

# International Advisory and Monitoring Board

Ref: IAMB - 6

5 April 2004

Ambassador Paul Bremer III  
Administrator,  
Coalition Provisional Authority  
Baghdad, IRAQ

Dear Ambassador Bremer,

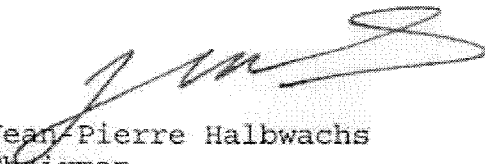
At the invitation of the IAMB, representatives of the Coalition Provisional Authority attended the IAMB meeting held in Kuwait on 17 and 18 March and provided the IAMB with a briefing on the financial reporting and internal control system established by the CPA. The IAMB was informed that the CPA had resorted to the use of non-competitive bidding procedures for some contracts funded from the DFI and that in particular 3 such contracts amounting to \$1.4 billion were awarded to Halliburton. This is a source of concern to the IAMB.

The IAMB acknowledges that special circumstances may have warranted sole-sourced contracts and welcomes steps taken by the CPA to limit such contracts to exceptional circumstances. At the same time, the IAMB would wish to get further information on all sole-sourced contracts paid for using DFI funds, including these 3 contracts. The IAMB has been given to understand that an audit or a number of audits relating to these contracts have been performed. It will be appreciated if these audits could be shared with the IAMB. Depending on the results of its review of the documents, the IAMB may consider requiring a special audit of these contracts in accordance with provisions in the IAMB's terms of reference.

The main purpose of the IAMB reviewing these reports is to avoid any duplication of audit work that will be required. It would be very much appreciated if you could let me know by April 22, the date of the next IAMB meeting, what audit reports could be made

available to the IAMB, so that I would be in a position to inform the other IAMB members and the Iraqi observers. It is understood that these audit reports will be treated confidentially.

Sincerely yours,



Jean-Pierre Halbwachs  
Chairman  
International Advisory and Monitoring Board

Copy: Members, International Advisory and Monitoring Board