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On-The-Record Briefing: Anti-Corruption Efforts in Iraq

David M. Satterfield, Senior Advisor to the Secretary and Coordinator for Iraq

Via Conference Call
Washington, DC
October 16, 2007

(3:15 p.m. EDT)

OPERATOR: Welcome, and thank you for standing by. At this time, all participants are on listen-only mode until the question-and-answer period of today's conference call. During the question-and-answer period, if you'd like to ask a question, please press *1 on the touchpad of your phone. You'll be asked to record your name prior to asking a question.

At this time, I would like to turn the conference call to Mr. Tom Casey. Sir, you may begin.

MR. CASEY: Okay, good afternoon to everybody. Thanks for joining us here. As we mentioned, there had been a lot of questions that have come up in the last couple of weeks concerning our anti-corruption efforts in Iraq, working both on our own and with the Iraqi Government in this effort. We wanted to take an opportunity to let David Satterfield, the Secretary's Special Advisor on Iraq, talk to you a little bit about what our activities are, the kinds of things that we've been doing, and then answer whatever questions you might have.

So, David, let me turn it over to you for your opening comments.

AMBASSADOR SATTERFIELD: Thanks, Tom. We want to try to use this as an opportunity to get out some points, all of which have been made or most of which have been made either in testimony or in response to the various Q&As that have taken place on this over the last couple of weeks. But let me put them back to you again, maybe in a little bit stronger fashion.

First the issue here: Corruption in Iraq, public corruption, is a major issue. It is a very serious concern to us because of our concerns for the future of Iraq. It is a very serious concern to the people of Iraq, who are the first to suffer from it. It must be a concern for the Government of Iraq and it is formally identified as such.

This is a post-conflict country. It is a country which, as Ambassador Crocker has noted, is undergoing revolutionary transformation and change, the dynamics of which have oftentimes been violent, exacerbated by both internal and external divisions and pressures. It is not unusual for any state in such circumstances to find corruption a real, endemic, pernicious problem. It is certainly such a problem in Iraq.

It's not new. It has been an issue we have focused on for the last several years. We've worked to combat it through a variety of processes, through a variety of programs, working with Iraqis, working with PVOs and NGOs. But it is a slow and steady process. It is not something on which overnight progress can be made.

But I want to make very clear here, corruption is a reality in Iraq, it is a major problem and it is not one that we have ever attempted to diminish the importance of, to cover, to mask or to protect. Iraqis at every level have failed to put the nation's interest ahead of sectarian, tribal, personal, particularist agendas.

It doesn't mean every Iraqi political figure, every Iraqi person in a position of authority is corrupt. But it means this is a problem at all levels of Iraqi society.

Now, Prime Minister Maliki, like his predecessor, has been frustrated with corruption and inefficiencies in his government. He wants to make changes to the cabinet, but Iraqi political realities are such that right now those changes have not been carried out. One of the reasons he wishes to make those changes, because of concern over corruption.

Corruption, at the end of the day, folks, in Iraq, it's an outgrowth of a process, of a set of dynamics, as I said at the beginning. The ongoing power struggle for authority, for resources. And that's something that needs to be addressed progressively by all the other steps we're taking in Iraq: to establish greater security and stability; to improve the ability of the government to provide services in a transparent manner; above all, to get a budget execution process in place which is structured, efficient and transparent.

And there we have made very significant progress over the course of the last year with cabinet budget execution going up from the low 20 percentage rate last year to what we estimate will be around 70 or 70 percent plus this year. The more effective, the more transparent the budgeting processes are at a national and a provincial level, the more corruption gets reduced. So this has got to be done. Security has to be improved. Stability has to be enhanced. The budgeting process at a local and national level has to be made more transparent. Progress on every one of those fronts, as I think you will know from other fora and other questions, many of which Ryan and David Petraeus answered, are improving.

But even with those changes, there is still a major problem here. Now, what have the Iraqis done about this? Are we the only party to be concerned? The answer is no. The Iraqi Commission of Public Integrity, the CPI, has conducted over 4,000 investigations. It's made numerous high-level arrests, including former ministers of electricity, of labor, officials in the ministry of oil. Over 2,000 cases have been referred for prosecution to the Central Criminal Court of Iraq. That's what Iraqis have done. More, clearly, has to be done. But the Iraqis themselves have not been absent from the scene in terms of prosecution of this issue.

Iraq had for years a major sink point of corruption in the way Baiji refinery, one of the country's primary refineries, was

run. This year, Prime Minister Maliki, working closely with MNFI, ordered Iraqi forces, with our assistance, to replace the corruption-riddled civilian force that was guarding that oil refinery. Corruption there has been dramatically diminished, if not eliminated, and further steps have been taken to improve transparency in the oil sector. All of this is to the credit of an Iraqi Government trying to deal with a very significant problem that affects all of us of that country's society.

Now, what have we done (inaudible) the U.S. Government? Our response has been to progressively build institutions to combat corruptions and to build into all the governing institutions controls and procedures that limit the possibilities for corruption: a slow, steady process. We have made clear to Prime Minister Maliki, to all of his ministers, to the Presidency Council, our serious concern for corruption in Iraq even as we have worked on key legislation and other elements that improve governance in that country.

We have worked with judicial reforms and technical training capacity building, not just on budget execution but also on the ability of the Commission of Public Integrity, the CPI, to conduct the work. We have funded Department of Justice resident legal advisors, U.S. prosecutors, who have worked with Central Criminal Court of Iraq judges on serious cases, including anti-corruption cases. And finally, we have advisors working with the embassy's own office of accountability and transparency to provide support across the board to Iraqi anti-corruption entities.

We support a variety of PVOs and NGOs both in Baghdad and outside to focus on this issue and we have also supported work by international institutions, including the OECD, to help deal with this problem. That's what we've been doing.

Now, inevitably, any discussion of corruption has to turn today to the issue of the embassy working papers or reports that were requested by the Hill. There has been much exchanged in public on whether the Department of State was/was not responsible on this issue, did or did not, has or has not provided documents, whether there was inappropriate redaction of documents or inappropriate reclassification of documents provided. And I want to try to take you through the process part of this relatively briefly, but it is something that we feel stands up to scrutiny.

We have to have concern as a U.S. Government entity about the unauthorized disclosure of controlled internal working papers that were never intended to make public. These are papers that contain sensitive information. It relates to our efforts to work in partnership with Iraqi officials to combat corruption.

When these papers were initially produced, they were improperly classified by those who were unfamiliar with classified procedures. We have repeatedly offered classified briefings and hearings to the committee, Chairman Waxman's committee, on these documents and the material in them. And to date, the committee has declined those offers.

When we provided individuals for interview by the committee, they were provided as a means to help the committee exercise their judgment. It was not an effort to keep people from answering questions. It was quite the opposite. It was to provide information. We have provided everything requested of us by the Congress on this subject and we will continue to do so.

But you have to understand what these documents are. They're not just internal working papers. They are not just documents which contain sensitive information, sources and methods or the individuals who could stand to be persecuted or prosecuted in return for their provision of information. There's something else, too. These are pieces of information. They are anecdotal accounts of an individual's views of what they believe may be going on with respect to corruption.

They are provided to individuals within our embassy community. In many cases, this information is completely uncorroborated by us or by other Iraqis. The standing of the information, the accuracy, the comprehensiveness of the information is open to significant challenge. And that's fully appropriate for an internal document.

But these documents have been construed as complete, polished embassy reports and assessments which contain judgments which are actionable. And in fact, they're not. It's our concern for the ability to continue to effectively work the anti-corruption issue to preserve the sources who provide us information on this to allow us the opportunity to deliberate and work through whether there is corroboration or not. And we must exercise control in how these documents are handled.

But none of that means under the rubric of control -- withholding. It simply means there are appropriate fora in which this information can be discussed, in a closed vice open setting, and appropriate controls that need to be applied to the physical custody of the document itself. But it is not in any case a question of withholding or refusal to provide information.

We believe there's a very positive record if one looks at the last several years in terms of what the U.S. Government has attempted to do with respect to the corruption issue. We have not been shy and we are not shy now in addressing bluntly the magnitude of this problem. We will continue to make clear to all Iraqi officials, from the president of the republic to the prime minister on down, the criticality of moving against what is in reality a theft of Iraq's resources from Iraq's people.

But we do not believe that accusations that the Department of State has been concealing information, preventing information from being disclosed to the Congress, which has every right to inquire about these subjects, is accurate.

Thank you.

MR. CASEY: Okay, thank you, David. If we could now turn things over to questions, open things up, we'll see what is on people's minds.

OPERATOR: Thank you. At this time, if you'd like to ask a question, please press *1 on the touchpad of your phone. You'll be asked to record your name prior to asking your question. Again, that's *1. One moment for our first question, please.

Thank you. Our first question today comes from Anne Gearan, Associated Press. You may ask your question, ma'am.

QUESTION: Mr. Ambassador, you probably answered this, but the question of what was and was not reclassified in the one report that Chairman Waxman has written to Secretary Rice about, can you tell us a little bit about that decision -- when it was retroactively classified, how much of it was retroactively classified, and why?

AMBASSADOR SATTERFIELD: Anne, there are several reports here, I think, that are in question and I would prefer to get back to you in a more specific and detailed fashion to the whats and whys here. But I can make a general comment to you.

Where information would thwart our ability to continue to collect information on this subject or where allegations which

are personal as opposed to institutional in scope are included, we believe the classification is appropriate here. It is a relatively minor redaction, and in terms of, you know, what would be taken out. But it really does strike to the ability to continue to prosecute the anti-corruption campaign that we need to offer some protections here.

QUESTION: Can you quantify that any more than relatively minor redaction?

AMBASSADOR SATTERFIELD: I really can't in terms of telling you it's 20 words out of 10,000 words or, you know, a sentence out of 48. I can't give you that. But it is a very minor redaction taken as a whole. But it is designed to protect the ability to continue to collect and to deal with this issue effectively and the specific question of personal allegations, because that's what these are, allegations, not proven facts.

OPERATOR: Thank you. Our next question comes from John Donnelly with *Congressional Quarterly*. You may ask your question.

QUESTION: Hi, it's John Donnelly with *Congressional Quarterly*. You said that you haven't been shy about addressing the magnitude of the problem and that the -- your concerns were about the personal information, not institutional information, in that particular report. But at the hearing, I guess it was the week before last in the Oversight and Government Reform Committee, Ambassador Butler was asked questions about, for example, whether the Government of Iraq has the political will or capability to root out corruption, whether the Maliki Government is working hard to improve the corruption situation, whether the Prime Minister obstructed any anti-corruption investigations. These were pretty broadbrush questions. Why is it that you can't even address that kind of issue in an open forum?

AMBASSADOR SATTERFIELD: Well, I can certainly tell you that the ability of any government of Iraq, this or any other, to address this issue in the midst of the current circumstances at play in Iraq and given the widespread character of this problem, it's certainly going to affect their ability to act. Do they as a government acknowledge the magnitude of the corruption problem and the fact that they should be acting? Yes, they do. Do we see political will on the part of the government to act against corruption? Broadly speaking, yes. Would we like to see more? Absolutely. Those are very clear responses.

When you get into more specific allegations regarding individual cases and individual actions, frankly, those are topics we were fully prepared to discuss more fully with the Congress, but they should be done in something other than a public setting. And we've offered that.

QUESTION: Your answer there was a lot more forthcoming than Ambassador Butler's was before the committee on (inaudible) very same issue.

AMBASSADOR SATTERFIELD: Well, I'm providing you a U.S. Government response.

QUESTION: Okay.

OPERATOR: Thank you. Our next question comes from Farah Stockman with *Boston Globe*. You may ask your question.

QUESTION: Hi, thanks for speaking with us today. You talked about the desire on the part of Prime Minister Maliki to

change his cabinet. He has talked a lot about bringing on technocrats. You talk about this as an anti-corruption measure. Do you see that that that might actually -- that he might ever be able to do this? Or is this just sort of a dream in the future?

AMBASSADOR SATTERFIELD: Well, clearly, we believe the Government of Iraq, the cabinet of Iraq, should be as effective as possible. And that is the not the case right now. That is not our judgment. It's the judgment of the Prime Minister. I think it would be the judgment of many in senior political positions in Iraq. But the Council of Ministers, the Iraqi cabinet, is in its specific composition a product of the innate political circumstances that attended the formation of this government. They, in turn, reflect the diverse ethnic, sectarian, intrasectarian political makeup of Iraq's body politic today. We very much support the Prime Minister's efforts and desire to see a more efficient, effective cabinet constructed, certainly one committed to, in terms of its personalities and their agendas, the fight against corruption.

Whether or not that outcome will come sooner vice later, that I cannot tell you. But as a goal, it is a goal which is an important one and one that we would support seeing put forward as rapidly as possible. And in that, we fully share the Prime Minister's views.

OPERATOR: Thank you. Our next question comes from Sue Pleming with Reuters. You may ask your question.

QUESTION: Is there a concern that if details emerge of corruption within the government of Maliki that there'll be even sort of less faith in him and his capacity to (a) fight corruption and (b) encourage the reconciliation that is so badly needed in Iraq?

AMBASSADOR SATTERFIELD: Well, Sue, there's no question for any government in the world, including the current government of Iraq or indeed officials at any level in governance or authority in Iraq, whether in Baghdad or elsewhere, corruption is a violation of a public trust. And that concept very much does exist in Iraq. Certainly, it does not enhance the stature or the responsibilities that ought to be conducted by those officials if they are seen to be either protective of those engaged in corruption or engaged in corrupt practices themselves. And to the extent that the credibility of those in authority at any level in Iraq is diminished, that does affect broader national issues. But I'm not going to draw a point as broadbrush a conclusion as I think you were seeking in your comment -- in your question.

QUESTION: In my question, yeah. Because the feeling in Congress is that you are or the State Department is somehow sort of hiding information about corruption because you need to protect the Maliki government and sort of strengthen its hand.

AMBASSADOR SATTERFIELD: Look, I would reject that wholeheartedly. We are protecting no one in Iraq. We have made clear this is a pernicious, endemic problem at all levels of authority in Iraq, not just a question of governance but individuals in a position to have access to resources, funds and power. Not unique to Iraq by any means, but particularly damaging in Iraq given the circumstances of that country and particularly sensitive to the U.S. Government because of our own investment in terms of human lives and treasure in that country.

What we wish though is to preserve the ability to continue to effectively combat this issue, not to hide but to fight it. And there are certain protections that must be granted, not withholding of information but protections on information, if we are to be allowed to move forward effectively. But to believe that the U.S. Government is concealing vital information, some smoking gun for the sake of either the present prime minister or his government or broader aspects of the Iraq venture is simply not correct.

QUESTION: Okay, thanks.

OPERATOR: Thank you. Again, if you'd like to ask a question, press *1 on the touchpad of your phone. You will be asked to record your name prior to asking your question. That's *1 on the touchpad of your phone. One moment, please.

Sir, at this time I show no further questions. Thank you.

AMBASSADOR SATTERFIELD: Thank you.

MR. CASEY: Okay, well, thank you, everybody. Appreciate you taking the opportunity to join us, David. Thank you very much.

AMBASSADOR SATTERFIELD: Thanks, Tom.

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