

STATEMENT BY
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PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
HEARING ON
***OIL FOR INFLUENCE: HOW SADDAM USED OIL TO REWARD
POLITICIANS UNDER THE UNITED NATIONS OIL-FOR-FOOD PROGRAM***
May 17, 2005

Mr. Chairman, Ranking Member Levin, and Subcommittee Members:

Oil Allocations Granted To Vladimir Zhirinovsky:

Thank you for this opportunity to testify before you concerning the Subcommittee's investigation into the United Nations Oil for Food Program. My testimony today will present evidence demonstrating how the Hussein regime rewarded its political allies under the Oil for Food Program. In particular, I will introduce evidence establishing that the Hussein regime granted lucrative oil allocations to Vladimir Zhirinovsky, a prominent Russian official. In short, the evidence reveals that Zhirinovsky was granted allocations of 75 million barrels of oil – for a sense of perspective, that amount of oil would satisfy oil consumption for the entire United States for roughly 4 days. The Iraqi Ministry of Oil estimated that profits of \$8.6 million were made in connection with Zhirinovsky's allocations, as reflected in Exhibit 1. In fact, for some of those allocations, the evidence also shows that an American oil trader named Bayoil may have paid Zhirinovsky millions of dollars. Finally, I will present evidence that Zhirinovsky and Bayoil paid illegal, under-the-table surcharges to the Hussein regime, totaling \$4.7 million.

Before I introduce the evidence concerning Zhirinovsky and Bayoil, let me give a brief summary of what an "oil allocation" is and how Saddam Hussein used them to reward his allies. An oil allocation is essentially the right to buy a certain amount of crude oil – an option to buy cheap Iraqi oil. Whoever had the allocations were the gatekeepers to Iraqi oil, and as a result, were entitled to hefty commissions. Senior officials in the Hussein regime told investigators of this Subcommittee that, early in the Oil for Food Program, the Hussein regime began a policy of handing out these options not to traditional oil companies, but rather to foreign officials, journalists and even terrorist entities. Officials in the Ministry of Oil called this manipulation "Saddam's Bribery System." The recipient of the allocation – the foreign official or terrorist entity – would assign the allocation to a traditional oil company in return for a sizeable commission, usually amounting to hundreds of thousands of dollars. The Hussein officials that were interviewed in Iraq told the Subcommittee that the Iraqis gave preferential treatment to specific foreign officials in the allocation of oil because of their support for the Hussein regime and their opposition to the U.N. sanctions against Iraq.

Vladimir Zhirinovsky was one of those officials. Zhirinovsky has been a long-time member of the Russian Duma, the leader of the ultra-nationalist Liberal Democratic Party of Russia (called the "LDPR"), and ran for President of Russia three different times. He was a

tireless and outspoken supporter of the Hussein regime, taking roughly 16 trips to Iraq during the 7 years of the Oil for Food Program, and frequently denouncing U.N. sanctions against Iraq. In addition, Zhirinovskiy signed an agreement on “inter-party ties” between his party and Saddam Hussein’s Baath Party. He dispatched a group of supporters called the “Falcons of Zhirinovskiy” to Iraq to support the Hussein regime during the first Gulf War. Zhirinovskiy, who wrote a book entitled “I Spit on the West,” was unquestionably a strong supporter of the Hussein regime.

The regime, in turn, rewarded Zhirinovskiy with lucrative oil allocations. In total, Zhirinovskiy received at least 12 different allocations totaling more than 75 million barrels of oil under the Oil for Food Program. The Iraqi Ministry of Oil estimated that the profits arising from Zhirinovskiy’s allocations amounted to \$8.6 million, as reflected in Exhibit 1. The Subcommittee staff has prepared a thorough and comprehensive report detailing the chronology of events surrounding Zhirinovskiy’s allocations. Among the voluminous evidence are 6 letters signed by Zhirinovskiy himself, and 31 documents from the Iraqi Ministry of Oil that specifically identify Zhirinovskiy or his radical political party. The report also introduces testimony of four senior members of the Hussein regime, including Tariq Aziz and Saddam’s former Vice President – each of which independently confirmed that Zhirinovskiy received oil allocations. In fact, one regime official confirmed to this Subcommittee not only that Zhirinovskiy received oil allocations, but also that Zhirinovskiy earned money from the deals. He said, “Of course Zhirinovskiy would make a profit. That’s the whole point.”

I will present a brief sampling of the evidence today.

The first document is a letter that appears on Exhibit 2. This exhibit is a letter from Zhirinovskiy to the Iraqi Ambassador to Russia at the very beginning of the Oil for Food Program. In short, this is Zhirinovskiy’s pitch for oil contracts. He begins the letter by describing his long-time support for the Hussein regime. He states that he and his political party “stood firmly against the enforcement of United Nations economic sanctions” against Iraq, and that his party has used its “influence on the Duma [the Russian parliament] to adopt resolutions that will facilitate the economic cooperation between [Russia and Iraq].” He also said that “A special resolution to lift the economic sanctions on Iraq was adopted in particular and by virtue of our party’s efforts.” After brandishing his pro-Hussein credentials, Zhirinovskiy then states that his party has “commercial institutions” that would like to receive contracts under the Oil for Food Program.

After Zhirinovskiy’s letter, there were a series of meetings between his representatives and members of the Hussein regime, including meetings between Zhirinovskiy and Saddam Hussein and his right-hand man Tariq Aziz. The Subcommittee staff report details those meetings, which ultimately culminated in an oil allocation to Zhirinovskiy in Phase II of the Program.

The Hussein regime continued to grant oil allocations to Zhirinovskiy through the next 2 phases. Then, in Phase V of the Program, a new player enters the picture. That new player is the American oil trader named Bayoil. In the early phases of the Oil for Food Program, Bayoil was buying up as much Iraqi oil as possible. They aggressively pursued oil allocations, and prided themselves on being one of the largest purchasers of Iraqi oil under the Program.

In late 1998, Bayoil struck a deal with Zhirinovskiy – Zhirinovskiy would assign his oil allocation to Bayoil in exchange for a hefty commission. The evidence suggests that the commission was 17 cents per barrel, which would amount to \$850,000 for a medium-sized allocation, such as 5 million barrels. When Zhirinovskiy informed the Iraqis that his allocation would be assigned to Bayoil, the Iraqis rejected the plan, saying that “Iraq cannot do business with American companies.” As a result, Bayoil was forced to engage a Russian company to act as a nominal purchasing agent. Bayoil eventually did so, engaging a Russian oil company called Nafta Moscow to interface with the Iraqis.

Bayoil then confirmed the deal with Zhirinovskiy in a letter that is presented on the left-hand side of Exhibit 3. In that letter, Bayoil tells Zhirinovskiy that it has engaged Nafta Moscow to act as the purchasing agent, and requests that Zhirinovskiy confirm the agreement with a letter (written on official LDPR letterhead). Bayoil even drafted the letter for Zhirinovskiy, saying: “We LDPR confirm that our Iraqi oil allocation of 7 million barrels is assigned to Bayoil. We confirm to SOMO to contract this allocation with company designated by Bayoil. Upon receiving from you the agreed premium prior to [a certain date.] Signed, Vladimir V. Zhirinovskiy.” Bayoil concludes the letter by indicating that it hopes to pay Zhirinovskiy’s premium earlier than the contractual deadline.

Soon after Bayoil's letter to Zhirinovskiy, Bayoil explained the transaction to Nafta, its nominal purchasing agent. That letter appears on the right-hand side of Exhibit 3. In this letter, Bayoil gives Nafta instructions on how to negotiate with the Iraqis, such as reminding the Iraqis that the allocation was “being contracted for and on behalf of Mr. Vladimir Volfovich, the LDPR.” It is reasonable to conclude that the name ‘Vladimir Volfovich, the LDPR’ is a reference to Zhirinovskiy because his full name is Vladimir Volfovich Zhirinovskiy and the LDPR is his political party. Nafta was also supposed to remind the Iraqis that Zhirinovskiy is “one of the greatest supporter [*sic*] of the Iraqi cause in the world.” Bayoil also offered suggestions on “maximizing the economic result for the LDPR,” Zhirinovskiy’s political party.

All of this correspondence eventually culminated in 6 different oil transactions, starting in Phase V and continuing to Phase X. In connection with those transactions, Bayoil would pay a large “commission” payment to a seemingly unrelated entity. For instance, in the Phase VI deal, Bayoil paid 17 cents per barrel to a mysterious entity called “Plasco Shipping.” In total, Bayoil paid Plasco more than \$1.3 million. In Phase VII, Bayoil paid a massive commission of 31 cents per barrel to another mysterious entity called “Bayvan Consulting.” In one document, a Bayoil employee called those payments a “Russian Commission.” These Russian Commissions to Bayvan appear to total more than \$1.5 million.

The Subcommittee could not identify any service provided by these companies –Plasco Shipping and Bayvan Consulting – in connection with the oil deals. Our exhaustive search of Bayoil's files concerning these deals included a thorough vetting of thousands of pages, detailing each and every aspect of the transactions. Nevertheless, the Subcommittee could not identify one piece of correspondence with Plasco or Bayvan. There was no contract with either of them. No invoices. No indication of any service provided whatsoever. Moreover, the Subcommittee attempted to locate each of those companies and was unable to do so. Therefore, in light of the fact that Bayoil agreed to pay Zhirinovskiy a “premium” and Bayoil made these massive payments to dubious companies, it seems reasonable to conclude that those payments were in fact commissions to Vladimir Zhirinovskiy.

Not only did Zhirinovskiy profit from this scheme, but Saddam Hussein profited as well. In Phase VIII of the Program, which occurred toward the end of 2000, the Hussein regime started demanding an under-the-table payment in connection with oil purchases. These payments were in direct violation of the U.N. sanctions and the rules of the Oil for Food Program. According to senior members of the Hussein regime, every single recipient of an oil allocation was obligated to make those payments, commonly called “surcharges.” Surcharges were imposed over a 2-year period from September 2000 through mid 2002, and during that period, Zhirinovskiy received four distinct allocations. As reflected in the documents presented in Exhibit 7, for those four allocations, the Hussein regime received under-the-table payments totaling approximately \$4.7 million.

Let’s review one such surcharge payment. In Phase X, Zhirinovskiy received an allocation of 4 million barrels. Bayoil once again purchased that allocation and engaged Russian oil giant Lukoil to be its agent. Lukoil contacted for the oil on behalf of Bayoil, and the contract was numbered M/10/67. In connection with Contract M/10/67, Bayoil made payments totaling \$1,122,548.70 to Plasco Shipping – the same mysterious entity that we discussed previously. Those payments are captured in the left-hand side of Exhibit 4, which presents Bayoil’s internal accounting statements reflecting payments to Plasco Shipping.

It is crucial that we remember the sum paid to Plasco – \$1,122,548.70 – because that precise figure appears on a document created by the Iraqi Ministry of Oil. That document, which is a chart that appears on the right side of Exhibit 4, is a summary of all surcharges paid to the Hussein regime under the Oil for Food Program. The entry for Contract M/10/67 (the Lukoil contract) indicates that the “Surcharge Owed” was exactly \$1,122,548.70 – the exact amount (to the penny) that Bayoil paid to Plasco Shipping. Finally, the chart indicates that the surcharge was paid in full. Therefore, given this evidence, it is reasonable to conclude that Bayoil’s payments to Plasco Shipping were in fact illegal, under-the-table surcharge payments to the Hussein regime.

As displayed in Exhibit 7, \$4.7 million was paid in surcharges in connection with Zhirinovskiy’s allocations. While Zhirinovskiy and his agents paid \$4.7 million to the Hussein regime in cash, Zhirinovskiy also compensated the regime by literally giving the Iraqis a building in Moscow. In Phase VIII, Zhirinovskiy was apparently having difficulty paying all of the surcharges that he owed. The Vice President of Iraq, Taha Yassin Ramadan, told the Subcommittee that he met with Zhirinovskiy face-to-face and actually threatened him, saying “Pay or get nothing.” In lieu of paying off the surcharge with cash, Zhirinovskiy offered to give the Iraqis a building that he owned in Moscow. Senior regime officials informed the Subcommittee that the building was worth more than \$800,000. In our staff report, we present a letter from Zhirinovskiy in which he discussed his proposal. The Iraqis agreed to Zhirinovskiy’s offer, and the deed was transferred at the Iraqi embassy in Moscow. One senior official in the regime told the Subcommittee that he observed the transaction, saying: “I was there personally.” We have learned that that building is being used as an Arabic school.

In conclusion, our staff report establishes that Zhirinovskiy received numerous lucrative oil allocations, that Bayoil paid the Russian an estimated \$4 million dollars in exchange for some of those allocations, and that Zhirinovskiy – with Bayoil’s financing – paid the Hussein regime millions in under-the-table surcharges.

Oil Allocations Granted To Charles Pasqua and Geroge Galloway:

Thank you for this opportunity to present additional evidence concerning the Subcommittee's investigation into the United Nations Oil for Food Program. This presentation will introduce the evidence that the Subcommittee obtained establishing that the Hussein regime granted oil allocations to former French Minister of the Interior Charles Pasqua and recently reelected Member of the British Parliament George Galloway. The evidence establishes that Pasqua refused to sign a letter for the Iraqis concerning the allocations because he "fear[ed] political scandals." The evidence also indicates that Galloway used a children's cancer foundation in at least one transaction.

I will start with a sampling of evidence concerning the allocations granted to Charles Pasqua. The first exhibit – Exhibit 8(a) – is a handwritten note written by the Executive Director of SOMO sent to the Minister of Oil. The subject line of the note is "The French Personality (Charles Pasqua)." In the first line of this letter, SOMO indicates that Saddam Hussein personally approved an allocation to Charles Pasqua, stating: "The president leader ... has approved the allocation of 3 million barrels to the French personality (Charles Pasqua)." The note goes on to say that the Iraqis requested that Pasqua sign a letter concerning one aspect of the transaction, and that he refused to do so. According to the note, Pasqua refused to sign a letter because he "fear[ed] political scandals."

The next exhibit, which is displayed on Exhibit 8(b), is a letter written by Tariq Aziz's chief assistant. In that letter, he informs SOMO of the identity of Pasqua's agent and indicates that the agent "represents Mr. Pasqua in receiving the oil allocations allotted to the latter." I should note that Pasqua's agent was arrested two weeks ago for charges arising from Oil for Food transactions.

The last exhibit appears on Exhibit 8(d). That exhibit is another letter from the Executive Director of SOMO, in which he informs the Oil Minister that everyone who received an allocation in Phase VI of the Program requested an increase of their allotment. At the bottom of the letter is a handwritten note indicating that Tariq Aziz "endorsed" an increase of 1 million barrels to Pasqua's allocation. Attached to this letter was a chart created by SOMO reflecting the requests for additional barrels of oil. Under the headings, "France" and "Special Requests," the chart states "Charles Pasqua" and indicates that his purchasing agent had contracted for 3 million barrels of oil. It also indicates that Pasqua requested an additional allotment of "unspecified" volume.

These documents are a mere sampling of evidence accumulated by the Subcommittee that establishes that Charles Pasqua was granted oil allocations under the Program.

Turning to the evidence concerning Mr. Galloway, the evidence indicates that Galloway received allocations in six phases of the Oil for Food Program, amounting to a total of 20 million barrels of oil. Saddam Hussein's chief lieutenant, Vice President Taha Yassin Ramadan, confirmed in an interview with the Subcommittee that Galloway received oil allocations. In addition, as reflected in the poster presented now, Ramadan confirmed that Galloway was granted allocations "because of his opinions about Iraq. [He] wants to lift embargo against Iraq." Other Hussein regime officials confirmed that Galloway received oil allocations under the Oil for Food Program. In fact, just yesterday, the Subcommittee re-interviewed a senior member of

the Hussein regime to confirm whether Galloway received allocations. The Subcommittee asked the following question:

“Did the Iraqis grant any oil allocations to George Galloway, the member of the British Parliament?”

His answer:

“Yes.”

The first series of exhibits reveal that Galloway received an allocation of 3 million barrels of oil in Phase IX of the Program and that he apparently used a children’s cancer charity as a cover in that transaction. In the first exhibit, which is reflected in Exhibit 9, we see a letter from SOMO to the Minister of Oil requesting approval of Contract M/9/23. In identifying the contract, SOMO indicates that the contract was with a French oil company, called Aredio, and next to that name, the letter states: “(Fawaz Zuraiqat – Mariam Appeal).” Yesterday, the Subcommittee verified with a senior regime official that this document was authentic and that the Oil Minister’s signature was genuine. Regime officials interviewed by the Subcommittee also confirmed that, in these letters to the Oil Minister, the allocation recipient was identified in parenthesis next to the purchaser’s name. Accordingly, this document indicates that the recipient of this oil allocation was “Mariam Appeal.” The Mariam Appeal was a foundation established by George Galloway ostensibly to help a 4-year old Iraqi girl named Mariam who was suffering from leukemia. Therefore, it appears that George Galloway used a children’s cancer foundation to hide his oil allocation deal.

A different Ministry of Oil document further confirms that Galloway received this allocation. That document, which appears in Exhibit 10, is a chart created by SOMO after the fall of the Hussein regime that lists all oil allocations granted in Phase IX of the Program. Entry number 23 of that chart indicates that the oil for Contract M/9/23 – the Aredio contract discussed a moment ago – had been allocated to George Galloway and his agent Fawaz Zureiqat. A senior Hussein regime official that was interviewed yesterday confirmed that Zureiqat facilitated Galloway’s oil transactions: “It’s my understanding that Fawaz Zureiqat is oil lifter for Galloway.”

The next exhibit, Exhibit 12, is another of the SOMO letter requesting approval of a contract from the Oil Minister. The contract is identified as Contract M/11/04 with Middle East Advanced Semiconductor and next to the company’s name appears “(Mr. George Galloway).” Once again, these forms were authenticated by senior Hussein regime officials. According to those officials, the name in parenthesis is the identity of the allocation recipient. For instance, the Subcommittee asked one senior regime official the following question concerning this very document:

Q: Does the phrase “(Mr. George Galloway)” mean that the allocation for this oil was granted to George Galloway?

His answer: “Yes.”

The letter also indicates that an individual named “Fawaz Zureiqat” was involved in the transaction. One senior official informed the Subcommittee that “Zuraiqat was the oil lifter for the benefit of George.”

In the next exhibit, numbered Exhibit 15, we see the same form yet again – a letter from SOMO to the Oil Minister requesting approval of an oil contract. In this form, SOMO indicates that Contract M/12/14 was signed with Middle East Semiconductors “(on behalf of Mr. George Galloway)” and requests the Oil Minister’s approval. Once again, we re-confirmed with a senior Iraqi official from the Hussein regime that this letter was indeed genuine and that the Oil Minister’s signature was authentic. In addition, we confirmed that the form indicated that the oil had been allocated to Galloway. The official was asked: “Does the phrase ‘(on behalf of Mr. George Galloway)’ mean that the allocation for this oil was granted to George Galloway?” His answer: “Yes.”

The Subcommittee obtained additional evidence that the oil for this contract had been allocated to Galloway. That evidence is captured in Exhibit 14, a SOMO letter informing the “Financial Department” of pending oil contracts. For Contract M/12/14, SOMO notified the Financial Department of the contract, identifying the contract as “Contract No. M/12/14 with Middle East ASI (Mr. Galloway).” Middle East ASI was Fawaz Zureiqat’s company, and according to this document, it bought the oil that had been allocated to George Galloway. That corresponds with the testimony of the senior Hussein regime official, who confirmed to the Subcommittee for a second time that “Fawaz Zureiqat is oil lifter for Galloway.”

The Subcommittee obtained another example of this SOMO form for the last contract involving Galloway. That letter, which is Exhibit 14, is SOMO’s notification to the Financial Department of Contract number M/13/48. SOMO identifies the contract as “Contract No. M/13/48 with Middle East ASI (Mr. Galloway).” Once again, this document indicates that Galloway received the allocation and that Fawaz Zureiqat’s company signed the contract to lift that oil.

All told, the Subcommittee obtained evidence related to 4 of Galloway’s allocations. That evidence matches parallel evidence presented in the Subcommittee’s reports on Vladimir Zhirinovskiy, the Russian Presidential Council and Pasqua. In addition, the Subcommittee authenticated the Galloway evidence with senior Hussein regime officials involved in the allocation of oil.

With that, I will close my presentation and I would be happy to answer your questions.



Iraqi Memo Estimating Zhirinovsky Profit as \$8.6 Million

Estimated Financial Profits Achieved by a Sample of People Benefiting from the Allocations of Crude Oil

The table below explains the estimates achieved by some individuals and other parties as a result of obtaining oil allocations from the former regime. These proceeds have been calculated based on our estimates of the profit margins related to each phase of the Memorandum of Understanding, and the crude oil lifting these individuals executed in each phase.

ملحق رقم ٢

تقديرات العوائد المالية لعينة من المستفيدين من تخصيصات النفط الخام

يبين الجدول أدناه تقديرات للعوائد المالية التي حققها عليه من التخصيصات وجهات أخرى من جراء حصولها على تخصيصات نفطية من النظام السابق. احتسبت هذه العوائد بالاستناد إلى تقديراتنا لهوامش الربح المتعلقة بكل مرحلة من مراحل مخرقة الإتغام وسعوبات النفط الخام التي نفذتها هذه العينة خلال كل مرحلة.

ت	الجهة المخصص لها	مجموع سعويات النفط الخام خلال جميع المراحل (مليون دولار)	تقدير العائد المالي لكامل السعويات (مليون دولار)
١-١	جرونوفسكي (رئيس الحزب الليبرالي الديمقراطي الروسي)	٦٠٣	٨,٦
١-٢	حميدة نافع (كاتبة صحفية سورية)	٨١٣	١,٤
١-٣	محمد عبد المنان (وزير لوائح سابق في بغداد)	٣٠٧	٥,٥
١-٤	جورج ترخاتيان (ناشر لبناني قدم من قبل جهاز المخابرات ومكتب طارق عزيز)	٢٠٠	١,٨

No.	Allocated Party	Total Crude Oil Lifted in All Phases (million dollars)	Estimated Financial Profit for All Lifted Quantities (million dollars)
1	Zhirinovsky (President of the Liberal Democratic Russian Party)	60.3	8.6

١,١	جورج ترخاتيان (ناشر لبناني قدم من قبل جهاز المخابرات ومكتب طارق عزيز)	٢٠٠	١,٨
١,٢	جورج ترخاتيان (ناشر لبناني قدم من قبل جهاز المخابرات ومكتب طارق عزيز)	٢٠٠	١,٨

[Unrelated Entries Have Been Omitted]

Zhirinovsky Request For Oil-for-Food Contracts

Zhirinovsky's Request Granted

مجلس الدوما
 كخطبة النواب، الجمهورية الفيدرالية الروسية
 283 - 4 - 105 - تاريخ: 30 تموز 1997
 في / رسالة للكونغرس، مجلس، لأمم، جنيف

الجهود من أجل
 التمتع بالمشقة
 عة التي تتعامل
 لسان الأمريكي،
 مجلس الدوما
 وعضو مجلس
 مجلس الدوما
 لوضع المعسكر
 الاقتصادية غير
 (98) تتخذ برنامج
 له الاعتراف
 مرقا في صورة
 عة من قبلنا في
 لامل تتخذ كون
 با دولتنا ويظهر

Dana Cassetti
 Liberal Democratic Party of Russia
 No. 2134-105
 Date: 07/30/1997
 To: His Excellency Dr. Hasan Fahmi Jam'ah
 Extraordinary Authorized Ambassador of Iraq to Federal Russia
 Dear Friend,

The Liberal Democratic Party made every effort since it was first established to bring both of our countries and people closer, and to consolidate and increase the common understanding between us, as well as firmly against the encroachment of the United Nations economic sanctions which conflict with the interests of the independent Iraq people, and which were decided by order of the American capital. In order to balance the political situation in the world, we seek our influence on the Duma Council to adopt resolutions that will facilitate the economic cooperation between our countries. A special resolution to lift the economic sanctions on Iraq was adopted in particular and by virtue of our party's efforts.

The party and I, personally, follow with concern the development of situation related to lift the economic sanctions on the Republic of Iraq, and we are confident that the economic sanctions, which are illegal and known to everyone, will be lifted very soon.

Today, and by virtue of the United Nations resolution no. (986), your government implements a program to sell oil for food and medicine.

We have commercial institutions that support the program and goals of our party, and possess the potentials and wish to supply medicine and food to the Republic of Iraq in the light of this operation.

I hope that you will consider the possibility of companies and institutions we offer to participate in the mentioned operations. I suggest adding them to your list in order to implement the above-mentioned resolution of the United Nations.

I hope this will serve the ideal steps to bring our countries closer together; it is considered one of the important basic elements of our common understanding.

Sincerely,
 Vladimir Zhirinovsky
 Note: as far as the progress technical agreements issues, it can be verified with Mr. Kuznetsov V.V. (my assistant in economic affairs)
 Telephone: 2923374 - 2929204

مجلس الدوما
 كخطبة النواب، الجمهورية الفيدرالية الروسية
 283 - 4 - 105 - تاريخ: 30 تموز 1997
 في / رسالة للكونغرس، مجلس، لأمم، جنيف

Republic of Iraq
 Ministry of Foreign Affairs
 Office of the Minister

In the Name of God, Most Gracious, Most Merciful

No. M.K.H.H.17/629
 Date: 27th of Jumada Al-Awwal, 1418 H
 Expires on October 1997

Stamp
 Ministry of Executive
 Office of the Minister
 No. 2135
 Date: 10/23/1997
 Office of the Minister

Stamp
 Ministry of Executive
 Office of the Minister
 No. 2135
 Date: 10/23/1997
 Office of the Minister

Series

To: Ministry of Oil
 P.O. Executive Order, Iraq, Baghdad

In the subject of 07/30/1997, we refer to the Russian Federation, led by (Mikhail Gorbachev) and the Duma Council leader, will arrive in the country as Special, (DUMS) 1997 to complete the contract pertaining to oil and gas. (Zhirinovsky), head of the Liberal Democratic Party of Russia, requested (M) support in the delegation, and mentioned that (Consent) in his personal representative and has full authority to sign contracts, the embassy added. Solutions proposed manager to Iraq and the United Nations will accompany the delegation in order to help with the oil and gas contract of the Liberal Democratic Party. The embassy (Consent) allowed that manager to meet the members of all with the following details:

Stamp
 Ministry of Foreign Affairs
 Acting Minister of Foreign Affairs
 10/31/1997

[TC: There is a hand-written note to the bottom of this page that reads:]

To: The Executive Director of Marketing Commission

Please take the necessary steps to contact for the appropriate quantity. We are working on meeting Iraq with your presence.

Stamp
 K.H.
 10/31/1997

Permanent Subcommittee on Investigations

EXHIBIT #2

Bayoil Instructs NAFTA

Bayoil agrees to pay Zhirinovsky

TO: Mr. Vladimir V. Zhirinovsky
The Chief of the LDPN's Mission
FAK: 011-7095-202-7941
FROM: David B. Chalmers, Jr.
DATE: December 17, 1994

Dear Mr. Zhirinovsky:
We have been pleased to have your kind letter of November 17, 1994, and we appreciate your interest in the LDPN's Mission. We are currently reviewing your letter and will contact you again as soon as we have more information to provide to you. We have also been informed that you have been named in a number of articles in the press. We are sorry that we have not been able to provide you with more information at this time. We will be very helpful for the remainder of the second part of our job to ensure that you on LDPN's Mission.

Yours truly,
David B. Chalmers, Jr.
ATTN: David B. Chalmers, Jr.
FAK: (011) 7095-202-7941

Dear Sir:
We LDPN's Mission has been notified that you have been named in a number of articles in the press. We are sorry that we have not been able to provide you with more information at this time. We will be very helpful for the remainder of the second part of our job to ensure that you on LDPN's Mission.
We hope this will be the last of the articles that you have been named in. We will continue to monitor the press and will contact you again as soon as we have more information to provide to you. We have also been informed that you have been named in a number of articles in the press. We are sorry that we have not been able to provide you with more information at this time. We will be very helpful for the remainder of the second part of our job to ensure that you on LDPN's Mission.
Sincerely,
David B. Chalmers, Jr.

BAV01USA00887

BAVOI

February 24, 1994
Mr. Vladimir V. Zhirinovsky
The Chief of the LDPN's Mission
Attn: Mr. V. V. Zhirinovsky, Deputy
Chief of the LDPN's Mission
Dear Mr. Zhirinovsky:
As discussed in my letter to you on January 17, 1994, we are currently reviewing your letter of January 17, 1994, and we appreciate your interest in the LDPN's Mission. We are currently reviewing your letter and will contact you again as soon as we have more information to provide to you. We have also been informed that you have been named in a number of articles in the press. We are sorry that we have not been able to provide you with more information at this time. We will be very helpful for the remainder of the second part of our job to ensure that you on LDPN's Mission.
The O.L.R. remains in effect until March 31, 1994. We will continue to monitor the press and will contact you again as soon as we have more information to provide to you. We have also been informed that you have been named in a number of articles in the press. We are sorry that we have not been able to provide you with more information at this time. We will be very helpful for the remainder of the second part of our job to ensure that you on LDPN's Mission.
Sincerely,
David B. Chalmers, Jr.

For the reasons outlined above, it is imperative that NAFTA receive full flexibility with respect to filling private oil contracts for the allocation being constructed for and on behalf of Mr. Vladimir V. Zhirinovsky, the LDPN.
Enclosed you will find the recommendations and reporting documents that we have recently sent to SOGMO.
You have already received our new revised billing program. There might be some more adjustments to be made and we suggest your answer should be that you are a service company of this contract and you are providing services to SOGMO. We are in the line of the greatest support of the LDPN's Mission. We are currently reviewing your letter and will contact you again as soon as we have more information to provide to you. We have also been informed that you have been named in a number of articles in the press. We are sorry that we have not been able to provide you with more information at this time. We will be very helpful for the remainder of the second part of our job to ensure that you on LDPN's Mission.
We would like to assure you that we have been interested in any incremental barrels (different from the total barrels) that you can provide on your own and offer to us as separate contract. Prices and conditions on world crude oil.
Mr. David Chalmers and myself are wishing you and Vladimir's wife and successful trip to Iraq.

Fideliy Zheer,
Leadoff Director

BAVOI0401287

Zhirinovskiy - Bayoil Surcharge Payments in Phase X

**Bayoil Payments to
"Plasco Shipping":**

Surcharge Amount:

This is a screenshot of a spreadsheet with multiple columns and rows of data, likely representing payment records for Bayoil.

This is a screenshot of a spreadsheet with multiple columns and rows of data, likely representing payment records for Bayoil.

This is a screenshot of a spreadsheet with multiple columns and rows of data, likely representing payment records for Bayoil.

Permanent Subcommittee on Investigations

EXHIBIT #4

\$1,122,548.70

\$1,122,548.70

Zhirinovskiy Paid \$4.7 Million In Illegal Surcharges

Zhirinovskiy Contracts

M/08/40	0.18	0.00	291,686.00	2,916,876	M/08/40	TYUMEN	8
M/08/40	0.18	0.00	546,004.50	1,820,015	M/08/40	TYUMEN	9
M/10/19	0.30	0.00	1,221,074.40	4,070,246	M/10/19	MACHINIMPORT	10
M/10/67	0.30	-122.30	1,122,671.00	3,741,829	M/10/67	LURCIL	10
M/11/79	0.23	0.00	916,603.25	3,366,413	M/11/79	MACHINIMPORT	11
M/11/79	0.23	-380,558.35	667,796.05	287,237.70	M/11/79	MACHINIMPORT	12

Surcharges Paid

839,690.50

1,221,074.40

1,122,671.00

1,584,399.30

Total Surcharges Paid By Zhirinovskiy To Hussein Regime*

\$4,767,835.20

* Does Not Include Value Of Building Given To Iraq By Zhirinovskiy In Lieu Of Cash Surcharges

To: H.E. the Oil Minister
RE: The French Personality (Charles Pasqua)

- The president leader (May God Protect him) has approved the allocation of (3) million barrels to the French personality (Charles Pasqua).
- The French personality (Bernard Guillet) visited us this morning on the part of (Charles Pasqua), and requested to send the oil contract to (Genmar), the Swiss company to be signed since this is their chosen company. When we explained it was essential to choose a French company since the quantity was allocated to a French personality, Mr. (Bernard Guillet) said that was impossible for political reasons, and that he explained the situation to Mr. Tariq Aziz.
- We asked Mr. (Bernard Guillet) to provide us with a letter in which Mr. (Charles Pasqua) authorizes (Genmar) company to lift the crude oil. He declined and explained that they cannot do that fearing political scandals.

It is worth to mention that both Mr. (Elias Al-Farzali) and Mrs. (Hamidah Na'naa) have chosen the same Swiss company (Genmar) to sign the contracts related to the quantities allocated to them, and in the same way Mr. (Bernard Guillet) requested; meaning sending the contract by fax, which also means that (Genmar) company's representative does not have to come to Baghdad to sign the contract.

Please review and advice.

Regards,
Saddam Zeben Hassan
Executive Director/ State Oil Marketing Organization



06/17/1999



— = Redacted by the Permanent
Subcommittee on Investigations

Permanent Subcommittee on Investigations

EXHIBIT #8a

من كتاب...

الاول من...

(1) من...

(2) من...

(3) من...

(4) من...

(5) من...

(6) من...

(7) من...

(8) من...

(9) من...

(10) من...

(11) من...

(12) من...

...

...

Council of Ministers
Deputy Prime Minister

To: H.E. Mr. Saddam Zeben

Please be informed that Mr. (Bernard Guillet) is the diplomatic and political advisor of Mr. (Charles Pasqua), the French politician and former Minister of the Interior; Mr. Guillet represents Mr. Pasqua in receiving the oil allocation allotted to the latter.

Regards,



— = Redacted by the Permanent
Subcommittee on Investigations


Director of the Deputy Prime Minister's Office
06/19

Permanent Subcommittee on Investigations

EXHIBIT #8b

مجلس الوزراء
الجمهورية العربية السورية



الاستاذ صلاح الدين الميرزا

مخبره دمشق

الرجوع الى المرفق رقم ()

مرفق استشارة المرفق رقم ()

(مرفق استشارة المرفق رقم ())

الاستاذ صلاح الدين الميرزا

مخبره دمشق (مرفق استشارة المرفق رقم ())

(مرفق استشارة المرفق رقم ())

مجلس الوزراء
الجمهورية العربية السورية
٦٨٩

Stamp
Ministry of Oil/Office of the Minister
No.: 11388
Date: 10/07/1999

To: H.E. the Oil Minister
RE: Additional Quantities in Phase Six

All companies we do business with, and with whom we had the chance to meet or have a telephone conversation with their representatives lately, have shown the desire to obtain additional quantities during this phase.

Enclosed is table no. (1) for the companies in phase six and the additional quantities they requested (which we received in the form of a written or verbal request).

Enclosed, as well, is table no. (2) with the contractual and lifted quantities in the current phase and up to date.
Please review and advice.

Regards,



Saddam Zeben Hassan
Executive Director

Enclosures:

(2) tables

[TC: There is a hand-written note in Arabic that reads as follows]
It is still under discussion waiting for the instructions of the vice-president of the republic... taking into consideration that the deputy prime minister endorsed the increase of (1) million barrels and (0.7) million barrels as indicated.



10/07

KH2



1- Pasqua (1) million

Permanent Subcommittee on Investigations

EXHIBIT #8d

بسم الله الرحمن الرحيم

الجمهورية العراقية

وزارة النفط

هيئة التسيير

شركة نفط الجنوب (شركة عامة)

وزارة النفط / مكتب الوزير

الرقم / ١١١٢٨٨

التاريخ / ١٩٩٥/٧/١٧

الرقم / ١٥٠٨٤ / ١٤

التاريخ / ١٤١٦ / ١٢ / ١٩٩٥

الرقم / ١١١٩٧ / ٥

السيد وزير النفط المتكبر

م/ الكفاءة الامانة للمخالة السامية

ان جميع الشركات التي تتعامل معها والتي كانت هناك ازمة في احتياطها من مخزونها او التكاليف معهم فانها خلال الاسباب السابقة ابدوا وتبنيهم طاعتهم على كميات الخلفيات في هذه الشركة.

مرفق اليك جدول رقم (١) طابعت من المرفقات السامية هناك كميات الامانة المطلوبة من قبلنا (والتي نرفقها بمورد طابعت من المرفقات).

مرفق اليك جدول رقم (٢) باقتضات الكميات المتداولة في المرفقات من المرفقات الخاصة بحدنا.

يرجى تلبية حاجتنا في الامانة والتسليم في اقل وقت ممكن.

مدير الشركة

عليه السلام

السيد / ١٥٠٨٤ / ١٤

التاريخ / ١٤١٦ / ١٢ / ١٩٩٥

المرفقات / جدول رقم (١)

١٥٠٨٤ / ١٤

١٤١٦ / ١٢ / ١٩٩٥

١٥٠٨٤ / ١٤
١٤١٦ / ١٢ / ١٩٩٥
١١١٩٧ / ٥

Country/Company	Contractual Quantity (million barrels)	Additional Quantity Requested (million barrels)	Remarks
<u>France</u> <u>A- Special requests</u> Charles Pasqua (Genmar Company)	50.3 3	Unspecified	

التعليقات	القيمة المالية (مليون جنيه)	القيمة المختلفة عليها (مليون جنيه)	الدوائر الشريفة
القيمة العظمى من الكاشف (٣١)		٣٤	<u>١٠ المصاريف</u>
		١٢	أ- المصاريف الأخرى
	٣		صندوق
	١٢		جائزات أول
	٢		موسميك
	٢		د- رسوم
			<u>١١ المصاريف الخاصة</u>
		٢	السيد طوان
		١٠	<u>١٢ المصاريف</u>
		١١	أ- المصاريف الأخرى
٢		توزيع	
	١١	مصاريف	
		<u>١٣ المصاريف الخاصة</u>	
	١٠	مصاريف فريمان (شركة أداكم)	
	٧	مصاريف بوجان (شركة جومال)	
٢	٥	مصاريف (شركة كينزا)	
	١٠	مصاريف (شركة أريديس)	
	٢	مصاريف (شركة سمان)	
	١٠	مصاريف (شركة سمان)	
١٢	١٠	المصاريف الأخرى (شركة سمان)	

Ministry of Oil Letter

Re: Galloway Allocation in Phase XI

In the Name of God, Most Gracious, Most Merciful

Republic of Iraq
Ministry of Oil
State Oil Marketing Organization (State Company)

No.: KH2/18304
Date: 4 Shawal, 1422 H
Equivalent to 12/19/2001


Stamp
Ministry of Oil/Office of the Minister
No.: 21214
Date: 12/20/2001

To: H.E. the Oil Minister
RE: Approval on Exported Crude Oil Contracts

Based on the statement of allocations dated 12/10/2001, please find below the details of the contract signed with Middle East ASI Company (Mr. George Galloway)/Fawaz Zuraiqat:

Name of Company: Middle East Advanced Semiconductor.
Number of Contract: M/11/04
Date of Contract: 12/12/2001
Nationality: Jordanian
Quantity: (3) million barrels (2 millions of Basrah light and 1 million of Kirkuk)
Type of Crude Oil: Basrah light and Kirkuk
Period of Supply: until 11/25/2002
Destination of Crude Oil: Europe and America for Kirkuk, and the East and America for Basrah light
Pricing Formula: America, Europe, and the East
Estimated Value of Contract in Euro: about (66) million euros (Based on the rate of \$20 per barrel)
Surcharge: As per the instructions of your Excellency over the phone on 12/11/2001 of not accepting the company's proposals unless they pay the debt incurred since phase eight.

For your review and approval, please.


Ali Rajab Hassan
Acting Executive Director

For the approval of the minister

I approve


12/23

Permanent Subcommittee on Investigations

(G) - FN 92

Permanent Subcommittee on Investigations

EXHIBIT #12

Ministry of Oil Letter

Re: Galloway Allocation in Phase XII

Oil Marketing Company (State Company)

To: The Financial Department
From: Crude Oil Marketing Second Department

No.: KH2/66
Date: 06/04/2002

RE: Contract No. M/12/14 with Middle East ASI (Mr. Galloway)

On 06/03/2002, we signed a contract with the aforesaid company to supply it with quantity of crude oil as per the following terms:

Number of Contract: M/12/14

Date: 06/03/2002

Name of Company: Middle East Semiconductor

Nationality: Jordanian

Quantity & Quality: (3) million barrels (2 millions of Basrah and 1 million of Kirkuk)

Destination of Oil: Europe and America for Kirkuk oil, and America and The East for Basrah light


Pricing Formula: depending on destination

Period of Supply: until 11/25/2002

Approval of Overseers: we will inform you of the approval later on

Other Terms: as per the general terms in force for the company's sales FOB Al-Bakr and Ceyhan terminals

Please be informed and act accordingly.


Ali Rajab Hassan
Acting Executive Director

Cc:

Shipping & Quantities Department / please be informed and act accordingly

Permanent Subcommittee on Investigations

FN 96

Permanent Subcommittee on Investigations

EXHIBIT #14

Ministry of Oil Letter

Re: Galloway Allocation in Phase XII

٦٤٤٧ ١٤٤١
٢٠٠٢/٠٤/٠٦
٢٠٠٢/٠٤/٠٦

بسم الله الرحمن الرحيم
الحمد لله المولع مع شركة

MIDDLE E

بسم الله الرحمن الرحيم

٢٠ دولار الفيزيائي

علي رجب حسن
المدير التنفيذي وكالة

Stamp

Ministry of Oil/Office of the Minister
No.: 9825
Date: 06/04/2002

In the Name of God, Most Gracious, Most Merciful

Republic of Iraq
Ministry of Oil
State Oil Marketing Organization (State Company)

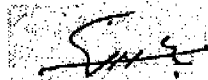
No.: KH2/6447
Date: 23 Rabi' I, 1423 H
Equivalent to 06/04/2002

To: H.E. the Oil Minister
RE: Approval on Exported Crude Oil Contracts

Based on the statement of allocations dated 05/22/2002, please find below the details of the contract signed with Middle East ASI Company (on behalf of Mr. George Galloway):

Name of Company: Middle East Advanced Semiconductor.
Number of Contract: M/12/14
Date of Contract: 06/03/2002
Nationality: Jordanian
Quantity: (3) million barrels
Type of Crude Oil: (2) million barrels of Basrah and (1) million barrels of Kirkuk
Period of Supply: until 11/25/2002
Destination of Crude Oil: Europe and America for Kirkuk, and America and The East for Basrah light
Pricing Formula: depending on destination
Estimated Value of Contract in Euro: about (66) million euros (Based on the rate of \$20 per barrel)
Surcharge: payable within (30) days from the date of loading

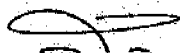
For your review and approval, please.



Ali Rajab Hassan
Acting Executive Director

For the approval of the minister

I approve



06/06

Permanent Subcommittee on Investigations

FN 97

Permanent Subcommittee on Investigations

EXHIBIT #15