen and smuggled out of the country since March 2003, with astonishingly little action by Coalition authorities or the Iraqi government[17]. Smugglers have also re-exported or sold stolen refined products like gasoline and diesel fuel. The government imported these products to make up for refinery shortages and sold them at highly-subsidized rates. Most oil loss was apparently due to corrupt officials who control the oil system. US officials were certainly involved alongside the Iraqis. Usually, oil operations are extensively metered, from well head to refineries to export terminals. But Iraq had no working meters, making it virtually impossible to monitor the flow of crude or refined products or to trace the location of smuggling operations and corrupt practices. "It's like a supermarket without a cashier," said Mike Morris, an oil industry expert who used to work for the State Department in Baghdad. "There is no metering [at the export terminal]. And there's no metering at the well heads either. There is no metering at any of the major pipeline junctions." Morris estimated that "between 200,000 and 500,000 barrels a day" are unaccounted for.[18]

The CPA could have installed metering immediately, but strangely did not. Bremer and his team were advised of the metering problem, but they repeatedly postponed action[19]. When the IAMB pointed to the lapse, neither the Iraqi State Oil Marketing Organization nor US authorities could give a satisfactory explanation[20]. IAMB accountants noted that there were not even working meters on the export loading platforms, making it impossible to know the volume or value of Iraq 's crude exports. Officials have apparently been getting kickbacks from loading of tankers with hundreds of thousands of barrels of oil not included in the bill of lading.

Platt's Oilgram, an industry newsletter, estimated the loss at \$3 billion per year[21]. The Iraq Study Group suggested that until 2006 the rate of theft might have run as high as 180 million barrels, but a more recent report by the US Government Accountability Office suggested a figure of 110 million barrels annually, with a financial loss that can be calculated at about \$5.5 billion. An audit of Iraq's oil revenue management and accounting system found the plan to fully install and calibrate a full crude oil and products metering system by 2012 was only 39% complete, according to a report from Platts.[22]

James Glanz in The New York Times of May 28, 2004[23]: "As the United States spends billions of dollars to rebuild Iraq's civil and military infrastructure, there is increasing evidence that parts of sensitive military equipment, seemingly brand-new components for oil rigs and water plants and whole complexes of older buildings are leaving the country on the backs of flatbed trucks.

By some estimates, at least 100 semitrailers loaded with what is billed as Iraqi scrap metal are streaming each day into Jordan, just one of six countries that share a border with Iraq.

American officials say sensitive equipment is, in fact, closely monitored and much of the rest

that is leaving is legitimate removal and sale from a shattered country. But many experts say that much of what is going on amounts to a vast looting operation.

In the past several months, the International Atomic Energy Agency, based in Vienna, has been closely monitoring satellite photographs of hundreds of military-industrial sites in Iraq. Initial results from that analysis are jarring, said Jacques Baute, director of the agency's Iraq nuclear verification office: entire buildings and complexes of as many as a dozen buildings have been vanishing from the photographs. "We see sites that have totally been cleaned out," Mr. Baute said.

The agency started the program in December, after a steel vessel contaminated with uranium, probably an artifact of Saddam Hussein's pre-1991 nuclear program, turned up in a Rotterdam scrapyards. The shipment was traced to a Jordanian company that was apparently unaware that the scrap contained radioactive material."

(...) "There is a gigantic salvage operation, stripping anything of perceived value out of the country," said John Hamre, president and chief executive of the Center for Strategic and International Studies, a nonpartisan Washington research institute, which sent a team to Iraq and issued a report on reconstruction efforts at the request of the Pentagon last July. "This is systematically plundering the country," Dr. Hamre said. "You're going to have to replace all of this stuff."

The great diversion

To cover up their own corruption, at a time when the search for imaginary weapons of mass destruction did not go well and the Abu Ghraib torture scandal came to widespread public attention in April 2004, the US decided to attack the Oil-For-Food program head-on. They urgently needed a distraction to make the world forget the US government's lies to justify the invasion and the failed occupation that was marred with death, destruction, corruption... The UN was to be made a scapegoat. Was this an act of revenge because the UN Security Council refused to give green light for the invasion?

On February 4, 2005, Inter Press Service (IPS) reported in an article, "*Iraq's oil-for-food audit finds no widespread abuse*"[24]: "After spending months combing through thousands of documents and questioning scores of officials, the investigators of alleged irregularities in the U.N.-led Oil-for-Food program in Iraq acknowledge that they have so far failed to find a smoking gun. However, in an interim report released Thursday, they accused the world body of failing to abide by the rules to assure fairness, transparency and accountability."

The mainstream media made a big fuss about the alleged abuses in the Oil-for-Food program, including the Wall Street Journal. Obvious biases, exaggerations and unstated context about the United Nations oil-for-food program: this so-called "scandal" is perhaps one of the most poignant misinformation in recent times. And that is no coincidence. The story confirms the neoconservative worldview that the UN is populated by corrupt, incompetent and hostile anti-American bureaucrats whose sole purpose is - they believe - to restrict the United States from using its unparalleled - but 'entirely benevolent' - power. "Newspaper editors who play up the story are complicit in this ongoing virulent campaign against the U.N. by U.S. right-wing neo-conservatives," said Jim Paul, executive director of the U.S.-based Global Policy Forum. In addition, the Baath Party and the Iraqi president had to be vilified and accused of unbridled corruption at all costs so that the truths about the corrupt and brutal occupation would not provoke too much protest. The US allegedly saw a

mote in the UN's eye without noticing the beam in its own eye.

Former Iraqi Humanitarian Coordinator Denis Halliday said in his testimony before the World Tribunal on Iraq in Istanbul on June 2005: "To divert attention from the disastrous occupation in terms of cost and casualty rate, Washington has attacked the Oil-For-Food program, where apparently some irregularities have been observed: wrong management, lost funds for which no explanation can be found ... and this for a total of perhaps \$ 150,000. However, this unique and successful \$ 65 billion project fed and met the basic needs for 24 million Iraqis from 1997 to 2004. The real scandal is not the wrong management of the UN. It is the sale of oil outside of this program, with US approval, allocating 30% of oil revenues to Kuwait, while Iraqi children died from holding back necessary contracts, leaving insufficient financial investment in electricity and water supply. The real scandal is the genocide of the Iraqi population that the UN caused by a 12-year strangulation of the country under the severe sanctions regime."

Disappearing defence funds and weaponry

According to a confidential report and interviews with US and Iraqi officials published by Knight Ridder newspaper on August 11, 2005[25], US and Iraqi investigators had uncovered widespread fraud and waste in more than \$ 1 billion in arms deals arranged by middlemen who received huge bribes for contracts to arm Iraq's fledgling army.

Knight Ridder reported that \$ 300 million in defence funds had been lost. But the report indicated that the audit committee had uncovered a much bigger scandal, with losses amounting to more than \$ 500 million.

Those revelations provided a look at corruption reportedly thriving for eight months or more, even with about 20 US civilian advisers working with Iraqi defence chiefs. "There is no reconstruction, no weapons, nothing," said Iraqi Lieutenant General Abdul Aziz al-Yaseri, who worked at the height of the alleged corruption at the Ministry of Defence. 'There are not even real contracts. They just signed papers and took the money.[26]'

General Petraeus, who oversaw the training of Iraqi forces, held weekly briefings with the Minister of Defence. Other Iraqi defence officials were rarely spotted without US civilian advisers around. The close relationship raises questions about how \$ 500 million or more could disappear without US intervention to stop the suspicious contracts that ran for at least eight months.

A \$ 75 million contract to Parsons to build a new Baghdad Police College should have become "the most essential civil security project in the country", according to SIGIR, but after new recruits arrived in May 2006, cadets protested against the unbearable circumstances. Inspectors found that toilets overflowed into living areas, foundations sank and floors rose. Engineers eventually decided that the work was so seriously flawed that several of the newly constructed buildings had to be demolished and completely rebuilt. Dozens of other 'security' projects, such as police stations, prisons and army barracks, have also failed spectacularly.[27]

When funds for 'security' programs were increased, Iraqi politicians and government ministers demanded DFI funds for their own projects. A consortium affiliated with Pentagon favourite Ahmed Chalabi was initially awarded a \$ 327 million contract in January 2004 for the supply of weapons, trucks, uniforms and other equipment, but the items apparently

never arrived. General Hazem Shaalan, Secretary of Defence in the interim government, was awarded \$ 1.3 billion for new tanks, helicopters, and armoured vehicles, as well as rifles, body armour and helmets. Subsequent investigations showed extensive corruption. Cash was transferred through intermediaries and secret accounts. Little records were kept.

British company Zeroline won a \$ 8.48 million contract for 51 armoured vehicles for the Iraqi government in late 2003. Two other companies, APTx and Alchemy Technology, were also involved. The vehicles were contracted out to be built in Russia. Although the main contract was paid in full at the end of 2004, using DFI funds, the vehicles were never delivered.

On May 16, 2005, Iraqi warrants were issued for the arrest of former Defence Secretary Shaalan, the head of procurement, Ziad Cattan, and several others at the Ministry of Defence, based on findings of the Iraqi Supreme Audit Board. But Shaalan had already fled to London and Amman by then. A number of other accused ministers had also left the country. Judge Radhi al-Radhi, the official who investigated the corruption, told a journalist: "We have US experts in the Department of Defence. Why didn't they act when they saw such violations?"[28]

The Special Inspector General for Iraqi Reconstruction

The US government has spent large sums of money on "reconstruction" in Iraq. In 2003, Congress voted approximately \$ 21 billion to create the *Iraq Reconstruction and Rehabilitation Fund* (IRRF). The US also established the *Iraq Security Forces Fund* (ISFF), funded by the Department of Defence, for a total of \$ 11 billion. Programs such as the *Commander's Emergency Response Program* (CERP) added another \$ 6 billion, bringing the total to \$ 38 billion. From the outset, US authorities have blurred the distinction between spending on rebuilding Iraq's infrastructure and spending on military programs. Most of the money originally approved was spent on the security sector.

Stuart Bowen, the *Special Inspector General for Iraqi Reconstruction* (SIGIR), had controlled the IRRF since October 2004. Bowen had mandatory access to financial data and was mandated to eradicate corruption. He was a protégé of President Bush, but Bowen became more critical of the White House as time went by. With a staff of 55 auditors, inspectors and investigators in 2006, he disclosed contract scandals, made incriminating statements in Congress on several occasions and referred cases to the courts for criminal prosecution. The Bush administration attempted (unsuccessfully) to close Bowen's office in the fall of 2006. It seems tempting to view the inspector general as an undaunted advocate of a fair government. In fact, Bowen had to work within a carefully limited mandate and under heavy political pressure. Despite many achievements, he has not called the greatest war profiteers to account. Nor has he investigated the role of senior officials in the Bush administration or discovered scandals in the shadowy "security sector" spending.

The stolen and squandered "reconstruction" funds

About \$ 40 billion from a post-Gulf War fund that Iraq maintained to protect the country from foreign claims have been "missing," the Iraqi parliament speaker said on February 24, 2011. In a letter to the UN in May 2011, the *Iraqi parliamentary committee of Integrity* (COI) wrote: "There is evidence that US occupation authorities have stolen reconstruction funds from the people of Iraq or misappropriated through corruption, totalling \$ 17 billion." The Iraqi parliament described this loss of funds as 'financial crime'. [29]

An Iraqi government watchdog agency, the *Board of Supreme Audit*, noted in 2012 that \$ 800 million in profits from illicit activities was being transferred out of Iraq each week, effectively stripping \$ 40 billion annually from the economy, according to Special Inspector General for Iraq Reconstruction (SIGIR) Stuart Bowen's final report on the U.S. occupation.[30]

An estimate in the report of the *Commission for Wartime Contracting* on February 24, 2011 stated that fraud losses could amount to \$ 12 billion in both war zones alone (Iraq and Afghanistan).

And when the US withdrew from Iraq, hundreds of abandoned or unfinished projects were left behind. SIGIR wrote in the March 2013 report that the United States Department of Defence was unable to properly account for at least \$ 8.7 billion, "lost through fraud, waste and abuse". 96 percent of \$ 9 billion is missing. It is interesting to note that this money is not "aid" at all, but comes from the sale of Iraqi oil and gas, and from frozen funds and proceeds from Saddam Hussein's fixed assets.

The Development Fund for Iraq

On May 22, 2003, just three months after the invasion, the UN Security Council established the *Development Fund for Iraq* (DFI) to manage Iraq's future oil revenues, as well as the remaining funds from the Oil-for-Food bill of the UN. The fund was turned over to the US-dominated *Coalition Provisional Authority* (CPA). The Security Council demanded that the money be "managed in a transparent manner" to "meet the humanitarian needs of the Iraqi people". That's why they created the *International Advisory and Monitoring Board* (IAMB) to oversee the Fund.

On the same day that the CPA was created by UNSCR 1483, Bush signed Executive Order 13303, which prohibited any 'attachment, judgement, decree, lien, execution, garnishment, or other judicial process' with respect to the Central Bank of Iraq-Development Fund for Iraq and all Iraqi petroleum, proceeds from the sale of petroleum, or any interests in Iraqi petroleum held by the US government or any national of the United States. This executive order granted immunity from prosecution for the theft or embezzlement of oil revenue, or incidentally, from any safety or environmental violations that might be committed in the course of producing Iraqi oil. Two months later, in June 2003, Paul Bremer issued CPA Order 17. This guaranteed that members of the coalition military forces, the CPA, foreign missions and contractors—and their personnel—would remain immune from the Iraqi legal process. This carte blanche provision of immunity was extended again in June 2004.[31]

Initially, the CPA completely controlled the fund. In just 13 months, CPA officials spent \$ 19.6 billion - more than 90% of all DFI resources then available.

When the CPA was finally dissolved on June 28, 2004, management of the Development Fund for Iraq passed to the *Iraqi Interim Government* (IGC) and its successors. DFI spending then became even less transparent. The Iraqi Ministry of Finance only established an administrative unit for the DFI in February 2005, but at the end of 2006 it was still not possible to properly monitor DFI funds. At every stage, American advisers had significant and even decisive influence within the Treasury and Iraqi ministries.

Blocking and weakening the UN Supervisory Board

The *International Advisory and Monitoring Board* (IAMB) appeared to be a solid instrument of accountability. But the US cowboys have done everything they could to block and weaken the authority of the Board. Board members: the World Bank, the IMF, the Arab Development Bank and the United Nations had to negotiate the terms of reference with the CPA. Washington's demands caused diplomatic bickering and delays for months. Although the parties finally agreed on the rules of the game in October 2003, the board did not hold its first meeting until December and did not sign an audit contract until April 2004. Ten months had passed and surveillance hadn't even started yet.

Because of the boycott operations of the US, the Administration was not given access to financial documents (albeit mandatory). It had only limited investigative powers and no accountability or prosecution powers. Furthermore, the board never had a permanent full-time staff and its budget was so inadequate that it could do little more than hire accountants. The board "monitored" the oil sales and the inflow and outflow of money from the DFI, but could not guarantee liability. "We have no authority to require actions arising from our work," said IAMB Chairman Jean-Pierre Halbwachs at a press conference in late 2005.[32] Another member acknowledged that the Council was not established to detect fraud and that the Council has not yet seen a single case of fraud.

When the IAMB audit team finally arrived in Baghdad in the spring of 2004, it received an frosty reception. Auditors tried for weeks to go to the "Green Zone", where all CPA documents were kept. They had the greatest difficulty accessing CPA and Ministry data. When audits and accounts were eventually turned over, they were heavily censored and virtually useless. The board of directors could not issue its first audit report until mid-July – fourteen months after the oversight process was first approved by the UN. By then the CPA had already been disbanded.

The Council has repeatedly complained that the US and Iraqi authorities did not keep sufficient records, that basic money transfers could not be accounted for and that the authorities did not cooperate. The Council has also complained about erroneous bidding procedures, dubious work permits, and in particular the sale of oil without metering. Iraq Revenue Watch, a US-based NGO, has been monitoring this process and reporting its findings to the press. But the Security Council turned a blind eye and failed to take corrective action to protect "the humanitarian needs of the Iraqi people".

Airfreight of dollar bills

The occupiers were also lax in their management and supervision of Iraq's oil revenues. Using a highly irregular and corruption prone method, Bremer and the CPA took a total of US \$ 12 billion in the form of US notes from the DFI account in the New York Federal Reserve Bank. The money was then flown to Baghdad aboard US Air Force C-130 Hercules cargo planes, for alleged expenses on "reconstruction", as well as "administration" and "miscellaneous services".[33]

Cash outgoings on this scale are obviously difficult to verify and make verification nearly impossible. The CPA could have set up control systems through the right bank channels. Instead, the CPA steadily increased its payouts in currencies. In the last week the CPA was in power, officials ordered more than \$ 4 billion in banknotes to be shipped from New York to Baghdad for last-minute issues. On June 24, 2004, a \$ 2.4 billion airlift was the largest cash distribution in the history of the US Federal Reserve.

Over the course of thirteen months between May 2003 and June 2004, these currency shipments amounted to 363 tons in newly printed banknotes, with 281 million individual banknotes. Frank Willis, a former senior CPA official, commented that, "Iraq is drowning in cash - in dollar bills. Stacks and piles of money. We played soccer with some of the \$ 100 bills for delivery. A crazy wild west. atmosphere, something none of us has ever experienced." [34]

After the cash arrived in Baghdad, the CPA kept little track of who was being paid, much less what the money was to be used for. While the CPA's own regulations required government accounts to "ensure that the Fund [DFI] is managed and used in a transparent manner," an investigation later revealed that the small San Diego company hired for this purpose had no idea had never seen the CPA's financial records or performed audits.

The CPA had to stockpile large amounts of cash, an invitation to theft, without secure safes, and without established procedures for using the money. Paul Bremer kept a coffers of nearly \$ 600 million for which there was little or no administration. \$ 200 million was reportedly kept in a single room in Saddam's former Republican palace in the green zone where Bremer's office was located.

Audits found that a "contracting officer kept about \$ 2 million in cash in a safe in his bathroom" and "a stockbroker kept about \$ 678,000 in cash in an unlocked locker." An IAMB report notes that in one case \$ 774,300 was stolen from a division's safe. One contractor received a payment of \$ 2 million in a plastic bag filled with shrink-wrapped bundles of dollars and one official received \$ 6.75 million in cash and ordered to spend in one week. before the Iraqi interim government took control.

US authorities distributed millions of dollars in cash to local communities across the country to create "goodwill." CPA officials handed piles of \$ 100 bills to local leaders whose support they wanted and whose information they needed. \$ 100,000 in cash allocated to a women's centre in al-Hillah was turned over to a local dignitary who used it to fund his election campaign. In addition to unaccounted for direct expenditure, the CPA transferred \$ 8.8 billion to Iraqi ministries during this period, an amount for which the expenditure could never be truly accounted for.

Congressman Henry Waxman's investigation into the currency transfer ended in June 2004 with the closure of the CPA. After that, nobody investigated what happened with the money. Worse, when asked whether dollar-billed planes were still crossing the Atlantic, an IAMB spokesman claimed in early 2007 that the board "doesn't know" if that was the case. However, there appear to have been shipments of US currency afterwards. A SIGIR audit in March 2006 found \$ 7.2 million in cash - mostly in \$ 100 bills - at a US military command post in Falluja.

Failed reconstruction by the major construction firms

Primary health centres should have been a key element of the health sector program, bringing medical services to Iraq's cities and urban neighbourhoods. In March 2004, the Parsons Corporation received a \$ 253 million contract to build 150 local clinics. Two years later, only five of the clinics had been completed, while \$ 186 million of the budget had already been spent. The Army Corps of Engineers, responsible for oversight, was aware of the shortcomings and did nothing.

The US Army Corps of Engineers (USACE) has ceased working with Parsons because a dozen other Parsons projects had also been poorly implemented, including prisons, fire stations. . . and meters at the Basra Oil Terminal.

The Army Corps of Engineers was the wrong entity to handle oil contracts. Bunnatine Greenhouse, highest-ranking Army Corps civilian, on 27 June 2005: "When I did gain access to some of the high level planning meetings related to the implementation of the *Restore Iraqi Oil* (RIO) contract I sensed that the entire contracting process had gone haywire. I immediately questioned whether the Corps had the legal authority to function as the Army's delegated contracting authority. The Corps had absolutely no competencies related to oil production. Restoration of oil production was simply outside of the scope of our congressionally mandated mission. How then, I asked, could executive agency authority for the RIO contract be delegated to the USACE? I openly raised this concern with high level officials of the Department of Defence, the Department of the Army and the U.S. Army Corps of Engineers. I specifically explained that the scope of the RIO contract was outside our mission competencies such that congressional authority had to be obtained before the Corps could properly be delegated contracting authority over the RIO contract. Exactly why USACE was selected remains a mystery to me. I note that no aspect of the contracting work related to restoring the oil fields following the 1991 Persian Gulf War was undertaken by the USACE, and there was no reason why USACE should take over that function for the prosecution of the Iraq War." [35]

Halliburton won a \$ 2.4 billion contract without a bid to upgrade oilfield facilities to boost exports and generate more revenue. But the company screwed up the work. At a water injection facility in Qarmat Ali, near Basra, powerful new pumps burst open the obsolete pipes and the pumps themselves failed briefly. The factory operated so badly that Iraq's southern oil fields were seriously damaged.

The Al-Fatah pipeline was another Halliburton oil project. North of Baghdad, the pipeline crossed the Tigris River on a bridge that was badly damaged in the US bombing in 2003. Halliburton subsidiary KBR had to restore the pipeline. But instead of repairing the bridge, an estimated \$ 5 million job, the company insisted on drilling a tunnel under the river, requiring a budget of \$ 75 million. Business engineers ignored warnings about unstable soil and rock formations. After wasting the entire budget, the company has stopped work and left the project unfinished.

Many of the major contracts suffered from serious shortcomings. Judging from the end results, the work has delivered surprisingly little lasting benefit to the Iraqis.

When Paul Bremer and his CPA team handed out their hundreds of millions of dollars in cash, smaller companies and individuals - not Iraqis - saw their opportunities for rapid enrichment clear.

Since December 2003, the *Democratic Policy Committee* (DPC) had held nineteen oversight hearings on waste, fraud, and corruption in Iraq. Over the course of these hearings, the DPC listened to numerous witnesses, including former employees of the Department of Defence, the State Department, the Coalition Provisional Authority, the Iraqi Government, Halliburton/KBR, and other American contractors in Iraq. The special report from August 13, 2009 revealed a disturbing pattern of abuse and mismanagement by the Department of Defence, the Department of State, the Department of Justice, the Coalition Provisional Authority, and the Iraqi government:

“In a report that has never been made public, the *Iraqi Council of Supreme Audit* (BSA) revealed that it could not properly account for more than \$13 billion in American reconstruction funds. During their audit of American reconstruction contracts, BSA officials uncovered “ghost projects” that never existed, projects that the Iraqi government deemed unnecessary, and work that was either not performed at all or done in a shoddy manner by both American and Iraqi contractors.” (Salam Adhoob, former Chief Investigator, Commission on Public Integrity (Baghdad), Government of Iraq, 9/22/2008)

“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 one of the meetings, the Minister of Justice 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, four 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.” (Testimony of Anonymous Witness, Former Senior Advisor to the U.S. Government in Iraq, 9/22/2008)

“Based on the cases that I have personally investigated, I believe that at least \$18 billion have been lost in Iraq through corruption and waste — more than half of which was American taxpayer money. Of this \$18 billion, I believe at least \$4 billion have been lost due to corruption and criminal acts in the Ministry of Defense alone.” (Salam Adhoob, former Chief Investigator, Commission on Public Integrity in Baghdad, Government of Iraq, 9/22/2008)

“The abuse I observed called into question the independence of the [Army Corps of Engineers] contracting process. I can unequivocally state that the abuse related to contracts awarded to KBR represents the most blatant and improper contract abuse I have witnessed during the course of my professional career.” (Bunnatine Greenhouse)

“In the 11 months that I served in Iraq, the *Office of Accountability and Transparency* (OAT) was under-staffed for its mission and 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 within the office of transparency. Our job was to implement U.S. policy, but whenever we tried, our own officials blocked us.” (James Mattil, former Chief of Staff at the Department of State’s Office of Accountability and Transparency, 5/12/2008)[36]

The Cost of “Security”

Billions of dollars in reconstruction funds were lost by spending the money on “security.” As resistance to the occupation grew, millions of dollars were wasted protecting construction sites, bodyguards for VIPs, protecting building materials en route to the site, expensive armoured vehicles, and other ways to cope with a violent and unstable environment. Private security guards cost as much as \$ 1,000 a day, and security firms charged heavy premiums for this type of work.

Beginning in the fall of 2004, Washington decided to cut spending on rebuilding. More than \$ 5 billion of the total \$ 21 billion has been “reprogrammed” into security. Nearly \$ 2 billion for the water treatment and sewage sector was cut, halving this program, while cutting

more than \$ 1 billion from the failing electricity sector. Most of that money flowed to Iraq's new military, command and police units through programs of training, weapons and other types of direct support, as well as programs for prisons, training camps and logistics.

Even more serious, the "security sector" budgets were channelled to irregular security forces and abuse in Iraqi prisons. When Washington allocated funds for the US reconstruction program to "security," the largest sum - \$ 1.4 billion - went to Interior Department projects, notorious for its dark covert operations, death squad activities, and other serious violations of human rights.

These monies paid for equipment, transportation, training, operations and "support" of unspecified troops. Reports have suggested that these funds, like the British monies, supported units involved in violent activity, such as the Special Police Commandos. The US Institute of Peace released a report that concluded that the Department of the Interior's National Police "is a patchwork quilt of commando-style anti-riot units housing sectarian death squads." Reconstruction Funds worth \$ 73 million were also allocated to the Department of prisons, although the Department was responsible for notorious cases of prisoner abuse.

Ousted Minister of Electricity Defends Himself

If you want to play the game correctly, you will be fired ! That is the consequence of stepping into a corrupt political process.

In August 2011, the ex-Minister of Electricity of Iraq, ousted on allegations of corruption denied the charges and told the Iraqi parliament that his dismissal had nothing to do with corruption, but because he touched "taboos" by cancelling lavish investor contracts of more than \$12 billion and replaced them with public sector projects that cost no more than \$800 million. He said that he touched an even bigger "sacred taboo" by opening large economic relations with Iran and eastern countries like China to replace expensive similar western projects which would cost roughly two times as much.

In his struggle, ex-minister Raád Shallal Al Ani collided with and revealed an American banking system inserted in Iraq that would dictate on the Iraqi government which countries to deal economically with and which not.[37] Although he is a practicing religious Sunni, he considered only what is economically in the interest of his country and insisted on opening Iraqi economy on Iran. All of this caused serious anger from too much too powerful interests, and he was charged in a "corruption" case, proving that there was no money involved! The government, unable to prove corruption, turned into a set of other allegations of "weak accomplishment", then "ignoring the instructions of the PM", etc.

Here is the part of his revealing speech on his collusion with investors and the American Banking system in Iraq:

- "When I took charge of the ministry of Electricity, there was a project for four stations for "investors", we should give them the machines and they would build the power stations, and then sell us electricity. I made my calculations and found that it cost the state \$ 500 million per year, for a period of 25 years, and found that we only need 400 million for two years to get the same result, so I rejected it! I reclaimed 12 billion from investors for the people, that is the first reason for the fuzz.

- The second reason for the media fuzz is that when I came to the ministry, there were ongoing negotiations with Siemens for two years to install generators we had bought, to the Rumaila and Baiji plants, Sadr, Taza and Dibis. The last offer of Siemens would cost Iraq about \$ 2 billion. So I stopped the negotiations with Siemens after two weeks, and succeeded in getting offers from Hyundai, Iran, and Orascom that would cost us less than a billion dollars. In this contract alone, we spared \$1 billion for Iraq. So it has nothing to do with fake contracts and companies, it has to do with billions that are cut from investors and international companies, and they didn't like it.
- The third reason for the fuzz is that I broke through the barrier of one of the biggest taboos, and that is openness on Iran. There is no solution to the problem of electricity without opening to Iran, and Iran is ready. They provide us with electricity for less than the international market price and kerosene oil for less than the market price, and they are ready to provide us with liquid gas for less than the market price. We owe them now \$ 300 million for the price of electricity that we bought from them and they wait patiently for us to pay!
- The (TBI) (Trade Bank of Iraq) is choking the Iraqi economy. We are not allowed to transfer money to other countries but through the TBI. No letter of credit can be issued above the \$ 3 million limit, without the consent of the TBI. I have objected to this officially.

The reason for this is that the corresponding bank of TBI is the US bank "JP Morgan" and it follows the American Administration laws and sanctions. This means that when a country is subject to US sanctions, we are obliged to also sanction it automatically, as happens now in the sanctions against Iranian banks, issued by the U.S. Administration, and Iraq is forced to join whether we want or not. We have now a \$ 300 million debt to Iran and we cannot make the transfer!

I have written on this subject to the government and I said that we are obliged to conform to the decisions of the Security Council resolutions, not the U.S. administration, but it seems that these subjects are taboos for us!

These are the reasons why I am dismissed, because big companies and political decisions forbid to break the taboo. Iraq is not a free country.

I came today to explain to my children that their father led a clean life, and tell them to raise their heads high, and that I am committed to what I promised them not to feed them from stolen money, because the body that grows by theft, is due to go to hell."

Corruption is at such a level that state funds are simply diverted to foreign companies, which are in the hands of Iraqi officials, while unemployment is (officially) between 25 and 40 percent. Inability to ensure an adequate electricity supply has sparked much popular protests in the post-Saddam era. Still, the Ministry of Electricity has managed to agree to pay \$ 1.3 billion to a bankrupt German company and a non-existent Canadian company to rebuild the electricity. The government budget is mainly spent on the purchase of weaponry from the US and on salaries and pensions, especially for people associated with the parties in power.

No accountability

After many years of massive corruption in Iraq, surprisingly little accountability has been

given for the atrocities. The IAMB, established by the UN, has not prosecuted any case of fraud, theft or corruption in relation to the Development Fund for Iraq, nor has it investigated whether the Fund, as specified by the Security Council, was meant “to meet the humanitarian needs of the Iraqi people”. Under heavy pressure from the United States and the United Kingdom, the Security Council has not addressed this serious failure, nor has it sought better means to enforce the Council’s own mandate.

The US Special Inspector General has been much more active. As of December 31, 2006, he had performed 85 detailed contract inspections, as well as many audits and investigations. He has uncovered and publicized numerous cases of corruption and, as of May 1, 2007, had referred 28 cases to the United States Department of Justice for prosecution, of which resulted in 10 arrests and 5 convictions.

The Iraqi government has established several anti-corruption agencies, including the Commission on Public Integrity, the Board of Supreme Audit, Ministerial Inspector Generals, and the Iraqi Joint Anti-Corruption Council. But they have not been able to turn the tide of increasing corruption, nor have they been able to punish corrupt practices by US or other foreign contractors.

No director of US war profiteers, such as Halliburton or Parsons, has been convicted, tried, charged, or even investigated by any supervisory body, and no serious fine has been imposed on any of the companies, even though their contract failures and misrepresentation were blatant and systematic.

No high-level US or military official has been charged with blatantly negligent surveillance and any other act that has led to mass corruption. Nor has anyone been held accountable for the failure to ensure proper oversight in Iraqi ministries – despite hundreds of US advisers serving in the ministries.

Washington has used every possible means to minimize the theft and fraud. The US and UK have severely cut the IAMB and the SIGIR mandate has not touched on many of the key issues. No wonder, then, that so few were called to account and that Iraq was second on the list of the world’s most corrupt nations during the occupation, behind Haiti.

Corruption of the Iraqi government

Iraq’s main anti-corruption law is the *Accountability Act*, which criminalizes active and passive bribery, attempted corruption, extortion, money laundering and abuse of office. However, the government does not implement anti-corruption laws effectively, and officials engaged in corruption with impunity.

On May 18, 2009, the BBC noted that a recent report by the Iraqi Commission Against Corruption, the culmination of its investigation of some 12,000 complaints of government corruption, indicated that among the most blatant offenders – in no particular order – the ministries of Defence, Interior, Finance, Education and Healthcare were involved.

A combination of ghost soldiers, the leaking of intelligence by corrupt Iraqi security officials, and the extortion of civilian populations has led to significant territory losses to ISIS in 2014. In 2016, Hoshyar Zebari, the former Finance Minister of Iraq, estimated that there were 30,000 ghost soldiers in the Iraqi army and that corrupt officers are pocketing their salaries[38]. A survey of people in the Mosul region, led by the Harvard Humanitarian

Initiative and published in June 2020, found that they saw corruption as a chief cause of the emergence of ISIS.[39]

Electronic Iraq underlined that “hundreds of health, education and infrastructure projects have been delayed due to corruption and oil smuggling. Education and health projects are the most affected as hundreds of schools are in dire need of repair and hospitals are facing equipment shortages. and medicines.”[40]

According to a 2007 classified report on behalf of the United States Congress[41], reviewing the work (or attempted) of the *Commission on Public Integrity* (CPI), but also according to other anti-corruption departments within the Iraqi government, the Maliki government was “incapable of even the most rudimentary enforcement of laws against corruption”. Even worse, the report noted, was that Maliki’s cabinet has always hindered investigations into fraud and crime within the government. In addition, the report concluded that corruption “is the norm in many ministries.”

The report described the Iraqi government as steeped in corruption and crime, and corruption investigators could hardly do anything about it. Employees of the US State Dept. testified in May 2008 that the US “allowed corruption to proliferate at the highest levels of the Iraqi government,” leading to the loss of billions of US dollars in taxpayers’ money.

Officials have been known to demand bribes of up to tens of thousands of dollars to issue government contracts or even just sign a public document[42]. Also to arrange a lucrative position for a friend or family member. “Political parties refuse to leave the cabinet because they will no longer be able to dig into the treasury,” a senior member of the ruling coalition told AFP on 24 November 2019.

Many cabinet appointments, directors general in ministries and embassy personnel are relatives of Moqtada Sadr and Hadi Al-Ameri, the head of the Badr organization, the military wing of the Supreme Islamic Iraqi Council, the two largest parties in the Iraqi Parliament.

Amid the anticipated cabinet reshuffle, positions are already being ‘bought’, a senior Iraqi official said. “A political party is assigned a specific ministry and then sells that ministerial position to the highest bidder,” he described a transaction worth \$ 20 million. It is a well-known script: the candidate pays the party for the position and then tries to appropriate as much public money as possible, with which the debt can be paid off. The system is so deeply ingrained, observers say, that there is little any Iraqi prime minister can do to stop it.[43]

Article 136(b) of the Iraqi Criminal Procedure Code allows ministers to shield ministry officials from work-related prosecution for corrupt acts. The Commission of Integrity did not publish any names of government officials involved in corruption in its 2016 semi-annual report. However, the commission investigated 13,226 corruption cases, of which 7,088 cases were adjudicated, while 1,891 were referred to the courts. Six ministers and 99 director general-level officials were involved in six of the corruption cases referred to the courts.[44]

Corruption and impunity are considered as serious problems within Iraq’s security apparatus and investigations or prosecutions of abuses and corruption of security forces are not publicly available. Corruption within the security apparatus is cited as one of the main reasons contributing to the security challenges the country is facing today.[45]

In September 2019, the Iraqi government had to shut down the nation's border crossing with Mandali, Iran because of corruption. All of the employees at the location were transferred to different border crossings. An armed group had commandeered the crossing, which generates about 600,000,000 dinars of revenue a month[46].

In a widely published corruption case, several Iraqi high-ranking officials including senior officials at the oil ministry, such as ex-oil minister Hussein al-Shahristani, have been accused of receiving bribes from large corporations in return for winning business. Following an investigative report published in 2016 by several large media outlets including Fairfax Media, the Huffington Post, and The Age it was revealed that the Monaco-Based company Unaoil had allegedly served as an intermediary between large oil companies such as British Rolls-Royce, US giant Halliburton, Australia's Leighton Holdings and Korea's Samsung and Hyundai to win USD billions of government contracts in Iraq.[47]

In September 2020 the general manager of the Agricultural Bank, Adel Khudair, and 12 of his employees were arrested. Investigations linked him to the disappearance of huge sums of money in what is known as the "agricultural initiative" which dates back to the era of Nuri al-Maliki. Maliki took advantage of the simultaneous rise in oil prices and the increase in Iraq's production of oil during his reign to obtain huge budgets, but despite this, his government achieved nothing and left behind the largest files of corruption and waste of public money. Maliki's name appeared in another corruption case: a giant water project in Baghdad, having cost millions of dollars but has not been completed.

In the same month Iraqi authorities have carried out several arrests against high ranking officials accused of corruption. Bahaa Abdul-Hussein, director of Key Card, a company that was contracted to facilitate the payment of retirement pensions, was arrested at Baghdad Airport before he could flee. Saadi made confessions that led to the discovery of a wide network of money laundering, used by officials, politicians and parties, and relying on collaborators in Beirut. Abdul has strong ties to former officials and current leaders. The sources indicated that Abdel-Hussein's arrest may lead to the arrest of other personalities and the recovery of embezzled funds at home and abroad.[48]

Corruption and poor governance were also seen as limiting factors for women in finding employment. Although this takes place in all sectors, this is particularly acute in the public sector, which is women's preferred employer because of the economic benefits, fewer hours and better protection of rights. The patronage system affects both men and women, however because men have more social capital and therefore ability to network, it has a greater effect on women.[49]

Of course, Iraq is not the only corrupt country in the region. Most oil states in the Middle East and elsewhere use oil revenues to fund large arms purchases and other megalomaniac projects, and corruption is widespread. But while bribery is ubiquitous in Iraqi Kurdistan, roads, airports, bridges, power plants and houses are still being built there, while in Baghdad no infrastructure works are taking place or houses are being built.

There are few banks and they are still openly looted by government officials. The *Trade Bank of Iraq* (TBI) is also choking the Iraqi economy. Money can only be transferred to other countries through the TBI. The TBI is headed by the corrupt Ahmed Chalabi, and the US bank JP Morgan manages all of the TBI's money transfers.

More than 3,124 diplomas were forged, according to Education Minister Mohammad Iqbal in

2015. But Iraqi Newspaper Azzaman reported already on 8 October 2011 that more than 30,000 Iraqi civil servants, among them high-level officials, had obtained their jobs on fake certificates and degrees, according to the parliamentary commission on integrity and transparency.[50]

Politicians never keep their promises. Restoration and improvement projects are promised, but scrapped before the ink has dried up and the money allocated disappears into corrupt pockets. Oil, which accounts for more than 90% of government revenues, is also the main raw material in the black market. Criminal networks, including oil ministry personnel, high-ranking political and religious figures, are reportedly involved in the corruption, in partnership with mafia networks and criminal gangs that smuggle oil and generate huge profits.

As the costs of fighting IS and the fall in oil prices have put a lot of pressure on an already troubled economy, rampant corruption is causing increasingly serious problems in Iraq. On August 11, 2016, Iraq signed an agreement with the *United Nations Development Programme* (UNDP) to help fight the endemic corruption that has paralyzed the country's economy and institutions. The UNDP will seek to increase the Iraqi government's capacity to detect and prosecute corruption. So far no substantial progress has been seen from this collaboration. On 9 December 2020 the UNDP and the Iraqi Prime Minister's Office have reaffirmed their partnership by signing a new Memorandum of Understanding (MoU) designed to promote transparency, accountability and integrity in the public and private sectors.[51]

The Iraqi government has so far done little to restore the devastated cities of its largely Sunni population after the fight against ISIS. It has done little to bring about any other form of ethnic or sectarian unity, and far too much of its 'oil wealth' is consumed by its politicians, civil servants and a government sector that is one of the most paid and least productive in the developing world.

Whistleblowers risk retaliation, abuse, and even imprisonment for reporting fraud

"Under the False Claims Act, the Attorney General is supposed to join with whistleblowers to prosecute and punish war profiteers. The sad truth is that the Bush administration has not even tried to do this, on the contrary, it's done all it could to prevent this", Alan Grayson, attorney for whistleblowers, stated at the DPC Hearing 09/21/2007.

The *Iraqi Council of Supreme Audit* (BSA) reported dozens of deaths among its staff, while other employees were deterred from going to work over threats of violence against them or their families.

The *International Crisis Group* (ICG) reported in 2011 that parliamentary assistants, judges, lawyers, and other members of the judiciary involved in criminal and fraud cases, along with their family members, were targeted for murder and kidnapping. According to the Iraqi Supreme Judicial Council, 38 judges had been murdered since 2003.

In 2007, Judge Radhi Hamza al-Radhi, head of the *Commission of Public Integrity* (CPI) conducted up to 3,000 investigations into departmental corruption and missing funds amounting to \$ 18 billion, although only 241 cases were brought to trial against junior officials. He identified the government's contracting process as 'the father of all corruption issues'[52]. Radhi quit his job after an attack on his home. His successor, Judge Mousa Faraj,

continued his predecessor's investigations, aided by US anti-corruption officials. In violation of the constitution, the Maliki government replaced Faraj with Judge Raheem Hasan al-Ugaili in January 2008.

In mid-2011, al-Ugaili reported that the CPI was "struggling with pressure from politicians and tribes" and that "corrupt influences ... and that political parties try to corrupt CPI investigators as a method to cripple their research, or use the staff as a tool against their political opponents."

Ugaili resigned in protest just weeks after the publication of his report, after the CPI and BSA discovered widespread corruption and money laundering practices among political parties, officials and high-ranking bureaucrats and politicians in the Ministry of Defence and the Prime Minister's Office.[53] A 2012 report by the Special Inspector General for Iraq Reconstruction (SIGIR) noted that 413 corruption cases were halted in the first three months of 2011 alone.

The October 2007 report of the *Special Inspector General on Iraqi Reconstruction* reported that "more than 30 staffers of the CPI (Iraq's Commission on Public Integrity, the anti-corruption agency) have been murdered since 2003". Targeted murders followed afterwards. The most recent murders of a staff member took place in Kirkuk on September 16, 2014 and October 18, 2015, when Ibrahim Jihad Hamad and Faez Abdul Wahid were shot.

Iraq's last Chairman of the Integrity Commission, Judge Ezzat Tawfiq, was killed in a car crash in March 2019. Although the car crash was officially categorized as an accident, some Iraqis were quick to question whether foul play was involved given the influence and power of the commission's adversaries[54].

The following excerpts from a damning CPI report, quoted in an article in the US magazine *The Nation*, proved the unsustainable state of affairs in Iraq's "thriving democracy":

(...) Actions against corruption in the Department of Education have been particularly ineffective

"According to the study, several ministries are 'so firmly in the hands of criminal gangs and militias "that it is impossible for investigators into corruption' to work [there] given the absence of tactical [security] forces for protection of the researcher."

(...) Maliki's cabinet is part of the problem, the report said:" The Prime Minister has shown openly hostility to independent corruption investigations. His government has withheld operational resources from the CPI, the report said, and "there are a number of clear cases where governmental and political pressure have been used to change the results of investigations and prosecutions in favour of members of the Shia alliance" - which includes Maliki's Dawa party.

(...) Maliki has also protected corrupt officials by reintroducing a law that prevents the prosecution of an official without the consent of the minister of the relevant agency.

(...) In another note obtained by *The Nation* - marked "Confidential and Secret" - in early 2007[55], Maliki's cabinet ordered the Commission on Public Integrity not to send any case to a judge regarding the president of Iraq, the Prime

Minister of Iraq, or any current or past minister without Maliki's prior consent. According to the US embassy's report on anti-corruption efforts, the government's hostility to the CPI went so far as to lead visitors to a pornographic site for a time through the CPI link on the official Iraqi government website.

(...) CPI staffers were "accosted by armed militias within ministerial headquarters and denied access to officials and the administration." They and their families are systematically threatened. Some sleep in their office in the Green Zone. In December 2006, a sniper fired three shots from the roof of an Iraqi government building in the Green Zone at CPI headquarters. Twelve CPI personnel were killed on the job.

Iraqi Militias Embrace Corruption

The first demand in the largest mass protests experienced by Iraq in October 2019 was to fight official corruption. But, anxious to protect the interests of the system of corrupt religious and sectarian parties, the government of former Prime Minister Adel Abdul Mahdi, unleashed Iraqi militias, affiliated with Iran, on the peaceful protesters and killed +700 protesters and wounded + 20,000 more.

The militia leaders have joined the ranks of Iraq's richest men, becoming famous for buying upscale restaurants, nightclubs and opulent farms on the Tigris.

Robert F. Worth reported in the New York Times on July 29, 2020: "The militias have been aided and abetted by a new Iraqi political class whose sole ethic is self-enrichment. Over the years, this cross-sectarian cabal has mastered scams at every level: routine checkpoint shakedowns, bank fraud, embezzling from the government payroll. Adel Abdul Mahdi, who was hailed as a potential reformer when he became Iraq's prime minister in 2018, hoped to subordinate the militias to the state. Instead, they outmanoeuvred and overpowered him. His cabinet included people with ties to some of the worst graft schemes afflicting the country.

The United States is deeply implicated in all this, and not just because its serial invasions wrecked the country and helped ravage the economy. America provides the money that sustains it, even as U.S. officials wink at the self-dealing of Iraqi allies. The Federal Reserve of New York still supplies Iraq with at least \$10 billion a year in hard currency from the country's oil sales. Much of that is passed on to commercial banks, ostensibly for imports, in a process that was hijacked long ago by Iraq's money-laundering cartels. At the same time, the United States inflicts punishing sanctions on two countries — Iran and Syria — with which Iraq shares notoriously permeable borders. It is the ideal breeding ground for corruption." [56]

On September 3, 2009, the New York Times reported that a gang of robbers tied up eight guards in the Zuwiya branch of the Rafidain bank in Baghdad and shot them on the spot with muffled guns. They ran off with at least two full wagons of cash worth \$ 4.3 million dollars. They didn't have to worry about the police, because in that area they were the police themselves. Among them were several bodyguards of Adel Abdul Mahdi, who was the Prime Minister of Iraq from October 2018 until May 2020, he was Vice President of Iraq from 2005 to 2011 and served as Finance Minister in the Interim Government and Oil Minister from 2014 to 2016 .

World Bank Assessment of Iraq

In 1996, the World Bank established its *Worldwide Governance Indicators (WGI)*, which have become the standard by which to measure government management in developing countries. The WGI consists of six indicators of governance dimensions used in more than 200 countries since 1996: voting rights and accountability, political stability and absence of violence / terrorism, government effectiveness, regulatory quality, rule of law and corruption control.

- **Voting Rights and Accountability:** The extent to which the citizens of a country can participate in the selection of their government, as well as freedom of expression, freedom of association and free media. This is Iraq's best-performing governance indicator and reflects the formal freedoms and rights constitutionally guaranteed, as well as the electoral process. Nevertheless, Iraq was in the lowest category worldwide in 2018.
- **Political Stability and Absence of Violence:** The perception of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism. Here, Iraq's performance is among the lowest in the world, ranked in the lowest percentile category in 2018.
- **Government effectiveness:** the quality of public services, the quality of public service and the degree of independence from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. Iraq was in the lowest category in 2018.
- **Regulatory Quality:** The government's ability to provide sound policies and regulations that enable and promote private sector development. Iraq also scored here in the lowest category in 2018.
- **Rule of law:** adhere to the rules of society, including the quality of contract enforcement and property rights, the police and the courts, as well as the likelihood of crime and violence. Iraq's performance is even worse in this case, in the lowest category of 3 percentiles in 2018.
- **Corruption control:** the extent to which public power is exercised for private gain, including both minor and large-scale forms of corruption, as well as the 'capturing' the state by elites and private interests. Iraq scored in the lowest category in 2018.

When a Finance Minister Speaks About Corruption of His Own Government

The presentation by Professor Ali A. Allawi on 2-4 March 2020 in Berlin[57] is enlightening. Ali Abdul Ameer Allawi is an Iraqi politician who served as Minister of Commerce and Defence in the cabinet appointed by Iraq's Interim Board of Governors from September 2003 to 2004, and then Minister of Finance in Iraq between 2005 and 2006 transitional government. Allawi was appointed as Finance Minister in Mustafa Al-Kadhimi's cabinet in May 2020, so he can be called an unsuspected source, even if he was an integral part of previous corrupt governments and thus part of the problem. Will he be able to stop the watershed of corrupt practices? Iraqi protesters don't think so. When you board a golden carriage and alien drivers determine the direction, you have two choices: either stay in the carriage and follow the drivers' course or disembark. That's why the protest movement wants to abolish the whole US-imposed political system and an end to foreign interference.

Here are some excerpts from his presentation:

“The chaos, arbitrariness and shallowness of the CPA’s “reforms” created the perfect platform to thrust Iraq into the lowest ranks of corrupt countries. These conditions were further exacerbated by the Iraqi governments that took over the mismanagement of the country since 2004.

The removal of the upper tiers of the bureaucracy for their Baathist affiliations created a leadership vacuum in the bureaucracy. This was filled by lower grade civil servants who were either incompetent, under-equipped for the task, or who had been sidelined by the previous regime for malfeasance or negligence.

Careless and chaotic packing of the government agencies by cronies and hangers-on of the new political class created a new layer of bureaucrats who had little or no training in modern administrative practices, duties, and constraints.

Job-hungry exiles returned in the tens of thousands with expectations of government posts and sinecures. A psychology of entitlement to government perks was a concomitant to their periods of exile.

Chaos, arbitrariness, incompetence, self-dealing, and plain ignorance characterized economic policy-making, further exacerbating the confused drift of the government and creating ample opportunities for unscrupulous and corrupt people to take advantage of the prevailing disorder. Rent-seeking by businessmen, government officials, ministers, and foreign adventurers became the assured path to enrichment. The main driver behind decision-making for the economy, at least in the public sector, was the frenzy for economic rents. Needless to say the distortions and costs to the economy grew in leaps and bounds. The new political class, many of whom had spent years in impecunious exile and in degrading circumstances were determined to have their period of suffering requited by feeding at the public trough- Leaders of this new order were equally determined to amass personal fortunes through their control over key ministries and government agencies. Whatever controls on corrupt practices had existed prior were severely weakened by a frightened and confused bureaucracy, a broken judicial system and the general degradation of the ethics of dealings and transactions- The old sanctions-busting criminal and business networks reasserted themselves often in partnership with the new political class, thereby creating a strong incentive to maintain the “crisis” economy of Iraq. A “perfect storm” that favoured the stratospheric rise in corruption evolved in the 2004-2019 period. In spite of the astounding levels of plunder, not a single senior official has been indicted, tried and then jailed for corrupt practices. The only one who had come near to it, a former Minister of Electricity, was incarcerated for a few days and then sprung from jail by a US-sanctioned jail break organized by the Black Water Co! The former Minister of Trade was placed under house arrest after being indicted on a minor administrative infringement.

Examples of corruption practices by the Iraqi government from 2003 to the present.

The Integrity Commission, the agency charged with monitoring and sanctioning corrupt practices, is itself prone to corruption in the form of extortion and blackmail of targeted culprits. Nevertheless, the heads of the Commission constantly complain of their inability to go after miscreants because of political protection. The Integrity Commission has literally thousands of cases of proven corrupt practices which have lingered in its files with no legal action.

- 2004-2009: Corruption in the imports of oil products Loss of about \$1-\$1.5 billion

- through overpricing and undersupplying
- 2014-Present: Corruption in the supply and trade of heavy fuel oil. Loss of about \$ 400 million per annum
 - 2006-2010: Corruption in the Ministry of Defense purchases of military equipment from the former Warsaw Pact countries: Loss of about \$300 million
 - 2009: Corruption in the Ministry of Interior in the supply of bomb-detection equipment: Loss of about \$200 million through serious overcharging (useless equipment costing about \$60 per piece sold for \$16,000 each; Source: New York Times)
 - 2008-2014: Corruption in the Ministry of Transport: Purchase of Bombardier aircraft, opaque port terminal licenses, truck transport contracts: Loss of about \$500 million
 - 2004-2019: Municipality of Baghdad: Major water works and sewerage contracts; land transfers and sales: Loss about \$2,500 million
 - 2004-Present: Ghost workers in government ministries, mainly the Ministry of Defense and Interior: Loss of about \$250 million per annum
 - 2004- 2010: Ministry of Sports; Alleged corruption in the building of stadiums
 - 2004- 2016: The Haj and Umra Bureau; Alleged corruption in the procurement of travel and lodging services to pilgrims
 - 2004 Present: Corruption in the supply of fertilisers and seeds by the Ministry of Agriculture
 - 2004 Present: Corruption in the medicines procurement agency of the Ministry of Health, Kimadia.: Losses reach about \$200 million per annum
 - 2010 Present: Corruption in the award of hospital construction projects
 - 2006 Present: Sustaining a large gap between official exchange rates for current account transfers and parallel market rates of between 3% 8%. Approximately 10% of currency purchases “round trip” between the official and parallel rates totalling about \$750 million per annum in corruptly inspired leakages.

There is alleged corruption in the procurement of loans, advances and guarantees from all the state-owned financial institutions such as Rafidain Bank, Rashid Bank, and the TBI

There is alleged corruption in the land dealings of the religious endowments (Awqaf) and the transfer and sale of state land controlled by the Ministry of Finance

The opaqueness of the production-sharing contracts awarded by the Kurdistan Regional Government (KRG) to foreign oil companies masks a very probable carried interest to the major political figures of the KRG. The figures, if substantiated, will run in the billions.

In one of the most egregious acts of self-dealing, legally covered by their inclusion in the annual budgets, are the salaries and perks that the political class (parliamentarians, the Office of the Prime Minister, the Office of the President) has awarded itself

The costs of maintaining an Iraqi PM is one of the highest in the world (about \$ 500 million per annum). The budgets of the Office of the Prime Minister reaches \$900 million, most of which is excluded from line accounting; for the Presidency, the figure is about \$400 million. In total, the 400 odd members of Iraq’s political class have awarded themselves about \$2 billion per annum. The reform measures undertaken recently in 2014 and 2015 could have reduced this figure.

There is little doubt about the costs of institutional decay and corruption to the growth and

development of the Iraqi economy.

The qualitative effects of loss of self-esteem, cynicism, mistrust, and a sense of pervasive injustice are equally great if not greater

Perhaps the greatest loss is the near-terminal decline of the informal rules and codes of conduct, mostly derived from the country's ethno- religious traditions. These had made it possible to deal and transact in those very long periods in Iraq's history when there were inadequate safeguards from the judicial system and the political authority"

Dual citizenship fosters unlimited fraud

Each of the 275 Iraqi MPs receives a monthly salary of approximately US \$ 17,000 and has 30 bodyguards. Each minister earns more than US \$ 30,000 monthly, the Prime Minister \$ 60,000 and the President \$ 75,000, excluding other "expenses," according to the *Iraq National Audit Office* (2018 figures).

Many ministers from the various Iraqi cabinets since 2004 have the British nationality, such as (ex) Prime Minister Haider al Abadi and the (ex) Iraqi president Fuad Masoum, or are of Iranian nationality, such as al-Maliki, Ali al-Adeeb, ex-Minister of Higher Education and Scientific Research and Hadi al-Amari, former Iraqi Minister of Transport and head of the Badr organization, military wing of the Supreme Islamic Iraqi Council (SIIC), also commander of the Popular Mobilization Forces.

Other senior Iraqi officials hold dual citizenship, including Prime Minister Adel Abdul Mahdi (France), former Prime Minister Haider al-Abadi and former Iraqi Foreign Minister Ibrahim al-Jaafari (UK) and Speaker of Parliament Saleem al-Jibouri (Qatar). Of the 66 Iraqi ambassadors, 32 have dual citizenship, as well as an estimated 70 to 100 MPs.

Then there are the ministers in the current Iraqi government with a Western background: Mohamed Ali Alhakim – Minister of Foreign Affairs (UK and US), Fuad Hussein – Minister of Finance and Deputy Prime Minister (Netherlands and France), Thamer Ghadhban – Minister of Oil and Deputy Prime Minister (UK)

Many officials accused of corruption by Iraqi authorities have fled the country to escape persecution thanks to their foreign passports, including former ministers Abdul Falah al-Sudani (trade), Hazim Shaalan (defence) and Ayham al-Samarrai (electricity).

Najah al-Shammari serves as the current Defense Minister in Adel Abdul Mahdi's government from 2019. He is a Swedish citizen who is part of Mahdi's cabinet. The minister is under investigation for benefit fraud for claiming housing and child benefits from Sweden, according to online news site Nyheter Idag and Swedish newspaper Expressen. He is being charged in Sweden with 'crimes against humanity'.

President Barham Salih is a British citizen. A complaint was lodged against him by 'Defending Christian Arabs', who asked the Solicitor General in Scotland to open an investigation against him for 'authorizing crimes against humanity or being complicit in the widespread attack on civilian demonstrations in Scotland. Iraq that resulted in mass murders, injuries, illegal arrests and kidnapping ".

Where Does the Money Go?

There are no robust statistics on the accumulated proceeds of corrupt practices since 2003 in Iraq.

Estimates of assets held abroad by Iraqis range from a minimum of \$ 100 billion to \$ 300 billion. The vast majority of these assets were acquired illegally. These figures are corroborated by discussions with Integrity Committee officials, along with estimates derived from inferences. Senior Lebanese bankers and Banque du Liban officials indicate that there was approximately \$ 20 billion in deposits from Iraqis in Lebanese commercial banks at the start of the October 2019 banking crisis. These have now been effectively frozen within the Lebanese banking system. It's a reasonable estimate to infer that there is a similar figure for Iraqi assets in Jordan. The other main Middle East destination of corrupt Iraqi funds is Dubai. It is very likely that a significant portion of Iraqi corrupt funds have been invested in real estate in Dubai, both residential and commercial. An often mentioned figure of the total amount of such funds is close to \$ 25 billion.

A smaller percentage of Iraq's corrupt funds are placed with Turkish banks and invested in Turkish real estate. It is very likely that this amount has increased significantly in recent years, partly due to the number of Iraqis now living in Turkey and of Turkish nationality. Other Middle East destinations for corrupt Iraqi funds are Kuwait and Egypt, but less than the four major countries mentioned before.

Outside the Middle East, London is the most important location. Iraqi corrupt funds finding refuge in the UK have been transferred from other locations in the Middle East. Money laundering and UK rules are very robust for banks and agents alike, but until recently, the identity of overseas funds earmarked for real estate investments in London escaped this scrutiny.

The total amount of funds invested by Iraqis in real estate in London is difficult to estimate. Real estate agents have reported that Iraqi funds have been deployed in large quantities in the residential property market in London. Entire floors of new-build apartments in London's Nine Elms neighbourhood and other residential areas have been acquired by Iraqis directly, through nominees or through offshore companies. A good estimate of Iraqi corrupt funds invested in London real estate could be around \$ 10 billion.

Switzerland is also a haven for Iraqi corrupt funds, but it is somewhat limited due to the high cost of holding a Swiss bank account and the lack of awareness of the new class of Iraqi 'businessmen' with the benefits of Switzerland. A very senior Swiss banker stated off the record that his bank alone holds about \$ 1 billion in Iraqi funds.

Another destination for corrupt Iraqi funds is the USA. A large number of dual nationality Iraqis worked in various business ventures in Iraq and benefited from corrupt practices. In general, US citizens are not subject to the strict money laundering rules that apply to other nationalities when opening or managing bank accounts in the US. It has proven relatively easy for dual Iraqi / US citizens, who have been charged with corruption charges in Iraq, to avoid freezing or seizing their assets in the US.[58]

The year 2019 saw the formation of a Supreme Anti-Corruption Council to take preventive measures to curb corruption. However, Moussa Faraj, the former chief of Iraq's Commission on Public Integrity, revealed to an Iraqi publication that corruption starts at Iraq's executive branch, and that this Anti-Corruption commission is extrajudicial and will not put an end to corruption. He said that MPs and government officials often intervened in and inhibited the

work of independent bodies that stood in the way of their personal gain. This is seen through bribes, blackmail, blocking litigation, the incorrect placement of independent bodies under ministerial authority instead of parliamentary, etc. This is a flagrant violation of the rule of law – a clear demonstration that MPs, lawmakers, and decision-makers at every level engage in practices that seemingly place them above the law.[59]

Give Iraq Back to the Iraqi People

Iraqi MP Haider al-Mulla stated in an interview for As-Sumariya TV on January 16, 2013: “Allow me to tell you the following.... The entire political class and I repeat, the entire political class in Iraq, of which I am also a part, has their finances and those of their families very well organized so that they do not have to suffer when blood runs through the streets. The unfortunate population, on the other hand... ”

Mishan al-Jabouri, one of Iraq’s anti-corruption leaders said in a February 2016 interview: “There is no solution. Everybody is corrupt, from the top of society to the bottom. Everyone. Including me. At least I am honest about it. I was offered \$5m by someone to stop investigating him. I took it, and continued prosecuting him anyway.”[60]

Corruption, the waste of government resources and the purchase of military equipment have increased Iraq’s budget deficit from \$ 16.7 billion in 2013, \$ 20 billion in 2016 to \$ 23 billion for fiscal year 2019. And of course the IMF comes to the rescue and stands multi-billion dollar loans that make the country even more dependent on the US and other foreign creditors.

Should it come as a surprise that Iraq is witnessing a deficit of \$ 43.9 billion in the 2021 budget? Should it come as a surprise that Iraq, as a middle-income country, isn’t capable of providing its people with the most basic necessities, like education, healthcare, housing, water, electricity....?

In March and April 2019, an extensive opinion poll carried out across Iraq found that the population were only united by very high levels of pessimism about the future of their country. At the centre of their concerns, and the key factor in driving mistrust, is the issue of corruption. In the poll, 82 per cent of Iraqis were concerned or very concerned about corruption at the highest levels of government; 83 per cent perceived corruption to be getting worse. It appears clear: politically sanctioned corruption among senior politicians and civil servants is systematically undermining popular faith in the Iraqi government and destroying the legitimacy of its leaders in the eyes of the population.[61]

Perhaps it’s time to acknowledge that the whole political and economic system, imported by the USA after the 2003 invasion, has to be reversed, because it was illegally imposed upon the Iraqi people and it serves only the Western interests and enriches the US installed Iraqi stooges. Perhaps it’s time to support the Iraqi uprisings against the unbridled corruption and foreign interference. Perhaps it’s time to give Iraq back to the Iraqis.

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