



Highlights of [GAO-04-559](#), a report to congressional requesters

Why GAO Did This Study

As part of the efforts by the United States to oust Saddam Hussein, a critical element of U.S. policy included funding the Iraqi National Congress as the lead Iraqi opposition coalition. In 1999, the Iraqi National Congress Support Foundation (INCSF) was established to provide an organizational structure for Department of State funding. From March 2000 until September 2003, the Department of State funded several INCSF programs, including television broadcasting. INCSF's broadcasting goals included broadcasts into Iraq focusing on providing the Iraqi people unbiased news and information and updating them on efforts to bring democracy to Iraq.

GAO was asked to review (1) the history of the Department of State's funding of INCSF broadcasting activities and (2) the key issues affecting State's funding decisions.

www.gao.gov/cgi-bin/getrpt?GAO-04-559.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jess Ford at (202) 512-4268 or fordj@gao.gov.

STATE DEPARTMENT

Issues Affecting Funding of Iraqi National Congress Support Foundation

What GAO Found

State's funding of INCSF programs totaled nearly \$33 million for the period March 2000 through September 2003. This money was made available through 23 cooperative agreements and amendments that provided short-term funding at irregular intervals. The funds were provided for several purposes, including establishing new satellite television capability (Liberty TV), newspaper publication, and information collection programs. About \$10 million was earmarked for Liberty TV broadcasting activities, which included hiring staff, establishing studio operations, and actual broadcasting. There were several periods during which State did not have an agreement to fund INCSF's program, causing State to later fund INCSF activities retroactively. State's funding approach affected INCSF's ability to conduct television broadcast operations. Liberty TV broadcasted from August 2001 to May 2002, when funding shortages caused by funding and policy disputes between State and INCSF resulted in termination of broadcasting. Attempts to restart Liberty TV failed due to a combination of factors, including continued disagreements between INCSF and State over funding requirements for the broadcasts, the rapidly changing conditions associated with the war in Iraq, and INCSF's relocation of operations to Iraq in May 2003. INCSF repeatedly complained to State that the short-term nature of the funding agreements made it difficult to run an effective television broadcasting operation.

State cited three reasons why it was unable to reach long-term funding agreements with INCSF: (1) State was concerned about INCSF's accountability for funds and operational costs, based largely on results of audits of INCSF, and remained concerned even after INCSF took steps to improve its accountability during late 2001 and 2002; (2) INCSF resisted U.S. government policy prohibiting INCSF operations inside Iraq; and (3) State questioned both the usefulness of INCSF's information collection program and whether it was appropriate for State to fund it. (In May 2002 State decided to drop its funding for the information collection program, effective August 2002.) Against this background and the sporadic funding arrangements that characterized the program, the process of proposal and counterproposal continued without producing agreements that could lead to restarting Liberty TV. Through their inability to work together to restart Liberty TV, State and INCSF missed a chance to reach the Iraqi people at critical times prior to and during the March 2003 war in Iraq.