



United States Department of State

*Washington, D.C. 20520*

OCT 15 2007

Dear Mr. Chairman:

Secretary Rice has asked me to respond to your letter of October 12<sup>th</sup> on corruption in Iraq. Let me begin by saying that the Secretary agrees that corruption in Iraq is a very serious challenge and one which the Department has been addressing accordingly.

The Department of State has been fully cooperative in responding to requests for information from the House Oversight and Government Reform Committee about the Department's anti-corruption efforts in Iraq. We have provided all documents which the Committee has requested on corruption, and we have made available officials of the Department for interviews and for testimony. We have also offered to answer any additional questions the Committee may have on this subject in an appropriate setting.

Following the unauthorized disclosure of an internal Embassy document related to corruption, which resulted in certain press reports, the Department responded to the Committee's request to see certain documents by making them available for Committee staff to review. When Committee staff requested copies of the documents, the Department took appropriate steps to determine whether they included classified information and if so, to ensure that they were properly marked.

After a thorough review by appropriate officials in Embassy Baghdad, the documents were deemed classified at the "confidential" level in accordance with Executive Order 12958, as amended. In this case, the documents contain sensitive information related to our ongoing efforts to work with the Iraqi government to combat corruption, including but not limited to names of suspects in investigations and discussion of actions taken by specific officials. These documents had been improperly marked "SBU" (sensitive but unclassified) by individuals who are not familiar with

The Honorable

Henry A. Waxman, Chairman,

Committee on Oversight and Government Reform,

House of Representatives.

classification standards. They were working papers never intended to be made public. Accordingly, the portions of the documents that contain classified information were properly marked as such, and the documents in their entirety were provided to the Committee.

Upon final review and prior to the official publication of the GAO Report "Stabilizing and Rebuilding Iraq: U.S. Ministry Capacity Development Efforts Need an Overall Integrated Strategy to Build Efforts and Manage Risk," the Department of State also asked the GAO to mark as classified one reference in this report that had been based on classified information. This action would result in classifying or redacting from an unclassified version just one paragraph of the 89-page GAO report. Excising this 5 sentence paragraph did not materially affect any of the analyses or conclusions of the report, which has since been publicly released.

I also want to address the question of guidance that was given to Department of State and Department of Justice officials concerning classification issues in connection with the Committee's investigation. These officials were advised that the following categories of information related to the corruption issues in Iraq may be classified: 1) broad statements/assessments which judge or characterize the quality of Iraqi governance or the ability/determination of the Iraqi government to deal with corruption, including allegations that investigations were thwarted for political reasons; and (2) statements or allegations concerning actions by specific individuals such as the Prime Minister or other GOI officials, or regarding investigations of such officials.

Although not all information in either category is necessarily classified, information in both of these categories raises serious classification concerns, and it is appropriate to avoid public discussion of issues that may cross the line into classified matters. The Department's guidance was intended to identify for both Committee staff and Department officials subject areas that raise these important concerns, so that the officials could use their best judgment in determining whether and how to answer questions in an open forum that may call for classified responses. Let me assure you that there is no Department "directive" prohibiting officials from providing to Congress any information relating to corruption in Iraq or any critical assessments of the issue.

Indeed, officials from Embassy Baghdad and the Department of State in Washington have answered numerous questions from the Committee

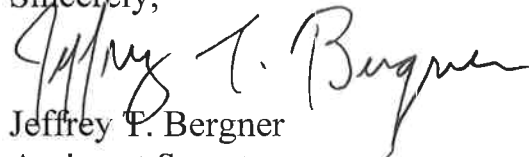
about the corruption issues in Iraq. Six Department of State and Department of Justice employees who have worked on these issues in Baghdad provided transcribed, unclassified interviews to Committee staff, and Ambassador Lawrence Butler testified in open session before the Committee on the Department's ongoing efforts to work with the Iraqis to fight corruption. In some cases, the Committee or its staff asked questions of Department employees that the employees believed may call for classified responses, and they properly declined to respond in open session. The Department has repeatedly advised the Committee that it is prepared to have its employees answer all questions on this subject in an appropriate closed setting, but the Committee has thus far declined the offer.

A review of the full transcripts of the October 4<sup>th</sup> hearing and the six interviews with Executive Branch personnel would demonstrate that many of the Committee's questions about corruption in Iraq and U.S. efforts to combat it have been answered in open session. The transcripts would also show that employees did not decline to make statements critical of the Iraqi government where they deemed it appropriate.

The Department of State has aimed to build institutions to combat corruption, as well as build into all governing institutions the controls and procedures that limit the possibilities for corruption. We have done that in partnership with Prime Minister Maliki and his government since they took office in 2006. We have consistently made clear to him and his ministers our serious concern for Iraq's widespread corruption, even as we worked on key legislation and other policies to improve Iraq's national governance. Under Ambassador Crocker's leadership, the Embassy is strengthening its efforts to help the Iraqi Government contain and defeat the pervasive corruption that saps Iraqi citizens' resources so that delivery of essential services is improved.

We look forward to working with the Congress on programs to achieve this objective and to provide all information requested by Congress, in appropriate fora.

Sincerely,



Jeffrey T. Bergner  
Assistant Secretary  
Legislative Affairs