

# U.N. SANCTIONS AFTER OIL-FOR-FOOD: STILL A VIABLE DIPLOMATIC TOOL?

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## HEARING

BEFORE THE  
SUBCOMMITTEE ON NATIONAL SECURITY,  
EMERGING THREATS, AND INTERNATIONAL  
RELATIONS

OF THE

COMMITTEE ON  
GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

MAY 2, 2006

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## U.N. SANCTIONS AFTER OIL-FOR-FOOD: STILL A VIABLE DIPLOMATIC TOOL?

TUESDAY, MAY 2, 2006

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON NATIONAL SECURITY, EMERGING  
THREATS, AND INTERNATIONAL RELATIONS,  
COMMITTEE ON GOVERNMENT REFORM,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 10:03 a.m., in room 2154, Rayburn House Office Building, Hon. Christopher Shays (chairman of the subcommittee) presiding.

Present: Representatives Shays, Kucinich, Van Hollen, Lynch, and Waxman, *ex officio*.

Staff present: R. Nicholas Palarino, Ph.D., staff director; Robert A. Briggs, analyst; Elizabeth Daniel, professional staff member; Phil Barnett, minority staff director/chief counsel; Kristin Amerling, minority general counsel; David Rapallo, minority chief investigative counsel; Andrew Su, minority professional staff member; and Jean Gosa, minority assistant clerk.

Mr. SHAYS. A quorum being present, the Subcommittee on National Security, Emerging Threats, and International Relations hearing entitled, "U.N. Sanctions After Oil-for-Food: Still a Viable Diplomat Tool?" is called to order.

There is no guarantee United Nations management reforms will ensure future sanctions will succeed, but the lack of management reforms will certainly guarantee they fail.

U.N. Security Council Resolution 661 imposed comprehensive sanctions on Iraq after the 1990 invasion of Kuwait. Over the next 4 years, proposals to ease, rather than enforce, the sanctions dominated deliberations of the 661 committee composed of all permanent and rotating Security Council members.

From its inception in 1996, the United Nations Oil-for-Food Program was susceptible to political manipulation and financial corruption. The program lacked United Nations oversight and accountability, and trusted Saddam Hussein with sovereign control over billions of dollars of oil sales and commodity purchases. This situation, of course, invited illicit premiums, kickbacks and other forms of corruption.

How is a well-intentioned program designed and administered by the world's preeminent multinational organization so systematically and thoroughly pillaged? The answers emerging from investigations by the Volcker Commission, the Government Accountability Office and from this committee and other congressional commit-

tees point to a debilitating combination of political paralysis and a lack of oversight that metastasize behind a veil of official secrecy.

Two years ago, this subcommittee first heard how Saddam Hussein's regime manipulated the Oil-for-Food Program. Our second hearing addressed problems the Oil-for-Food contract inspectors faced in dealing with both the Hussein regime and the United Nations. The third dealt with internal deliberations at the U.N. and willful ignorance of the Security Council members toward the corruption taking place.

At today's hearing we will consider implications of this scandal for future U.N. sanctions.

In the wake of the Oil-for-Food program scandal we ask, how can the U.N. be expected to properly administer future sanctions against states such as Sudan or Iran which commit vicious crimes against their own people and threaten international peace and stability?

Sanctions are essential measures used to maintain or restore international peace and security. Sanctions are an alternative to armed conflict. The penalty or price applied to a state must outweigh the advantages of wrongful behavior and lead the target state to rescind its behavior.

No sanction program is effective unless its objectives are widely shared and supported among key U.N. member-states. And we have learned from the Oil-for-Food scandal oversight of any sanction program is absolutely essential.

The GAO noted the U.N. Office of Internal Oversight Services, the Inspector General of the United Nations, must be an independent operation and autonomous. Aggressive independent oversight ferrets out waste, abuse and fraud in huge bureaucracies and uncovers illicit activities.

Secretary General Kofi Annan, in March of this year, issued a report setting out sweeping administrative reforms. If these reforms fail in the face of opposition, the U.N. is vulnerable to continued scandal. If implemented, these and other reforms will lend credibility to the United Nations and its ability to enforce its sanctions regime.

We are joined today by our Permanent Representative to the United Nations, Ambassador John Bolton, who will share his views on prospects for U.N. management reform. We are eager to hear his views about how sanctions worked in Iraq and how they will work in the future, particularly in confronting the genocide in Sudan and deterring Iran's nuclear program.

On our second panel, the Government Accountability Office, the former U.N. diplomat and an advisor to the U.N. will provide their perspectives and recommendations. We look forward all their testimony.

I will just again say, Mr. Bolton, it is an honor to have you here, and I'm going to call on the other Members for their statements. Mr. Kucinich.

[The prepared statement of Hon. Christopher Shays follows:]

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BERNARD SANDERS, VERMONT,  
INDEPENDENT

### “UN Sanctions After Oil-for-Food: Still a Viable Diplomatic Tool?” Statement of Representative Christopher Shays May 2, 2006

There is no guarantee United Nations (UN) management reforms will ensure future sanctions succeed, but the lack of management reforms will certainly guarantee they fail.

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We look forward to all their testimony.

Mr. KUCINICH. Thank you very much, Mr. Chairman, for holding this hearing.

I want to acknowledge the presence of our ranking Democrat for the full committee, Henry Waxman, and thank him for the cooperation and honor that he has given me of my being the ranking member of this subcommittee.

Welcome, Mr. Bolton.

As you know, a few days ago, the Congress of the United States passed H.R. 282, the Iran Freedom Support Act, which essentially articulated structured sanctions to be imposed on Iran. I am going to ask that this be submitted to the record as part of the presentation that I am making.

Mr. SHAYS. Without objection, so ordered.  
[The information referred to follows:]

HR 282 RH

**Union Calendar No. 226**

109th CONGRESS

2d Session

**H. R. 282**

[Report No. 109-417]

To hold the current regime in Iran accountable for its threatening behavior and to support a transition to democracy in Iran.

**IN THE HOUSE OF REPRESENTATIVES****January 6, 2005**

Ms. ROS-LEHTINEN (for herself, Mr. LANTOS, Mr. CHABOT, Mr. BERMAN, Mr. CANTOR, Mr. ACKERMAN, Mr. ANDREWS, Mr. BACHUS, Ms. BERKLEY, Mrs. BIGGERT, Mr. BOEHLERT, Mr. BURTON of Indiana, Mr. CHANDLER, Mr. COX, Mr. CROWLEY, Mrs. JO ANN DAVIS of Virginia, Mr. LINCOLN DIAZ-BALART of Florida, Mr. MARIO DIAZ-BALART of Florida, Mr. ENGEL, Mr. FALEOMAVAEGA, Mr. FOLEY, Mr. GARRETT of New Jersey, Mr. GREEN of Wisconsin, Ms. HARRIS, Mr. ISRAEL, Mr. JOHNSON of Illinois, Mr. KIRK, Mr. LARSEN of Washington, Mr. MCCOTTER, Mr. MENENDEZ, Mr. MICA, Mrs. MYRICK, Mr. NADLER, Mr. NORWOOD, Mr. NUNES, Mr. PENCE, Mr. PLATTS, Mr. PORTER, Mr. ROTHMAN, Mr. ROHRBACHER, Mr. RYAN of Wisconsin, Mr. SAXTON, Mr. SHERMAN, Mr. SHIMKUS, Mr. SMITH of New Jersey, Mr. SOUDER, Mr. SULLIVAN, Mr. TANCREDO, Mr. WELLER, Mr. WEXLER, and Mr. WILSON of South Carolina) introduced the following bill; which was referred to the Committee on International Relations

**April 25, 2006**

Additional sponsors: Mr. PICKERING, Mr. DOOLITTLE, Mrs. KELLY, Mr. WALSH, Mr. RENZI, Mr. EMANUEL, Mr. LIPINSKI, Mr. GORDON, Mr. DENT, Mr. KLINE, Ms. SCHWARTZ of Pennsylvania, Mr. MCCAUL of Texas, Ms. SCHAKOWSKY, Mr. ISSA, Mr. BONILLA, Mr. STEARNS, Mr. MCNULTY, Mr. BAKER, Mr. DAVIS of Illinois, Mr. PALLONE, Mr. BUTTERFIELD, Mrs. MILLER of Michigan, Mrs. BONO, Mr. MEEK of Florida, Mr. CLAY, Mr. MCHUGH, Mr. WAXMAN, Mr. SHAW, Ms. LORETTA SANCHEZ of California, Mr. MACK, Ms. BEAN, Mr. MCHENRY, Mr. LOBIONDO, Mr. SENSENBRENNER, Mr. COLE of Oklahoma, Mrs. MCCARTHY, Mr. BOOZMAN, Mr. CARDOZA, Mr. EDWARDS, Mr. COSTA, Mr. FERGUSON, Mr. JINDAL, Mr. POMBO, Mr. GENE GREEN of Texas, Mr. KUHL of New York, Mr. HERGER, Mr. MELANCON,

Ms. GINNY BROWN-WAITE of Florida, Mr. VAN HOLLEN, Mr. ALEXANDER, Mr. SESSIONS, Mr. CARTER, Mr. SIMPSON, Mr. KNOLLENBERG, Mr. CUELLAR, Mr. GUTIERREZ, Mr. SCOTT of Georgia, Mr. DAVIS of Alabama, Mr. REYNOLDS, Mr. WYNN, Mr. LEWIS of Georgia, Mr. DAVIS of Kentucky, Ms. LINDA T. SANCHEZ of California, Mr. BOUSTANY, Mr. BONNER, Mr. BACA, Mr. WEINER, Mr. POE, Mr. TERRY, Ms. WASSERMAN SCHULTZ, Mr. ADERHOLT, Mr. SCHIFF, Mr. BASS, Mr. MICHAUD, Mr. VISCLOSKEY, Ms. MATSUI, Mr. ROGERS of Michigan, Mr. DAVIS of Tennessee, Mr. MURPHY, Mr. CUNNINGHAM, Mr. UPTON, Mr. MCCRERY, Mr. WELDON of Florida, Mr. SHAYS, Mr. COBLE, Ms. HART, Mr. INGLIS of South Carolina, Mr. BRADLEY of New Hampshire, Mr. RUSH, Mrs. MALONEY, Mr. FILNER, Mr. KENNEDY of Minnesota, Mr. FITZPATRICK of Pennsylvania, Mrs. DRAKE, Ms. HARMAN, Mr. PRICE of Georgia, Mr. DOYLE, Mr. MILLER of North Carolina, Ms. HERSETH, Mr. EVANS, Mr. HAYES, Mr. GEORGE MILLER of California, Mr. SHADEGG, Mr. MATHESON, Mr. JEFFERSON, Mr. HASTINGS of Florida, Mr. PUTNAM, Mrs. NORTHUP, Mr. KING of Iowa, Mr. BARROW, Miss MCMORRIS, Mrs. LOWEY, Mr. CULBERSON, Ms. ESHOO, Mr. HOLT, Mr. LEWIS of California, Mr. BOSWELL, Mr. FORD, Mr. WAMP, Mr. UDALL of Colorado, Mr. PETERSON of Pennsylvania, Mr. CARDIN, Mr. REICHERT, Mr. BOYD, Mr. SKELTON, Mr. BOREN, Mr. PASCARELL, Mrs. NAPOLITANO, Mr. MARSHALL, Mr. HASTINGS of Washington, Mr. HENSARLING, Mr. INSLEE, Mr. BILIRAKIS, Mr. RAMSTAD, Mr. TIBERI, Mr. KIND, Mr. BRADY of Pennsylvania, Ms. SOLIS, Mr. OWENS, Mr. WU, Mr. BISHOP of Georgia, Mr. TURNER, Mr. CONAWAY, Mr. GERLACH, Mr. COSTELLO, Mr. KINGSTON, Mr. REHBERG, Mr. COOPER, Mr. GONZALEZ, Mr. BARRETT of South Carolina, Mr. BROWN of South Carolina, Mr. DAVIS of Florida, Ms. SLAUGHTER, Mr. BEAUPREZ, Mr. REYES, Mr. JACKSON of Illinois, Mr. ROGERS of Alabama, Mr. GRIJALVA, Mr. HIGGINS, Mr. MEEKS of New York, Mr. FRANKS of Arizona, Mr. KILDEE, Mr. GINGREY, Mr. HOYER, Mr. YOUNG of Florida, Mr. CLEAVER, Ms. DEGETTE, Mr. CHOCOLA, Mr. SIMMONS, Mr. RANGEL, Mr. FEENEY, Mr. BARTLETT of Maryland, Mr. KELLER, Mr. WICKER, Mr. CRAMER, Mr. LINDER, Mr. THOMPSON of California, Mr. MEEHAN, Mr. HAYWORTH, Ms. FOXX, Mr. SMITH of Texas, Mr. TANNER, Ms. DELAURO, Mr. BERRY, Mrs. MUSGRAVE, Mr. WELDON of Pennsylvania, Mr. ROSS, Ms. WOOLSEY, Mr. HONDA, Mr. MOORE of Kansas, Mr. STRICKLAND, Mr. KENNEDY of Rhode Island, Mr. CARNAHAN, Mr. CUMMINGS, Mr. MARCHANT, Mr. MILLER of Florida, Mrs. CUBIN, Mr. RYUN of Kansas, Mr. GOHMERT, Mr. NEAL of Massachusetts, Mr. GRAVES, Mr. MANZULLO, Mr. LEVIN, Mr. JONES of North Carolina, Ms. PELOSI, Mr. GILCHREST, Mr. SMITH of Washington, Mr. SALAZAR, Mr. DANIEL E. LUNGREN of California, Mr. BURGESS, Mr. LYNCH, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CLYBURN, Mr. BAIRD, Mr. PEARCE, Mr. AL GREEN of Texas, Mr. LATOURETTE, Mr. FARR, Mr. CANNON, Mr. FRELINGHUYSEN, Mr. RYAN of Ohio, Mr. FORBES, Mr. BISHOP of New York, Mr. RADANOVICH, Mr. SCOTT of Virginia, Ms. CORRINE BROWN of Florida, Mr. CASE, Mrs. EMERSON, Mr. HEFLEY, Mr. CAMP of Michigan, Ms. ZOE LOFGREN of California, Mr. LUCAS, Mr. LEWIS of Kentucky, Mrs. BLACKBURN, Mr. LARSON of Connecticut, Mr. CRENSHAW, Mr. LANGEVIN, Mr. SHUSTER, Mr. SODREL, Mrs. CAPITO, Mr. GOODE, Mr. HULSHOF, Mr. CALVERT, Mrs. WILSON of New Mexico, Mr. SANDERS, Mr. BROWN of Ohio, Mr. GALLEGLY, Mr. AKIN, Mr. ENGLISH of

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#### **April 25, 2006**

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

**[Strike out all after the enacting clause and insert the part printed in italic]**

**[For text of introduced bill, see copy of bill as introduced on January 6, 2005]**

#### **A BILL**

To hold the current regime in Iran accountable for its threatening behavior and to support a transition to democracy in Iran.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### **SECTION 1. SHORT TITLE.**

*This Act may be cited as the 'Iran Freedom Support Act'.*

#### **SEC. 2. TABLE OF CONTENTS.**

*The table of contents for this Act is as follows:*

*Sec. 1. Short title*

*Sec. 2. Table of contents*

**TITLE I--CODIFICATION OF SANCTIONS AGAINST IRAN**

*Sec. 101. Codification of sanctions*

*Sec. 102. Liability of parent companies for violations of sanctions by foreign entities*

**TITLE II--AMENDMENTS TO THE IRAN AND LIBYA SANCTIONS ACT OF 1996 AND OTHER PROVISIONS RELATED TO INVESTMENT IN IRAN**

*Sec. 201. Multilateral regime*

*Sec. 202. Imposition of sanctions*

*Sec. 203. Termination of sanctions*

*Sec. 204. Sunset*

*Sec. 205. Clarification and expansion of definitions*

*Sec. 206. United States pension plans*

*Sec. 207. Report by Office of Global Security Risks*

*Sec. 208. Technical and conforming amendments*

**TITLE III--DIPLOMATIC EFFORTS TO CURTAIL IRANIAN NUCLEAR PROLIFERATION AND SPONSORSHIP OF INTERNATIONAL TERRORISM**

*Sec. 301. Diplomatic efforts*

*Sec. 302. Strengthening the Nuclear Nonproliferation Treaty*

**TITLE IV--DEMOCRACY IN IRAN**

*Sec. 401. Declaration of Congress regarding United States policy toward Iran*

*Sec. 402. Assistance to support democracy in Iran*

*Sec. 403. Waiver of certain export license requirements*

**TITLE I--CODIFICATION OF SANCTIONS AGAINST IRAN**

**SEC. 101. CODIFICATION OF SANCTIONS.**

*(a) Codification of Sanctions- United States sanctions, controls, and regulations with respect to Iran imposed pursuant to Executive Order 12957, Executive Order 12959, and sections 2 and 3 of Executive Order 13059 (relating to exports and certain other transactions with Iran) as in effect on January 1, 2006, shall remain in effect until the President certifies to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate that the Government of Iran has verifiably dismantled its weapons of mass destruction programs.*

*(b) No Effect on Other Sanctions Relating to Support for Acts of International Terrorism- Subsection (a) shall have no effect on United States sanctions, controls, and regulations relating to a determination under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)(A)), section 620A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(a)), or section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)) relating to support for acts of international terrorism by the Government of Iran, as in effect on January 1, 2006.*

**SEC. 102. LIABILITY OF PARENT COMPANIES FOR VIOLATIONS OF SANCTIONS BY FOREIGN ENTITIES.**

*(a) In General- In any case in which an entity engages in an act outside the United States which, if committed in the United States or by a United States person, would violate Executive Order 12959 of May 6, 1995, Executive Order 13059 of August 19, 1997, or any other prohibition on transactions with respect to Iran that is imposed under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) and if that entity was created or availed of for the purpose of engaging in such an act, the parent company of that entity shall be subject to the penalties for such violation to the same extent as if the parent company had engaged in that act.*

*(b) Definitions- In this section--*

*(1) an entity is a `parent company' of another entity if it owns, directly or indirectly, more than 50 percent of the equity interest in that other entity and is a United States person; and*

*(2) the term `entity' means a partnership, association, trust, joint venture, corporation, or other organization.*

**TITLE II--AMENDMENTS TO THE IRAN AND LIBYA SANCTIONS ACT OF 1996 AND OTHER PROVISIONS RELATED TO INVESTMENT IN IRAN**

**SEC. 201. MULTILATERAL REGIME.**

*(a) Reports to Congress- Section 4(b) of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended to read as follows:*

*“(b) Reports to Congress- Not later than six months after the date of the enactment of the Iran Freedom Support Act and every six months thereafter, the President shall submit to the appropriate congressional committees a report regarding specific diplomatic efforts undertaken pursuant to subsection (a), the results of those efforts, and a description of proposed diplomatic efforts pursuant to such subsection. Each report shall include--*

*“(1) a list of the countries that have agreed to undertake measures to further the objectives of section 3 with respect to Iran;*

*“(2) a description of those measures, including--*

*“(A) government actions with respect to public or private entities (or their subsidiaries) located in their territories, that are engaged in Iran;*

*“(B) any decisions by the governments of these countries to rescind or continue the provision of credits, guarantees, or other governmental assistance to these entities; and*

*“(C) actions taken in international fora to further the objectives of section 3;*

*“(3) a list of the countries that have not agreed to undertake measures to further the objectives of section 3 with respect to Iran, and the reasons therefor; and*

*“(4) a description of any memorandums of understanding, political understandings, or international agreements to which the United States has acceded which affect implementation of this section or section 5(a).”*

*(b) Waiver- Section 4(c) of such Act (50 U.S.C. 1701 note) is amended to read as follows:*

*“(c) Waiver-*

*“(1) IN GENERAL- The President may, on a case by case basis, waive for a period of not more than six months the application of section 5(a) with respect to a national of a country, if the President certifies to the appropriate congressional committees at least 30 days before such waiver is to take effect that--*



*`(A) such waiver is vital to the national security interests of the United States; and*

*`(B) the country of the national has undertaken substantial measures to prevent the acquisition and development of weapons of mass destruction by the Government of Iran.*

*`(2) SUBSEQUENT RENEWAL OF WAIVER- If the President determines that, in accordance with paragraph (1), such a waiver is appropriate, the President may, at the conclusion of the period of a waiver under paragraph (1), renew such waiver for subsequent periods of not more than six months each.'*

*(c) Investigations- Section 4 of such Act (50 U.S.C. 1701 note) is amended by adding at the end the following new subsection:*

*`(f) Investigations-*

*`(1) IN GENERAL- The President shall initiate an investigation into the possible imposition of sanctions against a person upon receipt by the United States of credible information indicating that such person is engaged in activity related to investment in Iran as described in section 5(a).*

*`(2) DETERMINATION AND NOTIFICATION-*

*`(A) IN GENERAL- Not later than 180 days after an investigation is initiated in accordance with paragraph (1), the President shall determine, pursuant to section 5(a), whether or not to impose sanctions against a person engaged in activity related to investment in Iran as described in such section as a result of such activity and shall notify the appropriate congressional committees of the basis for such determination.*

*`(B) EXTENSION- If the President is unable to make a determination under subparagraph (A), the President shall notify the appropriate congressional committees and shall extend such investigation for a subsequent period, not to exceed 180 days, after which the President shall make the determination required under such subparagraph and shall notify the appropriate congressional committees of the basis for such determination in accordance with such subparagraph.*

*`(3) DETERMINATIONS REGARDING PENDING INVESTIGATIONS- Not later than 90 days after the date of the enactment of this Act, the President shall, with respect to any investigation that was pending as of January 1, 2006, concerning a person engaged in activity related to*

*investment in Iran as described in section 5(a), determine whether or not to impose sanctions against such person as a result of such activity and shall notify the appropriate congressional committees of the basis for such determination.*

*“(4) PUBLICATION- Not later than 10 days after the President notifies the appropriate congressional committees under paragraphs (2) and (3), the President shall ensure publication in the Federal Register of the identification of the persons against which the President has made a determination that the imposition of sanctions is appropriate, together with an explanation for such determination.”*

**SEC. 202. IMPOSITION OF SANCTIONS.**

*(a) Sanctions With Respect to Development of Petroleum Resources- Section 5(a) of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended--*

*(1) in the heading, by striking ‘to Iran’ and inserting ‘to the Development of Petroleum Resources of Iran’;*

*(2) by striking ‘(6)’ and inserting ‘(5)’; and*

*(3) by striking ‘with actual knowledge,’.*

*(b) Sanctions With Respect to Development of Weapons of Mass Destruction or Other Military Capabilities- Section 5(b) of such Act (50 U.S.C. 1701 note) is amended to read as follows:*

*“(b) Mandatory Sanctions With Respect to Development of Weapons of Mass Destruction or Other Military Capabilities- Notwithstanding any other provision of law, the President shall impose two or more of the sanctions described in paragraphs (1) through (5) of section 6 if the President determines that a person has, on or after the date of the enactment of this Act, exported, transferred, or otherwise provided to Iran any goods, services, technology, or other items knowing that the provision of such goods, services, technology, or other items would contribute to the ability of Iran to-*

*(1) acquire or develop chemical, biological, or nuclear weapons or related technologies; or*

*(2) acquire or develop destabilizing numbers and types of advanced conventional weapons.’.*

*(c) Persons Against Which the Sanctions Are to Be Imposed- Section 5(c)(2) of such Act (50 U.S.C. 1701 note) is amended--*

(1) in subparagraph (B), by striking ` , with actual knowledge,' and by striking `or' at the end;

(2) in subparagraph (C), by striking ` , with actual knowledge,' and by striking the period at the end and inserting ` ; or'; and

(3) by adding after subparagraph (C) the following new subparagraph:

*`(D) is a private or government lender, insurer, underwriter, or guarantor of the person referred to in paragraph (1) if that private or government lender, insurer, underwriter, or guarantor engaged in the activities referred to in paragraph (1).'*

(d) *Effective Date-* The amendments made by this section shall apply with respect to actions taken on or after March 15, 2006.

#### **SEC. 203. TERMINATION OF SANCTIONS.**

*Section 8(a) of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended--*

(1) in paragraph (1)(C), by striking `and' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ` ; and'; and

(3) by adding at the end the following new paragraph:

*`(3) poses no significant threat to United States national security, interests, or allies.'*

#### **SEC. 204. SUNSET.**

*Section 13 of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended--*

(1) in the section heading, by striking ` ; sunset';

(2) in subsection (a), by striking the subsection designation and heading; and

(3) by striking subsection (b).

#### **SEC. 205. CLARIFICATION AND EXPANSION OF DEFINITIONS.**

(a) *Person-* Section 14(14)(B) of the Iran and Libya Sanctions Act of 1996

*(50 U.S.C. 1701 note) is amended--*

*(1) by inserting after `trust,' the following: `financial institution, insurer, underwriter, guarantor, any other business organization, including any foreign subsidiaries of the foregoing,'; and*

*(2) by inserting before the semicolon the following: `, such as an export credit agency'.*

*(b) Petroleum Resources- Section 14(15) of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended by inserting after `petroleum' the second place it appears, the following: `, petroleum by-products,'.*

#### **SEC. 206. UNITED STATES PENSION PLANS.**

*(a) Findings- Congress finds the following:*

*(1) The United States and the international community face no greater threat to their security than the prospect of rogue regimes who support international terrorism obtaining weapons of mass destruction, and particularly nuclear weapons.*

*(2) Iran is the leading state sponsor of international terrorism and is close to achieving nuclear weapons capability but has paid no price for nearly twenty years of deception over its nuclear program. Foreign entities that have invested in Iran's energy sector, despite Iran's support of international terrorism and its nuclear program, have afforded Iran a free pass while many United States entities have unknowingly invested in those same foreign entities.*

*(3) United States investors have a great deal at stake in preventing Iran from acquiring nuclear weapons.*

*(4) United States investors can have considerable influence over the commercial decisions of the foreign entities in which they have invested.*

*(b) Publication in Federal Register- Not later than six months after the date of the enactment of this Act and every six months thereafter, the President shall ensure publication in the Federal Register of a list of all United States and foreign entities that have invested more than \$20,000,000 in Iran's energy sector between August 5, 1996, and the date of such publication. Such list shall include an itemization of individual investments of each such entity, including the dollar value, intended purpose, and current status of each such investment.*

*(c) Sense of Congress Relating to Divestiture From Iran- It is the sense of Congress that, upon publication of a list in the relevant Federal Register*

*under subsection (b), managers of United States Government pension plans or thrift savings plans, managers of pension plans maintained in the private sector by plan sponsors in the United States, and managers of mutual funds sold or distributed in the United States should immediately initiate efforts to divest all investments of such plans or funds in any entity included on the list.*

*(d) Sense of Congress Relating to Prohibition on Future Investment- It is the sense of Congress that, upon publication of a list in the relevant Federal Register under subsection (b), there should be no future investment in any entity included on the list by managers of United States Government pension plans or thrift savings plans, managers of pension plans maintained in the private sector by plan sponsors in the United States, and managers of mutual funds sold or distributed in the United States.*

*(e) Disclosure to Investors-*

*(1) IN GENERAL- Not later than 30 days after the date of publication of a list in the relevant Federal Register under subsection (b), managers of United States Government pension plans or thrift savings plans, managers of pension plans maintained in the private sector by plan sponsors in the United States, and managers of mutual funds sold or distributed in the United States shall notify investors that the funds of such investors are invested in an entity included on the list. Such notification shall contain the following information:*

*(A) The name or other identification of the entity.*

*(B) The amount of the investment in the entity.*

*(C) The potential liability to the entity if sanctions are imposed by the United States on Iran or on the entity.*

*(D) The potential liability to investors if such sanctions are imposed.*

*(2) FOLLOW-UP NOTIFICATION-*

*(A) IN GENERAL- Except as provided in subparagraph (C), in addition to the notification required under paragraph (1), such managers shall also include such notification in every prospectus and in every regularly provided quarterly, semi-annual, or annual report provided to investors, if the funds of such investors are invested in an entity included on the list.*

*(B) CONTENTS OF NOTIFICATION- The notification described in subparagraph (A) shall be displayed prominently in any such prospectus or report and shall contain the information described in paragraph (1).*

*(C) GOOD-FAITH EXCEPTION- If, upon publication of a list in the relevant Federal Register under subsection (b), such managers verifiably divest all investments of such plans or funds in any entity included on the list and such managers do not initiate any new investment in any other such entity, such managers shall not be required to include the notification described in subparagraph (A) in any prospectus or report provided to investors.*

**SEC. 207. REPORT BY OFFICE OF GLOBAL SECURITY RISKS.**

*Not later than 30 days after the date of publication of a list in the relevant Federal Register under section 206(b), the Office of Global Security Risks within the Division of Corporation Finance of the United States Securities and Exchange Commission shall issue a report containing a list of the United States and foreign entities identified in accordance with such section, a determination of whether or not the operations in Iran of any such entity constitute a political, economic, or other risk to the United States, and a determination of whether or not the entity faces United States litigation, sanctions, or similar circumstances that are reasonably likely to have a material adverse impact on the financial condition or operations of the entity.*

**SEC. 208. TECHNICAL AND CONFORMING AMENDMENTS.**

*(a) Findings- Section 2 of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended by striking paragraph (4).*

*(b) Declaration of Policy- Section 3 of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended--*

*(1) in subsection (a), by striking `(a) Policy With Respect to Iran- `; and*

*(2) by striking subsection (b).*

*(c) Termination of Sanctions- Section 8 of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended--*

*(1) in subsection (a), by striking `(a) Iran- `; and*

*(2) by striking subsection (b).*

*(d) Duration of Sanctions; Presidential Waiver- Section 9(c)(2)(C) of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended to read as follows:*

*`(C) an estimate of the significance of the provision of the items described in section 5(a) or section 5(b) to Iran's ability to,*

*respectively, develop its petroleum resources or its weapons of mass destruction or other military capabilities; and'.*

*(e) Reports Required- Section 10(b)(1) of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended by striking `and Libya' each place it appears.*

*(f) Definitions- Section 14 of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended--*

*(1) in paragraph (9)--*

*(A) in the matter preceding subparagraph (A), by--*

*(i) striking `, or with the Government of Libya or a nongovernmental entity in Libya,'; and*

*(ii) by striking `nongovernmental' and inserting `nongovernmental'; and*

*(B) in subparagraph (A), by striking `or Libya (as the case may be)';*

*(2) by striking paragraph (12); and*

*(3) by redesignating paragraphs (13), (14), (15), (16), and (17) as paragraphs (12), (13), (14), (15), and (16), respectively.*

*(g) Short Title-*

*(1) IN GENERAL- Section 1 of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended by striking `and Libya'.*

*(2) REFERENCES- Any reference in any other provision of law, regulation, document, or other record of the United States to the `Iran and Libya Sanctions Act of 1996' shall be deemed to be a reference to the `Iran Sanctions Act of 1996'.*

**TITLE III--DIPLOMATIC EFFORTS TO CURTAIL IRANIAN NUCLEAR PROLIFERATION AND SPONSORSHIP OF INTERNATIONAL TERRORISM**

**SEC. 301. DIPLOMATIC EFFORTS.**

*(a) Sense of Congress Relating to United Nations Security Council and the International Atomic Energy Agency- It is the sense of Congress that the President should instruct the United States Permanent Representative to the United Nations to work to secure support at the United Nations Security*

*Council for a resolution that would impose sanctions on Iran as a result of its repeated breaches of its nuclear nonproliferation obligations, to remain in effect until Iran has verifiably dismantled its weapons of mass destruction programs.*

*(b) Prohibition on Assistance to Countries That Invest in the Energy Sector of Iran-*

*(1) WITHHOLDING OF ASSISTANCE- If, on or after April 13, 2005, a foreign person (as defined in section 14 of the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as renamed pursuant to section 208(g)(1)) or an agency or instrumentality of a foreign government has more than \$20,000,000 invested in Iran's energy sector, the President shall, until the date on which such person or agency or instrumentality of such government terminates such investment, withhold assistance under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) to the government of the country to which such person owes allegiance or to which control is exercised over such agency or instrumentality.*

*(2) WAIVER- Assistance prohibited by this section may be furnished to the government of a foreign country described in subsection (a) if the President determines that furnishing such assistance is important to the national security interests of the United States, furthers the goals described in this Act, and, not later than 15 days before obligating such assistance, notifies the Committee on International Relations of the House of Representatives, the Committee on Foreign Relations of the Senate, the Committee on Appropriations of the House of Representatives, and the Committee on Appropriations of the Senate of such determination and submits to such committees a report that includes--*

*(A) a statement of the determination;*

*(B) a detailed explanation of the assistance to be provided;*

*(C) the estimated dollar amount of the assistance; and*

*(D) an explanation of how the assistance furthers United States national security interests.*

**SEC. 302. STRENGTHENING THE NUCLEAR NONPROLIFERATION TREATY.**

*(a) Findings- Congress finds the following:*

*(1) Article IV of the Treaty on the Non-Proliferation of Nuclear Weapons*



*(commonly referred to as the `Nuclear Nonproliferation Treaty' or `NPT') states that countries that are parties to the Treaty have the `inalienable right . . . to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with articles I and II of this Treaty.'*

*(2) Iran has manipulated Article IV of the Nuclear Nonproliferation Treaty to acquire technologies needed to manufacture nuclear weapons under the guise of developing peaceful nuclear technology.*

*(3) Legal authorities, diplomatic historians, and officials closely involved in the negotiation and ratification of the Nuclear Nonproliferation Treaty state that the Treaty neither recognizes nor protects such a per se right to all nuclear technology, such as enrichment and reprocessing, but rather affirms that the right to the use of peaceful nuclear energy is qualified.*

*(b) Declaration of Congress Regarding United States Policy to Strengthen the Nuclear Nonproliferation Treaty- Congress declares that it should be the policy of the United States to support diplomatic efforts to end the manipulation of Article IV of the Nuclear Nonproliferation Treaty, as undertaken by Iran, without undermining the Treaty itself.*

#### **TITLE IV--DEMOCRACY IN IRAN**

##### **SEC. 401. DECLARATION OF CONGRESS REGARDING UNITED STATES POLICY TOWARD IRAN.**

*(a) In General- Congress declares that it should be the policy of the United States to support independent human rights and peaceful pro-democracy forces in Iran.*

*(b) Rule of Construction- Nothing in this Act shall be construed as authorizing the use of force against Iran.*

##### **SEC. 402. ASSISTANCE TO SUPPORT DEMOCRACY IN IRAN.**

*(a) Authorization-*

*(1) IN GENERAL- The President is authorized to provide financial and political assistance (including the award of grants) to foreign and domestic individuals, organizations, and entities that support democracy and the promotion of democracy in Iran. Such assistance may include the award of grants to eligible independent pro-democracy radio and television broadcasting organizations that broadcast into Iran.*

*(2) LIMITATION ON ASSISTANCE- In accordance with the rule of construction described in subsection (b) of section 401, none of the funds authorized under this section shall be used to support the use of force against Iran.*

*(b) Eligibility for Assistance- Financial and political assistance under this section may be provided only to an individual, organization, or entity that--*

*(1) officially opposes the use of violence and terrorism and has not been designated as a foreign terrorist organization under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189) at any time during the preceding four years;*

*(2) advocates the adherence by Iran to nonproliferation regimes for nuclear, chemical, and biological weapons and materiel;*

*(3) is dedicated to democratic values and supports the adoption of a democratic form of government in Iran;*

*(4) is dedicated to respect for human rights, including the fundamental equality of women;*

*(5) works to establish equality of opportunity for people; and*

*(6) supports freedom of the press, freedom of speech, freedom of association, and freedom of religion.*

*(c) Funding- The President may provide assistance under this section using--*

*(1) funds available to the Middle East Partnership Initiative (MEPI), the Broader Middle East and North Africa Initiative, and the Human Rights and Democracy Fund; and*

*(2) amounts made available pursuant to the authorization of appropriations under subsection (g).*

*(d) Notification- Not later than 15 days before each obligation of assistance under this section, and in accordance with the procedures under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394-I), the President shall notify the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate. Such notification shall include, as practicable, the types of programs supported by such assistance and the recipients of such assistance.*

*(e) Sense of Congress Regarding Diplomatic Assistance- It is the sense of Congress that--*

*(1) contacts should be expanded with opposition groups in Iran that meet the criteria under subsection (b);*

*(2) support for a transition to democracy in Iran should be expressed by United States representatives and officials in all appropriate international fora;*

*(3) efforts to bring a halt to the nuclear weapons program of Iran, including steps to end the supply of nuclear components or fuel to Iran, should be intensified, with particular attention focused on the cooperation regarding such program--*

*(A) between the Government of Iran and the Government of the Russian Federation; and*

*(B) between the Government of Iran and individuals from China and Pakistan, including the network of Dr. Abdul Qadeer (A. Q.) Khan; and*

*(4) officials and representatives of the United States should--*

*(A) strongly and unequivocally support indigenous efforts in Iran calling for free, transparent, and democratic elections; and*

*(B) draw international attention to violations by the Government of Iran of human rights, freedom of religion, freedom of assembly, and freedom of the press.*

*(f) Authorization of Appropriations- There is authorized to be appropriated to the Department of State such sums as may be necessary to carry out this section.*

**SEC. 403. WAIVER OF CERTAIN EXPORT LICENSE REQUIREMENTS.**

*The Secretary of State may, in consultation with the Secretary of Commerce, waive the requirement to obtain a license for the export to, or by, any person to whom the Department of State has provided a grant under a program to promote democracy or human rights abroad, any item which is commercially available in the United States without government license or permit, to the extent that such export would be used exclusively for carrying out the purposes of the grant.*

Union Calendar No. 226

109th CONGRESS

2d Session

**H. R. 282**

**[Report No. 109-417]**

**A BILL**

To hold the current regime in Iran accountable for its threatening behavior and to support a transition to democracy in Iran.

**April 25, 2006**

**Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed**

*END*

Mr. KUCINICH. We're at a critical moment for U.S. policy at the United Nations, particularly regarding Iran. Just last Friday marked the Security Council's deadline for Iran to freeze all nuclear fuel enrichment and the beginning of an inevitable struggle at the Security Council over what to do to contain Iran's nuclear ambitions.

We've seen this kind of struggle at the Security Council before. The United States spent much time in 2002 pressuring the Security Council to take action against Iraq to contain its supposed weapons of mass destruction. Finally, on November 8, 2002, the Council approved Resolution 1441, which imposed tough new arms inspections in Iraq and promised serious consequences to be determined by the Security Council if Iraq violated the resolution.

Even though Iraq did submit a weapons declaration and began destroying its Al Samoud missiles as instructed by U.N. Inspector Hans Blix, serious consequences were imposed on the country anyway.

It was the United States, however, and not the Security Council, that determined those consequences for Iraq when President Bush went to war against Iraq on March 20, 2003.

Experience in Iraq has proven that this administration will act unilaterally outside the mandate of the Security Council, thereby rendering the work of the Council almost irrelevant. At the same time, however, experience has indicated that this administration will use the U.N. to make its case for war to the world community.

In the coming weeks and months I think it is fairly predictable that we will see the United States' case for war against Iran unfold at the U.N. I think it is highly probable that the administration has already made the decision to go to war against Iran. There are already U.S. troops inside Iran.

I want to repeat that: There are already U.S. troops inside Iran. On April 14th, retired Colonel Sam Gardner related on CNN that the Iranian ambassador to the IAEA reported to him that the Iranians have captured dissident forces who have confessed to working with U.S. troops in Iran. Earlier in the week Seymour Hersh reported in the New Yorker that a U.S. source had told him that the U.S. Marines were working in the Baluchis, Azeris and Kurdish regions of Iran. On April 10th, the Guardian reported that Vincent Cannistraro, a former CIA counterterrorism chief, said that covert military action in the form of Special Forces troops identifying targets and aiding dissident groups is already under way and that it had been authorized.

And Mr. Chairman, I have these articles that I've cited for the record, if I may insert them without objection.

Mr. SHAYS. We will insert them in the record without objection. [The information referred to follows:]

CNN: YOUR WORLD TODAY

Top Iranian Government Officials Speak Out Against the West; Sectarian Attacks Drive Iraqis From Their Homes; Calls for Rumsfeld's Resignation

Aired April 14, 2006 - 12:00 ET

THIS IS A RUSH TRANSCRIPT. THIS COPY MAY NOT BE IN ITS FINAL FORM AND MAY BE UPDATED.

JIM CLANCY, CNN INTERNATIONAL ANCHOR: The supreme leader speaks in Tehran, heaping scorn on Israel and the United States, urging support for Hamas.  
HALA GORANI, CNN INTERNATIONAL CORRESPONDENT: Nepal's king speaks as well, but who's listening? Not these people, apparently, in the streets of Katmandu.

CLANCY: And brass versus the boss. There's more pressure on the top man at the Pentagon. Another former general wants Donald Rumsfeld to quit.

It's 7:30 p.m. in Tehran, 10:00 p.m. in Katmandu.

I'm Jim Clancy.

GORANI: I'm Hala Gorani.

Welcome to our viewers throughout the world and the United States.

This is YOUR WORLD TODAY.

An international conference in Iran on the plight of the Palestinian people turned into a platform for bashing the United States and other countries who opposed Iran's nuclear ambitions. Supreme Leader Ayatollah Khamenei described what he called the arrogant policies of the Bush administration. He accused Washington of conspiring against his country, Iraq, Syria and Lebanon, in order to place the entire region under Israeli control.

Iranian president Mahmoud Ahmadinejad also addressed the conference, taking a thinly-veiled swipe at Washington and its allies.

(BEGIN VIDEO CLIP)

MAHMOUD AHMADINEJAD, IRANIAN PRESIDENT (through translator): These governments who use force become obstacles to the progress of other countries. They won't allow countries in the region to tread the path of progress or advancement, they're against the advancement of technology and science in the region, but they support the occupying Zionist regime. Look how they treated us and our achievement in our nuclear program.

(END VIDEO CLIP) GORANI: All this rhetoric comes as the head of the U.N. nuclear watchdog returns from Tehran pretty much empty-handed. All Mohamed ElBaradei got was a promise for more cooperation and a defiant commitment by Iran to continue on its current nuclear path.

Senior U.N. Correspondent Richard Roth joins us now with what's next.

Now, we heard other statements from Mahmoud Ahmadinejad that Israel is a "... rotten, dried tree that would be annihilated by one storm."

Will statements like these make any difference at the U.N. Security Council, Richard?

RICHARD ROTH, CNN SR. U.N. CORRESPONDENT: Unlikely, though it certainly doesn't present a good image on the international stage for Iran in the eyes of the 15 nations of the Security Council. It's not exactly the confidence-building measures that they're looking for, at least even on the verbal side of the political sphere.

It seems that every side now has options. Tehran has options. It has announced whether it wants to pursue further uranium enrichment, while in the Security Council, there are options now going to be considered when Mohamed ElBaradei completes his report in about two and a half weeks, options on how tough to get right now with Iran or whether to let diplomacy continue in some manner or form. Right now it's -- as the British ambassador told me the other day, the ball is in the Iranian president's court.

GORANI: Now, what about the five permanent members of the U.N. Security Council? There was a time when Britain, the United States and France were pretty much, you know, going down one diplomatic path, or one policy path. And then China and Russia, another. Is there the sense now that they're all coming together?

ROTH: There's still going to be a split on sanctions. The U.S. secretary of state, Condoleezza Rice, saying yesterday, there are going to be consequences, but she's not really spelling out. Because the U.S. can talk very firm right now, but inside the closed-door negotiations, the U.S. has proven unable to convince China and Russia right now to crack down on Iran, at least diplomatically, with stronger language, because Russia and China fear that the path will be open to a military attack, perhaps. Though the British ambassador guaranteed reporters yesterday that language in a new resolution that would be introduced if ElBaradei reports continue to find (ph) Tehran would not open the door to military attack language.

GORANI: Richard Roth in New York -- Jim.

CLANCY: Well, as Iran's supreme leader urged the Islamic world to support the Hamas-led Palestinian government, the Palestinian prime minister, Ismail Haniya, had defiant words for his Western detractors. He was speaking before supporters in Gaza, saying the suspension of Western aid is not going to bring down his government. The prime minister

criticized what he called an unholy alliance trying to undermine the results of the recent democratic elections.

Now, the U.S. and Europe cut off direct aid to the Palestinian Authority, but not humanitarian assistance after Hamas won the polls in January.

(BEGIN VIDEO CLIP)

ISMAIL HANIYA, PALESTINIAN PRIME MINISTER (through translator): It is a message to the European Union and the American administration and the occupation, and to anyone who is trying to abort this government, that the Palestinian people will not give up their government no matter how many sacrifices we have to make.

(END VIDEO CLIP)

CLANCY: All right.

The Hamas officials also blaming the Palestinian Authority, led by a Fatah member, Mahmoud Abbas, serving as president, of assisting in the looting of funds from the coffers of the Palestinian Authority. Now a Hamas minister is on a fund-raising tour. He's going around Arab capitals hoping to, in one way or another, alleviate their severe cash shortage.

GORANI: Well, after an attempted coup in Chad, that country severing diplomatic ties with neighboring Sudan. It's accusing it of sponsoring a rebel attack meant to overthrow the government.

President Idriss Deby is also threatening to expel all 200,000 Sudanese refugees from Darfur currently living in Chad. A move that could further destabilize the region. Sudan denies backing the rebels who attacked the Chadian capital in N'djamena on Thursday, while the government says some 350 people were killed in fighting there.

CLANCY: All right. Let's turn our attention now to Iraq, where dozens of policemen are reported missing Friday after insurgents ambushed a police convoy. That was near a U.S. base north of Baghdad. At least six police officers killed in that incident. Officials say insurgents set off roadside bombs and then opened fire Thursday night on what was a large police convoy.

North of Baghdad, in Baquba, four people were killed Friday, six others wounded in two separate bombings at Sunni mosques.

And in southern Basra province, a suicide car bomber targeted a British military convoy. Police say an Iraqi civilian was killed, three British soldiers wounded in that explosion. That happened near Shiba (ph), about eight kilometers from Basra.



GORANI: Well, as violence rages across the country once again, increasingly along sectarian lines, a growing number of civilians are abandoning their homes in mixed neighborhoods and taking up residence in tent cities -- refugees in their own country.

Aneesh Raman reports.

(BEGIN VIDEOTAPE)

ANEESH RAMAN, CNN CORRESPONDENT (voice over): These are the faces of refugees in their own land, Iraqis who fled their homes, threatened with death because they were Shia or Sunni, now living in tent cities. Their numbers are exploding.

Iraq's government says there are now 65,000 displaced Iraqis countrywide. Only two weeks ago it was half that number.

DR. SAID HAKKI, DIRECTOR, IRAQI RED CRESCENT: The numbers start becoming some form -- some way alarming sometimes at this 22nd of March, when we made our first assessment. And we were doing it every, like, three or four days. We were beginning to see a serious trend.

RAMAN: The head of Iraq's humanitarian group called Red Crescent, Dr. Said Hakki, is the man managing the relief effort. It was always his worst fear, camps splitting Sunni and Shia apart. At the end of February, it became a reality.

After a bombing destroyed a sacred Shia shrine, Iraq spiraled towards civil war, and in returning from that brink has seen formerly mixed neighborhoods stripped the residents. Shia fleeing Sunni areas, Sunni felling Shia areas, left with nothing but despair.

In Baghdad, Shia are still arriving at this camp. They show us a letter that threatened them death if they did not leave their homes.

In Falluja, at this camp for displaced Sunnis, the men are largely missing. Some taken away and presumed dead. Others disappeared before their families fled.

"Armed men came to our house all with masks on," she says. "They knocked on the door and they took her husband and they handcuffed him. And they had a knife to his back. She is now on her own with her children and no support."

Dr. Said is now working overtime to equip these camps with proper facilities to provide for the growing numbers and to prepare for what could soon be the country's biggest problem: helping those who had little and are now left with nothing.

HAKKI: They left their schools, work. And they, all of a sudden, moved to a foreign neighborhood. And they're living in a camp instead of a house.

RAMAN (on camera): And they don't know when they'll leave?

HAKKI: They don't know how long they're going to stay in these camps, yes.

RAMAN (voice over): Aneesh Raman, CNN, Baghdad.

(END VIDEOTAPE)

CLANCY: Well, if Iraqis are feeling the pressure, so, too, is one of the major architects in the war. Back in Washington, more pressure on the man heading the war effort, Defense Secretary Donald Rumsfeld. Another retired general speaking out against his former boss.

This time, it's the general who led the elite 82nd Airborne in Iraq, and he's joining five others who have now called for Rumsfeld to step down. They say it's not a coordinated effort, but the Pentagon chief still has friends in high places -- the White House.

Barbara Starr is on that story.

(BEGIN VIDEOTAPE)

BARBARA STARR, CNN PENTAGON CORRESPONDENT (voice over): Major General Charles Swannack retired last year after commanding the 82nd Airborne Division in Iraq. He is the second combat commander from Iraq calling for defense Secretary Donald Rumsfeld to step down.

MAJ. GEN. CHARLES SWANNACK, JR. (RET.), U.S. ARMY: I feel that he has micromanaged the generals who are leading our forces there to achieve our strategic objectives. I really believe that we need a new secretary of defense.

STARR: Swannack, along with Major General John Riggs, both speaking for the first time, makes six retired generals who have call for resignation. The chairman of the Joint Chiefs of Staff says generals should speak in private while they are still on active duty.

GEN. PETER PACE, CHAIRMAN, U.S. JOINT CHIEFS OF STAFF: We had then and have now every opportunity to speak our minds. And if we do not, shame on us, because the opportunity is there.

STARR: But generals who want to keep their jobs and get promoted keep quiet. If you don't like the policy, you retire.

SWANNACK: I don't think our generals feel comfortable providing Secretary Rumsfeld their honest beliefs. I think it almost boils down to, explain the party line and stay loyal to me, or you might end up as General Shinseki did, at odds with Secretary Rumsfeld.

STARR: Right before the war, then Army chief of staff Eric Shinseki was questioned by senators about troop levels.

GEN. ERIC SHINSEKI, U.S. ARMY CHIEF OF STAFF: Something on the order of several hundred thousands soldiers are probably -- you know, a figure that would be required.

STARR: Rumsfeld was, by all accounts, furious. The plan was to keep troop levels at a minimum, just 125,000 inside Iraq.

Several current and retired generals say Rumsfeld's anger at the well-liked Shinseki began the era of bad feelings. After the insurgency erupted, the question never went away, should the U.S. have sent more troops?

GEN. ANTHONY ZINNI (RET.), USMC FMR. CENTCOM COMMANDER: I think the biggest mistake was throwing away 10 years worth of planning. Plans that had taken into account what we would face in an occupation of Iraq, and it had to be an occupation. We couldn't do it on the cheap with too few troops.

STARR: Retired General Mike DeLong insists the war plan was solid and the secretary's style is tough, but fair.

LT. GEN. MIKE DELONG (RET.), USMC FMR. CENTCOM DEPUTY COMMANDER: Dealing with Secretary Rumsfeld is like dealing with a CEO. When you walk in to him, you've got to be prepared. You've got know what you're talking about. If you don't, you're summarily dismissed.

STARR: Those who called for change see it very differently.

MAJ. GEN. JOHN BATISTE (RET.), U.S. ARMY 1ST INFANTRY DIVISION: When decisions are made without taking into account sound military recommendations, sound military decision-making, sound planning, then we're bound to make mistakes.

STARR: Rumsfeld's predecessor, William Cohen, says there is really just one judgment that counts for now.

WILLIAM COHEN, FMR. DEFENSE SECRETARY: It's really not a question of how many generals come out and express dissatisfaction. It's a question of whether Secretary Rumsfeld himself feels he can be effective and whether President Bush feels he can be effective.

STARR: Barbara Starr, CNN, the Pentagon.

(END VIDEOTAPE)

CLANCY: Coming up, another look at Iran's nuclear facilities and the military option.

GORANI: Now, how difficult would it be to stop Iran in its tracks? We'll take a closer look in a moment.

CLANCY: Also ahead, more pro-democracy demonstrations on the streets of Katmandu, despite a plea from the Nepalese king.

(COMMERCIAL BREAK)

CLANCY: Welcome back to our viewers in the United States and around the world. This is YOUR WORLD TODAY.

The Bush administration says all of the options are on the table when it comes to dealing with Iran's insistence on developing nuclear technology, including a military option to stop Iran from developing a bomb. Is it military option really a viable one? And what would it accomplish?

Joining us from Washington, former U.S. Air Force colonel Sam Gardiner. Back in 2004, he participated in a war game simulating an attack on Iran.

And I want to thank you for very much for being with us. You know, with all of Iran's style of diplo-speak, wiping countries off the face of the earth, defiance being spewed from Tehran, a lot of people are thinking that this military option might be the only way to go and that there's only a handful of sites, such as Natanz and Isfahan, and a little research site there in Tehran, this would be fairly surgical, fairly easy.

What's the reality?

SAM GARDINER, FMR. U.S. AIR FORCE COLONEL: Not so surgical, not so easy. A couple things happen, Jim.

One of them is that, if you're going to do it, you're under a lot pressure not to just stir up the bees' nest, but to go after the stingers. I don't mean to be cute about that, but if there's going to about strike, you can't leave the medium-range ballistic missile unhit, you can't leave the air bases that are within 30 flying minutes of Baghdad unhit, you can't leave the chemical facilities unhit. You may want to hit the terrorist training camps.

So what happens is, very quickly, you end up with a relatively large operation, even though you started with just the nuclear sites.

CLANCY: Well, "TIME" and "Newsweek," "The Washington Post," everybody says there's about a half a dozen nuclear sites.

GARDINER: Sure.

CLANCY: How many sites would a military analyst look at it and say there were?

GARDINER: Well, my chart that has sites on it now has about 20. And you may not have to hit all of these, but there are reasons for you to look very carefully at them.

The one thing the Iranians have done is spread out their facilities extensively, so that if you're going to seriously set them back a number of years, you would want, also, to be extensive in your targeting.

CLANCY: How vulnerable are U.S. troops in Iraq, then? Because obviously, if you did pursue a military option, you would expect there would be some reaction from Tehran.

GARDINER: Right. And they've said they would. And I think that's probably a major significant thing that has to be talked about.

U.S. troops in Iraq -- the Iranians haven't done all that they can there. And then you have to add in access to the Gulf, Jim. They could very easily shut that down or attempt to shut it down.

CLANCY: Well, they've been showing off some new torpedoes, high speed, other technology.

GARDINER: The technology is probably not that important. They could revert back to just mines, which is what they did during the Iraq-Iran War. Just plain old World War II mines could provide a significant slowdown of oil out of the Gulf.

CLANCY: Well, Colonel Gardiner, from what you're saying, it would seem like military men, then, might be cautioning, don't go ahead with this. But what are the signs that are out there right now? Is there any evidence of any movement in that direction?

GARDINER: Sure. Actually, Jim, I would say -- and this may shock some -- I think the decision has been made and military operations are under way.

CLANCY: Why?

GARDINER: And let me say this -- I'm saying this carefully. First of all, Sy Hersh said in that article which was...

CLANCY: Yes, but that's one unnamed source.

GARDINER: Let me check that. Not unnamed source as not being valid.

The way "The New Yorker" does it, if somebody tells Sy Hersh something, somebody else in the magazine calls them and says, "Did you tell Sy Hersh that?" That's one point.

The secretary point is, the Iranians have been saying American military troops are in there, have been saying it for almost a year. I was in Berlin two weeks ago, sat next to the ambassador, the Iranian ambassador to the IAEA. And I said, "Hey, I hear you're

accusing Americans of being in there operating with some of the units that have shot up revolution guard units."

He said, quite frankly, "Yes, we know they are. We've captured some of the units, and they've confessed to working with the Americans."

The evidence is mounting that that decision has already been made, and I don't know that the other part of that has been completed, that there has been any congressional approval to do this.

My view of the plan is, there is this period in which some kinds of ground troops will operate inside Iran, and then what we're talking about is the second part, which is this air strike.

CLANCY: All right. You lay this whole scenario, but there are still a lot of caution flags that one would see out here.

GARDINER: Sure. True.

CLANCY: If they do decide on a military option...

GARDINER: Right?

CLANCY: ... what's the realistic chance of success? What's your -- your prognosis for that kind of reaction here?

GARDINER: Yes. Let me give you two answers to that. First of all, the chance of getting the facilities and setting back the program, I think the chances go from maybe two years to actually accelerating the program. You know, we could cause them to redouble their efforts. That's on one side.

The other side is this sort of horizontal escalation by the Iranians.

My assessment is -- and it's because of regime problems at home -- that if we strike, they're likely to want to blame Israel. Now that's -- because that sells well at home.

Blaming Israel means that there's a chance that we could see Hezbollah, Hamas targeting Israel. We could very easily see this thing escalate into a broader Middle East war, particularly when you add Muslim rage.

You know, if you take the cartoon problem and multiply it times a hundred -- you know, the Danish cartoons, you could see how we could end up very quickly with a very serious problem in the Middle East.

CLANCY: Former U.S. Air Force Colonel Sam Gardiner. Not a very rosy outlook here. A man who thinks the decision may have already been made.

Thank you for being with us.

GARDINER: Certainly.

GORANI: Interesting stuff.

The king of Nepal has broken his silence, but few appear to be listening. King Gyanendra addressed the nation at midnight in a traditional Hindu new year's message. He calls for a dialogue with the seven opposition parties who have been vehemently protesting the king's rule. But his words failed to end demonstrations that began during the past week.

Pro-democracy protests continued in the capital, with some calling on the king to quit the country. Riot police arrested about 20 demonstrators. Four people have been killed in the protests, with hundreds wounded. The king seized absolute rule 14 months ago by sacking the government.

CLANCY: Just the mention of September 11th painful enough for many of the people who lost loved ones that day.

GORANI: But now a conspirator in those attacks is mocking those victims and their grieving families in court.

Coming up, we'll have more on the death penalty trial of Zacarias Moussaoui.

CLANCY: Moussaoui -- Moussaoui is the focus of our inbox this day. We're asking you this: What sentence would you give him?

GORANI: E-mail your answers, [ywt@cnn.com](mailto:ywt@cnn.com).

We'll be right back.

(COMMERCIAL BREAK)

DARYN KAGAN, CNN ANCHOR: I'm Daryn Kagan at CNN Center in Atlanta. More of YOUR WORLD TODAY in just a few minutes. First, though, let's check on stories making headlines here in the U.S.

A 10-year-old girl is missing, and she may have been abducted by a man she met online. An Amber Alert is out today for Jamie Bolin. She was last seen riding a bike near her home in Purcell, Oklahoma.

Police believe that Jamie may be with a white man in his 20s. The man was driving a dark blue Chevy Tahoe. The word "Fox" is on its back window. The SUV Texas license plate including the word Z -- the letter Z and the numbers 6 and 9.

Police are trying to search dorm rooms at Duke University. It is another development in the investigation of an alleged rape.

During a news conference today, university president Richard Brodhead said he was aware that police attempted to search the rooms of some lacrosse players, but he had had no other information. Brodhead met with community leaders to discuss the fallout from the investigation. He was asked whether Duke needs tougher rules on conduct.

(BEGIN VIDEO CLIP)

**RICHARD BRODHEAD, PRESIDENT, DUKE UNIVERSITY:** You know, the code of conduct at Duke is pretty comprehensive, and it covers a great variety of behavior. We have committees that have begun to look at the question of the adequacy of our procedures. That was in the announcement that I put out on the 5th of April. And if there are changes to be made, we'll step forward and make them.

**CHANCELLOR JAMES AMMONS, NORTH CAROLINA CENTRAL UNIVERSITY:** For the last few weeks, Durham has been shaken by allegations arising from the incident of March 13. While feelings of pain, anger and confusion are understandable in times like these, let us remember that justice is served in the courtroom, not in the media, nor at the hands of individuals.

(END VIDEO CLIP)

**KAGAN:** No charges have been filed so far in that investigation.

Outrage and disbelief. A high school sex scandal shakes the small town of Coffeerville, Alabama. An English teacher is behind bars accused of having sex with at least four students. Well, that's shocking enough, but it gets worse from there.

Police say 30-year-old Sharon Rutherford (ph) was plotting to kill her husband. They say one of her alleged victims was involved in the plan. This might make your travel plans a little bit easier. Delta Airlines has reached a tentative agreement with its pilots union. Don't have details on it now, but for now, a threatened strike is on hold.

The bankrupt airline wants pilots to accept pay and benefit cuts. It says a strike would force the company to go belly up.

On to weather. Take a look at these incredible pictures out of Iowa. A nighttime tornado lighting up -- lit up by lightning strikes during a major storm. At least two other twisters touched down in the area. One person was killed.

And the damage was overwhelming there. Cars were flipped, trees and power lines toppled. Many homes and businesses were hard-hit.

(WEATHER REPORT)



KAGAN: Do you remember the boy who battled "Frank the Tumor"? Well, he won. Today he's going to Disneyland. Doctors have given 11-year-old David Dingman-Grover a clean bill of health. In 2003, he was diagnosed with a grapefruit-sized tumor at the base of his brain. He nicknamed the tumor Frank, short for Frankenstein. David underwent surgery last year, and now doctors say his brain is cancer-free. He was given a gold key to Disneyland.

"LIVE FROM" with Kyra Phillips comes your way at the top of hour. And meanwhile, YOUR WORLD TODAY continues after a quick break. I'm Daryn Kagan. Have a great holiday weekend.

(COMMERCIAL BREAK)

CLANCY: Hello again, everyone, and welcome back to YOUR WORLD TODAY. I'm Jim Clancy.

GORANI: I'm Hala Gorani. Here are some of the top stories we're following for you this hour.

During an international conference on the plight of the Palestinian people, the Iranian president Mahmoud Ahmadinejad criticized countries who are trying to stand in the way of Iran's technological advancements. Earlier, he said he won't budge one iota on the country's nuclear program. Meanwhile, Supreme Leader Ayatollah Ali Khamenei accused the U.S. of conspiring against countries in the region so that Israel can take control.

CLANCY: Palestinian Prime Minister Ismail Haniya says the suspension of Western aid will not bring down his Hamas-led government. He was speaking, of course, for supporters in the Gaza strip, criticizing what he calls an unholy alliance that's trying to undermine the results of democratic elections. The U.S. and Europe, of course, cut off all direct aid to the Palestinian Authority after Hamas won at the polls in January.

GORANI: There's more pressure on the top man at the Pentagon. Another retired general is speaking up against his former boss, Defense Secretary Donald Rumsfeld. This time, the general who led the elite 82nd Airborne in Iraq is joining others who have called for Rumsfeld's resignation. They say it's not a coordinated effort, but the Pentagon chief still has friends in another high place, the White House.

CLANCY: Well, covering news in the United States can be a tough job if you're a reporter from Iran. Washington limits the movements of Iranian journalists by restricting their visas.

Richard Roth talks with a pair of frustrated reporters who are stationed in New York.

(BEGIN VIDEOTAPE)

ROTH (voice-over): The work day begins like many in American homes. Morning coffee, some news of the day, the all-American sport, baseball. Every day Magsoud Amiriam commutes to work from his home in Tukahoe, a small town outside New York City.

Just like thousands of other New Yorkers, with one large difference: his boss is the government of Iran. Last stop, Grand Central Station. A towering reminder of the temporary home hangs over his head. It is the nation facing off with his over nuclear fears. He melts into the busy crowd.

Magsoud writes for government of Iran's Islamic Republic News Agency. He says his government, his boss, does not edit his news.

MAGSOUD AMIRIAM, JOURNALIST, IRNA (voice-over): I work with the Iranian government, but there are a lot of people working for the government. I'm not some kind of diplomat. I'm actually trying to report what's happening here, like you guys.

ROTH: Magsoud wants to report from other cities like Washington, but under his restricted U.S. visa, he can't travel more than 25 miles from the United Nations, the same limit the U.S. imposes on Iran's diplomats.

AMIRIAM (through translator): There are a lot of events happening in actually Washington, D.C.. You know, for example, President Bush had some speech at this university, John Hopkins University. I saw that and I really wanted to be there.

ROTH: So Magsoud spends most of his time on international territory, the United Nations, where his own country is now the hot news. It's also where you can find the only other Iranian state journalist working in the U.S. right now. Morteza Ghoroghy reports for the Iranian network IRIB. He's also frustrated by the visa limitations.

MORTEZA GHOROGHY, REPORTER, IRIB: I'm 25 years as a journalist. And they know I'm a journalist, but I don't know why they have restrict me. You must ask the U.S. government.

ROTH: The U.S. says journalists who work for government news agencies could be acting as intelligence agents, and the U.S. must know where they are.

SEAN MCCORMICK, U.S. STATE DEPT. SPOKESMAN: I'm not aware of any move at this point to reexamine these -- any restrictions that may be placed upon their movement. I would assume that there are good reasons for those -- for those restrictions.

ROTH: Both men deny any links to intelligence agencies.

AMIRIAM (through translator): This kind of accusation is actually always following news reporter. That's not true. If you are some reporter, that doesn't mean, you know, you are working for the intelligence network in the country.

ROTH: The restriction can also mean missing your family. Magsoud says they have not been granted visas.

AMIRIAM (through translator): This is not the lifestyle I had before. I was never lonely like this. I have a wife, two beautiful children, haven't seen them for almost a year. And we feel -- we are a little bit depressed here.

ROTH: In 2005, the U.S. government issued only a handful of visas to Iranian journalists, angered by what they call extraordinary restrictions. Pro-government Iranian journalists have urged their leaders to retaliate by not issuing visas to American journalists.

U.S. news organizations, including CNN, say getting visas to report in Iran can be very difficult anyway, and while reporters can travel, they have government minders. And seeing America is something Magsoud would like to do.

AMIRIAM: I feel like I am in prison.

ROTH: Richard Roth, CNN, the United Nations.

(END VIDEOTAPE)

GORANI: The reserve is very true. Getting a visa to report in Iran is also different when you're not Iranian. Now, leaders the world over have weighed in on that Iranian nuclear dispute, but what about voices from the younger generation, ordinary Iranians?

To give us an idea how young Iranians view the controversy, let's bring in Ali Herischi, host of radiosalam.net. He's in Washington. Ali, thanks for being with us. You've been in the U.S. for just a few years, but you're still in touch with Iranians inside of Iran of your generation. What is their view on what's going on right now?

ALI HERISCHI, HOST, RADIOSALAM.NET: It's good to be here, thank you for having me.

And basically, the Iranian young generation who are a part of the movement for democracy and freedom in Iran in the last few years of Khatami presidency, they are following all the matters in the United States very closely. And they are really -- you know, they have concerns about the policies of nuclears and the problem that Americans attack Iran and how it's going to damage their movement and their freedom that already they gained.

GORANI: So what do they feel, in terms of what Iran is doing and their president right now, Mahmoud Ahmadinejad, is doing? Do they feel that Iran has a right to develop this

nuclear technology, that Iran is basically being judged there, that's there's a double standard being applied to Iran? Or do they feel like this is a bad idea, that Iran should not develop nuclear technology, even if just for power, in order not to confront the international community.

HERISCHI: Basically their belief is that Iran has a right to have the nuclear technology, and are believing that the international community treated Iran with double standard, compared to the other countries in the region.

But at the same time, they understand that there is a mistrust between Iran and the international community, and they'd prefer to, first of all, solve those problems and then start to have the nuclear technology.

GORANI: Now Iran is a country where the vast majority of people are under the age of 30. It's a very, very young country. What generally is there desire? Do they want confrontation, or do they want cooperation with the country like the United States?

HERISCHI: There is no difference between the young generation of Iran and any other place in the world. They want jobs. They good quality of life. They want their freedom, and the freedom of speech. And definitely they don't want a confrontation. What are they going to gain with a confrontation? Nothing. They don't want to move back again to the revolutionary period, and war period that we already passed. We are just came out of those decades which we had problems, and now they are open up, and they are trying to, you know, gain some education and economic growth. So who wants a confrontation? Definitely they don't want it.

GORANI: I'm just curious as to how they view their president, Mahmoud Ahmadinejad. There was a period in Iran where there was a feeling that reform, reformists, you know, a more modern outlook for the country, was going to prevail. Then a very conservative president, Mahmoud Ahmadinejad, with statements like Israel should be wiped off the map. It's a rotten country, et cetera, et cetera. What do they feel about that? Are they disappointed that Mahmoud Ahmadinejad is representing them on the world stage?

HERISCHI: Basically, yes. There's two phases for this question. First, why Ahmadinejad is the president if the reformists exists in Iran. The reformists lost, but the reform idea exists in Iraq. That's two separate identity, reformists and the reform. Maybe some politicians who are part of the reform movement, they now lost their trust with the people, but the reform idea is alive. That's why more than 20 million people haven't vote for Ahmadinejad or even Afsengeni (p), because they are -- these two candidates are -- belong to a regime that does not support reform. On the other hand, we have a president who is a statement causing problem for Iran. As Iranians looking for pride in the international community has certainly brought them that pride. Ahmadinejad and the other side really destroyed those pride, and they are not agree with his statements and policies.

GORANI: All right, Ali Herischi of radiosalam.net, with the view of young Iranians. Thank you very much for being with us on CNN.

HERISCHI: Thanks. Good to be here.

CLANCY: Well, one of the boys of summer is under scrutiny.

GORANI: Ahead on YOUR WORLD TODAY, the investigation of baseball star Barry Bonds. We'll tell you what's being looked into, next.

(COMMERCIAL BREAK)

CLANCY: Hello, and welcome back to YOUR WORLD TODAY on CNN International.

GORANI: And this is Good Friday, Christian holiday marking the day Jesus was crucified.

CLANCY: It opens Easter weekend, of course, and it ends with those Sunday services, that highlights the biblical account of the Resurrection.

GORANI: These pictures from the Vatican, where Pope Benedict XVI is preparing to preside over his first Good Friday service as leader of the Roman Catholic Church.

CLANCY: Meantime in Jerusalem, Christians marked Good Friday, and they had to jostle with Jews observing the eight-day Passover festival, while Muslims were on their way to Friday prayers.

Along the Via Dolorosa, some Christians re-enacted Jesus' journey to his crucifixion.

GORANI: In Mexico, reenactments of the Crucifixion took the form of the divine prisoner, where black hooded man carry 50 kilograms of branches along cobbled streets.

CLANCY: Other holy week observances also involved forms of self- inflicted pain and punishment. In the Philippines, men walked through streets beating themselves with whips. The ritual designed to re- enact the suffering of Jesus Christ.

GORANI: Well, it's been called the toughest foot race in the world, where for seven days contestants have to battle through the Moroccan deserts.

Now, the runners started out on Sunday. They conclude tomorrow, but there's been a record number of dropouts, and Femi Oke has more on their story -- Femi.

FEMI OKE, CNN CORRESPONDENT: Hi there, Jim. Hi there to you, Hala.

Well, the Marathon des Sables, or "Sand Marathon," is not for your average athletes. The race through the Sahara is the same length as about five and a half normal marathons. And contestants have to camp along the route.

Now so far, Jordanian Salimar Al Akra (ph) won the fourth stage. That was on Thursday. The overall winner is Lachen Amsil (ph) of Morocco.

And I believe you're just seeing there one of the ladies, who's about second. Let's here it for the women. Here's Loretta Devito (ph) of Italy. But what kind of person would enter this monstrous endurance event?

Joining me live from the Moroccan desert is a first-time French competitor Olivia Assant.

Olivia, what made you do it the very first race? Why did you want to do this?

OLIVIA ASSANT, ON PHONE WITH MOROCCO: Well, it's a great adventure to actually try to run through the desert for seven days, carrying your food. Obviously, quite an effort. This year, conditions were quite extreme, in terms of heat, in terms of humidity. They were about three times as much -- as many drop-offs from the race.

OKE: Yes, about 100 people dropped out. What's given you the staying power to keep going through the desert?

ASSANT: Well, actually, we've been training hard with my runningmate Christopher Brown for almost a year, and well, you know, once you're in it, if your feet can run, then you just move forward. You just start wondering and asking yourselves questions when you're there.

OKE: Take us through the different stages. What are you having to do each day?

ASSANT: Well, you run between 30 and 60 Ks per day. And obviously, the main thing you have to think about is drink, eat salt and try to maintain the right amount of calories in your body to keep going. It's funny to actually think about these simple needs for seven days and nothing else.

OKE: Olivia Assant, you're on the last leg of the Marathon des Sables. Good luck to you. It ends tomorrow. I'm sure you'll be looking for a nice rest indeed.

And that's a wrap. From the (INAUDIBLE) weather center, heading back to the newsdesk -- Jim.

CLANCY: All right. What a race. Femi Oke.

GORANI: Right. CLANCY: Still ahead, new troubles for Barry Bonds.

GORANI: Ahead on YOUR WORLD TODAY, the grand just investigation of one of baseball's stars. We'll have details, next.

(COMMERCIAL BREAK)

GORANI: ... the grand jury investigation of one of baseball's stars. We'll have details next.

(COMMERCIAL BREAK)

CLANCY: Well, it's time now for us to open up our inbox.

GORANI: And we've been asking for your thoughts about the trial of convicted 9/11 conspirator Zacarias Moussaoui.

CLANCY: What sentence would you give to Zacarias Moussaoui? This is how some of you replied.

GORANI: Sterling from Switzerland says: "It would be a colossal mistake to Moussaoui. He is a nobody seeking fame and martyrdom with his bizarre fantasies."

CLANCY: Prince Andrew from Nigeria says: "Everyone who kills should be killed also. If he's left in prison, he might possibly plan another attack."

GORANI: Coco from China writes: "Zacarias Moussaoui should be slaughtered with a rusted kitchen knife so that he can suffer the pain of the innocent people who jumped out of the World Trade Center."

CLANCY: Finally, this from Mark in Paris. "Locking him up forever and letting him rot quietly away in prison is a much more effective way of making his him disappear from this world than execution."

All right. CNN is learning now -- and another story here before we go -- learning about federal grand jury that's considering whether to indict the San Francisco Giants star player Barry Bonds for perjury. Bonds told another grand jury 16 months ago that he had never used steroids. The U.S. Attorney's Office would neither confirm nor deny this report. Grand jury proceedings are generally kept secret. An attorney for Bonds says they are unaware of any such proceedings.

Let's get more on this story. Mark Starr, who's senior editor and correspondent, sports correspondent, for "Newsweek" joins us. He's in Boston. That's a baseball city if there ever was one.

Barry Bonds and his attorneys know this is coming, don't they?

MARK STARR, "NEWSWEEK": Well, as much as two years ago, Barry Bonds' attorney told "Newsweek" this was a perjury trap, when he testified before the grand jury. And I kept wondering and asking, but never getting a satisfactory answer, what's a perjury trap if you don't perjure yourself? And so I think they've known it's coming. I just wonder -- they think had they they escaped it? Why did it take so long?

CLANCY: Mark, when you look at this, baseball is supposed to be a cleaner game than a lot of other sports games that are out there, and this is destroying a lot of, perhaps, hopes and illusions, nevertheless?

STARR: I think those illusions have been punctured over the last several years. I think they've been punctured in a lot of sports. Baseball wasn't the only one tarnished by this BALCO scandal. It's just that Barry Bonds is such a preeminent athlete in the game today that he's under scrutiny.

But if you look around the game of baseball, Rafael Palmeiro, who was suspended last year, couldn't get a job. Sammy Sosa couldn't get a job. And Mark McGwire today seems ashamed to come out in public. So Barry Bonds is hardly the only one singled out by the steroid tarnish.

CLANCY: More guys -- more guys with an asterisk next to their names. They may hold some records, but they're not holding sway over the fans, are they?

STARR: Well, I think we're going to get a feel for this at the end of this year. That's when Mark McGwire will come up for the first time for the Hall of Fame. And I think we're going to see how that affects sports writers who vote. I think it's going to have a tremendous effect. And we won't be dealing with this Barry Bonds until five years after he retires. But certainly if he's indicted -- and it's hard to believe they call a federal grand jury to investigate perjury if they don't plan to indict.

CLANCY: We're going to have to leave it there. Mark Starr, I want to thank you for being with us, as sad as this story really is.

We've got to go. That is YOUR WORLD TODAY.

GORANI: All right. I'm Hala Gorani. Thanks for watching.

CLANCY: I'm Jim Clancy. This is CNN. Stay with us.

(COMMERCIAL BREAK)

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## THE NEW YORKER FACT

ANNALS OF  
NATIONAL SECURITY

### THE IRAN PLANS

by SEYMOUR M. HERSH

Would President Bush go to war to stop Tehran from getting the bomb?

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The Bush Administration, while publicly advocating diplomacy in order to stop Iran from pursuing a nuclear weapon, has increased clandestine activities inside Iran and intensified planning for a possible major air attack. Current and former American military and intelligence officials said that Air Force planning groups are drawing up lists of targets, and teams of American combat troops have been ordered into Iran, under cover, to collect targeting data and to establish contact with anti-government ethnic-minority groups. The officials say that President Bush is determined to deny the Iranian regime the opportunity to begin a pilot program, planned for this spring, to enrich uranium.

American and European intelligence agencies, and the International Atomic Energy Agency (I.A.E.A.) agree that Iran is intent on developing the capability to produce nuclear weapons. But there are widely differing estimates of how long that will take, and whether diplomacy, sanctions, or military action is the best way to prevent it. Iran insists that its research is for peaceful use only, in keeping with the Nuclear Non-Proliferation Treaty, and that it will not be delayed or deterred.

There is a growing conviction among members of the United States military, and in the international community, that President Bush's ultimate goal in the nuclear confrontation with Iran is regime change. Iran's President, Mahmoud Ahmadinejad, has challenged the reality of the Holocaust and said that Israel must be "wiped off the map." Bush and others in the White House view him as a potential Adolf Hitler, a former senior intelligence official said. "That's the name they're using. They say, 'Will Iran get a strategic weapon and threaten another world war?'"

A government consultant with close ties to the civilian leadership in the Pentagon said that Bush was "absolutely convinced that Iran is going to get the bomb" if it is not stopped. He said that the President believes that he must do "what no Democrat or Republican, if elected in the future, would have the courage to do," and "that saving Iran is going to be his legacy."

One former defense official, who still deals with sensitive issues for the Bush Administration, told me that the military planning was premised on a belief that "a sustained bombing campaign in Iran will humiliate the religious leadership and lead the public to rise up and overthrow the government." He added, "I was shocked when I heard it, and asked myself, 'What are they smoking?'"

The rationale for regime change was articulated in early March by Patrick Clawson, an Iran expert who is the deputy director for research at the Washington Institute for Near East Policy and who has been a supporter of President Bush. "So long as Iran has an Islamic republic, it will have a nuclear-weapons program, at least clandestinely," Clawson told the Senate Foreign Relations Committee on March 2nd. "The key issue, therefore, is: How long will the present Iranian regime last?"

When I spoke to Clawson, he emphasized that "this Administration is putting a lot of effort into diplomacy." However, he added, Iran had no choice other than to accede to America's demands or face a military attack. Clawson said that he fears that Ahmadinejad "sees the West as wimps and thinks we will eventually cave in. We have to be ready to deal with Iran if the crisis escalates." Clawson said that

he would prefer to rely on sabotage and other clandestine activities, such as “industrial accidents.” But, he said, it would be prudent to prepare for a wider war, “given the way the Iranians are acting. This is not like planning to invade Quebec.”

One military planner told me that White House criticisms of Iran and the high tempo of planning and clandestine activities amount to a campaign of “coercion” aimed at Iran. “You have to be ready to go, and we’ll see how they respond,” the officer said. “You have to really show a threat in order to get Ahmadinejad to back down.” He added, “People think Bush has been focussed on Saddam Hussein since 9/11,” but, “in my view, if you had to name one nation that was his focus all the way along, it was Iran.” (In response to detailed requests for comment, the White House said that it would not comment on military planning but added, “As the President has indicated, we are pursuing a diplomatic solution”; the Defense Department also said that Iran was being dealt with through “diplomatic channels” but wouldn’t elaborate on that; the C.I.A. said that there were “inaccuracies” in this account but would not specify them.)

“This is much more than a nuclear issue,” one high-ranking diplomat told me in Vienna. “That’s just a rallying point, and there is still time to fix it. But the Administration believes it cannot be fixed unless they control the hearts and minds of Iran. The real issue is who is going to control the Middle East and its oil in the next ten years.”

A senior Pentagon adviser on the war on terror expressed a similar view. “This White House believes that the only way to solve the problem is to change the power structure in Iran, and that means war,” he said. The danger, he said, was that “it also reinforces the belief inside Iran that the only way to defend the country is to have a nuclear capability.” A military conflict that destabilized the region could also increase the risk of terror: “Hezbollah comes into play,” the adviser said, referring to the terror group that is considered one of the world’s most successful, and which is now a Lebanese political party with strong ties to Iran. “And here comes Al Qaeda.”

In recent weeks, the President has quietly initiated a series of talks on plans for Iran with a few key senators and members of Congress, including at least one Democrat. A senior member of the House Appropriations Committee, who did not take part in the meetings but has discussed their content with his colleagues, told me that there had been “no formal briefings,” because “they’re reluctant to brief the minority. They’re doing the Senate, somewhat selectively.”

The House member said that no one in the meetings “is really objecting” to the talk of war. “The people they’re briefing are the same ones who led the charge on Iraq. At most, questions are raised: How are you going to hit all the sites at once? How are you going to get deep enough?” (Iran is building facilities underground.) “There’s no pressure from Congress” not to take military action, the House member added. “The only political pressure is from the guys who want to do it.” Speaking of President Bush, the House member said, “The most worrisome thing is that this guy has a messianic vision.”

Some operations, apparently aimed in part at intimidating Iran, are already under way. American Naval tactical aircraft, operating from carriers in the Arabian Sea, have been flying simulated nuclear-weapons delivery missions—rapid ascending maneuvers known as “over the shoulder” bombing—since last summer, the former official said, within range of Iranian coastal radars.

Last month, in a paper given at a conference on Middle East security in Berlin, Colonel Sam Gardiner, a military analyst who taught at the National War College before retiring from the Air Force, in 1987, provided an estimate of what would be needed to destroy Iran’s nuclear program. Working from satellite photographs of the known facilities, Gardiner estimated that at least four hundred targets would have to be hit. He added:

I don’t think a U.S. military planner would want to stop there. Iran probably has two chemical-production plants. We would hit those. We would want to hit the medium-range ballistic missiles that have just recently been

moved closer to Iraq. There are fourteen airfields with sheltered aircraft. . . . We'd want to get rid of that threat. We would want to hit the assets that could be used to threaten Gulf shipping. That means targeting the cruise-missile sites and the Iranian diesel submarines. . . . Some of the facilities may be too difficult to target even with penetrating weapons. The U.S. will have to use Special Operations units.

One of the military's initial option plans, as presented to the White House by the Pentagon this winter, calls for the use of a bunker-buster tactical nuclear weapon, such as the B61-11, against underground nuclear sites. One target is Iran's main centrifuge plant, at Natanz, nearly two hundred miles south of Tehran. Natanz, which is no longer under I.A.E.A. safeguards, reportedly has underground floor space to hold fifty thousand centrifuges, and laboratories and workspaces buried approximately seventy-five feet beneath the surface. That number of centrifuges could provide enough enriched uranium for about twenty nuclear warheads a year. (Iran has acknowledged that it initially kept the existence of its enrichment program hidden from I.A.E.A. inspectors, but claims that none of its current activity is barred by the Non-Proliferation Treaty.) The elimination of Natanz would be a major setback for Iran's nuclear ambitions, but the conventional weapons in the American arsenal could not insure the destruction of facilities under seventy-five feet of earth and rock, especially if they are reinforced with concrete.

There is a Cold War precedent for targeting deep underground bunkers with nuclear weapons. In the early nineteen-eighties, the American intelligence community watched as the Soviet government began digging a huge underground complex outside Moscow. Analysts concluded that the underground facility was designed for "continuity of government"—for the political and military leadership to survive a nuclear war. (There are similar facilities, in Virginia and Pennsylvania, for the American leadership.) The Soviet facility still exists, and much of what the U.S. knows about it remains classified. "The 'tell'—the giveaway—"was the ventilator shafts, some of which were disguised," the former senior intelligence official told me. At the time, he said, it was determined that "only nukes" could destroy the bunker. He added that some American intelligence analysts believe that the Russians helped the Iranians design their underground facility. "We see a similarity of design," specifically in the ventilator shafts, he said.

A former high-level Defense Department official told me that, in his view, even limited bombing would allow the U.S. to "go in there and do enough damage to slow down the nuclear infrastructure—it's feasible." The former defense official said, "The Iranians don't have friends, and we can tell them that, if necessary, we'll keep knocking back their infrastructure. The United States should act like we're ready to go." He added, "We don't have to knock down *all* of their air defenses. Our stealth bombers and standoff missiles really work, and we can blow fixed things up. We can do things on the ground, too, but it's difficult and very dangerous—put bad stuff in ventilator shafts and put them to sleep."

But those who are familiar with the Soviet bunker, according to the former senior intelligence official, "say 'No way.' You've got to know what's underneath—to know which ventilator feeds people, or diesel generators, or which are false. And there's a lot that we don't know." The lack of reliable intelligence leaves military planners, given the goal of totally destroying the sites, little choice but to consider the use of tactical nuclear weapons. "Every other option, in the view of the nuclear weaponeers, would leave a gap," the former senior intelligence official said. " 'Decisive' is the key word of the Air Force's planning. It's a tough decision. But we made it in Japan."

He went on, "Nuclear planners go through extensive training and learn the technical details of damage and fallout—we're talking about mushroom clouds, radiation, mass casualties, and contamination over years. This is not an underground nuclear test, where all you see is the earth raised a little bit. These politicians don't have a clue, and whenever anybody tries to get it out"—remove the nuclear option—"they're shouted down."

The attention given to the nuclear option has created serious misgivings inside the offices of the

Joint Chiefs of Staff, he added, and some officers have talked about resigning. Late this winter, the Joint Chiefs of Staff sought to remove the nuclear option from the evolving war plans for Iran—without success, the former intelligence official said. “The White House said, ‘Why are you challenging this? The option came from you.’ ”

The Pentagon adviser on the war on terror confirmed that some in the Administration were looking seriously at this option, which he linked to a resurgence of interest in tactical nuclear weapons among Pentagon civilians and in policy circles. He called it “a juggernaut that has to be stopped.” He also confirmed that some senior officers and officials were considering resigning over the issue. “There are very strong sentiments within the military against brandishing nuclear weapons against other countries,” the adviser told me. “This goes to high levels.” The matter may soon reach a decisive point, he said, because the Joint Chiefs had agreed to give President Bush a formal recommendation stating that they are strongly opposed to considering the nuclear option for Iran. “The internal debate on this has hardened in recent weeks,” the adviser said. “And, if senior Pentagon officers express their opposition to the use of offensive nuclear weapons, then it will never happen.”

The adviser added, however, that the idea of using tactical nuclear weapons in such situations has gained support from the Defense Science Board, an advisory panel whose members are selected by Secretary of Defense Donald Rumsfeld. “They’re telling the Pentagon that we can build the B61 with more blast and less radiation,” he said.

The chairman of the Defense Science Board is William Schneider, Jr., an Under-Secretary of State in the Reagan Administration. In January, 2001, as President Bush prepared to take office, Schneider served on an ad-hoc panel on nuclear forces sponsored by the National Institute for Public Policy, a conservative think tank. The panel’s report recommended treating tactical nuclear weapons as an essential part of the U.S. arsenal and noted their suitability “for those occasions when the certain and prompt destruction of high priority targets is essential and beyond the promise of conventional weapons.” Several signers of the report are now prominent members of the Bush Administration, including Stephen Hadley, the national-security adviser; Stephen Cambone, the Under-Secretary of Defense for Intelligence; and Robert Joseph, the Under-Secretary of State for Arms Control and International Security.

The Pentagon adviser questioned the value of air strikes. “The Iranians have distributed their nuclear activity very well, and we have no clue where some of the key stuff is. It could even be out of the country,” he said. He warned, as did many others, that bombing Iran could provoke “a chain reaction” of attacks on American facilities and citizens throughout the world: “What will 1.2 billion Muslims think the day we attack Iran?”

With or without the nuclear option, the list of targets may inevitably expand. One recently retired high-level Bush Administration official, who is also an expert on war planning, told me that he would have vigorously argued against an air attack on Iran, because “Iran is a much tougher target” than Iraq. But, he added, “If you’re going to do any bombing to stop the nukes, you might as well improve your lie across the board. Maybe hit some training camps, and clear up a lot of other problems.”

The Pentagon adviser said that, in the event of an attack, the Air Force intended to strike many hundreds of targets in Iran but that “ninety-nine per cent of them have nothing to do with proliferation. There are people who believe it’s the way to operate”—that the Administration can achieve its policy goals in Iran with a bombing campaign, an idea that has been supported by neoconservatives.

If the order were to be given for an attack, the American combat troops now operating in Iran

would be in position to mark the critical targets with laser beams, to insure bombing accuracy and to minimize civilian casualties. As of early winter, I was told by the government consultant with close ties to civilians in the Pentagon, the units were also working with minority groups in Iran, including the Azeris, in the north, the Baluchis, in the southeast, and the Kurds, in the northeast. The troops "are studying the terrain, and giving away walking-around money to ethnic tribes, and recruiting scouts from local tribes and shepherds," the consultant said. One goal is to get "eyes on the ground"—quoting a line from "Othello," he said, "Give me the ocular proof." The broader aim, the consultant said, is to "encourage ethnic tensions" and undermine the regime.

The new mission for the combat troops is a product of Defense Secretary Rumsfeld's long-standing interest in expanding the role of the military in covert operations, which was made official policy in the Pentagon's Quadrennial Defense Review, published in February. Such activities, if conducted by C.I.A. operatives, would need a Presidential Finding and would have to be reported to key members of Congress.

"Force protection" is the new buzzword," the former senior intelligence official told me. He was referring to the Pentagon's position that clandestine activities that can be broadly classified as preparing the battlefield or protecting troops are military, not intelligence, operations, and are therefore not subject to congressional oversight. "The guys in the Joint Chiefs of Staff say there are a lot of uncertainties in Iran," he said. "We need to have more than what we had in Iraq. Now we have the green light to do everything we want."

The President's deep distrust of Ahmadinejad has strengthened his determination to confront Iran. This view has been reinforced by allegations that Ahmadinejad, who joined a special-forces brigade of the Revolutionary Guards in 1986, may have been involved in terrorist activities in the late eighties. (There are gaps in Ahmadinejad's official biography in this period.) Ahmadinejad has reportedly been connected to Imad Mughniyeh, a terrorist who has been implicated in the deadly bombings of the U.S. Embassy and the U.S. Marine barracks in Beirut, in 1983. Mughniyeh was then the security chief of Hezbollah; he remains on the F.B.I.'s list of most-wanted terrorists.

Robert Baer, who was a C.I.A. officer in the Middle East and elsewhere for two decades, told me that Ahmadinejad and his Revolutionary Guard colleagues in the Iranian government "are capable of making a bomb, hiding it, and launching it at Israel. They're apocalyptic Shiites. If you're sitting in Tel Aviv and you believe they've got nukes and missiles—you've got to take them out. These guys are nuts, and there's no reason to back off."

Under Ahmadinejad, the Revolutionary Guards have expanded their power base throughout the Iranian bureaucracy; by the end of January, they had replaced thousands of civil servants with their own members. One former senior United Nations official, who has extensive experience with Iran, depicted the turnover as "a white coup," with ominous implications for the West. "Professionals in the Foreign Ministry are out; others are waiting to be kicked out," he said. "We may be too late. These guys now believe that they are stronger than ever since the revolution." He said that, particularly in consideration of China's emergence as a superpower, Iran's attitude was "To hell with the West. You can do as much as you like."

Iran's supreme religious leader, Ayatollah Khamenei, is considered by many experts to be in a stronger position than Ahmadinejad. "Ahmadinejad is not in control," one European diplomat told me. "Power is diffuse in Iran. The Revolutionary Guards are among the key backers of the nuclear program, but, ultimately, I don't think they are in charge of it. The Supreme Leader has the casting vote on the nuclear program, and the Guards will not take action without his approval."

The Pentagon adviser on the war on terror said that “allowing Iran to have the bomb is not on the table. We cannot have nukes being sent downstream to a terror network. It’s just too dangerous.” He added, “The whole internal debate is on which way to go”—in terms of stopping the Iranian program. It is possible, the adviser said, that Iran will unilaterally renounce its nuclear plans—and forestall the American action. “God may smile on us, but I don’t think so. The bottom line is that Iran cannot become a nuclear-weapons state. The problem is that the Iranians realize that only by becoming a nuclear state can they defend themselves against the U.S. Something bad is going to happen.”

While almost no one disputes Iran’s nuclear ambitions, there is intense debate over how soon it could get the bomb, and what to do about that. Robert Gallucci, a former government expert on nonproliferation who is now the dean of the School of Foreign Service at Georgetown, told me, “Based on what I know, Iran could be eight to ten years away” from developing a deliverable nuclear weapon. Gallucci added, “If they had a covert nuclear program and we could prove it, and we could not stop it by negotiation, diplomacy, or the threat of sanctions, I’d be in favor of taking it out. But if you do it”—bomb Iran—“without being able to show there’s a secret program, you’re in trouble.”

Meir Dagan, the head of Mossad, Israel’s intelligence agency, told the Knesset last December that “Iran is one to two years away, at the latest, from having enriched uranium. From that point, the completion of their nuclear weapon is simply a technical matter.” In a conversation with me, a senior Israeli intelligence official talked about what he said was Iran’s duplicity: “There are two parallel nuclear programs” inside Iran—the program declared to the I.A.E.A. and a separate operation, run by the military and the Revolutionary Guards. Israeli officials have repeatedly made this argument, but Israel has not produced public evidence to support it. Richard Armitage, the Deputy Secretary of State in Bush’s first term, told me, “I think Iran has a secret nuclear-weapons program—I believe it, but I don’t know it.”

In recent months, the Pakistani government has given the U.S. new access to A. Q. Khan, the so-called father of the Pakistani atomic bomb. Khan, who is now living under house arrest in Islamabad, is accused of setting up a black market in nuclear materials; he made at least one clandestine visit to Tehran in the late nineteen-eighties. In the most recent interrogations, Khan has provided information on Iran’s weapons design and its time line for building a bomb. “The picture is of ‘unquestionable danger,’ ” the former senior intelligence official said. (The Pentagon adviser also confirmed that Khan has been “singing like a canary.”) The concern, the former senior official said, is that “Khan has credibility problems. He is suggestible, and he’s telling the neoconservatives what they want to hear”—or what might be useful to Pakistan’s President, Pervez Musharraf, who is under pressure to assist Washington in the war on terror.

“I think Khan’s leading us on,” the former intelligence official said. “I don’t know anybody who says, ‘Here’s the smoking gun.’ But lights are beginning to blink. He’s feeding us information on the time line, and targeting information is coming in from our own sources—sensors and the covert teams. The C.I.A., which was so burned by Iraqi W.M.D., is going to the Pentagon and the Vice-President’s office saying, ‘It’s all new stuff.’ People in the Administration are saying, ‘We’ve got enough.’ ”

The Administration’s case against Iran is compromised by its history of promoting false intelligence on Iraq’s weapons of mass destruction. In a recent essay on the *Foreign Policy* Web site, entitled “Fool Me Twice,” Joseph Cirincione, the director for nonproliferation at the Carnegie Endowment for International Peace, wrote, “The unfolding administration strategy appears to be an effort to repeat its successful campaign for the Iraq war.” He noted several

parallels:

The vice president of the United States gives a major speech focused on the threat from an oil-rich nation in the Middle East. The U.S. Secretary of State tells Congress that the same nation is our most serious global challenge. The Secretary of Defense calls that nation the leading supporter of global terrorism.

Cirincione called some of the Administration's claims about Iran "questionable" or lacking in evidence. When I spoke to him, he asked, "What do we know? What is the threat? The question is: How urgent is all this?" The answer, he said, "is in the intelligence community and the I.A.E.A." (In August, the *Washington Post* reported that the most recent comprehensive National Intelligence Estimate predicted that Iran was a decade away from being a nuclear power.)

Last year, the Bush Administration briefed I.A.E.A. officials on what it said was new and alarming information about Iran's weapons program which had been retrieved from an Iranian's laptop. The new data included more than a thousand pages of technical drawings of weapons systems. The *Washington Post* reported that there were also designs for a small facility that could be used in the uranium-enrichment process. Leaks about the laptop became the focal point of stories in the *Times* and elsewhere. The stories were generally careful to note that the materials could have been fabricated, but also quoted senior American officials as saying that they appeared to be legitimate. The headline in the *Times*' account read, "RELYING ON COMPUTER, U.S. SEEKS TO PROVE IRAN'S NUCLEAR AIMS."

I was told in interviews with American and European intelligence officials, however, that the laptop was more suspect and less revelatory than it had been depicted. The Iranian who owned the laptop had initially been recruited by German and American intelligence operatives, working together. The Americans eventually lost interest in him. The Germans kept on, but the Iranian was seized by the Iranian counter-intelligence force. It is not known where he is today. Some family members managed to leave Iran with his laptop and handed it over at a U.S. embassy, apparently in Europe. It was a classic "walk-in."

A European intelligence official said, "There was some hesitation on our side" about what the materials really proved, "and we are still not convinced." The drawings were not meticulous, as newspaper accounts suggested, "but had the character of sketches," the European official said. "It was not a slam-dunk smoking gun."

The threat of American military action has created dismay at the headquarters of the I.A.E.A., in Vienna. The agency's officials believe that Iran wants to be able to make a nuclear weapon, but "nobody has presented an inch of evidence of a parallel nuclear-weapons program in Iran," the high-ranking diplomat told me. The I.A.E.A.'s best estimate is that the Iranians are five years away from building a nuclear bomb. "But, if the United States does anything militarily, they will make the development of a bomb a matter of Iranian national pride," the diplomat said. "The whole issue is America's risk assessment of Iran's future intentions, and they don't trust the regime. Iran is a menace to American policy."

In Vienna, I was told of an exceedingly testy meeting earlier this year between Mohamed ElBaradei, the I.A.E.A.'s director-general, who won the Nobel Peace Prize last year, and Robert Joseph, the Under-Secretary of State for Arms Control. Joseph's message was blunt, one diplomat recalled: "We cannot have a single centrifuge spinning in Iran. Iran is a direct threat to the national security of the United States and our allies, and we will not tolerate it. We want you to give us an understanding that you will not say anything publicly that will undermine us."

Joseph's heavy-handedness was unnecessary, the diplomat said, since the I.A.E.A. already had been inclined to take a hard stand against Iran. "All of the inspectors are angry at being misled by the Iranians, and some think the Iranian leadership are nutcases—one hundred per cent totally

certified nuts," the diplomat said. He added that ElBaradei's overriding concern is that the Iranian leaders "want confrontation, just like the neocons on the other side"—in Washington. "At the end of the day, it will work only if the United States agrees to talk to the Iranians."

The central question—whether Iran will be able to proceed with its plans to enrich uranium—is now before the United Nations, with the Russians and the Chinese reluctant to impose sanctions on Tehran. A discouraged former I.A.E.A. official told me in late March that, at this point, "there's nothing the Iranians could do that would result in a positive outcome. American diplomacy does not allow for it. Even if they announce a stoppage of enrichment, nobody will believe them. It's a dead end."

Another diplomat in Vienna asked me, "Why would the West take the risk of going to war against that kind of target without giving it to the I.A.E.A. to verify? We're low-cost, and we can create a program that will force Iran to put its cards on the table." A Western Ambassador in Vienna expressed similar distress at the White House's dismissal of the I.A.E.A. He said, "If you don't believe that the I.A.E.A. can establish an inspection system—if you don't trust them—you can only bomb."

There is little sympathy for the I.A.E.A. in the Bush Administration or among its European allies. "We're quite frustrated with the director-general," the European diplomat told me. "His basic approach has been to describe this as a dispute between two sides with equal weight. It's not. We're the good guys! ElBaradei has been pushing the idea of letting Iran have a small nuclear-enrichment program, which is ludicrous. It's not his job to push ideas that pose a serious proliferation risk."

The Europeans are rattled, however, by their growing perception that President Bush and Vice-President Dick Cheney believe a bombing campaign will be needed, and that their real goal is regime change. "Everyone is on the same page about the Iranian bomb, but the United States wants regime change," a European diplomatic adviser told me. He added, "The Europeans have a role to play as long as they don't have to choose between going along with the Russians and the Chinese or going along with Washington on something they don't want. Their policy is to keep the Americans engaged in something the Europeans can live with. It may be untenable."

"The Brits think this is a very bad idea," Flynt Leverett, a former National Security Council staff member who is now a senior fellow at the Brookings Institution's Saban Center, told me, "but they're really worried we're going to do it." The European diplomatic adviser acknowledged that the British Foreign Office was aware of war planning in Washington but that, "short of a smoking gun, it's going to be very difficult to line up the Europeans on Iran." He said that the British "are jumpy about the Americans going full bore on the Iranians, with no compromise."

The European diplomat said that he was skeptical that Iran, given its record, had admitted to everything it was doing, but "to the best of our knowledge the Iranian capability is not at the point where they could successfully run centrifuges" to enrich uranium in quantity. One reason for pursuing diplomacy was, he said, Iran's essential pragmatism. "The regime acts in its best interests," he said. Iran's leaders "take a hard-line approach on the nuclear issue and they want to call the American bluff," believing that "the tougher they are the more likely the West will fold." But, he said, "From what we've seen with Iran, they will appear superconfident until the moment they back off."

The diplomat went on, "You never reward bad behavior, and this is not the time to offer concessions. We need to find ways to impose sufficient costs to bring the regime to its senses. It's going to be a close call, but I think if there is unity in opposition and the price imposed"—in sanctions—"is sufficient, they may back down. It's too early to give up on the U.N. route." He



added, "If the diplomatic process doesn't work, there is no military 'solution.' There may be a military option, but the impact could be catastrophic."

Tony Blair, the British Prime Minister, was George Bush's most dependable ally in the year leading up to the 2003 invasion of Iraq. But he and his party have been racked by a series of financial scandals, and his popularity is at a low point. Jack Straw, the Foreign Secretary, said last year that military action against Iran was "inconceivable." Blair has been more circumspect, saying publicly that one should never take options off the table.

Other European officials expressed similar skepticism about the value of an American bombing campaign. "The Iranian economy is in bad shape, and Ahmadinejad is in bad shape politically," the European intelligence official told me. "He will benefit politically from American bombing. You can do it, but the results will be worse." An American attack, he said, would alienate ordinary Iranians, including those who might be sympathetic to the U.S. "Iran is no longer living in the Stone Age, and the young people there have access to U.S. movies and books, and they love it," he said. "If there was a charm offensive with Iran, the mullahs would be in trouble in the long run."

Another European official told me that he was aware that many in Washington wanted action. "It's always the same guys," he said, with a resigned shrug. "There is a belief that diplomacy is doomed to fail. The timetable is short."

A key ally with an important voice in the debate is Israel, whose leadership has warned for years that it viewed any attempt by Iran to begin enriching uranium as a point of no return. I was told by several officials that the White House's interest in preventing an Israeli attack on a Muslim country, which would provoke a backlash across the region, was a factor in its decision to begin the current operational planning. In a speech in Cleveland on March 20th, President Bush depicted Ahmadinejad's hostility toward Israel as a "serious threat. It's a threat to world peace." He added, "I made it clear, I'll make it clear again, that we will use military might to protect our ally Israel."

Any American bombing attack, Richard Armitage told me, would have to consider the following questions: "What will happen in the other Islamic countries? What ability does Iran have to reach us and touch us globally—that is, terrorism? Will Syria and Lebanon up the pressure on Israel? What does the attack do to our already diminished international standing? And what does this mean for Russia, China, and the U.N. Security Council?"

Iran, which now produces nearly four million barrels of oil a day, would not have to cut off production to disrupt the world's oil markets. It could blockade or mine the Strait of Hormuz, the thirty-four-mile-wide passage through which Middle Eastern oil reaches the Indian Ocean. Nonetheless, the recently retired defense official dismissed the strategic consequences of such actions. He told me that the U.S. Navy could keep shipping open by conducting salvage missions and putting mine-sweepers to work. "It's impossible to block passage," he said. The government consultant with ties to the Pentagon also said he believed that the oil problem could be managed, pointing out that the U.S. has enough in its strategic reserves to keep America running for sixty days. However, those in the oil business I spoke to were less optimistic; one industry expert estimated that the price per barrel would immediately spike, to anywhere from ninety to a hundred dollars per barrel, and could go higher, depending on the duration and scope of the conflict.

Michel Samaha, a veteran Lebanese Christian politician and former cabinet minister in Beirut, told me that the Iranian retaliation might be focussed on exposed oil and gas fields in Saudi Arabia, Qatar, Kuwait, and the United Arab Emirates. "They would be at risk," he said, "and this

could begin the real jihad of Iran versus the West. You will have a messy world.”

Iran could also initiate a wave of terror attacks in Iraq and elsewhere, with the help of Hezbollah. On April 2nd, the *Washington Post* reported that the planning to counter such attacks “is consuming a lot of time” at U.S. intelligence agencies. “The best terror network in the world has remained neutral in the terror war for the past several years,” the Pentagon adviser on the war on terror said of Hezbollah. “This will mobilize them and put us up against the group that drove Israel out of southern Lebanon. If we move against Iran, Hezbollah will not sit on the sidelines. Unless the Israelis take them out, they will mobilize against us.” (When I asked the government consultant about that possibility, he said that, if Hezbollah fired rockets into northern Israel, “Israel and the new Lebanese government will finish them off.”)

The adviser went on, “If we go, the southern half of Iraq will light up like a candle.” The American, British, and other coalition forces in Iraq would be at greater risk of attack from Iranian troops or from Shiite militias operating on instructions from Iran. (Iran, which is predominantly Shiite, has close ties to the leading Shiite parties in Iraq.) A retired four-star general told me that, despite the eight thousand British troops in the region, “the Iranians could take Basra with ten mullahs and one sound truck.”

“If you attack,” the high-ranking diplomat told me in Vienna, “Ahmadinejad will be the new Saddam Hussein of the Arab world, but with more credibility and more power. You must bite the bullet and sit down with the Iranians.”

The diplomat went on, “There are people in Washington who would be unhappy if we found a solution. They are still banking on isolation and regime change. This is wishful thinking.” He added, “The window of opportunity is now.” ♦



## US plans strike to topple Iran regime - report

- US 'intent on Iran attack'
- Bush accused of 'messianic' mission

**Julian Borger in Washington and Bob Tait in Tehran**  
**Monday April 10, 2006**

**Guardian**

The US is planning military action against Iran because George Bush is intent on regime change in Tehran - and not just as a contingency if diplomatic efforts fail to halt its suspected nuclear weapons programme, it was reported yesterday.

In the New Yorker magazine, Seymour Hersh, America's best known investigative journalist, concluded that the Bush administration is even considering the use of a tactical nuclear weapon against deep Iranian bunkers, but that top generals in the Pentagon are attempting to take that option off the table.

Hersh, who helped break the story of the Abu Ghraib prisoner abuse scandal, quoted an unnamed Pentagon adviser as saying the resurgence of interest in tactical nuclear weapons among Pentagon civilians was "a juggernaut that has to be stopped" and that some senior officers and officials were considering resignation over the issue.

There is also rising concern in the US military and abroad that Mr Bush's goal in Iran is not counter-proliferation but regime change, the article reports. The president and his aides now refer to the Iranian president, Mahmoud Ahmadinejad, as a potential Adolf Hitler, according to a former senior intelligence official.

Another government consultant is quoted as saying Mr Bush believes he must do "what no Democrat or Republican, if elected in the future, would have the courage to do" and "that saving Iran is going to be his legacy".

"The word I'm hearing is messianic," Mr Hersh said yesterday on CNN. "[Bush] is politically free. He really thinks he has a chance and this is his mission."

There was no formal response from the White House yesterday but Fox News television quoted unnamed officials as saying Mr Hersh's article was "hyped, without knowledge of the president's thinking". In Britain, Jack Straw told the BBC that the idea of a US nuclear strike against Iran was "completely nuts".

Military action against Iran was "not on the agenda", the foreign secretary said. "They [the Americans] are very committed indeed to resolving this issue ... by negotiation and by diplomatic pressure."

An Iranian foreign ministry spokesman, Hamid Reza Asefi, dismissed the reports as "psychological war, launched by Americans because they feel angry and desperate regarding Iran's nuclear dossier".

Vincent Cannistraro, a former CIA counter-terrorism operations chief said Mr Bush had not yet made up his mind about the use of direct military action against Iran.

"There is a battle for Bush's soul over that," he said, adding that Karl Rove, the president's chief political adviser is adamantly opposed to a war.

However, Mr Cannistraro said covert military action, in the form of special forces troops identifying targets and

aiding dissident groups, is already under way.

"It's been authorised, and it's going on to the extent that there is some lethality to it. Some people have been killed."

He said US-backed Baluchi Sunni guerrillas had been involved in an attack in Sistan-Baluchistan last month in which over 20 Iranian government officials were killed and the governor of the provincial capital was wounded. The Iranian government had blamed British intelligence for the incident.

Last week, the Iranian regime made a public show of its combat readiness by test-firing some of its missile technology during seven days of war games in the Gulf, images of which were broadcast repeatedly on state television.

The Washington Post reported yesterday that Pentagon and CIA planners had been exploring possible targets, including a uranium enrichment plant at Natanz and a uranium conversion site in Isfahan, as part of a broader strategy of "coercive diplomacy" aimed at forcing Iran to abandon its nuclear ambitions. But that report made no mention of the possible use of a tactical nuclear bunker-buster, such as the B61-11, against deep underground targets, reported by Mr Hersh.

The UN security council has given Iran until the end of this month to suspend its uranium enrichment programme, which most western governments believe is intended to produce a nuclear warhead, not generate electric power as Tehran insists. There is no consensus in the security council over what steps to take if the International Atomic Energy Agency (IAEA) reports back that Iran has failed to comply. The IAEA director, Mohamed ElBaradei is due in Tehran this week for talks.

The US ambassador to the UN, John Bolton said last week the US would explore other diplomatic and economic options if the security council fails to agree. He has also told British parliamentarians that he believes that military action could halt or at least set back the Iranian nuclear programme by striking it at its weakest point.

The Washington Post reported that while no military action is likely in the short term, the possible targets went beyond suspected nuclear installations and included the option of a "more extensive bombing campaign designed to destroy an array of military and political targets".

It is a widespread belief in Washington's neo-conservative circles that a comprehensive air assault would disorient the Tehran government and galvanise the Iranian people into bringing it down. The departure of senior neo-conservatives from the administration after Mr Bush's 2004 re-election was thought to have weakened their clout, but Mr Hersh's report suggested that the president's personal convictions may yet prove decisive.

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Mr. KUCINICH. We also note from the reports that the United States is supporting military activity in Iran by Iranian antigovernment insurgent groups, some of which are operating from U.S.-occupied Iraq, such as terrorist group Mujahedin-e Khalq, MEK. An article published by Newsweek magazine on February 14, 2005, confirms cooperation between U.S. Government officials and the MEK. The article describes how, "The administration is seeking to call useful MEK members as operatives for use against Iran."

Furthermore, an article by Jim Lobe published on antiwar.com on February 11, 2005, claims that according to Philip Giraldi, a former CIA official and source about this subject in the American Conservative Magazine, U.S. Special Forces have been directing members of the MEK in carrying out reconnaissance and intelligence collection in Iran since the summer of 2004.

Even a statement attributed to Ambassador Bolton, which I would like elaboration on today, seems to confirm the U.S. policy for Iran is war.

According to an article published April 10, 2006, in the Guardian, Ambassador Bolton told British parliamentarians that he believes military action could halt or at least set back the Iranian nuclear program by striking at its weakest point.

U.S. policy for Iran advocates regime change, not behavior change. We should expect that even if Iran decides to negotiate with the United States Or other Security Council members over its nuclear program, U.S. policy promoting war in Iran will remain steadfast. When Iraq destroyed its missiles and submitted its weapons declaration, abiding by Security Council Resolution 1441, the administration decided to unilaterally attack Iraq anyway. This administration is reckless in this regard.

It is imperative that Congress exercise its oversight on the administration's plans for war with Iran before our country is immersed in another quagmire, with more U.S. casualties, diminished national security and a greater financial burden. I think, therefore, this committee, this oversight committee, is privileged to have Ambassador Bolton with us here today. I have several questions for him today regarding the administration's plans for Iran, and I look forward to his candid answers.

I want to thank the Ambassador for being with us, thank Chairman Shays for holding this hearing. If we're going to determine the effectiveness of sanctions, we also need to look at those sanctions in tandem with the U.S. policy with respect to the use of our military. Thank you very much.

[The prepared statement of Hon. Dennis J. Kucinich follows:]

Statement of Rep. Dennis J. Kucinich  
Ranking Minority Member  
House Subcommittee on National Security, Emerging  
Threats and International Relations  
Committee on Government Reform  
U.S. House of Representatives

Hearing on "UN Sanctions After Oil-For-Food: Still A  
Viable Diplomatic Tool?"

May 2, 2006

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I'd like to thank Chairman Shays for holding this hearing and providing Ambassador Bolton the opportunity to testify before this Subcommittee. We are in a critical moment for U.S. policy at the UN, especially regarding Iran. Just last Friday marked the Security Council's deadline for Iran to freeze all nuclear fuel enrichment, and the beginning of the inevitable struggle at the Security Council over what to do to contain Iran's nuclear ambitions.

We've seen this kind of struggle at the Security Council before. The U.S. spent much time in 2002 pressuring the Security Council to take action against Iraq to contain its supposed WMDs. Finally, on November 8, 2002, the Council approved resolution

1441, which imposed tough new arms inspections in Iraq, and promised "serious consequences," to be determined by the Security Council, if Iraq violated the resolution.

Even though Iraq did submit a weapons declaration, and began destroying its Al Samoud missiles as instructed to by UN inspector Hans Blix, serious consequences were imposed on the country anyway. It was the United States, however, and not the Security Council that determined those consequences for Iraq, when President Bush went to war against Iraq on March 20, 2003.

Experience in Iraq has proven that this Administration will act unilaterally, outside the mandate of the Security Council, thereby rendering the work of the Council almost irrelevant. At the same time, however, experience has indicated that this Administration will use the UN to make its case for war to the world community.

In the coming weeks and months, I think it's fairly predictable that we will see the United States' case for war against Iran unfold at the U.N.

I think it's highly probably that the Administration has already made the decision to go to war against Iran. **There are already U.S. combat troops inside Iran**

On April 14th, retired Col. Sam Gardiner related on *CNN* that the Iranian Ambassador to the IAEA, Aliasghar Soltaniyeh, reported to him that the Iranians have captured dissident forces who have confessed to working with U.S. troops in Iran. Earlier in the week, Seymour Hersh reported in the *New Yorker* that a U.S. source had told him that U.S. marines were operating in the Baluchi, Azeri and Kurdish regions of Iran. On April 10, the *Guardian* reported that Vincent Cannistraro, a former CIA counter-terrorism chief, said that covert military action, in the form of special forces troops identifying targets and aiding dissident groups is already under way and that it had been authorized.

We also know from reports that the U.S. is supporting military activity in Iran by Iranian anti-government insurgent groups, some of whom are operating from U.S.-occupied Iraq, such as the terrorist group Mujahedin e-Khalq (MEK). An article



published by *Newsweek* magazine on February 14, 2005 confirms cooperation between U.S. government officials and the MEK. The article describes how “the Administration is seeking to cull useful MEK members as operatives for use against Tehran.”

Furthermore, an article by Jim Lobe published on *Antiwar.com* on February 11, 2005 claims that according to Philip Giraldi, a former CIA official and a source in an article about this subject in the *American Conservative* magazine, U.S. Special Forces have been directing members of the MEK in carrying out reconnaissance and intelligence collection in Iran since the summer of 2004.

Even a statement attributed to Ambassador Bolton, and which I would like elaboration on today, seems to confirm that U.S. policy for Iran is war. According to an article published April 10, 2006 in the *Guardian*, Ambassador Bolton told British parliamentarians that he believes military action could halt or at least set back the Iranian nuclear program by striking it at its weakest point.

U.S. policy for Iran advocates regime change, not behavior change. We should expect that even if Iran decides to negotiate with the U.S. or other Security Council members over its nuclear program, U.S. policy promoting war in Iran will remain steadfast. When Iraq destroyed its missiles and submitted its weapons declaration, abiding by Security Council 1441, the Administration decided to unilaterally attack Iraq anyway.

This Administration is reckless and hungry for war. It is imperative that Congress exercise oversight on the Administration's plans for war with Iran before our country is immersed in another quagmire, with more U.S. casualties, diminished national security, and greater a financial burden. I thereby feel very privileged to have Ambassador Bolton with us here today. I have several questions for him regarding the Administration's plans for Iran, and I look forward to his candid answers. Again, thank you, Ambassador for being with us today, and thank you, Chairman Shays for holding this hearing.

Mr. SHAYS. I'd like to thank the gentleman.

I think, Ambassador, you know that you're here for the Oil-for-Food Program and the United Nations, but it might go in other directions; and obviously you should feel free to respond to any questions that you feel that you have knowledge about or expertise.

Mr. Waxman has told me he'd like to add 3 minutes to his 5-minute questioning by forgoing his statement. I'll just acknowledge that the ranking member of the full committee is here, and then at this time would—

Mr. WAXMAN. I just welcome Ambassador Bolton.

Good to see you.

Mr. SHAYS. And at this point, the Chair would recognize Mr. Lynch from Massachusetts.

Welcome, Mr. Lynch.

Mr. LYNCH. Thank you, Mr. Chairman. I want to thank you. I know this is the fourth hearing we've had on this issue.

I also want to thank Ranking Member Waxman, and Mr. Kucinich as well, for staying on this issue.

Mr. Ambassador, thank you for your willingness to help this subcommittee with its work. And at the outset, I'd like to say that there have been grave disclosures in terms of our failings at the U.N. with regard to the Oil-for-Food program. And it depends on whose figures you follow.

GAO has estimated that \$10 billion in illicit revenues, kickbacks and so forth went to the Iraqi Government under Saddam Hussein. As well, the Congressional Research Service determines that about \$12.8 billion went to the same regime. And there are great misgivings about our ability to use sanctions as a proper tool for statecraft in the future.

We don't have a whole lot of options here; we don't have a whole lot of tools to use in terms of an alternative to military intervention. So this causes us great concern that the United Nations, in administering this program, in doing oversight of this program, allowed this to happen, and that perhaps it was from the very outset, by giving Saddam Hussein so much power, we empowered his regime to choose those countries whom he would deal with; we allowed him to negotiate the price of these contracts; we put him in a position where he was able to steal and skim from these contracts.

What we're looking for here is an answer to the question of whether or not, in the future, sanctions such as these in the Oil-for-Food program are at all salvageable or at all usable, and whether enough reforms have been adopted by the U.N. In light of what has happened here with the Iraqi Oil-for-Food program; whether those reforms will be effective to prevent the collapse that we have seen and the tremendous cost not only on the Iraqi people, but on U.S. taxpayers, and the U.N.'s credibility most of all.

I yield back. Thank you.

Mr. SHAYS. Thank you. I thank the gentleman.

At this time, the Chair would recognize Mr. Van Hollen.

Welcome, Mr. Van Hollen.

Mr. VAN HOLLEN. Thank you, Mr. Chairman. I want to thank you for holding this hearing, and also thank Mr. Kucinich and Mr. Waxman for their leadership.

Welcome, Ambassador Bolton. It's good to have you here, and I look forward to your testimony. I'm interested in some of the issues that have already been raised by my colleagues here, especially the extent to which you think sanctions can be effective in the case of Iran and Sudan.

I think experience tells us that sometimes sanctions have been successful as a tool of foreign policy and sometimes they haven't. It's been on a case-by-case basis, depending on the circumstances, including both whether or not we're able to get the key trading partners of a particular country to cooperate together, and the extent—of course, the extent to which the country which we seek to impose sanctions on, the extent to which that country is vulnerable to sanctions and their economy.

And I guess one of the questions that I hope you will answer either in your testimony or your answers is, if we're not successful in the case of Iran in getting the Security Council to take some action that would authorize collective action, economic sanctions, what are the prospects of getting a group of countries together outside that framework to impose sanctions; and how effective would it be in the absence of an official Security Council action?

The same holds true with Sudan. If we're unable to get sanctions imposed on Sudan because of the reluctance of the Chinese or the Russians—those two players are, of course, key in the Iran case as well—how successful do you think economic sanctions could be if you put together a so-called “coalition of the willing for sanctions” in the case of Sudan?

So both the case of Sudan and Iran I'm interested in, and hopefully we will get collective action at the Security Council level. But if that fails, how effective do you think economic sanctions could be?

Thank you, Mr. Chairman.

Mr. SHAYS. I thank the gentleman.

At this time, seeing no other Members, we will invite the Honorable John R. Bolton to give testimony.

As you know, Ambassador, we swear in all our witnesses. There is only one person we never swore in and that was Senator Byrd, and I chickened out.

[Witness sworn.]

Mr. SHAYS. Ambassador, ordinarily we would have a 5-minute rule, but all the Members want you to make your statement to the extent that you want to make it, and we don't have a clock on.

**STATEMENT OF JOHN R. BOLTON, AMBASSADOR, PERMANENT  
U.S. REPRESENTATIVE TO THE UNITED NATIONS**

Ambassador BOLTON. Thank you very much, Mr. Chairman.

I would ask that my prepared statement be submitted for the record, and perhaps I could try and make a few remarks effectively, in summary.

Mr. SHAYS. Well, with that in mind, then, let me just take care of this business right now and ask unanimous consent that all members of the subcommittee be permitted to place an opening statement in the record, and the record will remain open for 3 days for that purpose, and without objection.

And I ask further unanimous consent that all witnesses be permitted to include their written statements in the record; and without objection so ordered.

Say whatever you would like, sir. Thank you.

Ambassador BOLTON. Thank you very much, Mr. Chairman.

Let me begin, if I could, by thanking you and the subcommittee for holding this hearing. I think, Mr. Chairman, that your leadership in pursuing the implications of the Oil-for-Food scandal through the work of the subcommittee has been critical in helping to uncover some of the aspects of how the program was administered and, indeed, affecting even the investigation that former Federal Reserve Chairman Paul Volcker undertook. And I think it's been a very valuable example of effective congressional oversight, and I welcome the fact that you've held this many hearings.

I hope that you and the subcommittee will continue your work because the exposure of some of these problems, which in many respects seem technical and complex and hard to understand, I think, is important for the American people so that Congress' efforts to penetrate some of these problems can be quite important.

The issue of the Iraq sanctions is something that has been a matter of concern to me for a long time; in fact, since I was Assistant Secretary of State for International Organizations during the Bush One administration when the Security Council adopted Resolution 661, and then a few days later adopted Resolution 665, authorizing the use of force to ensure that Iraq complied with the sanctions.

And even after President Bush left office, I continued to watch the development of the sanctions program and the Oil-for-Food Program as well.

So I think that this is an important case study. You don't often get in international affairs such a clear example of a program that started off in one direction and that veered badly in the wrong direction and eventually ended up not only not providing the kind of consequences that were originally envisioned for it, but actually ended up perversely supporting Saddam Hussein's regime and exposing the U.N. to well-justified criticism for mismanagement and corruption.

And we start from the proposition that the President's efforts at reform at the U.N. are designed to fundamentally change the way the organization operates, to make it possible for the United States and other governments to entrust the United Nations with important responsibilities in international affairs.

Louise Frechette, the former Deputy Secretary General of the United Nations, who just recently left office, said last year, "Personally, I hope to God we never get another Oil-for-Food program or anything approaching that kind of responsibility."

Let me say, we don't agree with Deputy Assistant Secretary Frechette. It may well be necessary for the U.N. to administer a complex program of sanctions in humanitarian assistance.

We're looking now at the extension of the U.N. mission in Sudan to the Darfur region, what will result in substantial enhancement not only of the size of the peacekeeping operation, but in efforts to undertake more effectively the humanitarian and relief operations and, eventually, the reconstruction and development operations that the Darfur region so desperately needs. We need an effectively

functioning U.N. We need a U.N. that can handle major sanctions programs. We need a U.N. that can carry out relief and development.

That's why the President has laid the emphasis that he has on reforms. So that this question of sanctions and the question of the Oil-for-Food program are very much on the table right now; and it's important we understand the implications of the Oil-for-Food program scandal and what that means for the future.

And I really think that the work that Chairman Paul Volcker did is important not only for the mismanagement and corruption that he uncovered in the Oil-for-Food program, but the lessons and the insights that Chairman Volcker derived from his work. And I've had the occasion to speak with him several times on this subject, and I think it's fair to say—and I think Chairman Volcker said publicly—when he undertook the responsibility for looking into the Oil-for-Food program, he did not anticipate the extent of the problems that he found.

And when his commissions were concluded, he has said publicly, testified in Congress on a couple of occasions, that he came to understand that the mismanagement and corruption that he found in the Oil-for-Food program didn't spring out of thin air. Just as the Oil-for-Food program emerged from the United Nations Secretariat, it used U.N. Secretariat employees, it followed Secretariat procedures and practices; the deficiencies of the Oil-for-Food program really highlighted the problems that were inherent, that already existed in the U.N. structure itself, so that the solution to Oil-for-Food lay not only in how that program was run and was not carefully supervised by the United Nations, but in the basic culture of the U.N. itself; and to prevent future Oil-for-Food scandals required fundamental change in that U.N. culture.

On one occasion, when he testified up here, a Member of Congress asked Chairman Volcker if he thought there was a culture of corruption at the United Nations, and Mr. Volcker responded, "No, I don't think there is a culture of corruption, although there is corruption. I think there is a culture of inaction, a culture of inaction." and I think that's a very powerful descriptive phrase for the difficulties we see in the U.N. structure.

And not just the United States, Mr. Chairman, but Secretary General Kofi Annan himself, who recently submitted a report to the U.N. General Assembly called "Investing in the United Nations," where he suggested a series of far-reaching management changes in procurement systems, in personnel systems, in auditing and accounting systems and information technology. The Secretary General himself said that what we needed at the U.N. was a radical restructuring of the Secretariat, a refit of the entire organization to fit the tasks that member-governments were imposing upon it.

And I think it was very significant that the Secretary General himself, who has spent much of his career in the U.N. system, was the one who used the phrase "radical overhaul" or "radical restructuring."

Certainly we have not agreed with each and every one of his recommendations, but we absolutely agreed with the thrust of what he was trying to do, and in many cases, on the management side,

we would be prepared to go further. But I have to tell you, Mr. Chairman, on Friday the Secretary General's proposals for reform suffered a significant setback in New York when the General Assembly 5th Committee—this is the committee that deals with budget matters—adopted a resolution which, for all practical purposes, tanks the Secretary General's reform proposals.

We opposed that. We worked with the other major contributors, we tried to find a compromise with the Group of 77—the G-77, which actually has 132 members—the developing countries of the United Nations, because we wanted to support the thrust of what the Secretary General had come up with. And many of these reforms that the Secretary General proposed were in direct response to Paul Volcker's reports and the investigations of this committee and others in Congress to try to minimize the possibility in the future of the kind of mismanagement and corruption that we saw in the Oil-for-Food.

So we were disappointed at the outcome of the vote, which was 108 in favor of this G-77 resolution, 50 against, 3 abstaining, 30 countries not voting.

It's a very significant split between the countries that voted in favor of the G-77 and those who voted against. The 108 countries that voted to effectively sideline the Secretary General's report contribute about 12 percent of the U.N. budget. The 50 countries that voted against their resolution, the 50 countries that voted in favor of reform, contribute 86.7 percent of the U.N. budget. So I think the disjunction between voting power in the General Assembly and contributions to the U.N. system have probably not been so graphically exposed in recent years.

We're going to continue our efforts, Mr. Chairman, on management reform, and not just management reform, but program reform, reviewing the nearly 9,000 mandates that the U.N. Secretariat currently operates under, to find outdated, outmoded, ineffective, wasteful and duplicative mandates and programs, and eliminate them. Because the objective we have is to get to a point where we could turn to the U.N. if we needed another Oil-for-Food program or needed another program of comparable size.

We have a number of other reforms that we're pushing as well, the deficiencies of which were also highlighted in the Oil-for-Food scandal.

For example, we are of the view that the existing U.N. Office of Internal Oversight Services [OIOS] which was set up at the suggestion of the United States in the early 1990's when Dick Thornburgh, the former Governor of Pennsylvania, was Under-Secretary-General for Management, has not been given the kind of independence and autonomy that you in Congress understand when you talk about an inspector general office in the Federal Government's major departments. We think OIOS has a lot of potential, but we don't think it has the independence or the budget that it needs to look into the U.N. effectively.

There is a recent GAO audit of OIOS that came essentially to the same conclusion so that the strengthening of OIOS's independence and reach is important. And had OIOS been as effective and as strong as we wanted in the early 1990's when Governor Thornburgh recommended it, maybe they would have been able to

look into the developing Oil-for-Food program and uncover some of the problems and allow the U.N. to take corrective action. Unfortunately, that did not happen.

As a number of you have said in your introductory statements, the U.N. now faces important decisions on sanctions possibly with respect to Iran and its nuclear weapons program and its continuing state sponsorship of terrorism around the world. We recently in the Security Council imposed targeted sanctions on four individuals responsible for gross abuses of human rights in the Sudan, and we're looking at other sanctions that might be imposed to try and bring the parties to a resolution of the conflict in Darfur.

That's not the only course we're pursuing. My colleague, Deputy Assistant Secretary Bob Zoellick, flew last night to Abuja to lend a hand to try to rescue the African Union mediation of the peace process there. But certainly we are committed to taking action through the United Nations to try and restore stability in Darfur and bring security to the people there to allow the refugees and the internally displaced persons to return to their homes in safety.

So these kind of issues are going to be with us, and I think, in fact, Mr. Chairman, in growing importance over the next months and years. And I think getting the U.N. to the point where it can administer these kind of sanctions programs effectively without mismanagement and corruption is critical and important, not only for the reasons that we want American taxpayers' dollars to be spent effectively, but for the benefit of the people for whom these sanctions and programs are carried out so that we don't have the anomalous result that came from the Oil-for-Food in Iraq.

So, Mr. Chairman, let me just close—and I appreciate your giving me some latitude in terms of timing—I'd be delighted to answer the subcommittee's questions and look forward to them.

[The prepared statement of Ambassador Bolton follows:]



**No More Business as Usual:  
A Call for Action on UN Reform**

**Testimony before the House Government Reform Subcommittee on  
National Security, Emerging Threats, and International Relations**

**Presented by the Honorable John R. Bolton  
Permanent Representative of the United States to the United Nations**

**May 2, 2006  
Rayburn House Office Building  
Washington, D.C.**

## **I. Introduction**

Mr. Chairman, thank you for inviting me here today to discuss this important topic. The issue of management reform in the United Nations at first glance is not one that seems terribly exciting or necessarily receives the attention in the press that it deserves, but in many ways it is the most important. One need look no further than the Oil-for-Food scandal to see what happens when issues such as the transparency, accountability and independent oversight of UN operations are ignored. Reform of the management structures within the UN is no guarantee that effective policies will be adopted, but lack of reform will almost certainly doom prudent policies to failure.

In this case, though, policy failure has very tangible, even tragic consequences in the real world and on the lives of real men, women and children. In addition to creating an environment which fosters waste and corruption, the lack of effective management structures means critical services or supplies are not delivered. This means that vulnerable populations might not receive the humanitarian assistance they need. It can also mean that there are delays in providing the necessary equipment, materials or support services to peacekeeping missions, with the result that such missions cannot fulfill their mandates effectively. It means, Mr. Chairman, that when we are discussing management reform, we are ultimately talking about people's lives.

The United States has joined with others to launch an ambitious agenda of reform--reforms we think are vital to putting the United Nations back on track. This is consistent with Secretary Rice's call last September before the 60th meeting of the General Assembly to "launch a lasting revolution of reform."

Already, though, we can see sharp divisions emerging and clear battle

Put differently, it is not a situation of "battle fatigue" up in New York; rather, the battle is just beginning with two sharply divergent positions emerging. On one side, you have a group of 30 or so nations whose combined contributions total more than 80% of the UN budget pushing an ambitious reform agenda. These nations, of which the U.S. is part, strongly support many of the elements the Secretary General is pushing to reform the managerial structures and processes within the UN. We are also working to establish a process to thoroughly review all UN mandates originally adopted more than 5 years ago. Unfortunately, we are encountering opposition from the G-77, who are arguing that their review excludes mandates that have been renewed by the General Assembly within the last 5 years. The G-77 position, if adopted, would exclude from the review some 75% of presently active mandates and hamper our ability to eliminate significant waste and overlap within the UN system. To date, these countries have made clear not only that they are uninterested in reform, but that they will actively oppose it and do everything they can to block it.

In the time remaining, I would like to focus on two topics which are the primary focus of this hearing, the viability of future UN sanctions in light of the Oil-for-Food scandal and then more broadly on the UN management reforms.

### **Oil-for-Food**

Mr. Chairman, let me thank you again for highlighting the importance of the Oil-for-Food scandal. It is important to do so because there are many within the UN community who would just as soon have it never discussed again. It is always difficult to shine the light on one's own shortcomings and enact the necessary reforms, but it must be done. As Paul Volcker, chairman of the Independent Inquiry Commission which did such an excellent job investigating the Oil-for-Food scandal noted, "To settle for less, to permit delay and dilution. would be to invite failure. It would. in realitv. further

the Independent Inquiry Commission (IIC) has not yet expired. The IIC is continuing provide access to materials which would assist member states in their legal and judicial proceedings against their own citizens or companies that were involved in illicit activity. We applaud countries like Australia which are not just prosecuting companies and individuals who defrauded the system, but are doing so in a very public fashion. Know that the United States will do the same to discourage this criminal behavior in the future if warranted. To date, we know of some 62 jurisdictions spanning 25 countries, including the U.S., that have sought IIC assistance in investigating potential crimes.

While the figures are well-known to many, it bears repeating them in a public forum as often as possible. According to the IIC, Saddam Hussein's regime diverted some \$1.8 billion in illicit kickbacks and surcharges. And more than 2000 companies were involved in these illicit payments. The report recently released by the General Accounting Office notes that Saddam Hussein's regime might have obtained up to \$12.8 billion in illicit revenue in the process. This money went directly into the coffers of one of the most oppressive dictatorships this world has ever known.

Fundamentally, as we look at what went wrong with the Oil-for-Food Programme, we must acknowledge forthrightly that, in addition to failing to administer its duties properly, the UN was ill-equipped to handle a project of that size and scope in the first place. Louise Frechette, the recently retired Deputy Secretary-General, did not mince words when she stated last year that, "Personally, I hope to God we never get another oil-for-food program or anything approaching that kind of responsibility, which was tantamount to trying to oversee the entire import-export regime of a country of 24 million people, which was a tall order." While less colorful in its description, the IIC concurred in its final report, noting that, "For UN agencies, the work went beyond their core competencies of overseeing the distribution of humanitarian goods—from monitoring, planning, and consulting—to infrastructure rebuilding. thus multiolving problems."

that the UN is ill-equipped to perform certain functions. To some extent then, some fault lies directly with the Security Council for their failure to clearly define the parameters and administrative responsibilities of the Oil-for-Food Programme, a point directly flagged by the IIC as well.

In direct answer to the question then, of whether or not the UN was equipped to handle a project of this magnitude, it seems reasonable to conclude that the answer is "no". But other sanctions regimes already exist and there is always the possibility that the international community will have to consider similar types of sanction regimes as warranted by events. In that case, it seems that one valuable lesson to be learned from this scandal when considering future sanctions regimes is for the Security Council to do a better job of clearly delineating responsibilities and lines of authority.

This being said, we must also address the significant shortcomings and failures of the Secretariat in the oversight and administration of the program. There is little doubt that the culture within the UN system fostered an insidious environment which enabled the Oil-for-Food scandal to become much larger than it ever should have. The failures on the part of the Secretariat were manifold, ranging from inadequate audit controls, violation of procurement regulations, and ethical lapses on the part of some UN staff members managing the program. We concur with both the IIC and the Government Accountability Office (GAO) in their finding that the structure of the program itself made it "vulnerable to fraud and abuse", to quote the GAO directly.

As Paul Volcker, Chairman of the IIC noted, though, it was a less a "culture of corruption" than a "culture of inaction" which fed the scandal. The term Mr. Volcker used, "culture of inaction" during his now famous Congressional testimony last year, has now become ingrained in our lexicon to describe the state of affairs up at the United Nations. It is an apt expression and salient to this day for the following reason: it is not clear that the necessary steps have been taken by the UN to put in place procedures

for-Food do not reoccur. One chief concern is the independence and autonomy of the Office of Internal Oversight Services, or OIOS. OIOS is the Inspector General of the UN, the body charged within the UN system to provide internal auditing, investigation and evaluation of all activities under the authority of the Secretary-General. Any investigative body must not be beholden to those that it is responsible for investigating.

A number of studies, including our own Government Accountability Office in a report issued just last week, as well as our own experience, give us pause for concern about the ability of OIOS to operate independently and autonomously. Initially, there are concerns that the OIOS is funded by those it sometimes may be required to investigate, which can obviously create an inherent conflict of interest. Moreover, just last week there were reports that the Secretariat was pressuring OIOS investigators to take into account political considerations when conducting investigations. This is categorically unacceptable and OIOS should never be pressured by those who fund it to change its conduct or alter its findings. We also encourage OIOS to continue making public any and all findings and conclusions it reaches whenever requested, a requirement the United States got approved in the UN General Assembly. This can serve as a valuable tool for member states to take action or push through reforms that are sorely needed. We will push hard for creation this year of an Independent Audit Advisory Committee to validate the quality of OIOS's work and recommend levels of funding and personnel independent of the UN bureaucracy's audits of OIOS.

To be sure, having an independent and autonomous OIOS is a necessary but not sufficient step to prevent abuses from occurring in the future. But as noted earlier, it will be the responsibility of member states, notably states that are members of the Security Council, to remain deeply involved in ensuring that United Nations remains a less attractive environment for those who would manipulate the system for their personal gain.

measures to improve internal oversight, identify cost savings, and ensure that precious resources are used for their intended purpose."

Broadly speaking, the debate on management reform has two fronts.

First is the debate on the review of program mandates passed by either the General Assembly or the Security Council that are more than five years old. Implementing an established and routine process to review program mandates is critical because -- and what I say is not an exaggeration -- there is no systemized process in place to review mandates that might be obsolete or ineffective, nor has there been one at all in the 60 year existence of the UN. We hope to establish an ongoing process which will enable us to review program mandates not just now, but in the future as well. Reform of the UN should be done on a continuing basis, not just done in an ad hoc fashion.

The United States has identified a number of mandates that are appropriate for early action, and is working with other member states to achieve some early results in the review. Unfortunately, Mr. Chairman, it would be disingenuous of me to testify before you here today that I am optimistic. The reason for my lack of optimism is the resistance of many member states, mostly comprised of the G-77, who have been actively resisting critical management reforms which we feel go hand in hand with the review of program mandates. As I noted at the beginning of my remarks, the G-77 is trying to strictly limit the number of program mandates subject to review. This is unacceptable and if they succeed, I can tell you that we will have lost a unique opportunity to implement a number of key reforms.

The second aspect related to management reforms are those dealing with the rules and regulations governing agencies and programs. Unfortunately, the G-77 is resisting efforts by the Secretariat to reform and streamline these managerial structures and practices. Allow me for a

fundamental change. What is needed, and what we now have a precious opportunity to undertake, is a radical overhaul of the entire Secretariat – its rules, its structure, its systems – to bring it more in line with today’s realities, and enable it to perform the new kinds of operations that Member States now ask and expect of it....Such a radically expanded range of activities calls for a radical overhaul of the United Nations Secretariat — its rules, structure, systems and culture. Up to now, that has not happened."

To be sure, we do not agree with every single reform proposed by the Secretary-General, but we certainly agree with his diagnosis of the problem. We are prepared to engage seriously with both the Secretariat and other member states to pass a number of ambitious reforms we think would help revitalize the United Nations. Unfortunately, we have encountered not indifference or a lackadaisical attitude toward these reforms by the G-77 -- we have encountered outright resistance and hostility to any reform effort at all. Just last week, the Fifth Committee voted against measures which would have increased the ability of the Secretariat to implement a number of significant reforms. Many member states have pet projects that they will defend -- projects which are wasteful and serve little to no purpose.

### **Conclusion**

Mr. Chairman, in conclusion, let me state the next few months will be critical in determining whether or not member states take seriously the issue of UN reform. I can tell you that the U.S. Mission and the State Department are actively engaged in this effort both in New York and in capitals around the world. We welcome interest from Congress in helping us advance our shared efforts in reform. As the largest financial contributor to the United Nations, the United States has a particular and profound interest in advancing our reform agenda. Failure to do so is to invite failure and encourage more scandals like Oil-for-Food in the future.



Mr. SHAYS. Thank you, Ambassador. I think the entire subcommittee appreciates your statements and is happy that you had the time to make the points you needed to.

At this time, the Chair would recognize Mr. Kucinich as the ranking member of this subcommittee.

Mr. KUCINICH. And thank you, Mr. Chairman. I would like to defer to the head of our Democratic side, the ranking member on the full committee, Mr. Waxman.

Mr. SHAYS. And as I stated earlier, Mr. Waxman, we're putting down 8 minutes, not 5. Hopefully, we'll have a chance to do a little bit of a second round as well, but we'll see.

Mr. WAXMAN. Thank you very much, Mr. Chairman, Mr. Kucinich.

Ambassador Bolton, I'm pleased that you are here.

The hearing today is about the Oil-for-Food program, and one of the fundamental purposes of the program was to provide food and other necessities without giving Iraq the ability to develop weapons of mass destruction.

The position of the Bush administration prior to the war was that the Oil-for-Food program international sanctions and U.N. inspections had failed. We now know that President Bush made a horrible misjudgment, he led our Nation into war on false premises. And I wanted to ask how President Bush and his administration could have been so fundamentally wrong.

Mr. Bolton, prior to becoming U.S. Representative to the U.N. you were the Under Secretary for Arms Control and International Security at the State Department. You were the senior advisor to the President and to the Secretary on all arms control issues. Your job was to, "manage global U.S. security policy principally in the areas of nonproliferation, arms control, regional security and defense relations and arms transfers and security assistance."

I'd like to ask you about one of the major reasons the administration concluded that the Oil-for-Food program and related U.N. efforts were not working, namely, the administration's claim that despite these international pressures, Iraq was nonetheless seeking uranium from Najjar.

As you know, a National Intelligence Estimate on Iraq's WMD was issued in October 2002. The NIE stated that Iraq was, "vigorously trying to procure uranium," from Africa. This language is amazing, given how wrong it was and how many U.S. intelligence officials voiced opposition at the time.

Can you tell us who actually wrote that language, who was the specific individual who drafted the sentence?

Ambassador BOLTON. I have no idea. I'm not a member or was not a member of the Intelligence Community. NIEs were drafted by the Intelligence Community; I had no role whatever in the preparation of that document.

Mr. WAXMAN. OK. Let's take a closer look at the facts.

The CIA clearly didn't accept the Niger claim. Appearing on 60 Minutes last week, Tyler Drumheller, the head of CIA operations in Europe, reported that he didn't believe the claim. He also said the CIA station chief in Rome didn't report the allegation. Robert Walpole, the CIA's top weapons official, also expressed strong doubts about the claim; and of course we know George Tenet was

personally involved in efforts to get the White House to stop repeating the claims, pulling it from the President's October 7th speech in Cincinnati.

We also know that the Defense Department officials opposed it. General Carlton Fulford, the Deputy Commander of U.S. European Command, traveled to Niger personally and debunked the claim. He reported his findings directly to Richard Myers, the chairman of the Joint Chiefs of Staff. And your agency, the State Department, also opposed the claim; Secretary Powell refused to make the claim in his speech to the U.N. General Assembly.

Given the doubts raised by all of these officials from all these different agencies, can you identify a single person anywhere in the U.S. Government who supported the uranium claim, and if so, who?

Ambassador BOLTON. I'm not aware of any. I think the people read the NIE, and that was the information that was available.

Mr. WAXMAN. You were the top arms control official in the administration. Are you saying you don't know of a single person who supported one of the primary claims that led our Nation to war?

Ambassador BOLTON. I'm saying, Congressman, that there are people responsible for the abrogation and presentation of intelligence information; that was done through the vehicle of the NIE that you quoted and other products of the Intelligence Community, and that was the information that was available to decisionmakers.

Mr. WAXMAN. So the claim came—

Ambassador BOLTON. Could I just finish, please.

Mr. WAXMAN. Yes.

Ambassador BOLTON. I don't have a separate—and didn't in my previous job—have a separate intelligence capability; so the information that was provided was the information that was available.

Mr. WAXMAN. The NIE was supposed to gather information from all the relevant agencies.

Let me turn to the United Nations. On December 7, 2002, Iraq submitted a declaration claiming it had no weapons of mass destruction. We now know that was true. On December 19th, however, your agency, the State Department, issued a so-called "fact sheet" to the United Nations stating that the Iraqi declaration, "ignores efforts to procure uranium from Niger." This was the first time the U.S. Government made the Niger claim publicly.

The press immediately jumped on it, and NBC Nightly News reported, "What could Iraq be hiding? U.S. Officials say Iraq attempted to buy uranium from Africa to procure nuclear weapons."

But by this time the State Department had received the actual documents underlying the Niger claim, and your intelligence bureau was saying they were bogus. My question is why the United States was making false claims to the United Nations; who put this claim into the State Department fact sheet?

Ambassador BOLTON. I have no idea. I didn't participate in the drafting of the fact sheet. I first saw it, for the first time I believe, last year during my confirmation hearing.

Mr. WAXMAN. Well, the fact sheet was created from a draft of the speech to the Security Council by Ambassador Negroponte. I understand that Ambassador Negroponte, your predecessor, spoke to the

Security Council on or around December 19th, and the fact sheet was developed from a draft of his speech.

But what I don't understand is why this claim was in Ambassador Negroponte's speech to begin with. What role did you play in preparing Ambassador Negroponte's speech to the Security Council?

Ambassador BOLTON. None.

Mr. WAXMAN. If you were the top arms control official in the U.S. Government, Iraq's nuclear program was the No. 1 arms control issue in the administration.

Are you saying you played no role in the speech, you didn't help draft it, you never reviewed it?

Ambassador BOLTON. That's correct.

Mr. WAXMAN. Did you put the claim into the speech prepared for Ambassador Negroponte?

Ambassador BOLTON. I certainly did not. I just said twice I had no role in the preparation of the speech.

Mr. WAXMAN. OK. Did you have access to the transcript, a recording of Ambassador Negroponte's speech?

Ambassador BOLTON. Did I have access to it? Probably. Did I read it? I don't think so.

Mr. WAXMAN. Could you provide to the subcommittee, as well, the drafts of the speech that form the basis for the fact sheet? Do you have that available?

Ambassador BOLTON. I don't have that available.

Mr. WAXMAN. I'd like to ask you one final set of questions.

On April 9th of this year the Washington Post issued a story entitled, "A Concerted Effort to Discredit Bush Critic." This article makes an astonishing claim; it says that in January 2003 the National Intelligence Council, which coordinates the U.S. Intelligence agencies, issued a memo that forcefully debunked the uranium claim in unequivocal terms. Contrary to the NIE, this memo warned that the Niger story was baseless and should be laid to rest according to the Post.

Were you aware of the January 2003 memo from the National Intelligence Council? Did you receive it, and can you provide a copy to this subcommittee?

Ambassador BOLTON. I don't know whether I received it at the time or not. I don't have any recollection of it. I certainly don't have a copy of it today.

Mr. WAXMAN. The article says that the memo was distributed widely, including to the White House, yet it was during this exact same timeframe that the White House escalated its use of this false allegation.

For example, on January 20th President Bush sent a letter to Congress that included the uranium claim. On January 23rd Deputy Defense Secretary Paul Wolfowitz made the claim in his speech before the Council on Foreign Relations. Condoleezza Rice wrote an Op-Ed making the uranium claim on January 23rd. On January 29th Defense Secretary Rumsfeld made the claim during a nationally televised press conference; and of course, the President made the claim in his State of the Union Address on January 28th, the now infamous 16 words.

Again, you were the top arms control official. How could it be that the President, the Defense Secretary, the National Security Adviser, all of these top administration officials are making this claim when the National Intelligence Council specifically warned it was bogus?

Mr. SHAYS. Your answer will be your last response.

Ambassador BOLTON. I think you would have to ask them.

Mr. WAXMAN. Do you accept any responsibility for having failed these officials for allowing them to repeat these falsehoods? This is my last question.

Ambassador BOLTON. I don't think anybody ever asked me whether I thought they ought to say it or not.

I'm sorry to disappoint you, Congressman; I had no role in this issue.

Mr. WAXMAN. You didn't speak out against it—

Mr. SHAYS. With all due respect, the gentleman's time is—

Mr. WAXMAN. Well, could I just get an answer?

You didn't speak out for it; did you speak out against it?

Mr. SHAYS. The gentleman's time is over. Thank you.

Ambassador BOLTON. I would like to answer.

I don't recall this being an issue that I spent any time on. Sorry.

Mr. WAXMAN. It's amazing.

Ambassador BOLTON. Sorry.

Mr. SHAYS. Mr. Bolton, obviously we're going to have questions about a lot of issues.

One of the things I find rather refreshing, usually when witnesses don't want to answer questions before us, they end up spending 5 minutes responding to each question so someone doesn't get a chance to ask their questions. And you gave the ranking member a chance to go through a lot, and that's appreciated. Thank you.

I want to ask you, what is the reason the group of G-77 opposed the reform agenda in your judgment? Why did they oppose it?

Ambassador BOLTON. I think there is a complex of reasons there. I think, first, they're concerned about the potential loss of programs and jobs in the U.N. system that might occur if we really did have a radical restructuring of the Secretariat. I think they're concerned, as well, because the exact dimensions of our reform efforts are not entirely clear. And I think they're concerned as a matter of allocation of political responsibility that if the major contributors to the U.N. stick together, they might be able to reshape the programs in a way that their mere numericals in voting power on the floor of the General Assembly might otherwise not be able to do.

I want to tell you, though, Mr. Chairman, we believe that the reforms that we are proposing in the U.N. are for the benefit of all of the member-governments. We think that if the U.N. were more effective, more efficient, more transparent, more responsive, that the United States—and I think others—would be more willing to entrust it to important responsibilities in the solution of international problems. It's when we see a vehicle that is not effective, not responsive, not transparent, that we're reluctant to entrust it with important tasks.

So it is our intention, and we're making substantial efforts, to try and convince the G-77 that they should embrace these reforms,

that they're not just something that the United States or the other major contributors want; and as I noted in my opening remarks, that many of these reforms are reforms that the Secretary General himself has proposed, so they're hardly an American conspiracy.

Mr. SHAYS. Can you tell me, though, how are you going to be able to convince the bulk of these nations to allow these reforms to go forward? I mean, I'm just thinking, diplomacy is great, but ultimately how are you going to get it done?

Ambassador BOLTON. Well, I am hoping that the vote on Friday will be perceived by a good chunk of the G-77 to be a Pyrrhic victory; that is to say, although the arithmetic was in favor of their resolution because of the numbers on the floor of the Fifth Committee, they will see that repudiating the countries that contribute the overwhelming bulk of the U.N. budget isn't a way to win friends and influence people.

And this is something that Congress has been concerned over the years but it is not just the American Congress, the Japanese Diet has expressed great concern about the fact that Japan is the second largest contributor to U.N. assessed budgets—19½ percent is the Japanese share, second only to ours of 22 percent—and yet it now looks increasingly likely that Japan will not succeed in its efforts to acquire a permanent seat on the U.N. Security Council. And there are strong indications that many members of the Japanese Diet are going to look to a downward adjustment of Japan's share.

And other large contributors, I think, share many of these concerns. So this is something that will require a substantial amount of advocacy on our part, but we think it's important to, and we're trying to, engage in that advocacy.

Mr. SHAYS. When you talk about depoliticizing the Security Council, what are you making reference to?

Ambassador BOLTON. Well, I think the question of reform of the Security Council has taken up a great deal of oxygen in the U.N. system over the past year or so, and the prospects for a change in the permanent membership at this point do not look very substantial, although it's certainly the position of the United States that the permanent membership, as it now stands, reflects the world of 1945 instead of the world of 2006.

We believe that Japan, for example, should be a permanent member of the Security Council, and we're prepared to continue to work for that; but the opposition of China, the opposition of other countries have made it impossible so far to achieve that objective.

Mr. SHAYS. Let me make a point and then have you respond to it.

In the Volcker report he said, no weapons of mass destruction in Iraq, but he also said that Saddam had bought off France and Russia in the Oil-for-Food program, which is what we're talking about, and that he was absolutely convinced that we would not have their support in providing any action against Iraq. I am struck with the fact that we never would have because the French and the Russians were bought off. We hear France, as it relates to dealing with the nuclear issue in Iran, say to us, they're not going to support sanctions if it doesn't pass U.N. muster, which means we've got to get the Russians and the Chinese to agree.

Knowing their issue about energy, I wonder how it's ever possible. And then I begin to think, well, you'll never see the U.N. ever take meaningful action on any issue.

And let me just say, it's my understanding—and I said it in my statement, of sanctions—if you don't want war, if you don't want military actions, you've got to have sanctions that work.

So if you could just respond to this final question I've asked.

Ambassador BOLTON. Well, I think your point about the role of sanctions is critical. If you look at the other two ends of the spectrum, one is the application of diplomatic and political measures on one hand, use of force on the other, sanctions—which were really developed in American political theory as a diplomatic tool by Woodrow Wilson—provides something in the middle, something that may give you the opportunity to exert leverage and pressure to achieve a desired outcome short of the use of force.

And I think that, as Congressman Van Hollen said, whether sanctions succeed or not depends on the particular facts and circumstances of a given situation. I would offer the example of Libya, where targeted sanctions were imposed in the wake of the bombing of Pan Am 103, which over time I think were an important contributing factor—among others to be sure—but were an important contributing factor to the Libyans to give up the pursuit of nuclear weapons.

So the utility of sanctions—for the effect they can have on the desired target, but also for the political support that can be gained to show, for example, that use of force is not the first option, not the preferred option—that you're willing to undertake other measures short of the use of force, helps build and keep coalitions together.

Specifically with respect to Iran, it is true that there have been statements by Russia and China that they will not accept sanctions. My own view is that as we get into the concrete drafting of particular Security Council resolutions, we'll see how those positions play out in fact.

And we will be turning this week, in fact, to a resolution which we will propose under Chapter 7 of the U.N. Charter which will make mandatory on Iran all of the existing IAEA resolutions calling on it to suspend its uranium enrichment program and so on. A permanent member of the Security Council obviously has the option to veto such a resolution, but a permanent member also has the option to abstain. And when a permanent member abstains, that is acquiescing in the Security Council's taking action, assuming there's otherwise a majority of nine votes.

We just saw a case of that in the Sudan sanctions that I mentioned. Last week we adopted a resolution sanctioning four individuals by a vote of 12 to 0 to 3, Russia, China and Qatar abstaining, 12 votes in favor, no votes against. So Russia and China in that case chose not to veto the imposition of sanctions by abstaining, allowing the sanctions to go into effect.

And while it would be desirable to have a unanimous Security Council when we adopt this resolution under Chapter 7, directing Iran to comply mandatorily with the IAEA resolutions, it's not impossible that we would proceed without them. And if they abstain,

then that resolution would go into effect, as would subsequent sanctions resolutions if we get to that point.

Mr. SHAYS. Thank you.

Before recognizing Mr. Kucinich—I don't usually do this, but two people you know that actually work in this hearing are recorders, and I just want to welcome Elizabeth and Dianne back; and Dianne has had twins. Elizabeth has four children; and I just learned that Geoffrey, her 5-year-old who plays the trumpet, is going to be on the Today program on May 11th.

We thank you both for your work. And you're mothers, besides doing all of this, and they're extraordinary children besides. And you have to record all of this while I'm saying it, don't you? I applaud you both. Thank you.

Thank you. And, Mr. Kucinich, you have the floor.

Thank you.

And Mr. Kucinich, you have the floor.

Mr. KUCINICH. Thank you, Mr. Chairman, and thank you for injecting a note of humanity into these hearings because it is always good to get the personal connections. So thank you.

Ambassador, thanks again for being here. You spoke of Woodrow Wilson and his view of sanctions as being kind of a midpoint. And we are here talking about the effectiveness of sanctions.

I am wondering about the effectiveness of sanctions if a series of steps have already been taken that leapfrog past what sanctions could hope to achieve.

Question, if the United States is engaging in covert anti-government activity in Iran, is this legal under U.N. law?

Ambassador BOLTON. Well, U.N. doesn't impose law, and in any event, it is not appropriate to comment in a public session on anything related to intelligence activities, and so with respect, I will simply decline to discuss that. It is not anything I would have anything to do with. Any way, my job is in New York.

Mr. KUCINICH. If the United States has combat troops in Iran, would that be a violation of the U.N. charter?

Ambassador BOLTON. Congressman, I have no knowledge of that subject at all, and I just don't think it is helpful to speculate on that matter. If there are others in the administration you would like to talk to on it, I am sure you could summon them, but it is not anything I am involved with in any way.

Mr. KUCINICH. And what would be a legal justification for one sovereign country to insert its military forces into another sovereign country under U.N. law?

Ambassador BOLTON. Article 51 of the U.N. Charter provides for the inherent right of individual and collective self-defense. That is a pretty good basis.

Mr. KUCINICH. I will ask that again, for one sovereign country to insert its military forces into another sovereign country?

This is not self-defense.

Ambassador BOLTON. Well, I think the self-defense defense, as the Secretary General's high level panel a few years ago recognized, comes in a multitude of forms. And you asked a hypothetical question, and I gave you an answer—

Mr. KUCINICH. Hypothetically it is preemption self-defense.

Ambassador BOLTON. It certainly can be. Absolutely, as the Secretary General's own high-level panel recognized.

Mr. KUCINICH. Then is Iran an imminent threat to the United States?

Ambassador BOLTON. Congressman, you know, the President has made it clear that his purpose and his priority is to achieve a peaceful and diplomatic resolution to the threat to international peace and security imposed by the Iranian nuclear weapons program. He has said repeatedly, as has Secretary Rice, that, of course, we never take any option off the table. But the priority that we are addressing now and certainly, my responsibility is diplomacy in the Security Council.

Mr. KUCINICH. Do you know of a Presidential National Security Directive on regime change in Iran?

Ambassador BOLTON. I do not.

Mr. KUCINICH. When did you become aware that regime change in Iran was U.S. policy?

Ambassador BOLTON. I don't think that is an accurate statement of the policy. I think Secretary Rice testified before Congress I guess it was some months ago now that we were requesting a \$75 million increase in support to an aggregate level of \$85 million for activities supporting democracy in Iran. And I think that is the ultimate objective we seek, a free and democratically elected regime in Iran that we could hopefully persuade to give up the pursuit of nuclear weapons.

Mr. KUCINICH. We have seen a report in the New Yorker by Seymour Hersh that a U.S. source told him that U.S. Marines were operating in the Baluchis, Azeris and Kurdish regions of Iran. Have you ever heard of that report?

Ambassador BOLTON. I have never heard of the report. I have never read the article, nor do I intend to.

Mr. KUCINICH. Do you have an interest as to whether or not—as the U.S. Ambassador, you don't have any interest as to whether or not U.S. Marines are actually operating in Iran right now?

Ambassador BOLTON. I said I had not heard of the report, and I didn't intend to read the article in the New Yorker.

Mr. KUCINICH. If I give you this article right now and walked it over right now, would you look at it?

Ambassador BOLTON. I don't think so honestly, Congressman, because I don't have time to read much fiction.

Mr. KUCINICH. Well, you know, now if it wasn't fiction, Mr. Bolton, would that be of interest to you?

Ambassador BOLTON. Congressman, it is of interest to me to be as fully informed on matters affecting my responsibilities in the government as I can. I have no responsibility for the matters you are talking about, and I think that there is a lot of unfounded speculation. The President has been as clear as he can be that his priority is a peaceful and diplomatic resolution of the Iranian nuclear weapons program. And that is the direction I am trying to carry out in New York.

That is my job.

Mr. KUCINICH. Well, wait a minute, Mr. Ambassador. We know U.S. troops are in Iran. How does this affect your negotiations?



Ambassador BOLTON. Well, Congressman, you know more than I do. That is all I can say.

Mr. SHAYS. Here's what we are going to do. We are going to go to Mr. Lynch.

Mr. Lynch.

Mr. LYNCH. I am sorry, Mr. Chairman?

Mr. SHAYS. You have the floor. Thank you.

Mr. LYNCH. Thank you. Thank you.

Mr. Ambassador, if I could followup, first on Mr. Waxman's questions. As he has stated, prior to becoming the U.S. Representative to the United Nations, you were the under Secretary for Arms Control and International Security at the State Department. You were the senior adviser to the President and to the secretary on all arms control issues. Your job was to manage global U.S. security, principally in the areas of nonproliferation, arms control, regional security and defense relations, and arms transfer and security assistance.

Now, I accept your previous answers that you had no involvement with the Niger uranium purchase theory, but given your job description, given the sphere of your responsibility, I find it stunning that you were, I believe, you were, just as you say, out of the loop with all those responsibilities that you have in advising in President; that he came to the American people and basically presented his theory, which we now know is false, that Saddam was trying to buy uranium from Niger. I just find, again, it stunning you were not in the loop. I believe you. I believe that you have no culpability in that theory.

But I also think that the opposite side of the coin is equally damning, that you were excluded from all of that given your responsibilities. Do you tend to agree with that? Do you see what I am saying?

Ambassador BOLTON. No, I don't think I was excluded from anything. I think that the questions that Congressman Waxman was asking dealt with issues of intelligence collection and analysis. And in that sense, I was a consumer, not a producer. My job was not part of the Intelligence Community; it was not part of my responsibility.

Mr. LYNCH. Well, I beg to differ, sir, with all due respect. And I think this goes to Mr. Kucinich's questions as well, that with respect to the theory, again, or the supposition that we may have U.S. troops operating in Iran.

Now, I don't think you should take anything at face value in any periodical. However, I do suggest very strongly that you have an obligation to inform yourself. And I just came back from Iraq last Sunday. And let me just leave it at that, that I do believe you have an obligation to inform yourself.

Ambassador BOLTON. I agree.

Mr. LYNCH. And I don't think that you should, on an issue of such great importance and given your position, that you should deny the opportunity to at least weigh that evidence and weigh that information, sir.

Basically, one of the main criticisms of the sanctions issue, if we can get back to that, is that there are no guidelines, no firm standards by which we implement. There is some information and are

some guidelines on the authorization of sanctions, but at the implementation stage, there has been great criticism about how we carry those out and the relationships between the Secretariat and also with governments and the legal relations between those.

Have you made recommendations or do you have solid recommendations that would coincide with what Secretary General Annan is recommending to the U.N. that might solve that problem?

Ambassador BOLTON. Well, I think one of the difficulties with the sanctions regime on Iraq in the aftermath of the cease-fire in 1991 was that attention, international attention, drifted away from the enforcement of the sanctions regime. And that occurred during the 1990's. That was a problem that the United States was partially responsible for, that it simply did not receive as high priority as it had in an earlier period.

And I think that is a central element of the question of the utility of sanctions once applied, in other words, that the imposition of sanctions in the first instance ought to have an objective and a purpose, and there ought to be ways of trying to evaluate whether the sanctions remain effective or whether they have ceased their usefulness. And I can give you an example of that in the U.S. context, not U.N. sanctions but U.S. sanctions. After India and Pakistan tested nuclear weapons in 1998, the United States imposed a variety of trade sanctions on both countries.

And I can tell you that by the early part of the summer of 2001, what was then the relatively new Bush administration had come to the conclusion that the sanctions that had been in place against India and Pakistan were not having any effect, that the governments of India and Pakistan manifestly were not going to give up the nuclear weapons they had acquired and that the sanctions that we had put in place were impeding our ability to discuss with both India and Pakistan not only the issue of their nuclear capability but a range of other issues as well, so that actually, even before September 11th, but then shortly thereafter, the decision was made to lift the sanctions because they weren't effective.

That is at least an example. But I don't think you can write hard and fast rules. I do think that the sanctions in the case of most policy tools depend on the environment in which they are imposed and so on.

But I do think that having a better, a greater clarity and objections when sanctions are imposed and greater rigor in analyzing their effectiveness during their lifetime would be a sensible thing to do.

Mr. SHAYS. Just a quick followup.

Mr. LYNCH. Just one very quick followup. Based on what the Secretary General is recommending in his reform package that was defeated last Friday, how closely on a scale of 1 to 10, how closely does his reforms—I know you have said you would go further—but how closely does he come to where you would like to see him in terms of those reforms?

Ambassador BOLTON. In terms of what he recommended in his report, "Investing in the United States," I can say this roughly, I think between 80 and 90 percent of those suggestions are things that we would agree with. As you indicated, we would probably go

further in some cases, but in terms of the utility of what he had suggested, we are with him on a very high percentage.

Mr. LYNCH. OK, thank you very much.

Mr. SHAYS. Thank the gentleman.

Mr. Van Hollen.

Mr. VAN HOLLEN. Thank you, Mr. Chairman.

Thank you, Mr. Ambassador, for your testimony.

I believe that the fact that the United States thumbed its nose at the United Nations in the leadup to the war in Iraq and the decision to go to war in Iraq without going back and getting greater authorization consensus to the U.N. process has made it more difficult to persuade others that the United Nations must now take collective action with respect to Iran.

I also think the fact that we lost a tremendous amount of credibility with respect to claims about weapons of mass destruction when it turned out not to be weapons of mass destruction has made it more difficult with respect to Iran.

I would just take us back to one of your predecessors, Ambassador Adlai Stevenson, at the time of the Cuban missile crisis who unveiled with great drama the fact that the Soviets were putting missiles into Cuba, and it turned out to be true.

And I would contrast that with Secretary Powell's performance in the United Nations with your predecessor, Ambassador Negroponte, where he displayed evidence against Iraq which he has conceded turned out to be false and which, I think, has undermined our credibility in a significant way. And Secretary Powell has acknowledged that this was one of the low points of his career.

The President has acknowledged himself that the failure to find weapons of mass destruction despite our earlier comments and evidence has made it more difficult in this area to persuade others because of a greater skepticism which he said is understandable. If you could talk a little bit about how that has affected your efforts at the United Nations. The President has acknowledged the issue.

What steps have you had to take to reassure your colleagues, and how much has this been a problem?

Ambassador BOLTON. Well, first, I don't think it is accurate to say that the United States thumbed its nose at the Security Council before launching the operation that overthrew Saddam Hussein.

In the first place, there was no need to go to the U.N. even to obtain Resolution 1441. It is perfectly clear that Iraq's persistent violations of the cease-fire resolution, Resolution 678, renewed the authority—Resolution 687 rather—renewed the authority of Resolution 678 to use force, so that in terms of—because when a participant in a cease-fire resolution, acknowledging it as Iraq did repeatedly, violates, vitiates the force of the cease-fire, so there is no need under Security Council precedent or authority to go back even for 1441.

But second, and as you quoted the phrase, serious consequences if Iraq didn't comply with 1441, there wasn't a country in that room that didn't know what serious consequences meant.

So in terms of whatever obligations we had under Security Council previously existing resolutions or current practice, there is no doubt that we did what was necessary. And the only tragedy there is that the Security Council itself didn't follow through to enforce

its own resolutions, because if the Security Council doesn't care about the integrity of its resolutions, you can be sure nobody else will.

Second, on the issue of weapons of mass destruction, you know I think one of the, in Iraq, one of the most important aspects of the conclusion that Saddam Hussein still had weapons of mass destruction came not from intelligence but from Iraq itself.

In 1991, under the terms of Resolution 687 Iraq was required to make—

Mr. VAN HOLLEN. Mr. Ambassador, I promise I have limited time. And listen—listen—

Ambassador BOLTON. I will give an answer.

Mr. SHAYS. Let me say this to you, I will let you have more time.

Mr. VAN HOLLEN. Thank you, Mr. Chairman.

Ambassador BOLTON. Iraq was required to make a declaration of WMD assets that they had. And one of the declarations that Saddam made in 1991 was declaration of a considerable amount of chemical agent, chemical weapons agent.

The terms of 687 required that, under the supervision of UNSCOM, the first, Iraq was required to prove the destruction of the weapons it had declared.

And during the entire period from 1991 forward to 2002, Iraq never proved it had destroyed the chemical weapons agent that it declared.

Hans Blix, the chairman of UNMOVIC, the second U.N. weapons investigation, went to the Iraqis, and as he has recounted the story himself, he said, where is the proof that you have destroyed the chemical agent that you have declared? And the Iraqis said, well, we destroyed it; we just didn't keep any records of it. Hans Blix said to the Iraqis in his own recounting of the story, that stuff isn't marmalade. If you destroyed it, you have records of it. And the Iraqis never produced records.

This was deemed sufficiently credible by our military and by other of our coalition military leaderships that when they went into Iraq, the forces took with them chemical weapons protective gear. That was a decision that—that gear is hot. It is heavy. It is cumbersome. No responsible military leader would have burdened their combat troops with that equipment unless they had thought that the potential use of chemical agents was significant.

Mr. VAN HOLLEN. Mr. Chairman, with all due respect, I had a specific question.

Mr. SHAYS. We haven't forgotten your question yet. The gentleman has 2 minutes. Go for it.

You have time.

Mr. VAN HOLLEN. Let me quickly respond. I asked, the President himself has acknowledged in statements that our failure to find WMD in Iraq has created more difficulties with respect to persuading other countries with respect to Iran. He has said it, and Mr. Bolton just gave us a long talk. The fact of the matter is, El Baradei and Hans Blix, before we went to war in Iraq, both of them urged the United States to take greater time to allow the U.N. weapons inspectors to make a determination about whether or not weapons of mass destruction existed. We decided to ignore

that request for additional time. And the result in the end was we know there were no weapons of mass destruction.

Now, I am very pleased you have mentioned the fact with the earlier resolutions, 678 and 687, because before we went into Iraq on the eve of the invasion, the President did cite those two resolutions. And he said the United States and our allies are authorized to use force in ridding Iraq of weapons of mass destruction. This is not a question of authority; it is a question of will, which is the argument you were just making.

Now, we are currently trying to get the United Nations to act under Chapter 7 Security Council with respect to Iran. Chapter 7 is the provision under the U.N. charter, action with respect to threats to the peace, breaches to the peace and acts of aggression.

I would submit to you, Mr. Ambassador, that one of the reasons it is very difficult now to get the support of these countries in the Security Council is their fear that we will later use that Security Council resolution as a justification to use military force perhaps unilaterally. And you have just referenced two incidences where the President did that.

Let me ask you, if the United Nations Security Council were to invoke Chapter 7 with respect to sanctions against Iran, can you give them assurance that the United States will not later rely on that resolution to take unilateral military action against Iran?

Ambassador BOLTON. The purpose of invoking—

Mr. VAN HOLLEN. I would appreciate if you answer the questions directly related to your duties as our Ambassador.

Ambassador BOLTON. That is why I like to get it straight what Chapter 7 does. And I would refer to you Article 39 of the U.N. Charter which states that it is the Security Council's responsibility to ascertain whether there is a threat or a breach of international peace and security and to make recommendations to deal with that threat.

The Iranian nuclear weapons program is unquestionably a threat to international peace and security, as we have been urging for over 3 years now to have the International Atomic Energy Agency refer the Iranian program to the Security Council. That is something that the Security Council in its March Presidential statement unanimously agreed that it was time to call on Iran to comply with those IAEA resolutions. And it is the subject of the Chapter 7 resolution that we are urging now on the Security Council.

The reason to urge a Chapter 7 resolution is that, under the U.N. Charter, a Chapter 7 resolution is mandatory on all U.N. members, mandatory even on Iran, whether it likes it or not as long as it is a U.N. member. The purpose of Chapter 7 therefore is not to lay the basis necessarily for any further action, peaceful action, sanctions action or the use of force. It is to make it mandatory on the government of Iran. And that is the purpose of it right now.

We are going to do this one resolution at a time.

Mr. VAN HOLLEN. Mr. Chairman, if I could just get an answer to the question, which is—look, I referenced the earlier resolution, U.N. resolutions the President relied on to take military action in Iraq. I would suggest that one of the reasons it is going to be difficult to get the consensus we want to take it to the Security Council for economic sanctions is the fear that the United States will

later point to that as justification for unilateral military action. I am wondering if you are able to tell the Chinese and the Russians and the others that we will not point to that action of the Security Council with respect to sanctions as justification later on for unilateral U.S. Military action.

Ambassador BOLTON. Your question contains a non sequitur which is why it is not possible to answer, but I would say what is significant in the Council today is that the United States, France and Britain are together on this; Russia and China are not yet. But I don't think any of us would advocate—I hope not—that Russia and China would dictate the steps we ought to take to protect our own national security.

Mr. VAN HOLLEN. I am certainly not suggesting that, Mr. Ambassador. I am asking you if that is the element that is making it more difficult to get consensus because of the earlier way we dealt with the Security Council.

Thank you, Mr. Chairman.

Mr. SHAYS. And thank you, Mr. Ambassador, you have been here about an hour and 20 minutes. Do you have 10 more minutes?

Ambassador BOLTON. I am having fun, Mr. Chairman. I can spend a few more minutes.

Mr. SHAYS. Why don't we do this, Mr. Kucinich, why don't I give you 3 minutes, and then, I am following the order, I am trying to be respectful of the process.

Mr. KUCINICH. I would certainly yield to Mr. Waxman in a heartbeat.

Mr. WAXMAN. Thank you, Mr. Kucinich, and Mr. Chairman.

Mr. Bolton, it was interesting, your response to Congressman Van Hollen's question, because you went through a lot of legalisms of why we were justified in taking the action we did to enforce the U.N. resolutions where the U.N. didn't care enough to enforce it themselves. But we do have a credibility problem, and that is that we went to war not for the U.N. to enforce U.N. resolutions but to stop Iraq from developing weapons of mass destruction.

I must tell you, I voted for that resolution, because I deferred to the administration when they said that Iraq had been a nuclear threat.

I want to clarify your answers to my question because you said, despite the fact you were the top arms control official in the administration, you were not involved in the preparation of the December 19, 2002, State Department fact sheet in which the administration first made public the uranium claim. You also testified you had no involvement whatsoever in the development of the December 19th speech by Negroponte in which the fact sheet was based. I understand from the Department of State, State Department Inspector General, however, that your office was deeply involved in both the preparation of the fact sheet and the Negroponte speech. Was it true that your office, specifically the nonproliferation bureau, was involved in the preparation of the Negroponte speech?

Ambassador BOLTON. They may well have been. I should explain to you, Congressman, that when I was under secretary, I had four separate bureaus reporting to me. They did a lot of staff work on a lot of issues that never came to my attention and appropriately so. I couldn't do all the work of the 600 people who reported to me.

Mr. WAXMAN. So you had no involvement in the draft of a speech to the United Nations claiming that the reason we need to be concerned about Iraq was because they were trying to get uranium to build a nuclear bomb. You also testified you had no involvement in the preparation of the fact sheet. And I have here, however, a timeline prepared by the State Department IG, and here what it says, December 18, 2002, 8:30 a.m. at Secretary Powell's morning staff meeting, the assistant secretary for the Bureau of Public Affairs and department spokesman asked the under secretary of arms control and international security—you—for help in developing a response to Iraq's December 7th declaration to the U.N. Security Council that could be used with the press.

The Under Secretary Bolton agrees and tasks to the Bureau of Nonproliferation, and so according to the IG, your office subsequently reviewed multiple drafts of the facts sheet, and I would like to make this time line part of the record of this hearing Mr. Chairman.

Mr. SHAYS. Without objection so ordered.  
[The information referred to follows:]



United States Department of State  
and the Broadcasting Board of Governors

Office of Inspector General  
April 15, 2004

The Honorable Henry A. Waxman  
Committee on Government Reform  
U.S. House of Representatives  
B-350A Rayburn Office Building  
Washington, DC 20515

Dear Representative Waxman:

I am writing in response to your letter of April 6, 2004, requesting the release of an unclassified workpaper under the Seven-Member Rule (5 U.S.C. Section 2954), which pertained to our joint review with the Inspector General of the Central Intelligence Agency (CIA) concerning the former government of Iraq seeking uranium from Africa. I have enclosed the requested sensitive but unclassified workpaper. However, four references involving activities of the CIA and the intelligence community, in general, have been omitted from the workpaper. I must refer you to the CIA Inspector General, John Helgerson, for release of that information since I cannot release it without his consent. Moreover, coordinating such a joint release required more time than your request allowed.

Please be advised that this workpaper contains sensitive information, which may be protected from public release under the Freedom of Information Act. I therefore ask that you make no public release of this information. Should you have any additional questions concerning this matter you or your staff may contact me or Patricia Yorkman, Acting Assistant Inspector General for Congressional and Media Affairs, Policy, and Outreach at (202) 647-9450.

Respectfully Yours,

Anne W. Patterson  
Deputy Inspector General

Enclosure - as stated

cc: The Honorable John Helgerson, Inspector General, Central Intelligence Agency

OPTIONAL FORM 99 (7-99)

<b>FAX TRANSMITTAL</b>		# of pages <b>4</b>
To <b>Dave Lopallo</b>	From <b>Pat Yorkman</b>	
Dept./Agency <b>Police Cent. Reform</b>	Phone # <b>202-647-7731</b>	
Fax # <b>202-226-3348</b>	Fax # <b>202-647-7660</b>	

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Address correspondence to: U.S. Department of State, Office of Inspector General, Washington, D.C. 20520-6817



**SENSITIVE BUT UNCLASSIFIED****FACT SHEET CHRONOLOGY (U)****December 18, 2002**

8:30AM At the Secretary's morning staff meeting, the Assistant Secretary for the Bureau of Public Affairs and Department Spokesman asks the Under Secretary for Arms Control & International Security for help developing a response to Iraq's Dec 7 Declaration to the United Nations Security Council that could be used with the press. The Under Secretary agrees and tasks the Bureau of Nonproliferation.

05:00PM The Assistant Secretary for the Bureau of Public Affairs calls the Acting Deputy Assistant Secretary for the Bureau of Nonproliferation and makes a request for the preparation of a "fact sheet." A staff assistant within the Bureau of Nonproliferation volunteers to do a draft. The basis for the draft is a previously cleared draft of Ambassador Negroponte's 12/19 speech to the United Nations Security Council.

[Entry redacted.]

[Entry redacted.]

**December 19, 2003**

10:00AM Ambassador Negroponte presents his statement to the United Nations Security Council during its morning session, sometime between 10:00AM and 1:30PM. His statement includes a reference to Iraqi attempts to acquire uranium, but does not include reference to "Niger."

10:29AM Acting Deputy Assistant Secretary for the Bureau of Nonproliferation e-mails the draft fact sheet from December 18 to staff of the Office of Regional Affairs within the Bureau of Nonproliferation indicating that staff can continue to work on this draft.

10:41AM Acting Deputy Assistant Secretary for the Bureau of Nonproliferation emails Press Office Director, advising her that the Bureau of Nonproliferation will take charge of the fact sheet and that another officer from the Office of Regional Affairs within the Bureau of Nonproliferation will be the point of contact for updating the draft that had been done the preceding night from the statement prepared for Ambassador Negroponte's use that morning.

11:28AM The Office of Regional Affairs within the Bureau of Nonproliferation sends email with the fact sheet, "**Fact sheet Iraq Declaration.doc**," attached to the Office of the Under Secretary for Arms Control & International Security, and the Bureaus for Public Affairs, Nonproliferation, Intelligence & Research, and International Organizational Affairs, soliciting comment and changes. Email is resent to same addresses with same attachment at 11:30AM.

**SENSITIVE BUT UNCLASSIFIED**

11:33PM The Director for the Office of Policy, Public and Congressional Affairs within the Bureau of International Organization Affairs forwards the 11:28AM email from Office of Regional Affairs within the Bureau of Nonproliferation to the Iraqi action officer within the Office of United Nations Political Affairs of the Bureau of International Organizational Affairs.

12:20PM A division chief within the Office of Analysis for Strategic, Proliferation, and Military Issues of the Bureau of Intelligence and Research forwards the 11:28 email with draft fact sheet to three analysts, asking for comments, if any, to be passed to the Office of Regional Affairs within the Bureau of Nonproliferation.

12:33PM The Office of Regional Affairs within the Bureau of Nonproliferation emails a shorter version of the fact sheet [**Fact sheet Iraq Declaration1.doc**] to the Bureaus of Public Affairs and Nonproliferation and the Office of the Under Secretary for Arms Control & International Security; still includes Niger reference.

[Entry redacted.]

01:01PM The Office of Regional Affairs within the Bureau of Nonproliferation responds to the Bureau of International Organization Affairs' email and sends as an attachment **Fact sheet Iraq Declaration1\_doc**, and says that it should be consistent. Email is also sent to the Bureaus of Nonproliferation and International Organization Affairs' addressees.

01:04PM The Office of Regional Affairs within the Bureau of Nonproliferation emails the Bureaus of Nonproliferation and International Organization Affairs' addressees, stating 'current fact sheet [**Fact Sheet Iraq Declaration1\_doc**] attached, should be consistent.'

01:07PM The Office of Regional Affairs within the Bureau of Nonproliferation emails the Bureaus of Nonproliferation and International Organization Affairs' addressees "the most current fact sheet" from the Press Office, **Fact sheet Iraq Declaration2.doc**.

01:12PM The Bureau of Intelligence and Research sends back draft of Fact Sheet [**Fact Sheet Iraq Declaration.doc**] with comments, including a suggestion that the word "reported" be inserted to qualify the word "efforts" for the bullet on uranium acquisition from Niger.

02:15PM A few minutes before the Secretary's press conference, Department Spokesman shows him the fact sheet stating that "there are some things in it that aren't in your speech." The Secretary glances at it but does not use it.

02:30PM Secretary Powell conducts a press conference on Iraqi Declaration.

**SENSITIVE BUT UNCLASSIFIED**

03:20PM The fact sheet is put on the State Department's web site.

03:25PM The Office of Regional Affairs within the Bureau of Nonproliferation sends a cable to All Diplomatic and Consular Posts (ALDAC) containing the Secretary's remarks, Negroponte's speech, and the "revised" fact sheet, which substitutes "abroad" for "Niger," for clearance.

[Entry redacted.]

**December 20, 2002**

A cable to All Diplomatic and Consular Posts (ALDAC) (#02 STATE 262235) sent to posts requesting that they demarche host government officials on U.S. views regarding the December 7 Iraqi declaration. The cable contains the text of the three documents contained in the 12/19/02 03:25PM e-mail from The Office of Regional Affairs within the Bureau of Nonproliferation.

Mr. WAXMAN. Your testimony in response to my initial round of questions was that you had no involvement, but this Inspector General review finds that you did. How can you explain this?

Ambassador BOLTON. The question that was put to me by Richard Boucher was, should this fact sheet be drafted by the Bureau of International Organization Affairs or the Bureau of Non-proliferation Affairs. And I suggested it be prepared by the NP Bureau, which is, I think, had greater technical knowledge of what would be or what would not be in the Iraqi declaration.

But that was a matter—

Mr. WAXMAN. That wasn't the question I asked. I asked you if you were involved at all—

Ambassador BOLTON. I had no involvement. I had no involvement myself in the preparation of the fact sheet.

Mr. SHAYS. The gentleman's time has expired, but if some other Member wants to yield.

Mr. WAXMAN. May I say one concluding comment, Mr. Chairman, you have been generous—

Mr. SHAYS. Would the gentleman suspend a second? I am happy to have one of your other colleagues lend you their 3 minutes. I have no problem with that.

Mr. WAXMAN. Mr. Chairman, I would like to make one concluding comment.

Mr. SHAYS. OK, if that is all it is.

Mr. WAXMAN. It is astounding to me that you were in charge of this job, and you said before that you take that responsibility to be fully informed on matters that affect your duties. That is why you don't bother to read the column that Mr. Kucinich—

Ambassador BOLTON. Seymour Hersh.

Mr. WAXMAN. Seymour Hersh wrote. But you are in charge of your own duties. When you are in charge of arms control and the biggest issue is whether we are going to go to war against Iraq on the issue of nuclear weapons, and you are charged with developing the fact sheet, and your people are charged, you are charged, and therefore your people develop the speech, don't you think you have some responsibility to know what was going on?

Ambassador BOLTON. The speech was written by and for Ambassador Negroponte. And as I say, at the staff level in the State Department, lots of things get cleared by lots of people.

I don't clear all of the Ambassadors. I didn't clear—I believe, any of Ambassador Negroponte's speeches, and I think there are probably hundreds of people in the State Department today who don't clear any of my speeches that I give. Let me finish.

Mr. WAXMAN. You are not accepting responsibility for what's going on under your inspection.

Mr. SHAYS. Mr. Waxman, one last point, and you are just going on. I am happy to have someone else yield to you. If Mr. Kucinich wants to yield, or Mr. Lynch whatever—

Mr. WAXMAN. Mr. Chairman, I made my point. We will keep strict track of the time you use as well.

Ambassador BOLTON. I want to say, Congressman, I wish I could explain to you more comprehensively how the State Department works, because I think your questions reveal that perhaps you would benefit from that information.

Mr. WAXMAN. No, my questions are about what you did as the boss of the department that was supposed to be in charge of arms control which was directly involved in the biggest issue of our time, nuclear war.

Ambassador BOLTON. The biggest disappointment to you, Congressman, is that I had no involvement. I am sorry about that.

Mr. WAXMAN. You didn't do your job.

Mr. SHAYS. Ambassador, I thank you for being here. And I thank the Members for their questions.

Mr. KUCINICH you have 3 minutes.

Mr. KUCINICH. Thank you very much, Mr. Chairman.

Mr. Ambassador, you previously equated U.N. Article 51 the right of self-defense with the doctrine of pre-emption.

We know that Article 51 says in measures taken by members in the exercise of this right of self-defense shall be immediately reported to the Security Council.

Has the United States notified the Security Council that the United States has begun an operation against Iran?

Ambassador BOLTON. There is no notification that has been given, but by saying that, I don't want to leave any implication that there is some operation that we haven't reported because I think to the extent that is implied in your question, it is inaccurate.

Mr. KUCINICH. Do you agree that the United States would have an obligation as stated under Article 51 that if the United States had inserted combat troops in Iran or coordinated anti-Iranian insurgent groups like MEK to notify the Security Council—

Ambassador BOLTON. I am not going to speculate on something that is entirely hypothetical.

Mr. KUCINICH. If the United States has troops in Iran, would Iran be justified in invoking article 51?

Ambassador BOLTON. I'm not going to speculate on that either.

Mr. KUCINICH. Now I want to get this straight for members of the subcommittee. The Ambassador can't comment about troops in Iran. He can't talk about troops in Iran, or he has no knowledge of troops in Iran. And he calls Mr. Hersh's article and of inserting troops in Iran, fiction. Mr. Ambassador, which is it? Are there troops in Iran and you can't talk about it, or are there no troops in Iran?

Ambassador BOLTON. I have no knowledge one way or the other of that subject nor is it appropriate. I work at the State Department, not the Defense Department.

Mr. KUCINICH. Can you say, Ambassador Bolton—according to a report in the Guardian newspaper in early April, you told British Parliament you believe military action could halt or at least set back the Iranian nuclear program. Are you confident that U.S. intelligence on Iran is comprehensive and sufficient to accurately target the Iranian nuclear program? Do we know where? How much with certainty?

Ambassador BOLTON. The report was inaccurate.

Mr. KUCINICH. What report? You're saying this never happened? You never said that?

Ambassador BOLTON. That's correct.

Mr. KUCINICH. Well, let me ask you this, are you confident that we have the information that we need to be able to ratchet up the conflict with Iran?

Ambassador BOLTON. I think that there are many aspects of the Iranian nuclear weapons program and the Iranian ballistic missile program that we don't know about. And I think that is something that shouldn't give us comfort. It should increase our level of concern about the extent to which the Iranians have, in fact, accomplished their efforts to master the entire nuclear fuel cycle and to derive and to develop ballistic missile capability of longer and longer range and greater and greater accuracy.

Mr. KUCINICH. Are you familiar with the report that Iranians captured dissident forces who confess to working with U.S. troops in Iran? Have you had any discussions with anyone about the presence of U.S. troops in Iran? Have you heard any complaints about it? Has anybody asked you about it? Do you have any interest in it?

Ambassador BOLTON. I certainly have interest in it. With respect to every other question I have been asked, I have only ever heard it from you today.

Mr. SHAYS. Mr. Lynch has the floor.

Mr. LYNCH. Thank you, Mr. Chairman, Mr. Ambassador, I just want to go over a distinction that we have had here today in this discussion.

As I said before, you did make it very clear that you had no involvement in drafting the H.R. and the fact sheet, for Mr. Negroponte.

However, as my team member, Mr. Waxman, pointed out, there is a State Department Inspector General memo that indicates that you tasked your staff, the Bureau of Nonproliferation, to participate in the preparation. So was the distinction here that you didn't do it personally, but that your staff actually helped with the fact sheet or the remarks by Mr. Negroponte?

Ambassador BOLTON. If I could make two comments on that. No. 1, I don't think I actually followed through and asked the Nonproliferation Bureau to do that. I think ultimately the Bureau of Public Affairs asked them to do it.

Second, in terms of the relationship between Under Secretaries' bureaus at the State Department, the four Assistant Secretaries that reported to me also reported directly to the Secretary and the Deputy Secretary. So I wouldn't in any way call them my office.

They were independent bureaus that had their own reporting chain to the Secretary. They were under my general supervision, but as is the case with all Under Secretaries and this may be a striking comment on the management of the State Department, but I never considered those bureaus my office.

In any event, I didn't see the fact sheet until well after it was prepared.

Mr. LYNCH. I have limited time so I think you have answered—

Ambassador BOLTON. And it was a fact sheet suppressed—

Mr. LYNCH. I have limited time. I think you have answered. So even though they are under your supervision for all intents and purposes, you are saying they weren't under your control and that

this was done without your knowledge—do you see the irony here Mr. Ambassador? Do you see the irony here? We are trying to induce accountability with the U.N.

We are trying to tell Kofi Annan to get his act together and to take responsibility, and to be accountable, and yet, here we are on this merry-go-round about, you have people under your supervision, but they are not under your control, and it is just under circumstances that would require very close scrutiny and supervision, this is an issue of major U.S. policy.

Ambassador BOLTON. Preparation of a fact sheet, Congressman, is not a major issue of U.S. policy. This was a staff level function—

Mr. LYNCH. When we are making much decisions whether or not to go to war because Iraq is trying to acquire nuclear weapons; that is a major issue.

Ambassador BOLTON. Congressman. Congressman, this was not a policy issue of any significance. It was the preparation of a fact sheet to hand to the press about the Iraqi declaration of their weapons.

Mr. LYNCH. They were try trying to persuade the Congress to approve the War Powers Act. That was what this is about.

Mr. SHAYS. Mr. Van Hollen, the gentleman's time has expired. Mr. Ambassador, Mr. Van Hollen will have 3 minutes. I will have 3 minutes. And thank you for spending so much time with us.

Mr. VAN HOLLEN. Thank you, Mr. Chairman.

Thank you Mr. Ambassador. I would just point out that fact sheet was the first time where the United States publicly made the claim that Iraq was seeking uranium from—

Ambassador BOLTON. I thought you actually said a moment ago or maybe Mr. Kucinich did that the fact sheet was based on Ambassador Negroponte's statement.

Mr. VAN HOLLEN. First of all, Mr. Ambassador, I did not say that. I don't know who said that. But I did not say that. But my question to you, if I could just get back to my earlier question, with respect to the President's statement where he acknowledged that the fact that we didn't find weapons of mass destruction in Iraq created some credibility issues with respect to claims the United States has made with their intelligence. Yes or no? Have you seen any evidence of that in your discussions with your colleagues at the United Nations?

Ambassador BOLTON. I think some people have raised it. I think they are some of the same people who would object to doing what is necessary on Iran in any case, and I would say that, in fact, most of the information that is under consideration before the Security Council now on Iran has been disclosed in publicly available reports from the International Atomic Energy Agency.

Mr. VAN HOLLEN. Let me ask the question I raised in my opening statement: I hope we are successful in getting the Security Council to take actions and impose economic sanctions against Iran.

If we are not successful in getting U.N. Security Council to do that, how successful could we be, would we be able to exert any leverage if you put together a group of nations outside the U.N. Se-

curity Council action to take economic, impose economic sanctions against Iran, or is that really a nonstarter?

Ambassador BOLTON. I think that would be critical if when we get to the point of trying to have the Council adopt targeted sanctions against Iran, if we were not successful in getting the extent and scope of the sanctions that we wanted, if we were faced with a veto by one of the permanent members, if for whatever reason the Council couldn't fulfill its responsibilities, then I think it would be incumbent on us, and I am sure we would press ahead, to ask other countries or other groups of countries to impose those sanctions because the—for one thing, the Iranians have been very effective at deploying their oil and natural gas resources to apply leverage against countries to protect themselves from precisely this kind of pressure. In the case of countries with large and growing energy demands like India, China and Japan, the Iranians are trying to induce them to make extensive capital investments, such as Japan in the Azadegan oil field. It would make it very difficult for those countries or other countries similarly situated to do what they otherwise would do on a major proliferation question.

Mr. VAN HOLLEN. And with respect to Sudan, if we are unable to get the Security Council to take further action against Sudan, I am glad they took the action they did against the four Sudanese Government officials, but if we are not able to get the Security Council to take other collective action against Sudan, whatever form it might take, to what extent is the United States going to work to put together a coalition of nations that would do so?

Ambassador BOLTON. Well, I think this is certainly something I would have to look at. We have relied on the request of the African Union, and I think the overwhelming international opinion, we have relied on the mediation efforts of Salim Salim in a BUJ JA to try and work out a peace agreement among the government of Sudan, the three major rebel groups and others.

Now, that target date for the completion of the Abuja agreement was Sunday, April 30th. And I think, as everybody knows, it has been extended for a couple days, Deputy Secretary Zoellick has flown out there. It looks to be in difficult straits, but we will have to see what happens. And I think the question of what we do next is in part dependent on the outcome. And I don't want to give you an overly long answer, but there are three possible outcomes to Abuja. One is a peace agreement that the parties comply with fully. The second is a peace agreement that most comply with but some do not. And the third is either no agreement or an agreement that everybody signs and nobody complies with.

The circumstances of what we would do in terms of the U.N. peacekeeping mission in Darfur and the delivery of humanitarian assistance depend critically on which environment we are talking about.

So we have been pushing the U.N. Department of Peacekeeping Operations to do contingency planning for all of those potential outcomes so that whichever it turns out to be, we are not slowed down in our efforts to effect a transition, rapid transition between the African Union mission in Darfur and the U.N. mission we expect to follow.



Mr. SHAYS. Thank you. I am going to claim my time and just to one, to thank you Ambassador Bolton.

Ambassador, you described the dysfunction of the U.N. before anyone else did.

And now I think most people recognize it. You've been tremendously criticized over the years for doing that. I want to just say as one Member of Congress, I appreciate it. You are just being straightforward, and the irony is that now you want to reform the U.N.; some people say you want to destroy it.

You know, you want the system to work properly. And we have had a golden opportunity to which I think we have used some of it well, to understand the significance as it relates to Iran and Sudan, if people don't want military force to be used, you have to be able to depend on sanctions.

And I am struck by the fact though that you can never take off the table military force.

I wish President Carter had not said we will not use military force to have Iran free the diplomats it took as hostages. What an outrage to have taken diplomats. They must have said, America, what a country. The bottom line is you had President Reagan come in and just say the truth. Something you might have said. He said taking diplomats is an act of war, and we will treat it as such. He didn't say what he would do. And the diplomats were returned. I happen to believe the Libyan president saw what happened to Saddam and said, you know what, I like diplomacy. But he knew behind there was the potential that he could have been replaced.

So I happen to believe you can never take off the table your military force. If Saddam ever thought we would get him out of Kuwait, he never would have gone in. And I believe if he ever believed that we would remove him from power, he would like gladly be in the Riviera with his billions of dollars. But he didn't believe it because the French and Russians and others told him we weren't coming in.

That is the tragedy of it. So I understand why you are reluctant to say, force is on the table. But you are the diplomat, but I hope we back up your diplomacy with strong potential to help people realize particularly the Europeans if you are not going to go along with sanctions, what do you leave as the end result, and then to know, my God they get the weapon. They get a nuclear weapon, then I am pretty sure that you will have Saudi Arabia and others say the same thing. So this is a huge issue. I wish we had focused a little more on that aspect of this because that is the bottom line for me.

I have people who marched in my office very concerned about what has happened in Sudan. But if Khartoum does not believe that there is going to be action taken against them, I don't know how diplomacy works. And I guess what I would love is for you just to tell me in concluding with Iran and with the Sudan, you are working diplomatically to get an agreement.

Do you feel that you are making headway? Do you feel that you are just kind of in Never Never Land right now? Where are we at?

Ambassador BOLTON. Well, I think both in the case of Iran and really in the case of Darfur as well, that these constitute tests for the Security Council.

In the case of Iran, this is a perfect storm of a country that for decades has been the leading state financier of terrorism, one of the leading state sponsors of terrorism in the world, providing funds and equipment and weapons to groups like Hamas and Hezbollah and Palestinian Islamic Jihad, at the same time a government that now seeks to acquire nuclear weapons and advance ballistic capability, it is a country led by a president who denies the existence of Holocaust, calls on Israel to be wiped off the map, who held a seminar last year called the world without the United States. This is not a man you want to have with his finger on the nuclear button, or with the capability of delivering nuclear weapons to terrorist groups that could transport them around the world.

So if you believe, as we do, that terrorism and the proliferation of weapons of mass destruction are the two greatest threats to international peace and security that we face, this is a test for the Security Council to deal with Iran and to bring an end to its nuclear weapons program.

In the Sudan, you have a government that has been responsible over the years for the deaths of more than 2 million of its citizens in the southern part of Sudan, that is now subject of a comprehensive peace agreement we hope will hold, but having engaged in genocide and murder and causing hundreds of thousands if not millions of people to have to leave their homes in the Darfur region, that has put off the Security Council in ways large and small.

A couple of weeks ago, they refused, the government of Khartoum refused to give visas to four military planners from the U.N. Department of Peacekeeping Operations so they could get on to the ground in Darfur to do the kind of kicking of tires and looking at the terrain and everything that would help facilitate planning. So, so far, the government has been able to withstand our efforts there.

We will see if the sanctions that we recently imposed and other ones that may come might have an influence on their thinking. But the Security Council, in many respects, the same problem we faced in other situations, is the Security Council serious about its resolutions, or is it not? That is the test in Sudan.

Mr. SHAYS. Well, I thank you very much for being here. You have been very responsive I think, and we appreciate, I appreciate deeply the work you do as an ambassador. We are going to have a 5-minute recess and then convene with our second panel. Thank you.

Ambassador BOLTON. Thank you Mr. Chairman.

[Recess.]

Mr. SHAYS. I would like to call this hearing to order again and to announce our second panel. We have Mr. Joseph A Christoff, Director, International Affairs and Trade Team, U.S. Government Accountability Office; Mr. Carne Ross, director, Independent Diplomacy; Dr. George A. Lopez, senior fellow and professor of political science, the Joan B. Kroc Institute for International Peace Studies, University of Notre Dame.

Gentlemen, thank you for being here. As is our custom, I need to swear you in. So if I could have you stand please.

Raise your right hands.

[Witnesses sworn.]

Mr. SHAYS. I will note for the record our witnesses have responded in the affirmative.

You all were at the first panel of this hearing, and so you have a sense of some of the questions, though some Members aren't here right now, particularly as they relate to the issue of sanctions and so on.

I am going to invite each of you to make your statement. We will have whatever time we need to make sure we cover each of the territories. And if I don't ask you a question that needs to be asked, but you have heard this question earlier and you want to answer it, you can ask yourselves and then answer it.

I want to make sure that we have on the record information about the significance of sanctions if they are going to work, how they work, when they fail, if we can do that, how you back up sanctions so that they do what we want to do.

I will say this, I am very fearful that if sanctions don't work, we leave our government options that are not very tasteful.

So with that, Mr. Christoff, we will have you start.

**STATEMENTS OF JOSEPH A. CHRISTOFF, DIRECTOR, INTERNATIONAL AFFAIRS AND TRADE TEAM, U.S. GOVERNMENT ACCOUNTABILITY OFFICE; CARNE ROSS, DIRECTOR, INDEPENDENT DIPLOMAT; AND GEORGE A. LOPEZ, SENIOR FELLOW AND PROFESSOR OF POLITICAL SCIENCE, THE JOAN B. KROC INSTITUTE FOR INTERNATIONAL PEACE STUDIES, UNIVERSITY OF NOTRE DAME.**

**STATEMENT OF JOSEPH A. CHRISTOFF**

Mr. CHRISTOFF. Thank you, Mr. Chairman, and thanks for inviting GAO to this important hearing.

Today, I would like to discuss specifically a report that we issued last week on lessons learned from the Oil-for-Food Program and how some of these lessons learned bear not only on future sanctions but on U.N. reform efforts.

My comments are based on three reports the GAO issued last week, both on the Oil-for-Food Program and U.N. reform issues.

Let me summarize three lessons from the Oil-for-Food Program that highlight how a positive control environment can improve future sanctions. First, the sanctioned country should not be allowed undue control over the terms of the sanctions program. In the Oil-for-Food Program, the U.N. ceded control over key aspects of the program to the former regime. For example, the U.N. gave Iraq, rather than an independent agent, the authority to negotiate contracts with companies that purchased oil or supplied commodities.

The second lesson learned, takes into consideration the economic impact that sanctions have on neighboring countries. U.N. member states, including those bordering Iraq, were responsible for enforcing the sanctions. However, Iraq's neighbors circumvented the sanctions because they were economically dependent on Iraq for trade. Trade agreements, for example, enabled Jordan to purchase heavily discounted oil from Iraq in exchange for up to \$300 million in Jordanian goods. Iraq also smuggled oil through Turkey and Syria, and as a result, Iraq obtained \$5 to \$8 million in illegal oil revenues.

The third lesson learned is that all aspects of sanctions must be enforced with equal vigor. The U.N. was successful in keeping mili-

tary items out of Iraq. However, the U.N. did not adequately examine contracts for inflated prices, which enabled Iraq to obtain between \$1.5 and \$3.5 billion in kickbacks.

The Oil-for-Food Program also provides lessons for addressing U.N. reform issues.

The first lesson is that agencies responsible for U.N. programs must have clear lines of authority. The U.N. managed the Oil-for-Food Program with multiple entities having unclear lines of authority. For example, the Secretariat's Office of Iraq's program was not responsible for rejecting contracts based on pricing concerns. In addition, U.N. inspectors did not have the authority to inspect goods imported into Iraq to verify their price and quality.

The second lesson learned is that risk must be assessed as programs expand in scope and complexity. In 1996, the Oil-for-Food Program began as a 6-month effort to deliver emergency food and medicine to Iraq. However, it expanded into a 6-year, \$31 billion effort to build houses, construct irrigation systems, purchase oil equipment and fund sports and religious facilities. The U.N. did not assess how this expansion placed the Oil-for-Food Program at greater risk for waste, fraud and abuse.

And finally, monitoring and oversight must be conducted continuously, for the \$67 billion Oil-for-Food Program, the Office of Internal Oversight Services dedicated only two to six auditors. This contrasts with the 160 auditors that the Volcker Commission said this audit agency should have deployed.

In addition, the independence of the internal auditors was compromised. The Office of Iraq Program denied the internal auditors funds to audit the Oil-for-Food Program in central and southern Iraq where most of the money was being spent.

So, in conclusion, the Oil-for-Food Program does offer several lessons for deciding future sanctions and strengthening existing U.N. programs. Of utmost importance is the need to establish and apply a sound internal control framework whereby roles are clearly articulated, risks are mitigated and oversight is continuous.

Mr. Chairman, that concludes my statement. I will be happy to answer your questions.

[The prepared statement of Mr. Christoff follows:]

United States Government Accountability Office

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**GAO**

Testimony

Before the Subcommittee on National Security,  
Emerging Threats, and International Relations;  
Committee on Government Reform House of  
Representatives

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**UNITED NATIONS**

**Oil for Food Program  
Provides Lessons for Future  
Sanctions and Ongoing  
Reform**

Statement of Joseph A. Christoff, Director  
International Affairs and Trade



Tuesday, May 2, 2006



Highlights of GAO-06-711T, a testimony before the Subcommittee on National Security, Emerging Threats, and International Relations; Committee on Government Reform, House of Representatives

### Why GAO Did This Study

In 1996, the United Nations (UN) and Iraq began the Oil for Food program after sanctions were imposed in 1990. The program was intended to allow the Iraqi government to sell oil to pay for humanitarian goods and prevent it from obtaining goods for military purposes. More than \$67 billion in oil revenue was obtained through the program, with \$31 billion in assistance delivered to Iraq.

Internal controls serve as the first line of defense in preventing fraud, waste, and abuse and in helping agencies achieve desired outcomes.

GAO assesses (1) the control environment the UN established for managing the sanctions and Oil for Food program and (2) other key internal control elements. In addition, we provide observations on the lessons learned from the program.

### What GAO Recommends

GAO recommends that the Secretary of State and the Permanent Representative of the U.S. to the UN work with member states to (1) ensure that UN programs with considerable financial risk apply internationally accepted internal control standards and (2) strengthen internal controls throughout the UN, based on the lessons from Oil for Food program. The Department of State and the UN responded that they are taking steps to strengthen internal controls at the UN.

[www.gao.gov/cgi-bin/getrpt?GAO-06-711T](http://www.gao.gov/cgi-bin/getrpt?GAO-06-711T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Joseph Christoff at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov).

## UNITED NATIONS

### Oil for Food Program Provides Lessons for Future Sanctions and Ongoing Reform

#### What GAO Found

The UN—the Security Council, the Secretariat, and member states—established a weak control environment for the Oil for Food program at the beginning. The UN allowed Iraq to control contract negotiations for imported commodities with little oversight, enabling the regime to obtain illicit funds through surcharges and kickbacks. The UN did not take steps to address the economic impact that the sanctions had on countries that depended on Iraqi trade, which undermined international support for sanctions and allowed Iraq to smuggle oil outside the Oil for Food program. Overall, the sanctions were effective in helping to prevent the Iraq regime from obtaining military items, but the UN was less rigorous in overseeing economic activities such as monitoring the price and value of Iraq's contracts. The UN's neglect of Iraq's illicit revenue streams helped support a sanctioned regime and undermined the goals of using oil revenues to benefit the Iraqi people.

The UN did not adequately address key internal control elements as it implemented the Oil for Food program. First, UN entities lacked clear lines of authority. For example, the Office of the Iraq Program lacked clear authority for rejecting commodity contracts based on pricing concerns. In addition, the customs contractor at Iraq's border was not authorized to evaluate imports for price and quality. Second, the UN did not assess emerging risks as the Oil for Food program expanded from a 6-month emergency measure to deliver food and medicine to a 6-year program providing more than \$31 billion to 24 economic sectors. Third, some monitoring activities constrained Iraq's ability to obtain illicit oil surcharges, but smuggling continued despite the presence of inspectors. In addition, the UN's internal audit office identified hundreds of weaknesses and irregularities in its reports. However, it lacked the resources and independence to provide effective oversight of this costly and complex UN effort.

The Oil for Food program offers several lessons for designing future sanctions and strengthening existing UN programs:

- Assess whether the sanctions program gives undue control to the sanctioned country.
- Consider the economic impact that sanctions have on neighboring countries.
- Ensure that all aspects of sanctions are equally enforced.
- Establish clear authority and responsibility for management, oversight, and monitoring activities.
- Assess and mitigate risk as programs and funding expand.
- Assess the role of internal oversight units and ensure that they have the resources and independence needed for effective oversight.

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the lessons learned from the United Nations (UN) Oil for Food program and the implications for future sanctions programs and ongoing UN reform efforts.

In 1996, the UN and Iraq began the Oil for Food program to address growing concerns about Iraq's humanitarian situation after international sanctions were imposed in 1990. The intent of the program was to allow the Iraq government to use the proceeds of its oil sales to pay for food, medicine, and infrastructure maintenance and, at the same time, prevent the regime from obtaining goods for military purposes. Iraq obtained more than \$67 billion in oil revenues through the program; as of November 2003, about \$31 billion in commodities and humanitarian assistance had been delivered to Iraq.<sup>1</sup> Four key entities were responsible for most of the program's operations—the Security Council's Iraq sanctions committee, the UN Secretariat's Office of the Iraq Program, nine UN agencies with separate programs in northern Iraq, and the Iraqi government under Saddam Hussein.

The 2005 Defense Authorization Act mandated that GAO review the Oil for Food program<sup>2</sup> following allegations of corruption and misconduct. In April 2006, we issued a report on the results of our work and our recommendations for strengthened internal controls at the UN.<sup>3</sup> We have also testified numerous times on the Oil for Food program and issued a report in May 2002 on the implementation of sanctions against Iraq.<sup>4</sup> Today, I will discuss (1) the control environment established by the UN for managing the sanctions and Oil for Food program; (2) other key internal control elements addressed by the UN, including lines of authority and

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<sup>1</sup>The UN allocated 72 percent of Iraq's oil proceeds to humanitarian assistance for Iraq; it also allocated a portion of these proceeds to a compensation fund for paying reparations to victims of Iraq's 1990 invasion of Kuwait and to UN administrative expenses for administering the Oil for Food program and international sanctions.

<sup>2</sup>Public Law 108-375, Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, October 2004.

<sup>3</sup>GAO, *United Nations: Lessons Learned from Oil for Food Program Indicate the Need to Strengthen UN Internal Controls and Oversight*, GAO-06-330 (Washington, D.C.: Apr. 25, 2006).

<sup>4</sup>GAO, *Weapons of Mass Destruction: U.N. Confronts Significant Challenges in Implementing Sanctions Against Iraq*, GAO-02-625 (Washington, D.C.: May 23, 2002).

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responsibility, risk assessment, and monitoring and oversight; and (3) our observations on the lessons learned from the Oil for Food program. To address these objectives, we used the body of work that GAO has completed on Iraq sanctions, the Oil for Food program, and UN oversight issues.

Policymakers and program managers are continually seeking ways to better achieve agencies' missions and program results and improve accountability for results. A key factor in helping to achieve such outcomes is appropriate internal control, which, if properly designed and implemented, provide reasonable assurance that objectives are being met. Internal controls also serve as the first line of defense in safeguarding assets and preventing fraud, waste, and abuse.<sup>5</sup> Our April 2006 report used this internal control framework to identify the key weaknesses in enforcing sanctions against Iraq and implementing the Oil for Food program.

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## Summary

The UN—the Security Council, the Secretariat, and member states—established weak controls over the Oil for Food program from its beginning. Specifically, the UN allowed Iraq to control contract negotiations for imported commodities with little oversight, enabling the regime to obtain illicit funds through contract surcharges and kickbacks. The UN also did not take steps to address the economic impact that the sanctions had imposed on countries that depended on Iraqi trade. This undermined international support for sanctions and allowed Iraq to smuggle oil outside the Oil for Food program. Overall, the sanctions were effective in helping to prevent the Iraq regime from obtaining military or dual-use items, but the UN was less rigorous in overseeing economic activities related to the Oil for Food program such as monitoring the price and value of Iraq's contracts. The UN's neglect of Iraq's illicit revenue

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<sup>5</sup>A general framework for internal controls is widely accepted in the international audit community and has been adopted by leading accountability organizations, including the International Organization of Supreme Audit Institutions, the U.S. Office of Management and Budget, and GAO. These standards use the internationally accepted *Internal Control-Integrated Framework* (September 1992) by the Committee of Sponsoring Organizations of the Treadway Commission. The first standard within this framework is the control environment, which provides the structure, discipline, and ethical tone for implementing an internal control system. Other standards focus on employing assessments of the external and internal risks an organization faces; establishing policies and procedures to enforce directives (control activities); providing relevant, timely, and reliable information and communication; and monitoring performance and adhering to audit findings.



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streams from smuggling and kickbacks helped support a sanctioned regime and undermined the program's goal of using oil revenues to benefit the Iraqi people.

As the program was implemented, sanctions and the Oil for Food program were further weakened by inadequate attention to internal controls, including (1) establishing clear responsibility and authority, (2) identifying and addressing program risks, and (3) ensuring adequate monitoring and oversight. UN entities and contractors responsible for implementing and monitoring the program lacked clear lines of authority. For example, the Office of the Iraq Program lacked clear authority to reject commodity contracts based on pricing concerns. In addition, the UN contractor at Iraq's border was not authorized to evaluate imports for price and quality, and there were no provisions to stop imports not purchased through the Oil for Food program. Moreover, the UN did not assess emerging risks as the Oil for Food program expanded from a 6-month emergency measure to deliver food and medicine to a 6-year program that provided more than \$31 billion to Iraq's agriculture, electricity, oil, housing, and 20 other economic sectors. Some monitoring activities curtailed the ability of the regime to obtain illicit contract surcharges, but smuggling continued despite the presence of inspectors. Finally, the UN's internal audit office audited some aspects of the Oil for Food program and identified hundreds of weaknesses and irregularities. However, it lacked the resources and independence needed to provide full and effective oversight of this large, costly, and complex UN effort.

The Oil for Food program offers several lessons for designing future sanctions and strengthening existing UN programs:

- Assess whether the sanctions program gives undue control to the sanctioned country.
- Consider the economic impact that sanctions have on neighboring countries.
- Ensure that all aspects of sanctions are equally enforced.
- Establish clear authority and responsibility for key management, oversight, and monitoring activities.
- Continuously assess and mitigate risk as programs and funding expand.
- Assess the role of internal audit and evaluation units and take steps to ensure that these entities have the resources and independence needed for effective oversight.

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In our April 2006 report on the Oil for Food Program, we recommended that the Secretary of State and the Permanent Representative of the United States to the UN work with other member states to encourage the Secretary General to (1) ensure that UN programs with considerable financial risks establish, apply, and enforce the principles of internationally accepted internal control standards, with particular attention to comprehensive and timely risk assessments; and (2) strengthen internal controls throughout the UN system, based in part on the lessons learned from the Oil for Food program. The Department of State and the UN responded that they are taking steps to strengthen internal controls at the UN.

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#### The UN Established a Weak Control Environment for Enforcing Sanctions and Managing the Oil for Food Program

Although the sanctions curbed the Iraq regime's ability to advance its military and weapons of mass destruction programs, the UN established a weak control environment for the Oil for Food program at its beginning due to compromises it made with the Iraq government and neighboring states. For example, the UN allowed Iraq to control contract negotiations for imported commodities with little oversight, allowing the regime to obtain illicit funds through contract surcharges and kickbacks. Several countries in the region depended on Iraqi trade, but no provisions were made to address the economic impact of the sanctions on these countries. This undermined international support for sanctions and allowed Iraq to smuggle oil outside the Oil for Food program. The sanctions helped prevent the Iraq regime from obtaining prohibited military and dual-use items, but little attention was given to oversight of the economic activities related to the Oil for Food program, such as monitoring the price and value of Iraq's contracts. Allowing Iraq to obtain revenues outside the Oil for Food program undermined the goals of containing the regime and using its oil revenues for UN-managed assistance to benefit the Iraqi people.

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#### Early Compromises Allowed Iraq to Set the Terms for Contracting and Monitoring

When the UN first proposed the Oil for Food program in 1991, it recognized the vulnerability inherent in allowing Iraq control over the contracting process. At that time, the Secretary General proposed that the UN, an independent agent, or the Iraqi government be given the responsibility to negotiate contracts with oil purchasers and commodity suppliers. However, the Secretary General subsequently concluded that it would be highly unusual or impractical for the UN or an independent agent to trade Iraq's oil or purchase commodities and recommended that Iraq negotiate the contracts and select the contractors. Nonetheless, he stated that the UN and Security Council must ensure that Iraq's

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contracting did not circumvent the sanctions and was not fraudulent. Accordingly, the Security Council proposed that UN agents review the contracts and compliance at the oil ministry. Iraq refused these conditions.

By the mid-1990s, the humanitarian conditions had worsened. The UN reported that the average Iraqi's food intake was about 1,275 calories per day, compared with the standard requirement of 2,100 calories. In April 1995, the Security Council passed resolution 986 to permit Iraq to use its oil sales to finance humanitarian assistance. Against a backdrop of pressure to maintain sanctions while addressing emergency humanitarian needs, the UN conceded to Iraq's demand that it retain independent control over contract negotiations. Accordingly, a May 1996 memorandum of understanding<sup>6</sup> between the UN and Iraq allowed Iraq to directly tender and negotiate contracts without UN oversight and to distribute imported goods to the intended recipients.

When the Oil for Food program began, the UN was responsible for confirming the equitable distribution of commodities, ensuring the effectiveness of program operations, and determining Iraq's humanitarian needs. According to the memorandum of understanding, the Iraqi government was to provide UN observers with full cooperation and access to distribution activities. However, observers faced intimidation and restrictions from Iraqi regime officials in carrying out their duties. According to a former UN official, observers could not conduct random spot checks and had to rely on distribution information provided by ministry officials, who then steered them to specific locations. The Independent Inquiry Committee<sup>7</sup> reported that observers were required to have government escorts and cited various instances of intimidation and interference by Iraqi officials. The committee concluded that the limits placed on the observers' ability to ask questions and gather information affected the UN Secretariat's ability to provide complete field reports to the sanctions committee.

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<sup>6</sup>Memorandum of Understanding between the Secretariat of the United Nations and the Government of Iraq on the Implementation of Security Council Resolution 986 (1995), May 20, 1996.

<sup>7</sup>In April 2004, the UN established the Independent Inquiry Committee, headed by Paul Volcker, the former Chairman of the U.S. Federal Reserve, to investigate the administration and management of Oil for Food program. Its scope included investigating allegations of fraud and corruption on the part of UN officials, personnel, and agents that entered into contracts with the UN or with Iraq under the program.

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**UN Did Not Address the Economic Impact of Sanctions on Member Countries**

Under Security Council resolutions, all member states had the responsibility for enforcing sanctions. For Iraq, the UN depended on neighboring countries to deter the importation of illicit commodities and smuggling. However, concessions to regional trade activity affected the sanctions environment and allowed the Iraqi regime to obtain revenues outside the Oil for Food program. Although oil sales outside the program were prohibited, the Security Council's Iraq sanctions committee did not address pre-existing trade between Iraq and other member states, and no provisions were made for countries that relied heavily on trade with Iraq. Illicit oil sales were primarily conducted on the basis of formal trade agreements. For example, trade agreements with Iraq allowed Jordan—a U.S. ally dependent on Iraqi trade—to purchase heavily discounted oil in exchange for up to \$300 million in Jordanian goods. Members of the sanctions committee, including the United States, took note of Iraq's illicit oil sales to its neighbors, but took no direct action to halt the sales or take steps against the states or entities engaged in them. In addition, successive U.S. administrations issued annual waivers to Congress exempting Turkey and Jordan from unilateral U.S. sanctions for violating the UN sanctions against Iraq.

According to U.S. government officials and oil industry experts, Iraq smuggled oil through several routes. Oil entered Syria by pipeline, crossed the borders of Jordan and Turkey by truck, and was smuggled through the Persian Gulf by ship. Syria received up to 200,000 barrels of Iraqi oil a day in violation of the sanctions. Oil smuggling also occurred through Iran. The Security Council authorized the Multinational Interception Force in the Persian Gulf, but, according to the Department of Defense, it interdicted only about 25 percent of the oil smuggled through the Gulf.<sup>9</sup>

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**Sanctions Enforcement Focused on Military Items, but Less Rigorous Oversight for Economic Activities Facilitated Iraq's Ability to Obtain Illicit Revenues**

The UN's focus on screening military and dual-use items was largely effective in constraining Iraq's ability to import these goods through the Oil for Food program. Each member of the Security Council's Iraq sanctions committee had authority to approve, hold, or block any contract for goods exported to Iraq. The United States, as a member of the committee, devoted resources to conducting a review of each commodity contract. As a result, the United States was the Security Council member that most frequently placed holds on proposed sales to Iraq; as of May 2002, it was responsible for about 90 percent of the holds placed by the

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<sup>9</sup>GAO-02-625.

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Security Council. U.S. technical experts assessed each item in a contract to determine its potential military application and whether the item was appropriate for the intended end user. These experts also examined the end user's track record with such commodities. An estimated 60 U.S. government personnel within the Departments of State, Defense, Energy, and other agencies examined all proposed sales of items that could be used to assist the Iraqi military or develop weapons of mass destruction. In addition, the Department of the Treasury was responsible for issuing U.S. export licenses to Iraq. It compiled the results of the review by U.S. agencies under the UN approval process and obtained input from the Department of Commerce on whether a contract included any items found on a list of goods prohibited for export to Iraq for reasons of national security or nuclear, chemical, and biological weapons proliferation.

In addition to screening items imported by Iraq, the UN conducted weapons inspections inside Iraq until 1998, when international inspectors were forced to withdraw. Sanctions also may have constrained Iraq's purchases of conventional weapons, as we reported in 2002.<sup>9</sup> In 2004, the Iraq Survey Group reported that sanctions had curbed Iraq's ability to import weapons and finance its military, intelligence, and security forces.

The UN's neglect of Iraq's illicit revenue streams from smuggling and kickbacks facilitated unauthorized revenue for a sanctioned regime and undermined the program's goal of using Iraqi oil revenues to benefit the Iraqi people. According to a report by Department of Defense contract experts, in a typical contract pricing environment, fair and reasonable commodity prices are generally based on prevailing world market conditions or competitive bids among multiple suppliers.<sup>10</sup> Ensuring a fair and reasonable price for goods can mitigate the possibility of overpricing and kickbacks. The Security Council's Iraq sanctions committee and the Secretariat's Office of the Iraq Program (OIP) were responsible for reviewing commodity contracts under the Oil for Food program, but neither entity conducted sufficient reviews of commodity pricing and value. As a result, Iraq was able to levy illicit contract commissions and kickbacks ranging from about \$1.5 billion to about \$3.5 billion.

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<sup>9</sup>Ibid.

<sup>10</sup>*Report on the Pricing Evaluation of Contracts Awarded under the Iraq Oil for Food Program*, submitted by the Joint Defense Contract Audit Agency and Defense Contract Management Agency OIP Pricing Evaluation Team (Washington, D.C.: Sept. 12, 2003).

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**Unclear Authority,  
Lack of Risk  
Assessment, and  
Inadequate  
Monitoring and  
Oversight Further  
Undermined the  
Sanctions and Oil for  
Food Program**

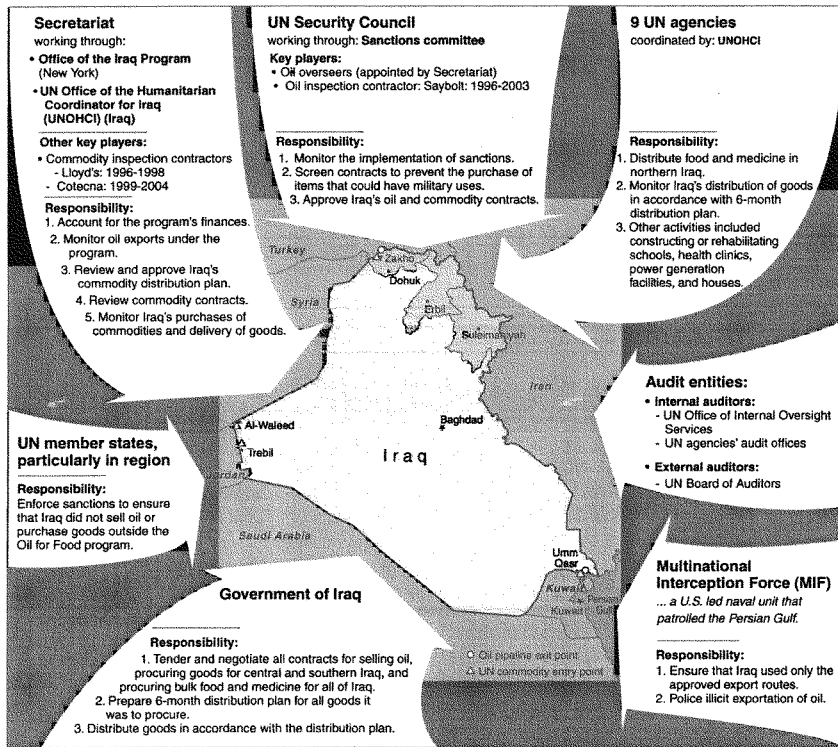
The UN did not adequately address other key internal control elements as it implemented the Oil for Food program: (1) establishing clear authorities, (2) identifying and addressing program risks, and (3) ensuring adequate monitoring and oversight. UN entities and contractors responsible for implementing and monitoring the program lacked clear lines of authority. For example, the Office of the Iraq Program lacked clear authority to reject commodity contracts based on pricing concerns. In addition, the UN contractor at Iraq's border did not have the authority to evaluate imports for price and quality, and no provisions were made to stop imports that were not purchased through the Oil for Food program. Moreover, the UN did not assess emerging risks as the Oil for Food program expanded from a 6-month emergency measure to deliver food and medicine to a 6-year program that provided more than \$31 billion to 24 economic sectors. Some monitoring activities constrained the ability of the regime to obtain illicit contract surcharges, but smuggling continued despite the presence of inspectors. Finally, the UN's internal audit office examined some aspects of the Oil for Food program and identified hundreds of weaknesses and irregularities. However, it lacked the resources and independence to provide effective oversight of this ambitious and complex UN effort.

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**Oil for Food Program  
Lacked Clear Lines of  
Responsibility and  
Authority**

A good internal control environment requires that the agency clearly define and delegate key areas of authority and responsibility. Both OIP, as an office in the UN Secretariat, and the Security Council's Iraq sanctions committee were responsible for the management and oversight of the Iraq sanctions and Oil for Food program. The Iraq government, other UN agencies, UN member states, the interdiction force in the Persian Gulf, inspection contractors, and internal and external audit offices also played specific roles (see figure 1). However, no single entity was accountable for the program in its entirety. In 2005, the Independent Inquiry Committee reported that the Security Council had failed to clearly define the program's broad parameters, policies, and administrative responsibilities and that neither the Security Council nor the Secretariat had control over the entire program.

Figure 1: Multiple Organizations Managed the Oil for Food Program and Enforced UN Sanctions



Sources: GAO (data) and United Nations (map).

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The absence of clear lines of authority and responsibility were important structural weaknesses that further undermined the management and oversight of the Oil for Food program. For example, OIP was to examine each commodity contract for price and value before submitting it to the sanctions committee for approval. However, the Independent Inquiry Committee found that OIP lacked clear authority to reject contracts on pricing grounds and did not hire customs experts with the requisite expertise to conduct thorough pricing evaluations. In addition, UN inspectors did not have the authority to inspect goods imported into Iraq to verify price and quality. These inspectors mostly verified the arrival of goods in the country for the purpose of paying the contractor.

The Secretariat's contract for inspecting imports at three entry points in Iraq required inspection agents to "authenticate" goods, but the agents' responsibilities fell short of a more rigorous review of the imports' price and quality. Under the Oil for Food program, inspection agents compared appropriate documentation, including UN approval letters, with the commodities arriving in Iraq; visually inspected about 7 to 10 percent of the goods; and tested food items to ensure that they were "fit for human consumption." However, inspection agents were not required to (1) verify that food items were of the quality contracted, (2) assess the value of goods shipped, (3) inspect goods that were not voluntarily presented by transporters, or (4) select the items and suppliers or negotiate contracts. In addition, no provisions were made to interdict prohibited goods arriving at the border. According to Cotecna, the inspections contractor from 1999 to 2004,<sup>11</sup> "authentication" is not a standard customs term or function. The UN created the term for the Oil for Food program and did not include traditional customs inspection activities, such as price verification and quality inspection. In anticipation of an oil for food program, the UN selected Cotecna in 1992 for a program that was never implemented. Under that proposal, Cotecna would have verified fair pricing and inspected the quality of the items to help ensure that they conformed to contract requirements.

Finally, limited authority for contractors overseeing oil exports facilitated Iraq's ability to obtain illicit revenues from smuggling that ranged from \$5.7 billion to \$8.4 billion over the course of the Oil for Food program. In

<sup>11</sup>The Coalition Provisional Authority used Cotecna from November 2003, when it assumed responsibility from the UN for remaining Oil for Food contracts, until October 2004, when the Iraqis no longer used independent inspection agents.



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1996, the Secretariat contracted with Saybolt to oversee the export of oil from Iraq through selected export points. The inspectors were to monitor the amount of oil leaving Iraq under the Oil for Food program at these locations and to stop shipments if they found irregularities. The inspectors worked at two locations—the Ceyhan-Zakho pipeline between Iraq and Turkey and the Mina al-Bakr loading platform in southern Iraq. In 2005, a Saybolt official testified that its mandate did not include monitoring all oil exports leaving Iraq from other locations or acting as a police force.<sup>12</sup> As a result, the contractors did not monitor oil that was exported outside the Oil for Food program.

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**Program Risk Was Not  
Continuously Identified  
and Addressed**

Risk assessments can identify and manage the internal and external challenges affecting a program's outcomes and accountability, including those risks that emerge as conditions change. The Oil for Food program expanded rapidly as it evolved from an emergency 6-month measure to provide humanitarian needs to a 6-year program that delivered about \$31 billion in commodities and services in 24 sectors. Beginning in 1998, when the international community was not satisfied with Iraq's compliance with weapons inspections, the Security Council continued the sanctions and expanded its initial emphasis on food and medicines to include infrastructure rehabilitation and activities in 14 sectors. These sectors included food, food handling, health, nutrition, electricity, agriculture and irrigation, education, transport and telecommunications, water and sanitation, housing, settlement rehabilitation for internally displaced persons, demining, a special allocation for vulnerable groups, and oil industry spare parts and equipment. In June 2002, the Iraqi government introduced another 10 sectors, including construction, industry, labor and social affairs, youth and sports, information, culture, religious affairs, justice, finance, and the Central Bank of Iraq.

The Security Council and UN Secretariat did not assess the risks posed by this expansion, particularly in light of the fact that they had allowed the Iraqi government to tender and negotiate its contracts. The UN Office of Internal Oversight Services (OIOS) was the only entity that attempted to assess the enormous risks in the Oil for Food program, but OIP blocked that attempt. In August 2000, the Under Secretary General for OIOS

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<sup>12</sup>Testimony of John Denson, General Counsel, Saybolt Group, before the Permanent Subcommittee on Investigations, Committee on Governmental Affairs, U.S. Senate (Washington, D.C.: Feb. 15, 2005).

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proposed an overall risk assessment to the Deputy Secretary General to improve the program by identifying the factors that could prevent management from fulfilling the program's objectives. The proposal noted that this assessment could be a model for other UN departments and activities. OIOS considered the Oil for Food program a high-risk activity and decided to focus on an assessment of OIP's Program Management Division. This unit was responsible for providing policy and management advice to OIP's executive director and for supporting OIP's field implementation and observation duties. In May 2001, OIP's executive director refused to fund the risk assessment, citing financial reasons and uncertainty over the program's future.

In July 2003, OIOS issued an assessment of OIP's Program Analysis, Monitoring, and Support Division—formerly the Program Management Division—that identified a number of organizational, management, and administrative problems, including poor communication and coordination, unclear reporting lines among OIP headquarters units and the field, and the lack of approved work plans. However, by this date, the UN was preparing for the November 2003 transfer of the program to the Coalition Provisional Authority in Iraq, and the report was of limited usefulness for addressing high-risk areas. Comprehensive and timely risk assessments might have identified the internal control weaknesses—such as inadequate contract pricing reviews—that facilitated Iraq's ability to levy illicit contract revenues. These assessments also might have identified the structural management weaknesses that led to ineffective communication and coordination within the program.

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**Oil Export Monitoring  
Activities Did Not Deter  
Smuggling but Did Mitigate  
Contract Surcharges**

Ongoing monitoring and specific control activities should meet the management and oversight needs of the agency or program. However, during the Oil for Food program, the lack of functioning oil meters enabled the Iraqi government to smuggle oil undetected by inspectors. A Saybolt employee testified that the company notified UN officials of the problems posed by the lack of functioning meters at the beginning of the program.<sup>13</sup> He also testified that the lack of metering equipment allowed the two "topping off" incidents involving the oil tanker Essex, in which the tanker loaded additional oil after the inspectors had certified the loading and left

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<sup>13</sup>Testimony of John Denson, General Counsel, Saybolt Group, before the Permanent Subcommittee on Investigations, Committee on Governmental Affairs, U.S. Senate (Washington, D.C.: Feb. 15, 2005).

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the vessel. In November 2001, a Saybolt representative noted that Iraq's distribution plans for that period provided for the installation of a meter at the Mina al-Bakr port. A U.S. official called for OIP to develop a plan to prevent unauthorized oil sales that would include installing a meter at the port. However, Iraq did not tender a contract for the meter. As of March 2006, the Iraqi government has not yet installed oil meters at Mina al-Bakr.

In addition, the sanctions committee relied on the advice of independent oil overseers to approve oil sales contracts. The overseers reviewed Iraq's oil sales contracts to determine compliance with program requirements and whether the prices that Iraq negotiated for its oil were fair and reflected market pricing. However, the inadequate number of overseers monitoring Iraq's oil pricing over a 14-month period may have been a factor in Iraq's ability to levy illicit surcharges on oil contracts. From June 1999 to August 2000, only one oil overseer was responsible for monitoring billions in Iraq's oil transactions, contrary to the sanctions committee's requirements for at least four overseers. Four overseers were hired at the beginning of the program but three resigned by June 1999. Political disputes among sanctions committee members prevented the committee from agreeing on replacements. According to the Independent Inquiry Committee, the sanctions committee demonstrated weak program oversight in its inability to fill the vacant positions.

In contrast, in October 2001, the Security Council's sanctions committee imposed a positive control activity—retroactive oil pricing—to prevent Iraqi officials from adding illegal oil surcharges to contracts. In November 2000, UN oil overseers reported that Iraq's oil prices were low and did not reflect the fair market value. The overseers also reported in December 2000 that Iraq had asked oil purchasers to pay surcharges. In early 2001, the United States informed the sanctions committee about its concerns regarding allegations that Iraqi government officials were receiving illegal surcharges on oil contracts. The United States delayed oil pricing until after the Iraq government signed contracts with oil purchasers but without knowing the price it would have to pay until delivery. Setting the price at the time the oil was delivered helped to ensure a fair market price. This practice, known as retroactive pricing, curbed the ability of the Iraqi government to levy illicit surcharges on its oil sales contracts. Prior to retroactive pricing, estimates of Iraq's illicit revenues from surcharges on exported oil ranged from about \$230 million to almost \$900 million.

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**UN Internal Audit Office  
Lacked Sufficient  
Resources and  
Independence to Provide  
Effective Oversight**

Ongoing monitoring of internal control should include activities to help ensure that the findings of audits and other evaluations are promptly resolved. Although OIOS conducted dozens of audits of the Oil for Food program, the office did not review key aspects of the Oil for Food program and had insufficient staff. OIOS did not review whether OIP was adequately monitoring and coordinating the Oil for Food program, including OIP's role in assessing commodity pricing. OIOS did not examine OIP's oversight of the commodity contracts for central and southern Iraq, which accounted for 59 percent of Oil for Food proceeds. According to the Independent Inquiry Committee, the internal auditors believed that they did not have the authority to audit humanitarian contracts because the sanctions committee was responsible for contract approval.

OIP management mostly supported OIOS audits for program activities in northern Iraq managed by other UN agencies; however, these northern programs constituted only 13 percent of the Oil for Food program. Because OIOS did not review commodity contracts, it was difficult to quantify the extent to which the Iraqi people received the humanitarian assistance funded by its government's oil sales. The Independent Inquiry Commission noted that the practice of allowing the heads of programs the right to fund internal audit activities led to excluding high-risk areas from internal audit examination. We also found that UN funding arrangements constrain OIOS's ability to operate independently as mandated by the General Assembly and as required by the international auditing standards to which OIOS subscribes.<sup>14</sup> The UN must support budgetary independence for the internal auditors.

In addition, the number of OIOS staff assigned to the Oil for Food program was low. OIOS had only 2 to 6 auditors assigned to cover the Oil for Food program. The UN Board of Auditors indicated that the UN needed 12 auditors for every \$1 billion in expenditures. The Independent Inquiry Committee concluded that the Oil for Food program should have had more than 160 auditors at its height in 2000. However, the committee found no instances in which OIOS communicated broad concerns about insufficient staff to UN management.

OIOS also encountered problems in its efforts to widen the distribution of its reporting beyond the head of the agency audited. In August 2000, OIOS

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<sup>14</sup>GAO, *United Nations: Funding Arrangements Impede Independence of Internal Auditors*, GAO-06-575 (Washington, D.C.: Apr. 25, 2006).

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proposed sending its reports to the Security Council. However, the OIP director opposed this proposal, stating that it would compromise the division of responsibility between internal and external audit. In addition, the UN Deputy Secretary General denied the request, and OIOS subsequently abandoned any efforts to report directly to the Security Council. Timely reporting on audit findings would have assisted the Security Council in its oversight of Iraq sanctions and the Oil for Food program.

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### Concluding Observations: Lessons Learned from the Oil for Food Program

Our findings on UN management of Iraq sanctions and the Oil for Food program reveal a number of lessons that can apply to future sanctions and should be considered during the ongoing debate on UN reform. These lessons demonstrate the importance of establishing a good control environment at the outset. In addition, fundamental internal control activities must be applied throughout the life of UN programs. Specifically,

- When establishing the program, assess the roles and authorities of the sanctioned country. If political pressures and emergency conditions dictate significant authority and responsibilities for the sanctioned country, assess the risks posed by these authorities and take steps to mitigate potential problems. A comprehensive risk assessment following the decision to allow Iraqi control over contracting and monitoring might have revealed the need for more rigorous activities to review the prices the regime charged and the quality of goods it contracted to prevent or help lessen the opportunity for illicit charges.
- Consider the impact that the loss of trade might have on surrounding countries. For example, Jordan, a U.S. ally, was allowed to continue buying Iraqi oil outside the Oil for Food program, which facilitated the revenue that Iraq could obtain beyond UN control. Other provisions for obtaining discounted oil might have prevented this trade.
- Ensure that monitoring and oversight equally address all program goals. Although the UN focus on screening military and dual-use items was largely effective in constraining Iraq's ability to import these goods through the Oil for Food program, the UN's neglect of Iraq's illicit revenue streams from smuggling and kickbacks undermined the program's goal of using Iraqi oil revenues to benefit the Iraqi people.
- Establish clear authorities for key management, oversight, and monitoring activities. The Oil for Food program had unclear lines of authority for rejecting contracts based on price and value concerns and for inspecting imported goods and exported oil. These important structural weaknesses allowed the sanctioned Iraq regime significant control over program activities.

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- As programs and funding expand, continuously assess the risks caused by this expansion and take steps to ensure that resources are safeguarded. The UN did not assess risks as the Oil for Food program grew in size and complexity, particularly in light of the fact that it had relegated responsibility for the contracting process to Iraq. Timely risk assessments might have identified the internal control weaknesses that facilitated Iraq's ability to levy illicit contract revenues and thereby undermine the UN's goal of using Iraq's oil proceeds for humanitarian assistance to the Iraqi people.
  - Assess the role of internal audit and evaluation units and take steps to ensure that these entities have the resources and independence needed for effective oversight. Although the UN's internal audit office audited some aspects of the Oil for Food program and identified hundreds of irregularities, it lacked the resources and independence to provide effective oversight of this costly and complex UN effort.

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## Recommendation

In our report on the Oil for Food program's internal controls,<sup>15</sup> we recommend that the Secretary of State and the Permanent Representative of the United States to the UN work with other member states to encourage the Secretary General to

- ensure that UN programs with considerable financial risks establish, apply, and enforce the principles of internationally accepted internal control standards, with particular attention to comprehensive and timely risk assessments; and
- strengthen internal controls throughout the UN system, based in part on the lessons learned from the Oil for Food program.

Mr. Chairman and Members of the Subcommittee, this concludes my prepared statement. I will be happy to answer any questions you may have.

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## Contacts and Acknowledgments

For questions regarding this testimony, please call Joseph Christoff at (202) 512-8979. Other key contributors to this statement were Lynn Cothran, Jeanette Espinola, Tetsuo Miyabara, Valérie Nowak, and Audrey Solis.

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<sup>15</sup>GAO-06-330.

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Mr. SHAYS. Thank you very much.

Mr. ROSS, I think that I didn't provide enough information when I said you're an independent diplomat. Can you just give us a little bit of your background before you speak? I don't usually ask witnesses to do that. But it would be helpful for the record.

Mr. ROSS. Delighted to, Mr. Chairman, thank you very much.

Mr. SHAYS. I can sense from that accent something already.

Can you move the mic a little closer to you, sir.

Mr. ROSS. Is that close enough?

Mr. SHAYS. That is good.

#### STATEMENT OF CARNE ROSS

Mr. ROSS. Thank you.

My testimony, my summary of my testimony actually retells my history on this subject. But what I am doing now is, I run a non-profit diplomatic consultancy which advises various governments and political groups on diplomacy.

Mr. SHAYS. So we will hear a little bit about it in the testimony.

Mr. ROSS. Sure.

Mr. Chairman, I was a member of the British Foreign Office from 1989 until my resignation in 2004. From late 1997 to June 2002, I was a diplomat in charge of Iraq policy, including weapons inspections and sanctions at the British Mission to the U.N. in New York.

There, I was intimately involved in policymaking and negotiations on Iraq and other Middle East policy at the U.N. Security Council.

I also played a close part in discussions between the British and U.S. Governments over these years on all aspects of policy toward Iraq. I resigned from the British Foreign Service in 2004 after giving testimony in secret to the official inquiry in the United Kingdom into the use of intelligence on Iraq's weapons of mass destruction, the so-called Butler review.

There are several key lessons from my experience of sanctions on Iraq and the Oil-for-Food Program. My written testimony goes into much greater detail.

First, any sanctions regime must be carefully targeted on those individuals whose behavior you are trying to effect. Sanctions on Iraq were crude and harmed the wrong people, namely the civilian population. Sanctions did prevent Iraq from rearming with weapons of mass destruction or conventional weapons, as both my and the U.S. Governments believed in all the years I worked on the issue. But thanks to sanctions, busting the Iraqi regime was largely impervious on the effects of sanctions, and Iraq failed fully to comply with its obligations to incorporate with the weapons inspectors until threatened by invasion in 2003.

There are many options available other than comprehensive sanctions, including financial sanctions, travel bans, arms embargoes, etc. Such smart or targeted sanctions should always be preferred to comprehensive economic sanctions.

Second, while it is easy to blame the United Nations for the failing of the Oil-for-Food Program, and these were maybe, the U.N. member states, too, failed in their responsibility to enforce police sanctions on Iraq. I need here to correct a misunderstanding that



seems to be widespread here. While it was the U.N.'s responsibility to supervise the Oil-for-Food Program, it was not—repeat, not—the U.N.'s job to police sanctions. That responsibility belonged to the member states. This would also apply to future sanctions regimes that the Security Council might agree to.

Evidence, such as that collected by the U.S. Government's Iraq Survey Group showed that the Saddam regime largely subsisted on illegal oil exports to Jordan, Turkey, Syria and elsewhere, but primarily the first of these two.

Revenue from this source amounted to some \$12 billion, far exceeding the approximately \$1.7 billion it gained from abuse of the Oil-for-Food Program.

Other members of the U.N. Security Council often blocked corrective action against sanctions busting, but the United States and British governments turned a blind eye to smuggling by their allies Turkey and Jordan, thus in effect helping the Saddam regime to survive.

Officials in both the United States and British Governments frequently internally recommended comprehensive action on sanctions busting, but for various reasons, it was never attempted. If we had acted on this illegal smuggling, we could have severely undermined the Saddam regime without the need for military intervention.

Third, sanctions policy is complicated and difficult. It requires a major effort to engineer, amend and supervise sanctions. Volcker's inquiry into the Oil-for-Food Program took 18 months and employed over 100 skilled investigators, but at the time, both the United States and U.K. Governments employed no more than a handful of officials to monitor the program and sanctions, and they were often poorly equipped for the complex technical issues such as border-monitoring, tools or technologies which arose.

Those officials were overwhelmed by the size and complexity of the program. Senior officials and ministers paid the policy far too little attention even though it dealt with the primary security concern.

Moreover, we should have paid more intrusive attention to what the U.N. was doing in the program. This failure was partially a function of our lack of capacity. But the effort, however substantial, to supervise and make effective any sanctions policy would always be considerably less than that of going to war.

We should, moreover, be conscious of the sometimes perverse effect of sanctions: By casting him as a resistor to United States and Western pressure, sanctions in some ways reinforced Saddam Hussein's hold, however. The Oil-for-Food Program gave his regime control over food rations and other essential supplies to his people strengthening his already repressive grip. In some ways, therefore, sanctioning Saddam to the extent that some came to believe that we, the U.K. and United States, had an interest in keeping him in power.

More generally, the effectiveness of any sanctions regime is in part a function of their legitimacy. By the late 1990's, comprehensive sanctions were seen by many in the international community as disproportionate and cruel in their effects.

When Iraq had largely though not fully complied with its WMD obligations, this undermined support for the sanctions and made

our job in enforcing sanctions very much more difficult. Sanctions should be proportionate and well targeted if they are to enjoy the broad international support for them to be effective. In this context, most sanction regimes are seen in isolation. United States and British failure to enforce Security Council decisions elsewhere in the Middle East, particularly in Israel and Palestine, undermined our efforts, undermined our demands for their enforcement in Iraq, as it does to this day in other cases. We will be more effective in any particular case if we were seen as consistent in all cases.

But my most important point is the last. Sanctions and the manipulations of the Saddam regime caused considerable human suffering in Iraq. The Oil-for-Food program, despite its many problems, helped ameliorate the suffering, but it was not implemented until 1996 when already considerable damage had been done. Sanctions helped destroy Iraq's economy and infrastructure, damage for which Iraq and the U.S. taxpayer is still paying today.

Any sanctions for a regime should be carefully designed to minimize human suffering. The lessons from comprehensive sanctions on Iraq is clear, we should not make this mistake again. Thank you, Mr. Chairman.

[The prepared statement of Mr. Ross follows:]

US Congress Committee on Government Reform

Subcommittee on National Security, Emerging Threats, and International Relations

Hearing, May 2, 2006: "UN Sanctions after Oil-for-Food: Still a viable tool?"

Testimony by Carne Ross, Director, Independent Diplomat<sup>1</sup> and former UK diplomat

Introduction

1. This testimony is provided at the request of the Subcommittee. I have been asked to address three questions.
  - a. My role in engineering and maintaining sanctions on Iraq while I was on the UN Security Council;
  - b. Lessons from the oil-for-food scandal;
  - c. Implications of those lessons for future UN-run sanctions regimes.
2. I was an official in the British Foreign Office from 1989 until my resignation in 2004. From late 1997 until June 2002, I was First Secretary (Political) at the UK Mission to the United Nations in New York. I was head of the Middle East section in the political section of the Mission, where I supervised two other diplomats. My primary responsibility was policy on Iraq, where I was responsible for reporting on and participating in discussions and negotiations at the UN Security Council (I was also responsible for other issues including Israel/Palestine, Libya/Lockerbie, the Western Sahara and Afghanistan). Inter alia, I helped prepare and negotiate many resolutions on Iraq concerning sanctions and weapons inspections, including resolution 1284 (1999) which established UNMOVIC, the UN weapons-inspection agency. I was also responsible for liaison with the UN weapons inspectors and UK policy on sanctions, including in particular the oil-for-food (OFF) program. I resigned from the British Foreign Office in 2004 after giving testimony to the official inquiry into the uses of intelligence on Iraq's WMD (the "Butler Review").
  - A. My role in engineering and maintaining sanctions on the UNSC
3. As indicated above, my primary role was the preparation and negotiation of resolutions which maintained sanctions on Iraq and which also organised and legislated for the OFF program (OFF was established by the Security Council and was run according to its instructions). These resolutions in general were renewed every 6 months – the so-called "rollover" resolutions. These negotiations were invariably protracted and complex, involving all aspects of the sanctions regime on Iraq and the management of the OFF program, which the UN Secretariat

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<sup>1</sup> Independent Diplomat is a non-profit diplomatic advisory network founded in 2004; it provides advice and assistance to those countries or political groups which may lack experience or resources in diplomacy: [www.independentdiplomat.com](http://www.independentdiplomat.com).

implemented on behalf of, and under the instruction of, the UN Security Council. In most cases, the UK delegation prepared the texts of the draft resolutions under discussion; we usually also chaired the negotiations of Council members which would, eventually, produce the final resolutions. I was the line-manager of the regular UK representative on the 661 Committee of the Security Council, which was tasked with monitoring sanctions on Iraq (following Security Council resolution 661 (1990)). I also frequently attended 661 Committee meetings, which took both formal and informal form, in particular when the most contentious and difficult issues were discussed, such as the so-called “oil surcharge”, breaches of the flight ban on Iraq and other egregious sanctions breaches. I was closely involved in the internal British government review which led to the concept of “smart sanctions” on Iraq, a new design of the sanctions regime which was eventually implemented in 2002<sup>2</sup>. I was therefore intimately involved in the design and maintenance of UN sanctions on Iraq during this period. It should be noted too that during this period the UK and US worked very closely together in all aspects of Iraq policy on the UN Security Council, and elsewhere. I took part in the regular and detailed consultations on Iraq policy between the UK and US governments; my American colleagues and I worked in close cooperation on the Security Council.

**B & C: Lessons from the oil-for-food scandal and implications for future UN sanctions regimes**

4. The OFF program was a huge (some \$60bn in total) and complex program which lasted for many more years than initially planned (when originally conceived, sanctions were expected to endure for no more than a few years). Its full effects and ramifications have not, in my view, been sufficiently or fully researched. The Volcker inquiry provides some well-researched, careful and balanced analysis of the program, and in particular the UN management of the program, but – despite its length – it is by no means comprehensive.
5. Nevertheless, from the evidence so far available, which is considerable, it is possible to draw some important lessons for the future:
6. First, and most important, the humanitarian impact of sanctions should be carefully considered in the design of any sanctions regime. There is no doubt that the combination of sanctions and Saddam’s manipulations of the OFF program together contributed to considerable suffering and distress among ordinary Iraqis during the sanctions years. During my years working on sanctions, I met innumerable international humanitarian groups and ordinary Iraqis who testified to the deleterious effects of sanctions. The OFF program was designed to

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<sup>2</sup> In general terms, from 1990 onwards all imports and exports were prohibited to and from Iraq except those goods which were explicitly allowed by the 661 Committee. The smart sanctions concept, which was developed – tardily – in response to concern at the humanitarian effects of sanctions, reversed this system to allow Iraq to import all goods except those explicitly prohibited on a list agreed by the Security Council. It took many months, if not years, to agree in the UNSC was only implemented in 2002.

ameliorate this suffering but by the time it was implemented (in 1996) already enormous damage had been done. Thanks to the unreliability of Iraqi statistics in this period, we will never know true effects. But the consensus is clear among NGOs and Iraqis. The weight of evidence clearly points to the fact that sanctions caused massive human suffering among ordinary Iraqis, in particular children, and equally massive damage to Iraq's economy and civilian infrastructure, damage for which Iraq is still paying today. We – the US and UK governments who were the primary engineers and defenders of sanctions – were well-aware of this evidence at the time, but we largely ignored it or blamed all these effects on the Saddam government. While the Iraqi government did deliberately impede the full implementation of the OFF program (initially by failing to agree the program, and later for instance by interfering with distribution of goods or cutting off oil supplies to deny funds to the program), I believe that these manipulations account only for part of the damage done by sanctions. Sanctions effectively killed the Iraqi civilian economy, denying the entire population the means to live, and forcing them into dependence on UN and government-supplied rations. The effect of the import ban was primarily felt by the civilian population and not the government elites, who were insulated from any pain by illegal oil revenues and sanctions-busting imports. In other words, the sanctions affected precisely the wrong people. Not only was this a grave moral failing, but this also undermined the political support necessary to maintain sanctions (see below).

7. Related to this, the second important lesson is that any sanctions regime should be carefully targeted on those whose behaviour sanctions are trying to affect. Sanctions on Iraq were successful in many significant ways. They prevented Iraq from significantly rearming with either conventional or unconventional weapons. During the period I worked on the subject, it was the private and considered view of both the UK and US governments that Iraq had no substantial WMD stocks or the means to deliver them. We believed that sanctions had prevented any substantial rearmament by Iraq. And in these terms, sanctions were a success in effecting the US/UK strategy of “containment”. But, in terms of their stated goals (as elaborated in the Security Council resolutions, and in particular resolution 687), they were only sporadically effective in forcing the Saddam government to comply with Iraq's obligations to cooperate fully with weapons inspections and fully verify its disarmament of WMD. In other ways, sanctions had perverse effects. The Saddam government used sanctions to portray Iraq as a “victim” of unfair US policies, and to portray Saddam Hussein himself as a heroic rebel against western hegemony. Moreover, the design of the OFF program reinforced the government's control over its population. It did this in two ways: firstly, as sanctions had largely destroyed the non-government civilian economy, ordinary people were denied the means to support themselves, making them dependent on UN and government-distributed rations; secondly, the OFF program was obliged to rely on the government to distribute goods under the program to civilians. This delivered an enormous power to the government, courtesy of the UN Security Council. In the UK and US governments, we were fully aware of this deficiency but did nothing to amend it.

8. Third, to be effective, sanctions regimes must be properly supervised and policed. Modern economies are complex. There are innumerable ways in which governments or officials can evade sanctions. The Volcker Report and the Iraq Survey Group's report both describe in detail the many ways that the Saddam regime illegally imported prohibited goods and illegally exported oil, outside of the UN escrow account. The principal source of illegal revenue for the Saddam regime was not, as is commonly believed, abuse of the OFF program (eg through false pricing or "kickback" bribes from suppliers). Instead, the major source of illegal revenue was oil exports outside of the program, in particular to Turkey, Jordan, Syria and through the Gulf to other recipients. These illegal exports amounted to an estimated<sup>3</sup> \$12bn, far exceeding the approximately \$1.75bn the regime gained from abuse of the OFF program. The Saddam government was assisted in this source of illegal revenue by its neighbours, above all Jordan, Turkey and Syria, who allowed and in some cases (particularly Syria) facilitated the exports and sometimes themselves purchased the illegally-exported oil.
  
9. Again, both the US and UK governments were aware of this activity (though we underestimated significantly its true scale), but effectively turned a blind eye to it, since both Turkey and Jordan were seen as "allies". Officials in both governments on several occasions tried to persuade our governments to take more robust action to stop these illegal exports. But we were not successful. Both the US and UK governments will now argue that they tried to take action on this smuggling and were blocked by French and Russian obstruction in the Security Council. This was true, but it was not the whole truth. In reality, the US turned a very deliberate blind eye to smuggling by Turkey and Jordan in particular, but also the Gulf states. The Iraq Survey Group estimated that most of approx \$12bn in illegal revenues came through the so-called trade protocols with Jordan and Turkey. It would not have required Security Council agreement to persuade the Turks or others of Iraq's neighbours (who at the end of the day were dependent on the US for their security) to stop the smuggling. It would have required a sustained and energetic diplomatic campaign, supported by technical expertise on border monitoring, controlling goods going into and out of Iraq and the tough and complicated work to target Saddam's illegal overseas financial holdings. This was never done. Not only would such a campaign have increased the funds available to the humanitarian program, but it also would have removed the means on which the Saddam regime relied to pay his troops, build his palaces and, to the limited extent that he did, rearm. Without this illegal income, the regime would have been severely weakened and perhaps would have collapsed. This can now never be proved, but such a policy could have provided an alternative to war.
  
10. Fourth, and following the point above, any sanctions regime, but particularly massive and complex regimes of the kind imposed on Iraq require an enormous amount of official work to monitor, amend and supervise. Although the UK and

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<sup>3</sup> Estimates taken from the US government Iraq Survey Group, whose figures are roughly consistent with the Volcker report.

US devoted more staff to Iraq sanctions than most countries, I now believe that our resources were inadequate to the enormous and complicated task before us. Volcker took 18 months, spent around \$35m and employed approximately 100 experienced investigators to perform his investigation. In both the US and UK governments, the number of officials working directly on sanctions/OFF issues was no more than a handful. Maintaining any sanctions regime requires a constant and detailed effort, involving many wings of government, as many strands of policy must be brought together, including intelligence, diplomacy, and technical assessment (e.g. of the complicated technology of so-called “dual-use” goods). We should have established a multi-disciplinary unit of this kind. Instead, both governments relied on a scattered group of officials, who worked hard but whose efforts could have been much more effectively coordinated.

11. Connected to this point is the role of the UN. The Volcker Report has comprehensively described the many failings of the Office of the Iraq Program (OIP), the UN body which ran the OFF program. Significantly, Volcker said that the failings of the OIP were typical of broader problems within the UN. The UN itself must bear considerable blame for those failings. There is much to do to remedy and improve management culture and oversight in that body. Reform is underway. The world needs an effective and respected UN: we should all therefore hope and ensure that these reforms are implemented and are successful in producing a transparent, incorrupt and efficient UN. But there are lessons for our own governments too, in this case the US and UK. In retrospect, the member states should have done much more to supervise the OIP and OFF programs. While we were at the time aware of some of the problems in the program, for instance kickback payments by suppliers, we did little about them. One clear lesson from the OFF debacle is that those states which care most about such things (in this case the US and UK) must intrude into and interrogate more aggressively the UN bodies charged with implementing such programs.
12. The Volcker inquiry revealed that some 2200 companies internationally were involved in illegal dealings with Iraq both under and separately from the OFF program. Some of these companies were American, others were British. The responsibility to investigate and supervise the activities of these companies fell and falls to national governments, not the UN. In most cases, our governments approved and authorised these companies to do business under the OFF program. Clearly, in retrospect, our governments should have done more in way of supervision of the companies involved (for instance, by examining their accounts, interviewing company officials etc) to prevent and investigate any illegal activity. It is not clear that even today, after the Volcker inquiry, all wrongdoing by these companies will be investigated and, where necessary, punished.
13. Fifth, to be effective any international sanctions regime must enjoy broad political support. By the time I worked on Iraq in the UN Security Council in the late 1990's, sanctions were widely seen in the international community as unfair and cruel punishment on the Iraqi people. The evidence of humanitarian distress was

mounting. US and UK arguments to sustain sanctions, on the grounds that Iraq had not fully complied with its obligations to disarm, were seen as poorly-founded and were undermined by statements, for instance by then-President Clinton, that sanctions would be maintained as long as Saddam remained in power i.e. by implication that sanctions would remain even if Iraq fully complied. Weapons inspections were seen as increasingly nugatory: after the mid-1990's the inspectors found no substantial stocks of illegal weapons, but were instead engaged in a confrontational and aggressive cat-and-mouse game with the Iraqi government. We maintained (correctly) that Iraq had failed fully to account for its past WMD holdings or provide full access to its WMD sites or personnel. But by many this was seen as insufficient grounds to maintain comprehensive economic sanctions. Therefore, we had more and more difficulty passing resolutions in the Security Council to maintain the pressure on Iraq. Although there was little chance of sanctions being lifted (which would have required a resolution of the UNSC which we could veto), there was dwindling enthusiasm for their maintenance. France, Russia, China and others (many of whom had significant economic interests in Iraq) became more and more vociferous in attacking sanctions and urging that Iraq be "rewarded" for its progress in disarmament so far (for example, in the nuclear "file", where Iraq had by 1999 substantially cooperated with the IAEA). Sanctions-busting, such as allowing flights to Iraq, became more egregious. Any pressure we put on Iraq's neighbours to comply with sanctions (which was in any case sporadic and inconsistent) was often ignored. The Saddam government began to claim that sanctions were crumbling and it was the US and UK, not Iraq, which faced diplomatic isolation. It took the threat of invasion in 2003 for Iraq finally to accept UNMOVIC, the UN weapons inspection agency, and at last cooperate in the Security Council's demands.

14. In relation to this point, sixthly, it can be seen from the above that support for sanctions, and thus their effectiveness, in any particular case, is related to whether they are seen internationally as legitimate. At their outset in 1990, comprehensive sanctions were widely regarded as a proportionate response to Iraq's illegal invasion of Kuwait. But as time went by, and the humanitarian damage wrought by sanctions became clearer (and as Iraq complied to some extent, but never fully, with its disarmament obligations), international support waned. By contrast, in the case of sanctions on Libya (imposed after the indictment of two Libyan agents for the Lockerbie bombing), which I also worked on in the UN Security Council, sanctions were much more narrowly targeted (an arms embargo, and bans on flights and associated aviation activities). Although Libya complained loudly at the "injustice" of sanctions, and attempted to claim that they were causing humanitarian damage, the Security Council maintained the sanctions with fewer breaches and greater political pressure on Libya to comply (though even here it took a major change in the terms of compliance for Libya eventually to comply).
15. There is a broader argument here. The UN Security Council, where UN sanctions regimes must be agreed, is not a court of law. It is a deeply political body where



decisions are made only partly on the basis of what is right, but more on the basis of who has most power and influence. No one issue, whether Iraq, Iran or Sudan, is seen in isolation but as part of a complex power-play of how the world should be arbitrated. In the Council, you have to cajole, persuade and sometimes (if necessary) bully in order to get your way. Perceptions of any country's standing and integrity form part of that power to influence. During my spell on the Council, and to this day, American (and British) standing and influence in the Security Council has been consistently undermined by what many see as US (and British) "double standards" over the Middle East, and in particular Israel/Palestine. Many countries, and not only Arab countries, felt that the US demanded compliance with the resolutions to the letter by Iraq, while punishing its civilian population. Meanwhile, it was felt, the US allowed Israel to ignore Security Council resolutions (242 and 338 in particular) which demanded that it relinquish the Occupied Territories. This perception continues to weaken American and British arguments today, over Iran or Sudan, that the Council must stand up for international law and right. In the Security Council, it is naïve, in the case of Iran, Sudan or elsewhere, to pretend that American or British wishes or arguments will be seen in isolation.

Carne Ross  
30 April 2006

Attachments:

1. Washington Post op-ed, 30 March 2006 "Could sanctions stop Iran?" by Carne Ross
2. The Times (UK) op-ed, 27 May 2005 "One clear way to have prevented the war" by Carne Ross
3. Financial Times article 29 January 2005 "War Stories" by Carne Ross

## Could Sanctions Stop Iran?

Recent History Suggests That the Prospects Aren't Good

By Carne Ross  
Washington Post, Thursday, March 30, 2006

Now that the U.N. Security Council has agreed on a statement demanding that Iran restrict its nuclear program, the United States and its allies are doubtless considering tougher measures, including sanctions, to force Iran's compliance. The experience of sanctions imposed on Iraq (and on other countries), which I helped engineer and maintain as a British diplomat at the Security Council, offers some lessons.

First, no sanctions regime is effective unless its objective is widely shared, especially by the neighbors of the targeted state. On Iraq, even though the United States and Britain managed, through strenuous diplomatic effort, to gain Security Council approval of sanctions, there was considerable evasion of the sanctions by Iraq's neighbors and others, for whom their economic welfare was more important than the goal of disarming Iraq. Even if China and Russia do not block any sanctions resolution on Iran, no resolution will be effective unless they and other states choose to enforce the sanctions.

Second, oil sanctions are a double-edged sword. In the latter years of the 12-year sanctions regime on Iraq, Saddam Hussein often threatened to stop Iraq's oil exports in order to deter the United States and Britain from imposing measures in the Security Council to thwart his sanctions-busting techniques. Then as now, the gap between global oil demand and supply was so small that even the threat of stopping Iraq's exports caused damaging spikes in global oil prices. Any attempt to block or limit Iran's oil exports would surely have similar effects.

Third, even the most aggressive sanctions regimes, such as comprehensive economic sanctions, tend not to achieve their desired effects. While they were in effect, sanctions on Iraq prevented it from rearming -- despite the claims of the U.S. and British governments before the 2003 invasion. But the sanctions did not force Iraq to comply fully with the United Nations' weapons inspectors. It finally took the threat of invasion for Iraq to cooperate with the inspectors in the months before the war.

Instead, comprehensive sanctions caused considerable human suffering in Iraq and, thanks to the control over food rationing that the oil-for-food program placed in the regime's hands, they arguably helped reinforce Hussein's rule. This mistake must not be repeated.

Fourth, any sanctions regime requires a long-term, patient and detailed effort to succeed. Sanctions on Slobodan Milosevic's Yugoslavia were effective partly because the United States and the European Union devoted considerable resources to targeting Milosevic's illegal financial holdings. Although there was lots of rhetoric, and American ships patrolled the Persian Gulf, sanctions enforcement on Iraq was sporadic, as the United States and its allies allowed Iraq's neighbors, particularly Jordan and Turkey, to import

oil illegally. It's hard to believe that support for sanctions against Iran, even if they were imposed, would endure for very long.

Sanctions on Libya, imposed in 1992 after the bombing of Pan Am Flight 103 over Lockerbie, Scotland, were more effective in part because they were more limited. The U.N. ban on arms sales and air travel to Libya was seen as measured and commensurate pressure on Moammar Gaddafi to comply with the Security Council's demand that two Libyan agents accused of planning the bombing be handed over for trial. Even then, it took many years before Libya complied. Here there is a lesson that sanctions, when supported politically and patiently applied, can eventually work. Perhaps here there is scope for something that could work with Iran: a package of travel bans and financial measures targeting Iranian leaders. Targeted sanctions are, after the Iraq experience, now the fashion.

But there is one big reason why any U.S. effort to obtain sanctions against Iran is unlikely to be effective. All U.N. sanctions in the past have been imposed on governments that have done something seriously wrong -- such as invading other countries (Iraq) or brazenly hosting terrorist organizations (the Taliban). The claim that Iran might be developing a nuclear bomb hardly meets this standard, particularly because Pakistan and India got away with it (and with U.S. sympathy) and because U.S. intelligence assertions on weapons of mass destruction are, thanks to the Iraq experience, thoroughly disbelieved. Unless Iran is silly enough to do something such as testing a bomb (which is not very likely), there will probably not be sufficient international support for punitive measures.

All of these reasons suggest that sanctions, as a policy option, are far from straightforward. Without troublemaking from Iran (which perhaps the United States is hoping for), they are unlikely to be agreed to under the current circumstances, and even if they are, they will succeed only if they are very carefully designed, targeted and supported by long-term and diligent diplomacy to shore up support.

*The writer is a former diplomat who served in Britain's delegation to the United Nations from 1998 to 2002. He is now director of Independent Diplomat, a nonprofit diplomatic advisory group.*

**The Times**, May 27, 2005

## **One clear way to have prevented the war**

CARNE ROSS

**Britain and America made the fatal mistake of doing little to stop Saddam's blatant smuggling of oil**

THE SPECTACLE of George Galloway being rude to senators in Washington may be entertaining, but one week on, it has shed no light on the complex story of what went on under sanctions against Iraq. The many congressional committees investigating the Oil-for-Food scandal seem more intent on finding scapegoats (even if they may be guilty) than understanding what really went on, let alone seeking lessons for the future.

Having worked for many years (1998-2002) on Iraq at the UK Mission to the UN, I realise that simple accusations — blame Galloway, blame the Americans or blame the UN — conceal more complex truths.

To start with, there seems to be continuing confusion over who was responsible for what — between the Oil-for-Food programme (the UN-administered programme whereby Iraq was permitted to sell oil then purchase humanitarian supplies with the proceeds) and sanctions, which prohibited Iraq from importing or exporting anything other than goods approved by the UN Sanctions Committee. The committee itself was composed of members of the UN Security Council, which was ultimately responsible for supervising the Oil-for-Food programme and policing sanctions.

The thorough and non-partisan UN-commissioned inquiry led by Paul Volcker so far has uncovered troubling evidence of mismanagement (and some wrongdoing) in the Oil-for-Food programme. And it's right that this should be laid at the door of the UN Secretariat: it ran the programme. The programme was not a disaster; it helped a great many, but clearly it should have been more tightly run. There are echoes of this management culture elsewhere in the UN. There is much to repair.

But Volcker, whose full report is due soon, has yet to find any evidence of widespread misuse of funds under the programme or evidence that UN officials connived to allow Saddam to get illegal revenue. It is grotesque to argue, as some have in Washington, that the UN helped to keep Saddam in power, or that they denied help to the Iraqi people.

What kept Saddam in power (and denied funds to his people) was his widespread smuggling of oil through Turkey, Syria and the Gulf (and the semi-authorised oil protocol with Jordan). The revenues accrued in this way were many times greater than any corruption within the Oil-for-Food programme. Here the culpability is more widely shared: it was primarily the responsibility of the neighbours

themselves to respect international law and the sanctions, but it was also the responsibility of the Security Council, as the body which imposed sanctions, to ensure their effectiveness.

In the Security Council and sanctions committee, the US and UK made many attempts to tackle this smuggling. We were repeatedly thwarted, principally by Russia and France, who discounted our evidence and argued that further restrictions would increase the human suffering in Iraq (a false argument if the controls were properly designed).

But while we banged the table in stuffy New York negotiating chambers, Washington and London did precious little to back up our efforts. There were occasional *démarches* by our embassies in the region, but very little in the way of heavyweight or sustained diplomatic pressure.

High-level visits to these neighbours would come and go; only rarely was sanctions-busting raised (and usually at the bottom of the agenda). No wonder that the neighbours got the message that we didn't really care.

On several occasions some of my colleagues, American and British alike, and I tried to persuade our governments to set up monitoring mechanisms, to engage in a comprehensive lobbying effort with all the neighbours or to attempt to freeze Saddam's extensive overseas financial assets — his bank accounts secreted in many different countries — requiring a forensic effort to track them down. We didn't need Security Council agreement to do this. But action on this front was, at best, sporadic.

The reasons for this failure were complicated. The US and UK never resolved the conundrum whereby the neighbours — especially Jordan — needed this trade to maintain their economies, but that the revenues equally sustained Saddam. A policy to tackle the illegal trade would have needed to be fair to all the neighbours, to encourage their compliance. And it would have required a detailed, long-term and continuing effort to be successful. Foreign policy decision-making, especially in our hectic world, does not do this kind of policy well.

There were always more immediate priorities. As a result, it was never executed. So Saddam's regime lived on, resisting its international obligations, and his people suffered for 12 long years.

Had there been a sustained campaign against smuggling, not only would the illegal revenues have instead gone into the humanitarian programme for the Iraqi people but there would have been a real chance to undermine the Saddam regime by denying him the funds that sustained it. Saddam had no other source of revenue. The horse has long bolted but this policy, if properly pursued, would have offered a real alternative to military action. It is a pity that not one tiny part of the effort later devoted to war was given to this alternate course. The cost in blood and treasure would have been a

great deal less.

But now it is all over, there are lessons for us all. While the UN is having its nose rubbed in its misdoings, the member states of the Security Council must shoulder the blame too: all should have done more to police sanctions, deny Saddam illegal funds and allow sanctions to do their job: pressure the regime to disarm.

In the end though, there is one lesson that should give the most pause. Comprehensive sanctions undoubtedly caused immense suffering in Iraq. The Oil-for-Food programme did something to help but it was too little, too late. Saddam's obstruction of the programme of course hindered this help, but the effects of the sanctions were cruel and hit the wrong people: the civilian population of Iraq, instead of the leadership they were intended to sway. We, the UK and

US, who were the ultimate enforcers of sanctions, were too indifferent to this reality and did too little to address it. This undermines our claim, then and since, that the Iraqi people were our first concern: they were not.

In all the finger-pointing in Washington, this most crucial aspect is invariably missing. Perhaps we should take Iraqi suffering as our reference in future reflections on this history. Only then might we learn the most important lessons.

**The author resigned from the Foreign and Commonwealth Office in September 2004**



War stories

By Carne Ross

Financial Times, Published: January 28 2005 17:53 | Last updated: January 28 2005 17:53

Nearly two years after the United States and Britain invaded Iraq, the world remains polarised over the war. Supporters thought the war necessary, while many opponents believe a false case was deliberately manufactured for it.

This allegation has been reinforced by the discovery of a putative intellectual justification for such deceit, the idea of the “noble lie” propagated by the late University of Chicago philosopher Leo Strauss, one of the strongest intellectual influences on the neo-conservatives. According to Strauss, elites in liberal societies must sometimes create “myths” to hold those societies together, for fear that they would otherwise collapse through selfishness and individualism.

One such myth is the enemy, the threat, the identification and combating of which forces the society to cohere and unite. Once that enemy was the Soviet Union and communism; today it is al-Qaeda and Saddam Hussein’s weapons of mass destruction.

This is a big allegation and it is a toxic dispute, poisonous to both domestic and international reputations, cause of both angry accusation and equally bitter rebuttal. But perhaps another part of the Iraq story - that of sanctions - can help throw light on the argument.

It was a story in which I was intimately involved: I was, from 1998 to 2002, the British “expert” on Iraq for the UK delegation to the UN Security Council, responsible for policy on both weapons inspections and sanctions against Iraq. My experience in those years and what happened subsequently is in part why I recently resigned from the Foreign Office.

Opponents of sanctions argued that they were unjustified and caused immense human suffering in Iraq. Iraq had demonstrably disarmed; the weapons inspectors’ endless probings and questions were nugatory. The counter-arguments were plausible: Iraq had failed on many occasions to co-operate fully with the weapons inspectors, leaving important questions unanswered; Hussein obstructed the operation of the UN’s oil-for-food programme, which was designed to lessen the humanitarian suffering. In northern Iraq, where the UN, and not Hussein, fully controlled the programme, all indicators showed the positive benefits of the programme in health, sanitation, education and the like.

It was my job to cull and collate the innumerable statistics, reports and testimonies in support of this latter version of the story and to deploy them in speeches and debates in the Security Council. On the other side of the table, the diplomats opposing sanctions - led by Russia and France - could cite myriad reports detailing the suffering under the

sanctions regime and the inequities of the oil-for-food programme. They could provide convincing arguments that the north received an unfair share of oil-for-food funds. Like me, they could deploy an arsenal of facts and details to validate their version of “the truth”. But, oddly, they often cited the very same reports that I did, for the UN reports provided ammunition for both sets of arguments.

It was, of course, a complex story that we managed to divide into two distinct and opposing narratives. The atmosphere between the delegations on the Security Council was aggressive and adversarial, as it remained until - and after - the invasion. Political divisions were allowed to degenerate into personal animosities. The Council, its chambers and corridors became a diplomatic battlezone where the more we fought, the more we entrenched our positions into competing blacks and whites. Thus were we able to obscure the more complex, deeper and more important truth, perhaps even the truth.

This was only slowly revealed to me by the many humanitarian workers, UN officials and ordinary Iraqis, including opposition members, who actually lived and worked in Iraq rather than those who wrote or read reports about it. Their human testimony was in the end infinitely more eloquent and convincing, in the main because all of them, without exception, said the same thing. And this was that there was undoubted human suffering in Iraq, of a quite appalling scale, and that not enough was being done - by anyone - to address it. Put this question to a British minister today and he or she will tell you that we tried to ease the impact of sanctions, but it is clear now, and frankly it was clear then, that it was much, much too little, too late. We - the US and UK - could have done a great deal more. Meanwhile, the Russians, French and others in the Security Council could have done a lot more to help control illegal smuggling by Iraq (the main sustenance of the Hussein regime and itself something that reduced the funds for humanitarian supplies) and to support the weapons inspectors.

This example illustrates how governments and their officials can compose convincing versions of the truth, filled with more or less verifiable facts, and yet be entirely wrong. I did not make up lies about Hussein’s smuggling or obstruction of the UN’s humanitarian programme. The speeches I drafted for the Security Council and my telegrams back to London were composed of facts filtered from the stacks of reports and intelligence that daily hit my desk. As I read these reports, facts and judgments that contradicted “our” version of events would almost literally fade into nothingness. Facts that reinforced our narrative would stand out to me almost as if highlighted, to be later deployed by me, my ambassador and my ministers like hand grenades in the diplomatic trench warfare. Details in otherwise complex reports would be extracted to be telegraphed back to London, where they would be inserted into ministerial briefings or press articles. A complicated picture was reduced to a selection of facts that became factoids, such as the suggestion that Hussein imported huge quantities of whisky or built a dozen palaces, validated by constant repetition: true, but not the whole truth.

It is clear from the evidence available that something similar went on with the question of Iraq’s weapons. This neither confirms nor fully refutes the “noble lie” thesis of deliberate



deceit. But, rather, it suggests a more complex and subtle, and if anything more disturbing, story.

Here the basis of evidence was not UN, NGO or other reports on sanctions or sanctions-busting, many of which suffered their own peculiar biases and flaws, but a resource that is unavoidably unreliable, namely secret intelligence. Particularly after inspectors were withdrawn in late 1998, the available intelligence on Iraq was severely limited. Whatever Hussein had or did, he concealed under roofs or underground, and there is no aircraft or satellite camera yet invented that can penetrate there.

Both the US and UK were thus forced in large part to rely on that most unreliable reporter of facts - human beings (or "humint" as it is known). In addition, there was the expert knowledge of the many inspectors who had visited Iraq's WMD sites and had spoken with Iraqi officials and scientists. Despite these difficulties, the picture that emerged in the late 1990s and into 2002 was reasonably consistent.

This was that Iraq was not rearming to any great extent, that there were still questions about its disposal of past stocks of weapons but, in summary, that the policy of containment was working. Inevitably, there were unanswered questions - unconfirmed reports of attempted imports of dual-use materials that might be used to produce WMD and possibilities that the unaccounted-for dozen or so Scud missiles might still exist and be reassembled (not one has been found postwar). But there was nothing that would suggest significant rearmament or intent to attack Iraq's neighbours, let alone the UK. The Butler report gives a similar account.

Yet, by September 2002, both the US and UK governments were claiming that Iraq was a significant threat, citing clear and authoritative intelligence evidence of rearmament and attempts to acquire nuclear, biological and chemical weapons. The US government went further, suggesting that Hussein, al-Qaeda and 9/11 were somehow connected. Bush began to juxtapose al-Qaeda and Hussein in adjacent sentences, never quite claiming a proven connection, but deliberately implying some kind of link. The implication, still repeated to this day by members of the Bush administration, was refuted by the 9/11 Commission. Even at the time of the war, Britain's Secret Intelligence Service (SIS) let it be known publicly that there was no foundation to this suggestion.

In *The Structure of Scientific Revolutions*, Thomas Kuhn cites a number of studies where scientists with different paradigmatic views observe different patterns in the same data - what he calls a switch in the visual gestalt. For example, looking at a contour map, a student sees lines on a paper, a cartographer a picture of terrain. Only once trained will the student see the same as the cartographer, even though the data he is observing have not changed.

Both the British Prime Minister, to the Butler review, and Defense Secretary Donald Rumsfeld have admitted publicly (long after the war) that what changed before the war was not the evidence of Iraqi weapons but, in the new post-9/11 light, the appraisal of that evidence. The Prime Minister told the Butler review: "after September 11th it took

on a completely different aspect... what changed for me with September 11th was that I thought then you have to change your mindset... you have to go out and get after the different aspects of this threat... you have to deal with this because otherwise the threat will grow... “

This rings true and is understandable. An event of the horror and magnitude of 9/11 should have changed our appreciation of the dangers of WMD and non-compliance with international law. It represented, for good or ill, a paradigm shift in the way our leaders saw the world. But it appears that not only did the appraisal change but, crucially, so did the presentation of that appraisal, and the evidence justifying it, to the public.

There were no doubt other factors at play. There is a tendency in government to see intelligence material as being at the pinnacle of the hierarchy of information. Awash with information, government reifies the skill of abstracting the core from the mass (indeed it is a skill tested in the entrance exams when you join, for instance, the Foreign Office). Unlike the voluminous flow of diplomatic telegrams, memos and open-source information that hits computers on desks across government every day, intelligence arrives in slim folders, adorned with colourful stickers announcing not only the secrecy of the information therein but the restricted circulation it enjoys. The impression thus given, a product of these aesthetics, is of access to the real thing, the secret core denied to all but the elite few.

History gives an interesting example of this phenomenon, namely the case of the Zinoviev letter. In 1924, Britain's Foreign Office was sent a copy of a letter, purporting to come from Grigori Zinoviev, the president of the Soviet Comintern, addressed to the central committee of the Communist Party of Great Britain. The letter urged the party to stir up the British proletariat in preparation for class war. The letter then appeared in the press, causing immense political and diplomatic repercussions. It was a major embarrassment for the Prime Minister, Ramsay MacDonald, and the governing Labour Party. The opposition Conservatives won the general election four days later. Relations between Britain and the Soviet Union soured, and Anglo-Soviet treaties were abandoned.

Only in 1999, when the then Foreign Secretary Robin Cook ordered an investigation of Britain's official archives, was it confirmed that the Zinoviev letter was a fake. The fake was believed as genuine by the Foreign Office, the archives revealed, because it came from the Secret Intelligence Service (this an observation from the Foreign Office's own archival investigation).

An additional factor in Iraq was also that many of the human sources of intelligence had an understandable interest in exaggerating what they were reporting, not least because they wanted to encourage the overthrow of a regime they hated. The role of the Iraqi National Congress, the key Iraqi opposition group before the war, in providing "humint" is now well-known. But, interestingly, the Butler inquiry discounts this factor, instead pointing to the SIS's failure to properly validate its sources, the long reporting chains and the sources' lack of expertise on what they were reporting.

Back in the capitals, there is meanwhile an invisible undertow at work on the civil servants who collate and analyse this information. If ministers want a particular story to emerge, it has a way of emerging: the facts are made to fit the policy. It takes a brave if not foolhardy civil servant to resist this tide. This is not to claim that there was some secret cubicle in Whitehall (or Washington) where evidence of Iraq's weapons was deliberately fabricated, but something more subtle. Evidence is selected from the available mass, contradictions are excised, and the selected data are repeated, rephrased, polished (spun, if you prefer), until it seems neat, coherent and convincing, to the extent that those presenting it may believe it fully themselves.

All of these reasons will have contributed to a considerable bias in the information that the government received and the analyses then produced on Iraq's WMD. All of these reasons should have inspired caution; any assessment based on such information should have been heavily caveated. But, as the Butler report relates, instead of transmitting these caveats in its public presentations, such as the infamous Number 10 dossier, the government left them out. What was broadcast to the public was in effect not the summit of a hierarchy of information but a selection from a spectrum of information, a spectrum that ranged from the well-established to the highly speculative, and the selection came from the wrong end. Just as I once produced one-sided arguments to justify sanctions by ignoring all contrary evidence, the government produced a highly one-sided account of inherently unreliable information.

Of course governments in all democracies present one-sided accounts of policy. Economic statistics are always presented with the positive numbers in the forefront, the negative sidelined to footnotes or ignored. Civil servants are highly skilled in slanting information in this way. But there should be limits. When seeking to justify military action, the government has a duty to tell the whole truth, not just a partial account of it.

Something else was going on too. As the drums of war beat louder in Washington, both the US and UK governments became more strident in dismissing containment or other alternatives to all-out invasion. Bush declared sanctions as full of holes as Swiss cheese; the Prime Minister even once, bizarrely, argued that military action was preferable to the distress caused by sanctions. Sanctions were crumbling, the public was told (and still is today). These governments gave the impression that all alternatives had been exhausted; war was the only option.

This was not in fact the case. There was a viable alternative. Effective action to seize Hussein's illegal financial assets and block oil smuggling would have denied him the resources which sustained his power. Sanctions on the regime, and not its long-suffering people. This alternative was, unfortunately, for many years before the war never pursued with the necessary energy or commitment. The reasons for this are not immediately obvious.

Such a policy would have required consistent pressure across the region, applied to all of Iraq's neighbours. And, for different reasons in each case, it wasn't pursued with sufficient vigour. Senior envoys and ministers only rarely or half-heartedly mentioned

smuggling in bilateral contacts, thereby implying toleration. Gradually it came to be understood that certain of Iraq's neighbours were "allowed" to import illegal oil, undermining attempts to deal with even the most egregious sanctions-busters.

Meanwhile, back in the Security Council, any attempt we made to propose collective action against smuggling was invariably blocked by France or Russia, on the alleged grounds that there was insufficient proof of the smuggling, or that such action might further harm Iraq's people. I lost count of the number of times we inserted provisions for sanctions-monitoring units, or other exhortations for action, into draft Council resolutions, only to have diplomats from these countries strike them out in negotiation (as veto-wielding permanent members, their acquiescence was essential to every dot and comma). The US and UK governments now like to claim that this was the reason sanctions failed (when in doubt, blame the French); some even claim that the UN itself connived at corruption to benefit Hussein (an allegation for which so far there is scant evidence). But, in truth, we too exerted precious little energy to enforce controls. While in New York we argued ourselves hoarse in negotiation, Washington and London rarely lifted the diplomatic equivalent of a finger to pressure Iraq's neighbours to stem the illegal flows.

An effective anti-smuggling policy would have required an over-arching and long-term strategy, addressing problems - ranging from illegal bank accounts to cross-border oil smuggling - in a variety of different areas. Such a strategy was never implemented. Instead there were piecemeal and ineffective efforts.

I suspect that the reason for this perhaps lies in the universal human truth that what can be left until later usually is, until it is too late. The policy was difficult, complex and unfashionable, demanding extensive study to master and discuss, a luxury busy ministers and senior officials do not enjoy. It was never the first or most glamorous priority, so it was allowed to slide.

In the end, when contrasted with the complexity and uncertainty of the alternatives, war may have seemed simpler. In the strange way that governments are swept along by events without properly stopping to think, war came to be seen as the only viable course, a current strengthened in Britain no doubt by the clear determination in Washington, now amply chronicled in Bob Woodward's Plan of Attack, to pursue conflict.

It would undoubtedly have taken considerable political and diplomatic effort to corral Iraq's neighbours and other states into this alternate course. It would not have had the binary clarity of winning or losing a war (though this war seems neither won yet, nor lost). But this effort would have certainly been less than that of going to war, and it had the real potential to remove the regime by cutting away the funds that sustained it. Above all, this approach would not have incurred the sacrifice of Iraqi and British and American, and other, lives.

If Iraq was not a threat and not collaborating with terrorists, why did the Bush and Blair governments go to war? Several plausible explanations have been offered by others: the

US administration's need, after 9/11, to demonstrate its power - anywhere, anyhow; a "mission civilatrice" to democratise the world by force, an impulse given strength by the vigorous and forceful lobby of the Iraqi opposition. But less credible, given the record on sanctions, is the claim that the welfare of the Iraqi people was the primary concern.

Another possible explanation lies in the more sinister motives of oil and its control. The prospect of Iraq's huge reserves (the second largest in the world) hung in the air throughout policy deliberations in the years before the war. It was well-known that Hussein had allocated all the massively lucrative post-sanctions exploration contracts to French, Chinese, Russian and other non-US and non-British companies (and it bothered the companies a lot, as they would tell us). It is hard to believe that the immense potential for money-making and energy security did not exert some pull in the decision to invade, but the evidence for a Chomskyan sort of conspiracy led by Big Oil is hard to come by. But again, we do not know, because we have not been told. Instead we were given not the "noble lie", but the somewhat less-than-noble half-truth. The full answer will perhaps be revealed by the chief protagonists in years to come. For now, all we can know for sure is that the empirical reasons these governments have given so far simply do not add up.

Perhaps, therefore, a non-empirical reason is at the heart of this. They did it because they thought it was right. Hussein was a bad man, a potential danger in the future (if not today). And this, if true, is a legitimate reason, or at least arguable. Unfortunately, it is neither the primary reason both governments gave the UN or their peoples for going to war (though Bush alludes to it with ever greater frequency, and Tony Blair has begun to do the same), nor is it justifiable in any canon of international law (although perhaps it should be).

And here we return to Leo Strauss: not to the "noble lie", but to his belief in "natural law", a fundamental, sometimes religious (though Strauss, I read, was an atheist) sense of right and wrong, a right and wrong superior to all other laws- including, it seems in this case, international law. Both leaders have said in the past that they believe in such rules, as I suspect do most of us in some way. And it is perhaps the readiness of electors, especially in the US, to accept this reasoning that lies behind the curious phenomenon that, although the evidence that these governments misled their populaces is now clear, neither Bush nor Blair appears likely to pay any long-term political price for it.

In the recent presidential elections the allegation of lying, noble or otherwise, and the decidedly ambiguous course of the resulting war, did not turn the people against their chosen president. His "natural law" argument - that it was right to remove Hussein - sufficed, even when the empirical evidence didn't. Tony Blair is no doubt hoping the same will be true when Britain goes to the polls.

Political theorists of the 21st century have much to feed on in this analysis: it is a story rich in paradox and contradiction, from which it is hard to divine rational inferences or laws. The governments did not manufacture lies, but neither did they tell the truth, even when they thought they did. These half-truths, moreover, bore no relation whatsoever to the real truth of what was actually going on in Iraq (no terrorists, no WMD). And in the

end, the electors, in the name of whose security and safety the whole exercise was undertaken, do not seem to care much either way. In this picture, it seems that neither Strauss nor Plato (who in fact originated the "noble lie") nor anyone else is much guide. Things seem altogether less ordered and coherent than any logical analysis would have it. The key actors claim to have agency, to make rational decisions, but in fact are swept along by forces they cannot grasp. Laws of democracy and morality give way: the law of chaos instead must hold sway.

Here may be the biggest misperception of all, though not a lie, since it is hardly conscious. This is a misperception - a fiction, if you like - in which governments and governed collaborate alike, for to believe otherwise is too uncomfortable. And this is that governments, politicians and civil servants are able to observe the world without bias and disinterestedly interpret its myriad signs into facts and judgments (indeed, in the Foreign Office, telegrams are divided into these two very categories: "Detail" and "Comment") with an objective, almost scientific rigour. The story of what these two governments observed, believed and then told their populations about Iraq suggests an altogether more imperfect reality.

*Carne Ross recently resigned from the senior management structure of the British Diplomatic Service. He is now director of a new diplomatic consultancy, Independent Diplomat.*

Mr. SHAYS. Thank you, Mr. Ross. I appreciate your statement.

Mr. Christoff, I jumped so quickly to Mr. Ross, I meant to say as well we appreciate the good work, and that we appreciated your statement as well.

Dr. Lopez.

#### STATEMENT OF DR. GEORGE A. LOPEZ

Dr. LOPEZ. Mr. Chairman, thank you very much. I've had the privilege over the last 13 years of serving as an independent scholar and a member of a research that has tried to systematically investigate United Nations sanctions, and it's that knowledge and experience I'd like to bring to this hearing today.

Mr. SHAYS. Well, that's very welcomed, and it is extensive, and we appreciate your presence. Thank you.

Dr. LOPEZ. Thank you.

Can the Congress and the American people have confidence that U.N. imposed sanctions in 2006 and beyond be a useful and powerful diplomatic tool? I believe we can. My colleagues have addressed the questions of the Volcker Report and the lessons learned from there. I'm not going to repeat that nor repeat what's in my larger written testimony, but I want to have a look at two questions. One, the first is understanding that one of the outcomes of the Volcker Report is, particularly in report No. 1, a clear delineation of responsibility in what is called the United Nations system regarding sanctions implementation which belong to the Secretariat versus those which belong to the Council versus those which belong to the member states. I believe a dispassionate reading of the Volcker Report underscores the fundamental reality of United Nations sanctions, but they're only as effective as the willingness and ability and fairness, as Carne Ross has said, of their application by member states and a willingness to enforce them.

In the Iraqi case—and we had instances of misinterpreting this even in our first hour—the Security Council's determination was first to hold together a regional coalition of states bent on denying Saddam Hussein's ability to acquire military goods, and then to maintain a flow of humanitarian relief to the Iraqi people. That the entire sanctions process, from Oil-for-Food on, was politicized to achieve this end or that deals were struck in 1996, when Oil-for-Food was already on the table to provide relief in 1994, is to engage in a kind of revisionist history which fails to look at a critique of U.N. agencies which may be misplaced, which ought to be more directly placed on the burden of the member states to strike deals to undermine what the Secretariat brought to them and to question the Council's own action by their own behavior.

Having said that, I think the Volcker Report and current proposals before us for U.N. reform offer a rich ground by which we can have added confidence that ethical behavior at the individual level, Secretariat behavior, and particularly member state behavior, may be seen as more competent in the administration of future sanctions regimes. But since Carne Ross ended his own presentation with talking about greater and smarter targeted sanctions, let me draw to the committee's attention the fact that, while all of this controversy for Oil-for-Food and the terrible reality of the Iraqi episode and its uniqueness was unfolding in the 1990's, so, too, was

a secondary process behind the scenes. Beginning in particular with the initiatives of various governments from 1998 on, there has been under the radar screen a development of a great deal of expertise. I believe that one can claim that the strongest reason for congressional confidence and economic sanctions as diplomatic tools, it emerges from a past decade of meetings of diplomats, sanction specialists, experts in banking, commodities trade, law enforcement, transportation and representatives of international organizations who have worked together in concert to define, develop and revise substantial proposals in what's called smart or targeted sanctions. Beginning with a very important initiative by the Swiss in 1998 in the Interlocken process, continuing with German input in arms controls issues, and finally a Swedish initiative to improve targeted economic sanctions as well as aviation and travel bans, we have great confidence and now expertise within the U.N. system that were merged in the kind of resolution we saw last week; that is, the ability of the Security Council to target individuals, not nations, what we see out of Security Council 1373 and the work out of the counterterrorism committee, the ability of the United Nations system to now target real offenders and free itself from the burden of the economic hardships that were cast in the Iraqi case. The ability to get to real offenders with smart targeted measures is at a higher ability than ever before.

The imperative of smart sanctions I think is self-evident; that is, the nature of the diverse offensive that we experience now we call on the Security Council and its members to apply new and important techniques. We did this against UNITA armed faction in Angola, against RUF rebels and the Khmer Rouge. We're doing it against terrorist groups and entities which support terrorist groups. Our means of imposing, implementing, monitoring and refining sanctions are more robust now, Mr. Chairman, than ever before. The Volcker Committee's accounting system recommendations will contribute to this, but the strength of this lies independent of that, it lies in independent reform processes that have developed over the last 6 or 7 years, strongly backed by not only nongovernmental organizations, but research units in Europe and the United States.

The importance of the Oil-for-Food scandal is that we need credibility and ethical behavior at every level, but we also need tremendous competence in what might be called appropriate fashioning of sanctions at the policy level. The ongoing task of United Nations reform as it bears on sanctions is that now we have the technical means we have not had previously, and certainly didn't have at our disposal in 1996 to move sanctions, whether they be in Sudan, Iran or elsewhere against real offenders, and improve the prospects that sanctions may contribute to global peace and security.

Thank you.

[The prepared statement of Dr. Lopez follows:]



**“UN Sanctions After Oil-for-Food:  
Still a Viable Diplomatic Tool?”**

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**Sub-committee on National Security, Emerging Threats and  
International Relations**

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### **Introduction**

Thank you, Mr. Chairman, for the opportunity to testify before this distinguished Committee on a vexing question for all who hope that the peace and security interests of the United States and the wider global community can be advanced by the work of the United Nations. That question is simply: *in the wake of the findings of the Independent Inquiry Committee (IIC) on the United Nations Oil-for-Food program (commonly known as the Volcker Committee), related analyses – such as the recently released GAO study – and the recent proposals and controversies over UN management reform, can the Congress and the American people have confidence that UN imposed economic sanctions are a useful and powerful tool of multilateral diplomacy?*

In order to properly assess that critical question with you, I will divide my remarks into four sections. In the first, as requested, I provide a brief comment about my own experience with the United Nations in the sanctions field. Secondly, I will comment on the findings of the Volcker Committee and its implications for assessing the capacity of the UN system to develop effective sanctions. Thirdly, I will discuss the less well-known sanctions reform processes that since 1998 have created the capacity to impose what are called ‘smart’ sanctions. I expect to demonstrate that this internal sanctions reform process is the one that matters. These substantive reforms comprise a trend that should inspire Congressional confidence in contemporary UN sanctions. Finally, I will comment on the scope of recent administrative reforms which have occurred in varied UN sectors and their implications for stronger and more effective sanctions.

### **Being a student of sanctions**

My own vantage point on the strengths and weaknesses of the current United Nations’ capacity to impose effective sanctions emerges from fifteen years of on-going scholarly research and subsequent consulting work with various member states (disclosed in accompanying material) and sectors of the UN itself. In Appendix A, I provide some detail of this expertise that you may find helpful in establishing a context for my remarks.

Most relevant from my experience since 1990 is that our scholarly work has revealed clear generalizations across sanctions episodes which identify the conditions for successful sanctions. [A complete list of UN Security Council Sanctions Resolutions is provided in Appendix B]. UN Sanctions are most successful when:

- the Security Council details a very clear and limited number of demands in the sanctions resolution;
- the sanctions adopted by the Council and its members are one component of a more multifaceted means of persuasion/coercion aimed at the target;
- the Sanctions Committee charged with oversight of the sanctions has an active

- and creative chair, especially regarding travel to the sanctioned state/area;
- an internal or external expert committee monitors sanctions effectiveness and recommends improvements which are acted upon by the Council early in the sanctions episode;
  - the Council has made provisions for humanitarian exemptions, if needed;
  - the Council can accomplish the sanctions objectives within two years of the date of the original resolution;
  - the Council and its member states have established a strong border or contra-band monitoring and capturing system to enforce the sanctions;
  - sanctions violators are identified and held accountable;
  - a certain, more informal bargaining process emerges between the UN – either via the Council or its member states – and the target, regarding compliance;
  - member states provide the target or actors within the target, with some incentives for sanctions compliance that are consistent with the goal of the sanctions;
  - member states have the capacity, and of course the willingness, in their domestic legislation and legal enforcement mechanisms to implement the sanctions;
  - the target believes that sanctions are fully supported by military force should sanctions fail.

Because we can posit conditions for sanctions success, it is not surprising that we also know when sanctions are destined for failure. In addition to not meeting the conditions consistent with sanctions success, failure of UN sanctions occur when:

- sanctions are so excessively punitive that they isolate a target from continued bargaining with either the Council or member states;
- sanctions provide leaders in the target with a classic ‘rally around the flag’ situation whereby they can successfully portray the Council and its members as the offending party and deflect the focus from their own behavior;
- the Council or its members fail to recognize and engage a target manifesting partial compliance with sanctions;
- certain member states overtake the voice and role of the Council as leader of the sanctions process;
- successful application of economic coercion on the target has produces no change in the political behavior or compliance of the target.

These patterns emerge as deductive conclusions from my work, and that of my research team, as a social scientist. At the same time I have been fortunate to be a rather direct observer-participant in the development of humanitarian concerns surrounding sanctions, and especially regarding the development of more targeted measures called smart sanctions. I have watched closely the formulation of a shared and significant enterprise undertaken by national officials, international civil servants within the UN bureaucracy, and a number of global citizens ranging from international bankers to academics. They have provided the groundwork for the smart sanctions of the present and

future. I conclude that this bodes well for US policy concerns regarding both the integrity and the effectiveness of UN sanctions.

Despite a great deal of time spent observing UN sanctions processes, studying the impact of specific measures, and engaging in dialogue with member states about their own disposition on such issues, I am neither an advocate of sanctions, nor a detractor. To advocate for the imposition of economic sanctions as a viable diplomatic tool in a given international concern or crisis is related, for me, to understanding their chances for success, as outlined above. I believe that our research work helps to identify how to arrive at such clarity.

Regarding the Iraq sanctions case, in which my research colleagues and I became increasingly involved in the 1990s, it is imperative to note just how exceptional and extraordinary this episode was in the universe of economic sanctions cases. The development of a major auxiliary humanitarian program, the Oil-for-Food (OFF) relief system, was unprecedented. But its uniqueness was most manifest in its direct linkage to the most comprehensive and cumbersome sanctions system in history. It is highly unlikely that any combination of these forces will occur in the future.

Thus my experience makes me particularly cautious about over-generalizing about the formulation and implementation of economic sanctions based on the strengths or weaknesses of the Iraq episode. It has its rightful, prominent place in the annals of economic sanctions. But neither it, nor its related Oil-for-Food program, should be considered the determinative case. Of course US legislators should be concerned about whether the failures manifest in the administration of OFF is endemic to sanctions enforcement or to the UN generally. As I discuss below, the most serious aspects of those concerns have been addressed by the findings of the Volcker Committee and subsequent or pending UN reform processes. The improvements they have suggested help us assess the future efficacy of economic sanctions, but they do not determine it.

#### **Lessons Learned from the Volcker Committee**

I will not re-examine here the full scope of the IIC findings or many of the OFF controversies that have already been discussed in numerous Congressional hearings, in various policy forums, and most certainly in the press. I isolate for comment below what I believe to be the findings most relevant to assessing the capacity of the UN system to develop and execute an effective sanctions regime in the future. My concern is whether the errors of omission and commission found in the inquiry about OFF and the wider Iraqi sanctions case leads us to believe that such problems are endemic to the UN or indicative of shortcomings in the sanctions enterprise itself.

In its first report, the Committee drew an important distinction between matters of the Oil-for-Food (OFF) program that were within the purview of the UN Secretariat, and those that were a function of the Security Council. Further, the IIC reminded us that UN member states – through the Council, in their actions on the 661 Iraq sanctions committee, and in their own individual action or inaction – structured and managed many

aspects of the OFF program with various strategic and political considerations in mind. Volcker recognized how this often led the member states to take decisions outside of the OFF that countervailed the very sanctions regime the members had created. These actions also permitted Saddam Hussein to garner illicit assets outside the eye of the OFF.

Understanding this critical division of responsibilities regarding sanctions implementation that belong to the Secretariat, to the Council, and to member states respectively, is central to sanctions success. A dispassionate reading of the Volker report underscores a fundamental reality of UN sanctions: they are only as effective as the resolve of member states to enforce them. In the Iraq case, the Security Council's determination was first to hold together a regional coalition of states whose governments would continue to participate in denying Saddam Hussein military goods, and then to maintain the flow of humanitarian relief to the people of Iraq. That the entire sanctions process and the Oil-for-Food program were politicized to achieve these ends should surprise no one. The Security Council – most often via the action of its powerful individual members – made critical decisions that overrode the normal mandates of UN agencies and ignored recommendations and concerns expressed by the Secretariat regarding sanctions violations. That was accepted as the price of making the sanctions and OFF work. Nonetheless, revisionist history critiques these same UN agencies and personnel for those failures or actions, which were not of their own doing.

The IIC provides some direct answers, and some indirect ones, regarding what led to and sustained the manner in which the UN system went awry. The most significant and debilitating aspect of the system under investigation resided in the Internal Audit Division (IAD) and the larger Office of Internal Oversight Services (OIOS). Various factors combined to lead to the series of inadequacies in IAD which the IIC thoroughly details in chapter 5 of its first report. Insufficient numbers of staff relative to the growing and then insurmountable work load that was the OFF was compounded by lack of oversight. In addition, the jurisdictional ambiguities of the Memorandum of Understanding between the UN Secretariat and Iraq and the Sanctions Committee regarding certain goods review procedures meant that numerous errors of omission occurred in IAD performance.

Accusations continue to abound about rampant OFF and, by extension, UN corruption. These sentiments are generalized to the entire UN management system, particularly to the Secretariat, thus raising skepticism about the viability of future sanctions. I admit it is difficult to explain these claims in light of the findings of the Volker committee, which include:

- Only one OFF official, Mr. Benon Sevan, has been accused of profiting and potentially illegal activity for his role in OFF.
- The oversight and accounting errors discovered resulted from a staff overwhelmed by the scope of the task relative to staff size, some ineptitude, lack of administrative control, and disregard of usual procedures. All are serious concerns and were fully documented - but none were illegal.
- No evidence was found that the Secretary-General influenced the awarding of

contracts to companies involved in goods procurement, sanctions monitoring, or in winning humanitarian aid contracts.

- The vast majority of oil voucher and other fraudulent activities related to OFF occurred outside of that system, with the final Volcker report naming some 2,200 private entities that warrant further scrutiny.

With these cautions in mind, it is the case that a careful reading of the Volcker report points to a series of reforms, most of which are being instituted, that can improve the administration and effectiveness of UN sanctions. These include:

- The creation of a more systematized and transparent UN audit system for sanctions and related ventures. Related to this is the imperative to guarantee adequate professional staffing and oversight to OIOS.
- Future sanctions resolutions must clearly and unequivocally prohibit a role for the targeted state in negotiating any part of penalty mechanisms, re-adjustments of sanctions, or aspects of humanitarian programs.
- The internal review rules of sanctions committees must be reformed so that if some portion of the committee, let us suggest five of the fifteen members, seek to initiate policy reviews of committee workings, such will occur.
- UN Memoranda of Understanding must be reconciled with internal UN management and procurement policies at the outset of any sanctions incident or international relief program.
- The liaison and management functions of the Sanctions Committees within the Secretariat's Department of Political Affairs must be thoroughly restructured. One option might be to establish the office of an independent Coordinator of Sanctions Affairs. This position would be less involved with member states sentiments, and charged exclusively with sanctions implementation and monitoring.
- A new conflict of interest and anti-corruption code of conduct should be developed for members of the UN Secretariat. In the same vein, member state representatives must recognize and be held accountable for their own obligation not to create situations that compromise the professional staff involved in sanctions administration.
- National judicial systems must further investigate and, when appropriate, prosecute companies and individuals responsible for fraud, illicit profiteering and countervailing trade prohibitions related to the Iraq sanctions and their own national laws. We know these processes are unfolding in various nations with some degree of success.

### **The Little Known Sanctions Reform Processes**

Just last week, the UN Security Council passed SCR 1672. This action imposes travel and financial sanctions on four specific Sudanese individuals for their role in fomenting the on-going violence in the Darfur region of Sudan and along the Chad-Sudan border. The specificity of the economic constraints and their identification of individuals - not national governments - as targets indicates a level of sophistication in sanctions formulation and implementation that is not widely known. It is a direct result of reform discussions and practices that have been part and parcel of the UN sanctions system since 1994 and to which I have been privileged both to scrutinize and be involved.

The strongest reason for confidence in economic sanctions as an effective diplomatic tool is that over the past decade groups of diplomats, sanctions specialists, experts in banking, commodities trade, law enforcement, transportation, comparative legislative behavior, and representatives of international governmental and non-governmental organizations have worked in concert to define, develop, revise substantial proposals for the formulation and implementation of targeted - often called smart - sanctions. These, in turn, have been further refined in the practice of the Council itself and through the development of legislative model laws for national member states. These new formulations are the subject of on-going investigation and consultation by a select group of specialists in the US, in Europe, and within the UN Secretariat.

Sanctions are smart or targeted in two dimensions: (1) they take as their target specific economic actors (companies, entities, or individuals) deemed most responsible for the policies or actions considered by the international community as illegal or abhorrent; and (2) they narrow the focus of economic coercion to a micro-activity that constrains the target in unique and painful ways. In the former category, this permits sanctions to be directed either against specific governmental individuals or private citizens who are most to blame for violations. In the latter focus, luxury goods or very specific commodities, such as timber or diamonds, will be embargoed. Then smart sanctions will be imposed on armaments and related technologies, financial assets, and aviation and travel.

The impetus for smart sanctions came from increased concern about the inefficiencies and negative humanitarian consequences of comprehensive trade sanctions. By 1994, sanctions specialists, members of the UN Secretariat working on sanctions, and selective national missions had come to view the broad attack on a national economy as an 'overkill' relative to the political compliance desired when sanctions were imposed. These sentiments were furthered by Security Council concerns with the Haitian, Yugoslav and especially the Iraqi case where reports of the devastating humanitarian effects of sanctions became well documented.

Herein lays the connection with the Iraq sanctions episode and the future of UN sanctions: the lesson learned - and very much acted upon - in UN circles was that the

human costs of general trade sanctions were so high that they undercut the prospects for achieving the political success that prompt such sanctions. Thus, no sanctions package adopted by the Security Council after 1994 has involved a general trade embargo. This decision also prompted the search for more effective means of economic coercion that were within the bounds and spirit of action that the UN might take under chapter VII of the UN charter.

UN personnel and experts noted quickly the success of global cooperation in the early years of operation of the Financial Action Task Force (FATF), which was established in 1989 to control drug money laundering. Also noted was the long-term viability of developing internationally binding guidelines such as those developed for air transport through the International Civil Aviation Organization (ICAO). The search for using standard setting mechanisms such as these, by which member states might enforce economic coercion on targets short of full trade embargoes, led to three reform processes sponsored by different nations, and to substantial involvement of UN and member state personnel with sanctions innovation at the Council level.

In 1998 and 1999, the Swiss government convened two international seminars at Interlaken. The meetings brought together financial experts and regulators, bankers, international practitioners, lawyers and academic researchers from about two dozen nations to develop concrete proposals for instituting and improving financial sanctions. Special attention was devoted to exploring how to increase the technical capacity of the UN system and member states in locating and locking down assets and in harmonizing financial terminology (such as what comprises an 'asset' in various national banking systems). This led to the development of model Security Council resolutions and the exploration of how to strengthen national member state capacity to implement targeted financial sanctions. From 2000 until the present, refinement of these techniques has been greatly assisted by the research of scholars at the Watson Institute for International Studies at Brown University. Since the late 1990s, targeted financial sanctions have been the cornerstone of effective UN sanctions imposition.

In a series of workshops and practitioner oriented sessions, the German Foreign Ministry asked the Bonn International Center for Conversion (BICC) to spearhead an initiative on the refinement of travel bans, aviation sanctions, and the strengthening of arms embargoes. Expert meetings were held in Bonn in 1999 and Berlin in 2000, with follow-up work continuing until 2006 through BICC and the Kroc Institute in the analysis of the effectiveness of arms embargoes. This Bonn-Berlin process was especially effective in that its designers aimed to link these distinct types of targeted measures within a similar framework in both policy and in practical implementation. Special attention was devoted to arms embargo monitoring. The outcome was the development of model language to guide future Security Council resolutions and national legislation to enhance arms embargo enforcement.

In October 2001, Sweden announced its initiation of a third process, which would focus on the implementation of targeted sanctions. The Stockholm process was an intense series of seminars and commissioned research papers that made detailed recommend-



ations for each type of targeted sanctions. Beyond the critically important advancement of best practices in each area of targeted sanctions, the Stockholm process explored significant issues of new UN practices with smart sanctions, such as those developing in the UN Counter-Terrorism Committee. It also provided comprehensive recommendations across various agencies and smart sanctions for improved implementation and monitoring. The Department of Peace and Conflict Research at Uppsala University continues to conduct research and convene seminars examining these themes.

The results of the Interlaken and Bonn-Berlin processes were discussed at length within the Security Council in early 2001, the results of the Stockholm Process in 2003. Their impact on the quality of the smart sanctions enterprise has been considerable in the refinement of technique, increasing their impact, sharpening their monitoring and especially in improving the quality and attention devoted to national laws that are needed to support effective Security Council sanctions. These improvements, in turn, make more effective the work of the Sanctions Committees charged with administering and monitoring such targeted sanctions.

These three reform processes were dynamically interactive, with innovations introduced by the Security Council in the 1990s in each category of targeted sanctions. With financial sanctions, the Council moved beyond freezing the assets of governments alone to targeting designated individuals in government and entities as well. This pattern continued through the Angola and Afghanistan cases in the latter part of the decade. In the cases of the DRC, Côte d'Ivoire and now Sudan, the Council was authorized to apply targeted measures on designated individuals. The counter-terrorism financial sanctions mandated in Resolution 1373 were also directed against entities and individuals.

As the Security Council shifted toward imposing targeted sanctions in cooperation with member states, it developed the capacity to research and publish lists of designated sanctions targets which were subjected to asset freezes and travel bans. The Council was also empowered to impose financial sanctions and visa bans on lists of designated targets in specific sanctions cases. This practice, used in the cases of Angola, Sierra Leone, Afghanistan, Liberia, Democratic Republic of Congo, Sudan, and Côte d'Ivoire, would prove significant for the Council's approach to handling terrorism after September 2001.

The Council also attempted to make improvements in the design and implementation of arms embargoes. Efforts were made to encourage member states to criminalize violations of UN arms embargoes and strengthen export control laws and regulations. These initiatives helped to create a firmer foundation in the domestic law of member states for penalizing those who supply arms and military related goods in violation of UN arms embargoes. In 2004, the Security Council directed UN peace-keeping forces in the Democratic Republic of Congo and Côte d'Ivoire to assist with the monitoring of arms embargoes in these countries. This added significant responsibilities to the mission of UN peace-keepers in these countries.

Commodity-specific boycotts were also imposed more frequently. Oil embargoes were imposed as part of the sanctions against Iraq, Yugoslavia, Haiti, UNITA in Angola, and the military junta in Sierra Leone. An embargo on the export of logs was imposed against the government of Liberia. Diamond embargoes were introduced in 1998 with the case of Angola. As non-governmental agencies and human rights groups documented the role of diamond smuggling in financing the armed rebellions in Angola and Sierra Leone, the Security Council took action to interdict the trade in so-called “blood diamonds.” The council imposed diamond embargoes against UNITA in 1998 by Resolution 1173, in 2000 the Revolutionary United Front areas of Sierra Leone by Resolution 1306, and in 2001 the government of Liberia by Resolution 1343.

To overcome the lack of monitoring capacity within the UN system, the Security Council appointed independent expert panels and monitoring mechanisms to provide support for sanctions implementation. The first panel was established in conjunction with the arms embargo against Rwandan Hutu rebels by Resolution 1013 in 1995. A breakthrough toward more effective monitoring came in the case of Angola. In 1999, the Angola sanctions committee became more active in monitoring sanctions violations and encouraging implementation. The Security Council also appointed a panel of experts and a subsequent monitoring mechanism to improve compliance with the Angola sanctions. The panel of experts and monitoring mechanism issued a series of reports that focused continuing attention on sanctions implementation efforts. The Angola panel of experts and the monitoring mechanism were followed by similar investigative panels for Sierra Leone, Afghanistan, and Liberia.

An investigative panel was also created to examine the exploitation of mineral wealth and natural resources in the Democratic Republic of Congo, and to monitor compliance with sanctions after 2003. Panel reports were also commissioned in 2004 in the cases of Sudan and Côte d’Ivoire. In each setting, the investigative panels produced detailed reports on sanctions violations and smuggling activities. The Sierra Leone panel of experts focused on the link between arms trafficking and diamond smuggling and found a pattern of widespread violations of UN sanctions. The panel issued many policy recommendations, the most important of which was that sanctions be imposed on the government of Liberia for its role in undermining sanctions implementation and providing support for the rebels in Sierra Leone. Sanctions on the Charles Taylor regime soon followed.

The Security Council created a monitoring mechanism for Afghanistan in July 2001 through Resolution 1363 and established an associated Sanctions Enforcement Support Team to strengthen the implementation of the arms embargo, travel sanctions, and targeted financial sanctions imposed against the Taliban regime. After the overthrow of the Taliban, in 2002 the Council altered the mission of the monitoring group in Resolution 1390. It later created an Analytic Support and Sanctions Monitoring Team to investigate and provide support for the continued financial, travel, and arms sanctions on former Taliban leaders and members of al-Qaeda.

Reformulation and new thinking about strengthening UN sanctions continues to occur within both the Secretariat and the Council. The Security Council Informal Working Group on General Issues on Sanctions has been particularly active in keeping abreast of research. We witnessed in numerous individuals—including but not limited to those who work in the Security Council Affairs Division of the Department of Political Affairs of the UN Secretariat—substantial expertise, commitment, creativity and integrity in searching for and implementing humane and effective measures meant to preserve peace and security. In these people and processes, the US Congress should have great confidence.

The think-tanks and university research units that have assisted these reforms have improved methods of imposing sanctions and empowered nations to develop legal mechanisms compatible with Security Council mandates. They continue to provide a forum for exchange of ideas about best practices, sanctions evaluation, and recommendations for improvement. Both the scope and the substance of this development of targeted sanctions should spark confidence that the UN sanctions system can be very effective in the foreseeable future.

#### **How UN Management Reforms May Effect UN Sanctions**

As your committee well knows, there have been a variety of reform proposals and actions within the United Nations, all of which have occurred in a highly charged political atmosphere over the past three years. Many of these reform plans lie in areas beyond the scope of sanctions and thus beyond our concern. It is significant to note, however, how the Volcker Committee report, the UN High Level Panel Report, and the Secretary-General's own plan of March 2005, titled *In Larger Freedom*, have resulted in the creation of positions and practices that will further improve sanctions.

There are three major administrative areas of recent UN reform that made – or are about to make – significant changes to enhance the capacity of the UN system that is, the Secretariat, the Security Council, and the member states, to formulate and implement chapter VII based economic sanctions. I detail each of these briefly:

1. Improved Administration and Management. There has been on-going reform in the area of senior management within the UN over the past 18 months. The year 2005 saw significant and far-reaching change in the manner in which senior level personnel are appointed and reviewed in the Secretariat. Top-level decision-making and shared authority and accountability of the Secretary-General has been greatly enhanced by the inauguration of both a Policy Committee and a Management Committee. Beyond these structural additions, new processes for recruitment, training and evaluation are being put in place.
2. Increased Oversight, Transparency and Accountability. This administrative area has witnessed multiple changes, many of which respond to concerns raised by the IIC investigation. In the management and accountability area, a new Management Performance Board has been created and held its first meeting in July, 2005.

Price-Waterhouse-Coopers will soon complete its report on how to ensure accurate, transparent and honest audits of UN agencies. And most significantly, the Creation of a new Oversight Committee and the addition of more than three dozen new professional positions in the OIOS are designed to improve that critical organization's capacity and the effective completion of its work.

3. Enhanced Ethical Codes and Means of Conduct. In dealing with the behavior and responsibilities of all UN officials, there are new modes of operation within the system. All personnel involved in procurement and fiduciary work have new financial disclosure obligations and conflict of interest rules. A significantly far-reaching 'whistle-blower' set of practices and policies are in place. Much of this is reinforced by the creation of an Ethics Office within the Secretariat.

The UN- and member state-generated, specialized sanctions reform process mentioned previously proceeded below the radar screen, much unlike these responses to the mandate for change. But these patterns of reform will undoubtedly merge to create a leaner, more accountable, transparent and effective management system for UN Security Council sanctions.

**The Bottom Line: The UN, in its multiple identifications, can do the sanctions job**

Are sanctions still a viable diplomatic tool? Absolutely and they must be. In fact, the internal reform processes of the sanctions instrument that have occurred within the UN system during the past eight years combine with the Volcker-based reform proposals and those generated by the wider discussion of UN reforms to provide realistic optimism regarding economic sanctions. These coercive measures are more sophisticated technically, more biting economically, and much more precisely targeted on offenders. Sanctions are a more versatile policy option than ever envisioned when sanctions re-entered the repertoire of diplomatic tools in 1990. [This dynamic is displayed in the chart in Appendix C]

The imperative for targeted sanctions is self-evident. The diverse nature of offenses that may be committed against international law and norms by both national governments and non-state actors demands a flexible, yet effective response. The history of economic sanctions since the early nineties reveals remarkable versatility and adaptability in the practical, technical and target-specific dimensions of sanctions formulation and implementation. The UN Security Council took the unprecedented action of using economic coercion against violent and factional groups such as the Khmer Rouge and the UNITA armed faction in the 1990s. Now, the prevailing applied technique of the UN's effort in counter-terrorism via UNSCR 1373 and its successor resolutions is to use targeted financial and travel sanctions to deny assets and movement to al-Qaeda and like-minded groups. This trend very much benefits US interests.

In 2006, the means for imposing, implementing, monitoring, and refining economic sanctions are more robust than ever. Recent history—including the analysis provided by the Volcker Committee—reveals that the UN key bodies of the Security

Council and the Secretariat have quite divergent responsibilities in the formulation, implementation and monitoring of sanctions. In the vast majority of cases, these responsibilities have been effectively executed. No doubt new practices and entities sparked by wider UN reform will enhance these systems, but sanctions effectiveness at the UN is not dependent on these.

As the critical and dominant third UN component, only the member states of the Council and the wider UN can guarantee that sanctions are actually implemented. In the history of the so-called Oil-for-Food scandal, one pattern is clear: The powerful members of the Security Council will do what they choose is in their national interest. As they acted during the Oil-for-Food era, they will make exceptions to Council resolutions, fail to take action on recommendations provided by the Secretariat, and hold control of the sanctions enterprise close to their own decision-making center. In other words, the unique mix of professionalism and politics that characterizes the UN at its core will likely continue to influence economic sanctions.

Thus, the on-going task of sanctions reform is to increase member states' capacity, and thereby to positively influence their willingness, to implement the measures which the wider global community have deemed necessary to preserve peace and security. The use of smart, targeted sanctions provides some confidence that this can be accomplished, even as it places before the member states, the Council, and the Secretariat a new set of important practical, legal and ethical challenges that will doubtless be central to continued sanctions success in this decade.

Thank you for this opportunity. Respectfully submitted,

George A. Lopez

**Appendix A**

## Sanctions Biography – George A. Lopez

Since 1992 - and collaborating often with David Cortright – George A. Lopez has written more than twenty-five articles and book chapters as well as five books on economic sanctions, with special reference to UN sanctions and the UN sanctions-inspections system on Iraq. Lopez's direct involvement with UN sanctions on Iraq began in 1993 when he was asked to help the then Department of Humanitarian Affairs develop methodologies for assessing sanctions impact. With colleagues from Brown University, they developed new conceptual and methodological approaches to accessing the humanitarian impact of sanctions. (Weiss et al., eds. *Civilian Pain and Political Gain: Assessing the Humanitarian Impact of Economic Sanctions*, Rowman & Littlefield, 1997). Until it was further refined by an international expert group in 2003 this approach served as the working template for future Security Council Sanctions Committees and the assessment of sanctions impact conducted by the UN Office for the Coordination of Humanitarian Affairs and related agencies.

From the mid to late 1990s, the expertise of the team was sought in a variety of ways by larger scholarly and policy-focused projects both in the US and in the UN system. Both individually and collectively, Cortright and Lopez contributed to the investigations on sanctions, incentives and economic statecraft undertaken by the Carnegie Commission on Preventing Deadly Conflict, with Cortright editing a major volume from that project (*The Price of Peace*, Roman & Littlefield, 1998). They advised, participated in policy dialogues with, and wrote chapters for volumes produced by the Brookings Institution, the Council on Foreign Relations, the Carnegie Endowment for International Peace, and the Center for Preventive Action. In addition, the research team played a significant role in the background research, report writing and occasionally rapporteur functions at the three significant United Nations reform conferences, the Swiss, German and Swedish targeted sanctions processes, 1998 – 2004.

The Lopez-Cortright volume, *The Sanctions Decade: Assessing UN Strategies in the 1990s* (Rienner, 2000) drew critical acclaim, including being named a *Choice* Outstanding Academic Title in 2000, and is considered by many as the definitive history of the one dozen UN sanctions cases of that decade. *Towards Smart Sanctions: Targeting Economic Statecraft* (Roman & Littlefield) co-edited with Cortright, and *Sanctions and the Search for Security* (Rienner) co-authored with Cortright, both appeared in the spring of 2002 and reflect much of the progress within the UN system regarding sanctions reform and the development of smart sanctions.

With specific reference to Iraq sanctions, Lopez and Cortright observed closely the development of SCR 986 (April, 1995) which established the Oil-for-Food Program and played a behind-the-scenes role in the development of what became SCR 1409 (May, 2002), the smart sanctions package that further liberalized the Oil-for-Food program.

With Cortright and Alistair Millar, Lopez wrote *WINNING WITHOUT WAR: SENSIBLE SECURITY OPTIONS FOR DEALING WITH IRAQ* in October 2002. The policy brief has been called the most influential document in Europe and the United States for those favoring an alternative to war with Iraq. Lopez and Cortright's research detailing the unlikely presence of WMDs in Iraq was published before the war in "Disarming Iraq" in *Arms Control Today* (September, 2002) and then further articulated after the war in "Containing Iraq: the Sanctions Worked" in *Foreign Affairs* (July/August, 2004).

With the passage of Resolution 1373 on September 28, 2001, the Security Council created the Counter-Terrorism Committee (CTC) an expansion of the Lopez-Cortright research team work occurred. While not a sanctions committee, the CTC required all UN members to implement targeted financial, arms, materiel and travel sanctions against a designated list of individuals and organizations. The research team's expertise regarding these specific, targeted sanctions has led to new contract research with various governments and agencies about the scope and direction of the Committee and the UN's overall efficacy in counter-terrorism policy. Recent policy reports of the team include *An Action Agenda for Enhancing the United Nations Program on Counter-Terrorism* (September, 2004), and *Recommendations for Improving the United Nations Counter-Terrorism Committee's Assessment and Assistance Coordination Function* (September, 2005).

United Nations Security Sanctions Resolutions 1966 - 2006<sup>1</sup>

Document # / Date	Action
S/RES/221 9 April 1966	<p><b>Rhodesia</b></p> <ul style="list-style-type: none"> <li>• Calls on Portuguese government to prohibit oil to be pumped through pipeline from Beira to Southern Rhodesia or receive oil destined for Southern Rhodesia</li> <li>• Calls on all states to divert any vessels carrying oil bound for Southern Rhodesia</li> <li>• Calls on UK government to prevent arrival of oil vessels bound for Southern Rhodesia, allows use of force if required</li> </ul>
S/RES/232 16 December 1966	<ul style="list-style-type: none"> <li>• All states to prevent imports from Southern Rhodesia and activities promoting export of Rhodesian commodities</li> <li>• States to prevent shipment in vessels or aircraft with registration originating in Southern Rhodesia</li> <li>• Imposes arms embargo</li> <li>• States to prevent promotion of supply of aircraft or motor vehicles to Southern Rhodesia</li> <li>• States to prevent supply of oil or oil products to Southern Rhodesia</li> <li>• Calls upon states not to render financial or other economic aid to the illegal regime in Southern Rhodesia</li> <li>• States to report to S-G on steps taken to be in accordance with resolution; S-G to report to the Council on implementation by 1 March 1967</li> </ul>
S/RES/253 29 May 1968	<ul style="list-style-type: none"> <li>• Reiterates measures imposed in resolution 232</li> <li>• States shall not make available any commercial, industrial, or public utility undertaking with the illegal regime (with humanitarian exceptions)</li> <li>• States to prevent entry into their territories by individuals traveling by Southern Rhodesian passport (with humanitarian exceptions), or are suspected to be in collusion with the illegal regime</li> <li>• States to prevent operation of airline companies registered in Southern Rhodesia</li> <li>• States to prevent emigration to Southern Rhodesia</li> <li>• Emphasizes need for consular and trade withdrawal</li> <li>• Committee established to report on implementation</li> </ul>
S/RES/277 18 March 1970	<ul style="list-style-type: none"> <li>• Names governments of South Africa and Portugal for continued assistance of illegal regime</li> <li>• Calls on member states to not recognize illegal regime</li> <li>• All states to immediately sever all diplomatic, consular, trade, military, and other relations with Southern Rhodesia, and immediately sever any existing means of transportation to Southern Rhodesia</li> </ul>
S/RES/288 17 November 1970	<ul style="list-style-type: none"> <li>• Decides that sanctions to remain in force</li> </ul>



S/RES/314 28 February 1972	<ul style="list-style-type: none"> <li>• Reaffirms present sanctions</li> <li>• Committee to consider ways and means of implementing sanctions</li> </ul>
S/RES/318 28 July 1972	<ul style="list-style-type: none"> <li>• Reiterates earlier demands, calls on member states to increase vigilance in matters relating to sanctions</li> </ul>
S/RES/320 29 September 1972	<ul style="list-style-type: none"> <li>• Reaffirms present sanctions</li> <li>• Calls on Committee to consider actions to be taken regarding open sanctions violations by South Africa and Portugal</li> </ul>
S/RES/333 22 May 1973	<ul style="list-style-type: none"> <li>• Calls on states to enact legislation to punish sanctions violators</li> </ul>
S/RES/388 6 April 1976	<ul style="list-style-type: none"> <li>• Calls on states to enact legislation prohibiting the insurance of air flights into and out of Southern Rhodesia</li> <li>• Reaffirms present sanctions</li> </ul>
S/RES/437 10 October 1978	<ul style="list-style-type: none"> <li>• Regrets violation of sanctions by the U.S. in allowing entry of Ian Smith and other members of the illegal regime</li> </ul>
S/RES/477 30 July 1980	<ul style="list-style-type: none"> <li>• Recommends application of Zimbabwe for admission to the UN</li> </ul>
<b>South Africa</b>	
S/RES/418 4 November 1977	<ul style="list-style-type: none"> <li>• Imposes mandatory arms embargo on South Africa</li> </ul>
S/RES/421 9 December 1977	<ul style="list-style-type: none"> <li>• Establishes Security Council committee</li> </ul>
S/RES/558 13 December 1984	<ul style="list-style-type: none"> <li>• Reaffirms arms embargo</li> <li>• Requests that states refrain from importing any South African produced arms or military vehicles</li> </ul>
S/RES/919 26 May 1994	<ul style="list-style-type: none"> <li>• Terminates arms embargo</li> <li>• Dissolves committee</li> </ul>
<b>Iraq</b>	
S/RES/661 6 August 1990	<ul style="list-style-type: none"> <li>• Imposes ban on all imports from Iraq or Kuwait</li> <li>• Imposes ban on all exports to Iraq or Kuwait with exceptions for medical and humanitarian circumstances</li> <li>• Freezes Iraqi assets</li> <li>• Establishes Security Council committee</li> <li>• Confirms that measures in Resolution 661 apply to all means of transport including aircraft and ships</li> </ul>
S/RES/670 25 September 1990	
S/RES/678 29 November 1978	<ul style="list-style-type: none"> <li>• Authorizes member states to liberate Kuwait</li> <li>• Gives Iraq "pause of goodwill" to comply with UN demands</li> </ul>
S/RES/687 3 April 1991	<ul style="list-style-type: none"> <li>• Establishes terms of cease-fire</li> <li>• Establishes set of eight specific conditions for the lifting of sanctions</li> </ul>

S/RES/706 15 August 1991	<ul style="list-style-type: none"> <li>• Authorizes oil for food program</li> <li>• Permits sale of up to \$1.6 billion in Iraqi oil over six-month period</li> <li>• Directs that proceeds be deposited in UN escrow account to finance humanitarian imports, war reparations</li> </ul>
S/RES/712 19 September 1991	<ul style="list-style-type: none"> <li>• Establishes basic structure for oil for food program implementation</li> </ul>
S/RES/778 2 October 1992	<ul style="list-style-type: none"> <li>• Iraq rejects resolutions 706 and 712</li> <li>• Calls on member states to transfer Iraqi oil funds from pre-Gulf crisis to UN escrow account</li> </ul>
S/RES/886 14 April 1995	<ul style="list-style-type: none"> <li>• Establishes new formula for oil for food</li> <li>• Permits sale of up to \$1 billion in Iraqi oil every three months</li> <li>• Gives Baghdad primary responsibility for distribution of humanitarian goods</li> <li>• Comes into force December 1996</li> </ul>
S/RES/1111 4 June 1997	<ul style="list-style-type: none"> <li>• Extends oil for food program</li> <li>• Baghdad withholds distribution plans and oil sales</li> </ul>
S/RES/1153 20 February 1998	<ul style="list-style-type: none"> <li>• Extends oil for food program again</li> <li>• Raises oil sales to \$5.25 billion every six months</li> <li>• Permits revenues to finance urgent development needs (electricity sector)</li> </ul>
S/RES/1284 17 December 1999	<ul style="list-style-type: none"> <li>• Establishes new UN Monitoring, Verification and Inspection Commission (UNMOVIC)</li> <li>• Outlines procedures for the completion of weapons verification process</li> <li>• Expands humanitarian provisions</li> <li>• Declares Council's intention to suspend sanctions for renewable 120-day periods if Iraq cooperates with UNMOVIC and IAEA</li> </ul>
S/RES/1302 8 June 2000	<ul style="list-style-type: none"> <li>• Establishes a panel of experts to report on the humanitarian situation</li> </ul>
S/RES/1352 1 June 2001	<ul style="list-style-type: none"> <li>• Extends the 986 program</li> <li>• Expresses the intention to consider new arrangements to facilitate civilian trade</li> </ul>
S/RES/1360 3 July 2001	<ul style="list-style-type: none"> <li>• Extends the 986 program</li> </ul>
S/RES/1382 29 November 2001	<ul style="list-style-type: none"> <li>• Extends 986 program</li> <li>• Adopts "Goods Review List" of items permitted under oil for food program</li> </ul>
S/RES/1409 14 May 2002	<ul style="list-style-type: none"> <li>• Extends the 986 program</li> <li>• Adopts revised Goods Review List</li> <li>• Permits states to sell or supply items on the Goods Review List</li> <li>• Permits use of escrow account funds to purchase items on the Goods Review List</li> <li>• Decides to conduct regular reviews of Goods Review List to consider necessary adjustments</li> <li>• Requests assessment report from S-G</li> </ul>

S/RES/1441 8 November 2002	<ul style="list-style-type: none"> <li>• Declares Iraq to be in "material breach" of disarmament/inspection obligations</li> <li>• Gives Iraq a final chance to comply with disarmament obligations: requests full and complete declaration of all weapons systems within 30 days and demands that Iraq provide unfettered access of UNMOVIC and IAEA inspectors to all requested sites and individuals for interviews within 45 days</li> <li>• Threatens serious consequences if Iraq violates obligations</li> <li>• Extends 1409 provisions until December 2002</li> </ul>
S/RES/1443 25 November 2002	<ul style="list-style-type: none"> <li>• Extends provisions from resolutions 986, 1360, and 1284</li> </ul>
S/RES/1447 4 December 2002	<ul style="list-style-type: none"> <li>• Decides to consider necessary adjustments to Goods Review List</li> </ul>
S/RES/1454 30 December 2002	<ul style="list-style-type: none"> <li>• Approves adjustments to Goods Review List</li> </ul>
S/RES/1472 26 March 2003	<ul style="list-style-type: none"> <li>• Authorizes use of escrow account funds for purchase of humanitarian supplies and local civilian needs</li> </ul>
S/RES/1476 24 April 2003	<ul style="list-style-type: none"> <li>• Renews 1472 provisions</li> </ul>
S/RES/1483 22 May 2003	<ul style="list-style-type: none"> <li>• Calls on member states to assist the people of Iraq in rebuilding the country</li> <li>• Asks member states to deny safe haven to members of the former regime</li> <li>• Requests appointment of a Special Representative for Iraq by the S-G</li> <li>• Supports formation of a transitional administration run by Iraqis</li> <li>• Lifts all sanctions except those related to arms and weapons systems</li> <li>• Notes establishment of Development Fund for Iraq</li> <li>• Calls on S-G to terminate oil for food program within six months</li> <li>• Terminates 661 committee</li> <li>• Decides that five percent of oil revenues should be deposited in compensation fund</li> <li>• States to freeze assets/funds belonging to Saddam Hussein or other former senior officials</li> <li>• Establishes Security Council committee</li> </ul>
S/RES/1518 24 November 2003	<ul style="list-style-type: none"> <li>• Establishes Security Council committee</li> </ul>
S/2004/1036 31 December 2004	Security Council Committee report
	<b>Yugoslavia</b>
S/RES/713 25 September 1991	<ul style="list-style-type: none"> <li>• Imposes arms embargo on Yugoslavia</li> <li>• Calls for immediate cease-fire</li> <li>• Gives full support to EC and CSCE efforts to negotiate end to war in Croatia</li> </ul>
S/RES/724 15 December 1991	<ul style="list-style-type: none"> <li>• Creates sanctions committee</li> </ul>

S/RES/757 30 May 1992	<ul style="list-style-type: none"> <li>• Imposes sanctions</li> <li>• Bans all international trade with Yugoslavia</li> <li>• Prohibits air travel</li> <li>• Blocks financial transactions</li> <li>• Bans sports and cultural exchanges</li> <li>• Suspends scientific and technical cooperation</li> <li>• Allows transshipment of goods through Yugoslavia</li> <li>• Exempts humanitarian goods</li> </ul>
S/RES/787 15 November 1992	<ul style="list-style-type: none"> <li>• Prohibits transshipment of strategic goods through Yugoslavia</li> <li>• Halts all maritime shipping on Danube River</li> </ul>
S/RES/820 17 April 1993	<ul style="list-style-type: none"> <li>• Freezes Yugoslav government financial assets</li> <li>• Prohibits the transit through any country of vessels owned by or registered in Yugoslavia</li> <li>• Further limits the transshipment of goods through Yugoslavia</li> </ul>
S/RES/942 23 September 1994	<ul style="list-style-type: none"> <li>• Extends full range of sanctions to Bosnian Serb-controlled territory</li> </ul>
S/RES/943 23 September 1994	<ul style="list-style-type: none"> <li>• Eases some restrictions on Serbia</li> <li>• Suspends sanctions on air and ferry service between Montenegro and Italy</li> <li>• Suspends ban on sporting and cultural events</li> </ul>
S/RES/1021 22 November 1995	<ul style="list-style-type: none"> <li>• Terminates Resolution 713 arms embargo</li> </ul>
S/RES/1022 22 November 1995	<ul style="list-style-type: none"> <li>• Suspends trade sanctions</li> </ul>
S/RES/1160 31 March 1998	<ul style="list-style-type: none"> <li>• Imposes arms embargo on Yugoslavia</li> <li>• Establishes new sanctions committee to monitor member state compliance</li> </ul>
S/RES/1367 10 September 2001	<ul style="list-style-type: none"> <li>• Terminates sanctions and dissolves committee</li> </ul>
<b>Somalia</b>	
S/RES/733 23 January 1992	<ul style="list-style-type: none"> <li>• Imposes arms embargo</li> </ul>
S/RES/751 24 April 1992	<ul style="list-style-type: none"> <li>• Creates sanctions committee</li> </ul>
S/RES/954 4 November 1994	<ul style="list-style-type: none"> <li>• Requests the Somalia sanctions committee to fulfill its mandate (due to poor monitoring)</li> </ul>
S/RES/1407 3 May 2002	<ul style="list-style-type: none"> <li>• Requests appointment of two experts to provide committee with information on violations and enforcement of arms embargo</li> </ul>

S/RES/1425 22 July 2002	<ul style="list-style-type: none"> <li>• Requests appointment of panel of experts for six month period</li> </ul>
S/RES/1474 8 April 2003	<ul style="list-style-type: none"> <li>• Reestablishes panel of experts for six month period</li> </ul>
S/RES/1519 16 December 2003	<ul style="list-style-type: none"> <li>• Requests appointment of a monitoring group to investigate arms embargo violations for six month period</li> </ul>
S/2004/604 11 August 2004	Monitoring Group report
S/RES/1558 17 August 2004	<ul style="list-style-type: none"> <li>• Reiterates 733 obligations (arms embargo)</li> <li>• Asks S-C to reestablish monitoring group for six month period (to update lists, report to the Council, recommend responses to AE violations)</li> </ul>
S/2005/153 9 March 2005	Monitoring Group report
S/RES/1587 15 March 2005	<ul style="list-style-type: none"> <li>• Requests reestablishment of monitoring group for six month period</li> </ul>
S/RES/1630 14 October 2005	<ul style="list-style-type: none"> <li>• Stresses Member State obligations regarding arms embargo, expresses intention to consider specific actions to improve implementation and compliance</li> <li>• Reestablishes monitoring group for six month period</li> <li>• Requests Committee to consider and recommend ways to improve implementation of arms embargo, and consider travel to the region to demonstrate the Council's resolve behind arms embargo</li> </ul>
S/RES/748 31 March 1992	<p style="text-align: center;"><b>Libya</b></p> <ul style="list-style-type: none"> <li>• Imposes aviation sanctions</li> <li>• Bans supply of weapons</li> <li>• Requires reductions in personnel at Libyan diplomatic/consular missions abroad</li> <li>• Restricts travel of Libyan nationals suspected of terrorist activity</li> <li>• Creates sanctions committee</li> </ul>
S/RES/883 11 November 1993	<ul style="list-style-type: none"> <li>• Imposes additional sanctions</li> <li>• Freezes Libyan government assets abroad</li> <li>• Tightens aviation sanctions</li> <li>• Bans import of some oil-transporting equipment</li> </ul>
S/RES/1192 27 August 1998	<ul style="list-style-type: none"> <li>• Suspends sanctions upon receipt of S-G's report on arrival of two suspects in the Netherlands for the proposed trial</li> <li>• Threatens additional sanctions if Libya does not accept the offer</li> </ul>
S/RES/1506 12 September 2003	<ul style="list-style-type: none"> <li>• Terminates sanctions and dissolves committee</li> </ul>

Liberia	
S/RES/788 19 November 1992	<ul style="list-style-type: none"> <li>Imposes a limited arms embargo (exempts ECOMOG forces)</li> </ul>
S/RES/985 13 April 1995	<ul style="list-style-type: none"> <li>Creates sanctions committee</li> </ul>
S/RES/1343 7 March 2001	<ul style="list-style-type: none"> <li>Terminates measures from resolutions 788 and 985</li> <li>Demands cessation of support for the RUF in Sierra Leone</li> <li>Reimposes the arms embargo; imposes assets freeze, travel ban, and diamond embargo for a period of 12-14 months after a two-month grace period</li> <li>Establishes sanctions committee</li> <li>Calls on government of Liberia to institute certificate of origin scheme for diamonds</li> <li>Establishes panel of experts for six month period</li> <li>Reestablishes panel of experts</li> </ul>
S/RES/1395 27 February 2002	<ul style="list-style-type: none"> <li>Reestablishes panel of experts</li> </ul>
S/RES/1408 6 May 2002	<ul style="list-style-type: none"> <li>Renews arms embargo and travel ban for 12 months</li> <li>Establishes new panel of experts</li> </ul>
S/RES/1458 28 January 2003	<ul style="list-style-type: none"> <li>Reestablishes panel of experts for three month period</li> </ul>
S/RES/1478 6 May 2003	<ul style="list-style-type: none"> <li>Extends arms embargo and travel ban for 12 months</li> <li>Imposes timber sanctions for 10 months</li> <li>Decides to consider how to minimize humanitarian impact of timber sanctions</li> <li>Establishes panel of experts for five month period</li> </ul>
S/RES/1521 22 December 2003	<ul style="list-style-type: none"> <li>Terminates sanctions imposed in resolutions 1343 and 1478</li> <li>Dissolves 1343 committee</li> <li>Imposes an arms embargo and travel ban, and bans diamond and timber exports from Liberia</li> <li>Requests certificate of origin scheme for trade in Liberian diamonds</li> <li>Measures imposed for 12 month period</li> <li>Establishes committee</li> <li>Establishes panel of experts for five month period</li> </ul>
S/RES/1532 12 March 2004	<ul style="list-style-type: none"> <li>Imposes assets freeze on Charles Taylor and other designated individuals</li> </ul>
S/RES/1549 17 June 2004	<ul style="list-style-type: none"> <li>Committee to circulate, maintain, and review list of designated individuals</li> </ul>
S/2004/752 24 September 2004	<ul style="list-style-type: none"> <li>Reestablishes panel of experts</li> </ul>
Panel of Experts Midterm Report	

S/2004/965 6 December 2004	Panel of Experts Report
S/RES/1579 21 December 2004	<ul style="list-style-type: none"> <li>• Renews arms and travel embargoes for 12 months with review after six months</li> <li>• Renews timber sanctions for 12 months with review after six months</li> <li>• Renews diamond sanctions for six months with review after three months</li> <li>• Reestablishes panel of experts until 21 June 2005</li> </ul>
S/2005/176 17 March 2005	Panel of Experts Interim Report
S/RES/1607 21 June 2005	<ul style="list-style-type: none"> <li>• Renews diamond sanctions for six months</li> <li>• Notes that arms, travel, and timber sanctions remain in force until 21 December 2005</li> <li>• Reestablishes Panel of Experts until 21 December 2005</li> </ul>
S/RES/1647 20 December 2005	<ul style="list-style-type: none"> <li>• Renews arms and travel sanctions for twelve months</li> <li>• Renews diamond and timber sanctions for six months</li> <li>• Reestablishes Panel of Experts until 21 June 2006</li> </ul>
<b>Haiti</b>	
S/RES/841 16 June 1993	<ul style="list-style-type: none"> <li>• Imposes fuel and arms embargo</li> <li>• Establishes sanctions committee</li> </ul>
S/RES/873 13 October 1993	<ul style="list-style-type: none"> <li>• Reimposes fuel and arms embargo</li> </ul>
S/RES/875 16 October 1993	<ul style="list-style-type: none"> <li>• Calls on member states to enforce the fuel and arms embargo with a naval blockade</li> </ul>
S/RES/917 6 May 1994	<ul style="list-style-type: none"> <li>• Imposes comprehensive sanctions</li> <li>• Imposes flight ban</li> <li>• Freezes assets of military junta and their supporters and family</li> </ul>
S/RES/940 31 July 1994	<ul style="list-style-type: none"> <li>• Authorizes the creation of a multinational force to oust coup leaders and restore Aristide</li> </ul>
S/RES/944 29 September 1994	<ul style="list-style-type: none"> <li>• Moves to terminate sanctions upon Aristide's return to power</li> </ul>
<b>Angola</b>	
S/RES/864 15 September 1993	<ul style="list-style-type: none"> <li>• Imposes arms embargo on UNITA</li> <li>• Imposes petroleum embargo except through ports of entry designated by the Angolan government</li> <li>• Creates sanctions committee</li> </ul>
S/RES/890 15 December 1993	<ul style="list-style-type: none"> <li>• Threatens stronger sanctions, upon the S-G's future recommendations, but gives no deadline or timeline for action</li> </ul>
S/RES/1075	<ul style="list-style-type: none"> <li>• Threatens additional sanctions against UNITA for its failure to comply with the Lusaka Protocol</li> </ul>

11 October 1996 S/RES/1087	<ul style="list-style-type: none"> <li>Authorizes the gradual withdrawal of UNAVEM III but makes no mention of the threat of additional sanctions made in resolution 1075</li> </ul>
11 December 1996 S/RES/1127	<ul style="list-style-type: none"> <li>Imposes travel sanctions banning travel of senior UNITA officials and prohibits flights to and from UNITA-held territory</li> <li>Imposes diplomatic sanctions closing UNITA diplomatic offices</li> <li>Suspends the sanctions twice, hoping UNITA will document its disarmament efforts</li> <li>Imposes the stronger sanctions in October 1997</li> </ul>
28 August 1997	
S/RES/1173 12 June 1998	<ul style="list-style-type: none"> <li>Freezes UNITA financial assets</li> <li>Bans all financial transactions with UNITA</li> <li>Imposes an embargo on diamond imports not certified by the Angolan government</li> <li>Bans any form of travel to UNITA-controlled territories</li> <li>Establishes a panel of experts with six-month mandate to collect information and make recommendations</li> </ul>
S/RES/1237 7 May 1999	
S/RES/1295 18 April 2000	<ul style="list-style-type: none"> <li>Establishes a monitoring mechanism with a six-month mandate to investigate relevant leads initiated by the panel of experts</li> </ul>
S/RES/1336 23 January 2001	<ul style="list-style-type: none"> <li>Extends the mandate of the monitoring mechanism for a three-month period</li> </ul>
S/RES/1348 19 April 2001	<ul style="list-style-type: none"> <li>Extends the mandate of the monitoring mechanism for an additional six months</li> </ul>
S/RES/1374 19 October 2001	<ul style="list-style-type: none"> <li>Extends the mandate of the monitoring mechanism for an additional six months and requests detailed action plan for future work on sanctions issues from monitoring mechanism for consideration by the committee</li> </ul>
S/RES/1404 18 April 2002	<ul style="list-style-type: none"> <li>Extends the mandate of the monitoring mechanism for an additional six months and requests detailed action plan from monitoring mechanism within 30 days</li> </ul>
S/RES/1412 17 May 2002	<ul style="list-style-type: none"> <li>Suspends travel sanctions imposed in resolution 1127 for 90 days</li> </ul>
S/RES/1432 15 August 2002	<ul style="list-style-type: none"> <li>Suspends travel sanctions imposed in resolution 1127 for additional 90 days</li> </ul>
S/RES/1439 18 October 2002	<ul style="list-style-type: none"> <li>Extends the mandate of the monitoring mechanism for an additional two months</li> <li>Requests reports from monitoring mechanism on possible sanctions violations</li> <li>Terminates travel sanctions imposed in resolution 1127</li> <li>Decides to review possible lifting of all sanctions</li> </ul>
S/RES/1448 9 December 2002	<ul style="list-style-type: none"> <li>Lifts all sanctions</li> <li>Dissolves 864 committee</li> </ul>
<b>Rwanda</b>	



S/RES/918 17 May 1994	<ul style="list-style-type: none"> <li>• Imposes arms embargo</li> <li>• Creates sanctions committee</li> </ul>
S/RES/1011 16 August 1995	<ul style="list-style-type: none"> <li>• Suspends arms embargo on the Rwandan government</li> <li>• Maintains the sanctions on the rebel Hutu groups in eastern Zaire</li> </ul>
S/RES/1013 6 September 1995	<ul style="list-style-type: none"> <li>• Establishes the UN International Commission of Inquiry (UNICO) to investigate and report arms embargo violations</li> </ul>
<b>Sudan</b>	
S/RES/1054 26 April 1996	<ul style="list-style-type: none"> <li>• Imposes diplomatic sanctions</li> <li>• Calls on member states to reduce the number of staff at diplomatic missions and consular posts and restrict the movement of those that remain</li> <li>• Restricts entry into their territory of Sudanese government officials and military personnel</li> <li>• Requires international institutions and regional organizations to refrain from convening any conferences in Sudan</li> </ul>
S/RES/1070 16 August 1996	<ul style="list-style-type: none"> <li>• Imposes travel sanctions requiring all states to deny Sudanese aircraft permission to take off from, land in, or overfly their territories</li> <li>• Calls for a separate Council decision within ninety days to determine a date for entry into force</li> <li>• Aviation ban never went into effect</li> <li>• Terminates measures in resolutions 1054 and 1070</li> </ul>
S/RES/1372 28 September 2001	
S/RES/1556 30 July 2004	<ul style="list-style-type: none"> <li>• All states to take necessary measures to prevent sale or supply of arms to all non-government entities (Janjaweed)</li> <li>• Will modify or terminate measures when Gov't of Sudan disarms Janjaweed</li> </ul>
S/RES/1564 18 September 2004	<ul style="list-style-type: none"> <li>• Encourages AU's monitoring efforts, asks all states to support AU</li> <li>• Declares that failure to comply with 1556 will result in consideration of additional measures (affecting petroleum sector and Gov't of Sudan)</li> </ul>
S/RES/1590 24 March 2005	<ul style="list-style-type: none"> <li>• Establishes UNMIS for six months with 10,000 military and 715 civilian personnel to help implement Comprehensive Peace Agreement</li> </ul>
S/RES/1591 29 March 2005	<ul style="list-style-type: none"> <li>• Establishes Security Council Committee to monitor implementation, designate individuals, establish guidelines for implementation, report to the Council, assess expert panel reports, facilitate dialogue with Member States on implementation</li> <li>• Requests appointment of panel of experts by S-G to assist Committee in monitoring implementation, make recommendations to the Committee, coordinate with AMIS</li> <li>• Designated individuals subject to travel restrictions and freezing of funds (measures go into effect 30 days from adoption of resolution)</li> <li>• Consider modification/termination in 12 months or earlier, if possible</li> </ul>

S/RES/1593 31 March 2005	<ul style="list-style-type: none"> <li>Gov't of Sudan to cease military overflights of Darfur</li> <li>Refers situation in Darfur since 1 July 2002 to International Criminal Court</li> <li>Urges all states to cooperate fully (acknowledging that some are not party to the Rome Statute and have no obligation)</li> <li>Encourages creation of truth and reconciliation commissions</li> <li>Nationals or officials from states not party to the Rome Statute subject to exclusive jurisdiction of the contributing state unless waived by that state</li> </ul> <p>Prosecutor to address Council within three months and every six months thereafter</p> <ul style="list-style-type: none"> <li>Extends mandate of Panel of Experts until 29 March 2006, requests report and recommendations on implementation of measures in Resolutions 1591 and 1556</li> </ul>
<b>Sierra Leone</b>	
S/RES/1132 8 October 1997	<ul style="list-style-type: none"> <li>Imposes an oil embargo and an arms embargo</li> <li>Imposes travel sanctions on members of the AFRC junta and their families</li> <li>Conditions the lifting of sanctions on the junta relinquishing power</li> <li>Creates sanctions committee</li> <li>Lifts the oil embargo</li> </ul>
S/RES/1156 16 March 1998	<ul style="list-style-type: none"> <li>Confirms the removal of sanctions on the government</li> </ul>
S/RES/1171 5 June 1998	<ul style="list-style-type: none"> <li>Reimposes the arms embargo and travel ban on the RUF and members of the former military junta</li> </ul>
S/RES/1306 5 July 2000	<ul style="list-style-type: none"> <li>Imposes an embargo on all diamond exports not under the control of the government</li> <li>Establishes the panel of experts</li> </ul>
S/RES/1385 19 December 2001	<ul style="list-style-type: none"> <li>Welcomes certificate of origin scheme for diamonds</li> <li>Renews embargo on diamond exports for 11 months with an exemption for diamonds controlled by government of Sierra Leone registered in certificate of origin scheme</li> <li>Above measures can be terminated immediately if Council determines appropriate</li> <li>Renews embargo on diamond exports for 6 months with an exemption for diamonds controlled by government of Sierra Leone registered in certificate of origin scheme</li> <li>Above measures can be terminated immediately if Council determines appropriate</li> </ul>
S/RES/1446 4 December 2002	<ul style="list-style-type: none"> <li>Renews embargo on diamond exports for 6 months with an exemption for diamonds controlled by government of Sierra Leone registered in certificate of origin scheme</li> <li>Above measures can be terminated immediately if Council determines appropriate</li> </ul>
S/2004/166 27 February 2004	Security Council Committee report
<b>Ethiopia and Eritrea</b>	
S/RES/1227 10 February 1999	<ul style="list-style-type: none"> <li>Strongly urges states to end sales of arms and munitions</li> </ul>
S/RES/1298 17 May 2000	<ul style="list-style-type: none"> <li>Imposes binding arms embargo</li> </ul>

S/PRST/2001/14 15 May 2001	<ul style="list-style-type: none"> <li>Announces expiration of arms embargo</li> </ul>
<b>Afghanistan, Al-Qaida and the Taliban</b>	
S/RES/1267 15 October 1999	<ul style="list-style-type: none"> <li>Creates sanctions committee</li> <li>Imposes aviation and financial sanctions against Taliban regime</li> </ul>
S/RES/1333 19 December 2000	<ul style="list-style-type: none"> <li>Demands cessation of support for terrorism</li> <li>Demands extradition of Usama bin Laden for trial</li> <li>Imposes an arms embargo, travel sanctions, and an assets freeze on the Taliban</li> <li>Imposes diplomatic restrictions</li> <li>Broadens aviation sanctions</li> <li>Requests a committee of experts</li> </ul>
S/RES/1363 30 July 2001	<ul style="list-style-type: none"> <li>Establishes a monitoring mechanism</li> </ul>
S/RES/1388 15 January 2002	<ul style="list-style-type: none"> <li>Establishes a Sanctions Enforcement Support Team to assist neighboring states with enforcement measures</li> <li>Terminates sanctions on Ariana Afghan Airlines</li> </ul>
S/RES/1390 28 January 2002	<ul style="list-style-type: none"> <li>Continues assets freeze on Usama bin Laden and the Taliban and lifts aviation ban</li> <li>Imposes financial sanctions, travel ban, and arms and weapons ban on all individuals listed by the Committee</li> <li>Measures to be reviewed in 12 months</li> <li>Committee to regularly update list, seek information from states on implementation efforts, and report to Council</li> <li>Committee to cooperate with other relevant sanctions committees</li> </ul>
S/RES/1526 30 January 2004	<ul style="list-style-type: none"> <li>Freezes funds and/or assets of individuals on the Committee's list</li> <li>Travel ban</li> <li>Arms embargo</li> <li>Strengthens mandates of the Committee to improve oversight of states' implementation of measures</li> <li>Establishes Analytical Support and Sanctions Monitoring Team, appointed by the Secretary-General</li> <li>Monitoring Team to provide 3 written reports to the Committee on states' implementation</li> <li>Committee to report orally to the Council every 120 days</li> <li>Committee to prepare written assessment of implementation measures within 17 months</li> <li>Reiterates need for close coordination and information exchange with CTC</li> <li>Committee to circulate to the Council a list of states not submitting written implementation reports</li> </ul>
S/2004/679 25 August 2004	Analytical Support and Sanctions Monitoring Team first report
S/2004/1039 31 December 2004	Security Council Committee report

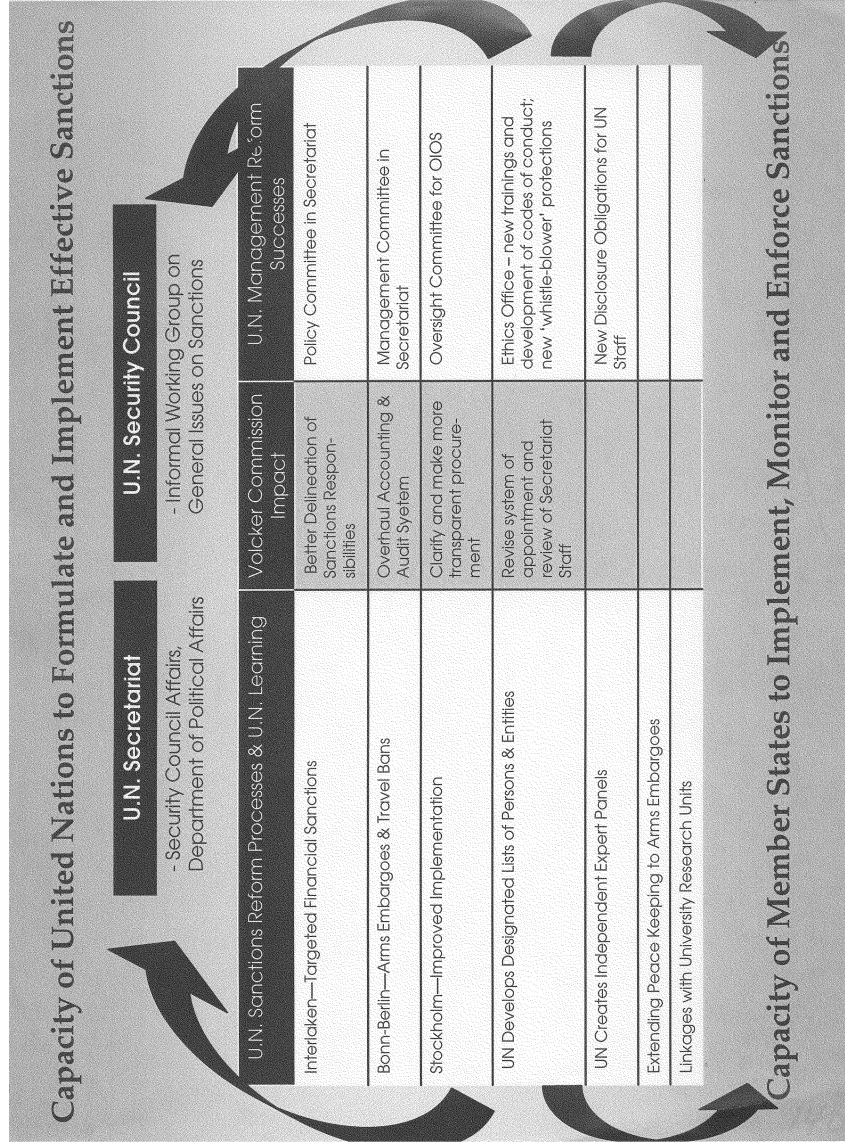
<p>S/2005/83 15 February 2005 S/RES/1617 29 July 2005</p>	<p>Analytical Support and Sanctions Monitoring Team second report</p>
	<ul style="list-style-type: none"> <li>• States to take previous measures imposed on Osama bin Laden, Al Qaida, and the Taliban and impose them on the 'Consolidated List'</li> <li>• Measures include: assets freeze, travel ban, arms embargo</li> <li>• Defines involvement/association with OBL, A-Q, and T, decides that any known involvement makes entity eligible for designation on list</li> <li>• Outlines guidelines for Consolidated List</li> <li>• Urges states to implement FATF recommendations</li> <li>• Outlines measures for improving coordination, cooperation, and information sharing</li> <li>• Extends mandate of Monitoring Team for 17-month period</li> <li>• Outlines responsibilities of the Monitoring Team</li> <li>• Provides checklist for 1287 Committee</li> </ul>
<p><b>Counter-Terrorism</b></p>	
<p>S/RES/1373 28 September 2001</p>	<ul style="list-style-type: none"> <li>• All states to suppress financing of terrorist acts and freeze funds and assets of individuals associated with terrorism</li> <li>• States to deny safe haven to terrorists and prevent movement of terrorists through effective border controls and travel documentation</li> <li>• States to exchange information, pass domestic anti-terrorism legislation, and become parties to international terrorism conventions</li> <li>• Establishes Counter-Terrorism Committee</li> </ul>
<p>S/RES/1624 14 September 2005</p>	<ul style="list-style-type: none"> <li>• Calls on member states to prohibit by law incitement to commit terrorist acts, prevent such conduct, and deny safe haven to those guilty of such conduct</li> <li>• Calls on states to strengthen border controls including combating fraudulent travel documents and enhancing screening procedures</li> <li>• Calls on states to enhance dialogue to prevent indiscriminate targeting of difference religions and cultures</li> <li>• Stresses importance of following international law in implementation of measures (human rights, refugee, and humanitarian)</li> <li>• Calls on states to report on implementation to CTC</li> <li>• Calls on CTC to work with states on implementation and capacity building, and to report to the Council in 12 months</li> </ul>
<p><b>DRC</b></p>	
<p>S/RES/1493 28 July 2003</p>	<ul style="list-style-type: none"> <li>• Imposes 12-month arms embargo to all foreign and Congolese armed groups and militias operating in the territory of North and South Kivu and of Ituri, and to groups not party to the Global and All-inclusive agreement in the DRC</li> </ul>

<p>S/RES/1533 12 March 2004</p>	<ul style="list-style-type: none"> <li>• Council to review situation in 12 months with a view to renewing measures if significant progress in peace process not made</li> <li>• Expresses determination to monitor compliance, will consider establishing monitoring mechanism</li> <li>• Reaffirms arms embargo</li> <li>• Authorizes MONUC to seize and collect illegal arms and materials</li> <li>• Urges all states to take appropriate steps to end illegal activities and report to Council</li> <li>• Establishes Security Council Committee to seek implementation reports from states, examine and take action regarding violations, identify possible violators, report to the Council, and make recommendations to the Council on ways to strengthen measures</li> <li>• Requests all states to report to the Council within 60 days on implementation measures</li> <li>• Requests creation of group of experts by S-G, within 30 days, to examine information gathered by MONUC, analyze information related to arms flows and violations, make implementation recommendations, report to the Council, and provide a list of violators to the Committee for consideration</li> </ul>
<p>S/2004/551 15 July 2004</p>	<p>Expert group report</p>
<p>S/RES/1552 27 July 2004</p>	<ul style="list-style-type: none"> <li>• Renews arms embargo until 31 July 2005</li> <li>• Review of measures scheduled for 1 October 2004</li> <li>• Requests the re-establishment of the group of experts until 31 January 2005</li> <li>• Requests report from group of experts to the Council on implementation of arms embargo, with recommendations regarding lists of violators, due 15 December 2004</li> <li>• Mandates authority of MONUC to monitor implementation of arms embargo, conduct inspections when appropriate, and seize and destroy illicit arms and related materials</li> </ul>
<p>S/RES/1565 1 October 2004</p>	<p>Expert group report</p>
<p>S/2005/30 25 January 2005 S/RES/1596 3 May 2005</p>	<ul style="list-style-type: none"> <li>• Reaffirms arms embargo, extends measures to any recipient in the DRG</li> <li>• Requests all governments in the region to ensure that aircraft operating in the region be in accordance with ICAO convention, prohibit aircraft not in compliance, and report prohibitions to the Committee</li> <li>• Decides that all states should prevent entry or transit of persons designated on list compiled by Committee; and freeze funds and/or assets of said individuals</li> <li>• Review scheduled for 31 July 2005</li> <li>• Committee shall update list of designated individuals and seek information from states on enforcement measures</li> <li>• States to report on implementation measures taken to Committee within 45 days</li> <li>• S-G to re-establish expert group with addition of a fifth expert for a period expiring on 31 July 2005</li> <li>• Group of Experts to report to Council on implementation of measures 1 July 2005</li> </ul>

S/RES/1616 29 July 2005	<ul style="list-style-type: none"> <li>Reaffirms arms embargo, aircraft and travel sanctions, and assets freeze from Resolutions 1483 and 1596</li> <li>Reestablishes expert group for six-month period expiring 31 January 2006</li> <li>Group of Experts to report to Council on implementation of measures before 10 January 2006</li> </ul>
S/RES/1649 21 December 2005	<ul style="list-style-type: none"> <li>Extends until 31 July 2006 the Resolution 1596 travel ban and assets freeze on individuals designated by the Committee, measures enter into force on 15 January 2006</li> </ul>
S/RES/1654 31 January 2006	<ul style="list-style-type: none"> <li>Reestablishes Group of Experts through 31 July 2006</li> </ul>
<b>Côte d'Ivoire</b>	
S/RES/1572 15 November 2004	<p>Action</p> <ul style="list-style-type: none"> <li>Requires all states to implement arms embargo for 13 months</li> <li>Requires all states to block entry or transit of designated individuals for 12 months (to be determined by Committee), freeze funds of same individuals for 12 months</li> <li>Review of measures to be conducted by the Council in 13 months, in light of progress toward peace process</li> <li>Establishes Security Council Committee to designate individuals, seek information about member state implementation, consider exemptions, report to the Council with recommendations and observations</li> <li>Requests reports on implementation actions from member states within 90 days</li> <li>Considering establishment of panel of experts to ensure effective monitoring and implementation</li> </ul>
S/RES/1584 1 February 2005	<ul style="list-style-type: none"> <li>Reaffirms 1572 arms embargo</li> <li>Authorizes UNOCI and French forces to monitor arms embargo</li> <li>Requests creation of Group of Experts by Secretary General</li> <li>Extends mandate of UNOCI and French forces for one month period</li> </ul>
S/RES/1594 4 April 2005	
S/RES/1600 4 May 2005	<ul style="list-style-type: none"> <li>Extends mandate of UNOCI and French forces for one month period</li> </ul>
S/RES/1603 3 June 2005	<ul style="list-style-type: none"> <li>Extends mandate of UNOCI and French forces for one month period</li> </ul>
S/RES/1609 24 June 2005	<ul style="list-style-type: none"> <li>Extends mandate of UNOCI and French forces for seven month period</li> <li>Outlines mandate of UNOCI; including monitoring of arms embargo</li> </ul>
S/RES/1632 18 October 2005	<ul style="list-style-type: none"> <li>Extends mandate of Group of Experts to 15 December 2005</li> <li>Requests written report on implementation measures by Group of Experts before 1 December 2005</li> </ul>
S/RES/1643 15 December 2005	<ul style="list-style-type: none"> <li>Renews arms embargo, assets freeze, and travel ban until 15 December 2006</li> <li>Decides that all states should take measures to prevent the import of rough diamonds from Côte d'Ivoire and encourages all states in the region to intensify efforts to join the Kimberley Process</li> <li>Reestablishes Group of Experts</li> </ul>
<b>Syria</b>	

S/RES/1636 31 October 2005	<ul style="list-style-type: none"><li>• Imposes travel ban and assets freeze on designated individuals (as agreed by the council)</li></ul>
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<sup>1</sup> This chart has been compiled by members of the Kroc Institute-Fourth Freedom Forum *Sanctions and Security* Research Project, with Linda Gerber - lgerber@fourthfreedom.org – serving as the primary author, editor and compiler. All inquiries should be directed to her. No reproduction of this material may be done without proper and prior permission.





Mr. SHAYS. Thank you so much. I'm really looking forward to the dialog we're going to have. I think we've got a great mix here and some real pros. And I think the issues are absolutely huge, absolutely huge. I mean, we're talking about how we succeed without going to war, it seems to me.

With that, Mr. Lynch, I'm going to invite you—and I'm going to do 10-minute rounds of questions with three Members. That way we can kind of get into it a little better. And then I'm going to go to you, Mr. Van Hollen.

Mr. LYNCH. Thank you, Mr. Chairman.

First of all, I want to thank the panel for helping the committee with its work.

In looking at the Iraq Oil-for-Food program example, there seem to be two levels of failure. One, it appears that we set up a program that empowered Saddam Hussein and gave him a very important part in that whole process. I know that we began to negotiate around an Oil-for-Food program back in 1991. Finally, after a number of failed attempts, we came up with this program, but unfortunately it did give considerable leverage to Saddam Hussein. And so that was one weakness, probably a fatal weakness in the process.

But then there was also the implementation aspect of this; in other words, after the program was set up we still had an opportunity at the Security Council to reject, to question, to delay contracts, and yet I think the numbers are out of 30,000 contracts, I believe maybe two or three were ultimately rejected, and they were probably not for financial reasons but probably because of prohibited trade items.

What I'm asking you is, how much of those two areas—how much—let's just begin with the first one. The fact that we empowered Saddam to be a player here and we allowed him to negotiate oil prices and contracts and all that, how much of that doomed this thing to failure? And are there recommendations from the panel in terms of the next time we have to do something like this or something very closely similar to it, not necessarily the exact same thing. So Mr. Christoff.

Mr. CHRISTOFF. I would begin with that was probably the greatest weakness and failure from the very beginning of the program, allowing a sanctioned regime to set the terms and conditions of the program that ensued. And I think clearly that is one of the lessons learned, that in the future if a regime is sanctioned, that says something, they should not be given the green light to dictate the terms of how they were going to go about it and ultimately negotiating contracts that including kickbacks and getting commissions in return as well.

So in auditing terms we talked about the control environment, and you have to set the right tone at the top. And in effect you didn't set the tone at the top if you allowed the sanctioned regime to set that tone.

Mr. LYNCH. All right, all right. Mr. Ross.

Mr. ROSS. I think these are very big and complicated questions. I mean, one of the problems with the Iraq sanctioned policy in the Oil-for-Food program was that policy was ad hoc over a very long period. Never did officials sit down and design the perfect sanctions

program and the ameliorship program, which was the Oil-for-Food program, they came sort of one after the other; sanctions lasted much longer than anybody expected.

I think to be honest, it's very easy to say that we should not have put the power in the hands of the Saddam Hussein to distribute food and other goods under the Oil-for-Food. I'm not sure, to be honest, there was an alternative. You couldn't have gotten U.N. agencies in there to do the distribution. The Saddam government would not have allowed it. You had to rely, to some extent, on the cooperation of the Saddam government. And it's very easy to point fingers at the U.N. for not having designed this properly; in fact, it was us, the member states of the Security Council, who designed the program. In fact, most of the original design of the Oil-for-Food Program was done in the British Foreign Ministry, it was not the U.N. who designed it. So we should be very clear about where that responsibility lies. I think there is a lot to be learned the next time around.

This goes to your second point. In terms of scrutiny after the program was implemented, we did not scrutinize contracts for financial probity, for potential corruption, kickbacks, all the rest of it. We scrutinized them for one thing alone. That was dual use goods for the potential to create weapons programs of some kind. Even that was an enormous task. I remember our office being presented with documents this high just for one contract, for say an oil refinery or a water—

Mr. SHAYS. You're not exaggerating, literally a few feet tall?

Mr. ROSS. No, I'm not exaggerating. It was a massive, massive task to scrutinize the contracts, even for dual use technologies. And we didn't employ, frankly, enough officials to do that. Clearly, in retrospect, we should have employed a whole bunch of other officials to scrutinize the financial issues and the potential for corruption, which I think, looking at Volcker, was much greater than we had realized.

Mr. LYNCH. Dr. Lopez.

Dr. LOPEZ. I sat with Iraqi and U.N. and emergency relief officials in 1993 and 1994 in assessing humanitarian impact. One of the things that struck me in that dialog in 1994 which continued to 1995 is that even a reasonable Iraqi public official was adamantly opposed for sovereignty reasons to the U.N. coming in and managing the entire program. And I asked directly in a meeting, so we're going to have continual death of babies under five because of the impact of this that in fact the sanctioning agency is trying to relieve; and he said directly to me, you've partitioned my country in threes, you bomb at will, you have control over every economic asset we have, and now you want to publicly label your food coming in to feed our country; I have to draw the line there. And I think that's the strength of a sovereignty argument there, that's not to apologize.

Mr. SHAYS. I'm sorry to interrupt. Who said that?

Dr. LOPEZ. That was an Iraqi official. Now, I don't give the Iraqis credibility very much on the way they manage their system, but I think Carne's point about the atmosphere in which sanctions unfolded; that is, the imperative to have humanitarian relief reach Iraqis meant that those officials that were forming the system in

1994 to 1996 didn't make deals with the devil as they saw it then, they made practical political deals in which they were willing to give the Iraqis more sovereign control of the resources because the desired outcome was to increase the caloric and protein intake of people on the ground, which the program's record shows it was successful. The lesson I think, whether it be Sudan or Iran, is beware of comprehensive sanctions which will immediately have humanitarian impact; move instead to more targeted measures in which you as the sanctioning agents can control the impact, and you rely less and less on local cooperation of those that are targeted.

Mr. LYNCH. Right. Let me ask you, given the package of reforms that were recommended by the Secretary General on Friday that were rejected—and the vote wasn't close, I believe it was 108 to 50 something—where do we go from here in terms of trying to build a framework of—I think Mr. Van Hollen described it as the coalition of the willing on sanctions? Is it worthwhile to spend the time within the U.N. to try to get the support of those—all those nations to try to put a tight, targeted, enforceable sanction in place against a given country? Can we do that with the framework that is outside the United Nations, NATO or another ad hoc group, given the circumstances?

Mr. ROSS. I have to say, I'm a little bit confused by this conflation of the U.N. reform issue with that of sanctions. It is not the U.N. Secretariat's responsibility to implement sanctions or police sanctions, it is the U.N. Member states who have that responsibility. If a Chapter 7 resolution is passed in the U.N. Security Council, then each state is directly legally responsible to ensure that it respects and its institution respects whatever sanction measure is agreed.

The Oil-for-Food Program was a very exceptional thing that was given to the U.N. Secretariat to implement on behalf of the Security Council. I don't think that exercise should ever be repeated, not the least because of the effects that George and I have been talking about. I think it's perfectly feasible to have an effective sanctions regime agreed in the Security Council if a number of conditions apply; namely, that you prove that there is a threat to international police and security; second, that you've done the political work to build support within the Security Council; and third, that your measures are seen as appropriate and targeted on the right people and not affecting the wrong people.

Mr. LYNCH. I've read your article. It was very well done and well stated. Getting consensus on those points may be difficult, that's what I'm getting at. Is it—

Mr. ROSS. Well, I think the U.N. reform argument, to be frank, sir, is a bit of a red herring. You don't need to get agreement on U.N. reform as proposed by the Secretary General or the U.S. Government in order to get good effective sanctions agreed in the Security Council. If you're talking about sanctions on Iran or Darfur, or whatever, those are two very separate issues. What you need to get is political consensus in the Security Council for what is seen as appropriate, well-targeted and justified measures. That's an entirely different matter.

Dr. LOPEZ. And if I might jump off from there, Mr. Lynch, the critical dimension here is that sanctions are a means to accom-

plishing a policy. Where sanctions run in trouble—and I think have been problematic for U.N. foreign policy in the past—is when sanctions in fact become the policy. And at least some of the discussion with regard to Iran has been quite confusing both in U.S. policy circles and with regard to the role of the Security Council in this matter. The goal seems to be sanctions on Iran as opposed to what particular outcomes we'd like from the Iranians and to ask whether or not sanctions would be an effective means.

I would submit as a student of sanctions that the Iranian case is particularly problematic for resolution given the goals of denuclearizing Iran, not the least of the reasons being that you can in fact get full agreement in either a technical sense or in a political sense at the Security Council.

I direct the subcommittee's attention, for example, to the recent work just last week published of Matthew Bond and the folks managing the Atom Project out of Harvard, which has suggested two different scenarios for the resolution in a technical way of uranium enrichment by the Iranians, and that particular kind of evidence is the evidence that we're hearing discussed by the technical experts associated with the Council and the IAEA. In other words, it's going to be difficult to build a consensus for sanctions politically when in fact there's technical disagreements about how close the Iranians are to developing a weapon that would constitute a threat to peace.

The second dimension that the history of sanctions I think shows us in this case is that if sanctions imposed are going to critically isolate and punish a regime rather than put it in a position of more direct engagement with the Council to achieve the desired ends, and they provide a nationalistic leader with a rally around the flag effect where they can in fact thump the Council and thump the Council members for them actually being the offenders. I mean, we saw this with Milosevic, we saw this with Charles Taylor. There is no reason, knowing what we know now, to reinvent the same scenario with a quite erratic Iranian leader. And while we don't have responsibility for that Iranian leader, we do have responsibility for the outcomes of a policy which would only further aggravate a situation rather than accomplish our goals.

Mr. SHAYS. Thank you, Dr. Lopez. And thank you Mr. Lynch.

Mr. Van Hollen.

Mr. VAN HOLLEN. Thank you, Mr. Chairman, and let me thank all of you for your testimony.

Let me just begin with where Dr. Lopez left off at the beginning of his comments. And you're right, sanctions are a means to accomplish a policy. And if I could just begin by asking all of you the question, if you go back historically and look at different types the United States or other countries have imposed economic sanctions, could you point out in which cases you think they were success stories in terms of achieving those policies, in which cases they were not success stories, and what factors made them successful or unsuccessful? I realize it's a broad question, but if you could give it your best shot.

Mr. CHRISTOFF. If I could just relate it again to Iraq sanctions, which is the focus of many of the testimonies that we've given, it

gets to the question of targeted sanctions as well that my colleagues have spoken.

Oil-for-Food was an example of where when you do target certain things you can be successful. We targeted the ensuring that Iraq did not have contracts with dual use items. And in fact the United States had about 60 people within DOD, DOE, Interior and others who are reviewing those stats and contracts to try to weed out dual use items. So in that sense, focusing on dual use items was a success, it kept WMD out of Iraq. The areas where we didn't do as well are the economic sanctions, where we failed to try to take those same contracts and try to evaluate whether or not the prices were inflated. We didn't have the same vigor, we didn't have the same numbers of individuals that were trying to look at the same contracts and say well, why are we spending so much money for the import of a certain type of wheat when it would be cheaper on the international market.

Mr. VAN HOLLEN. Thank you, Mr. Ross.

Mr. ROSS. To answer your question, Mr. Van Hollen, I will take the example of Lockerbie, where sanctions were eventually successful for the reason that they were seen as in response to a clear egregious act by a member state, the measures taken, the sanctions, which were a flight ban and an aviation bans and an arms embargo on the Libyan leadership was seen as appropriate and targeted.

And third, and perhaps most importantly, the criteria that Libya had to fulfill were clearly defined, mainly that they had to hand over the suspects who had been indicted for the Lockerbie bombing to trial.

In the case of Iraq, the criteria for fulfillment of Resolution 687 were not terribly well defined, and indeed during the sanctions period they would often be confused by U.S. Government statements—for instance, by then President Clinton—that sanctions would remain on Iraq as long as Saddam Hussein remained in power; in other words, they became confused with the regime change agenda. And not only the Iraqis, but many of the Security Council members would say to us, you keep moving the goalpost, what exactly does Iraq have to do? Define exactly what they have to do. And this was a constant task for us to reiterate those criteria. So I think those things made the Libya case a better example to follow.

Mr. VAN HOLLEN. Thank you.

Dr. LOPEZ. I'd certainly concur on the Libyan case. I think even respecting Congressman Shay's comment at the end of the last session that Khadafi looked around and got a little nervous after the spring of 2003, that nervousness, we were able to translate that to real action because of almost a decade long bargaining process that were generated by sanctions and the ability to combine incentives with sanctions. I think if you compare the combination of the U.N. action with EU action in the first go-round in the terrible Yugoslav war of the early 1990's versus the EU sanctions in 2000, 2001 that brought Milosevic down essentially, what you have is the difference between punitive, real scattered sanctions versus more targeted ones and the very important dynamic of providing incentives and exceptions to sanctions to those in fact who support international

policies. So the combination of sanctions and incentives I think are critical.

I don't think the subcommittee should fail to recognize how relatively successful the Security Council 1267 Committee, the 1373 process; that is, the targeted financial sanctions on terrorist groups and designated entities, has been to produce success.

The batting average over the course of history may be somewhere between .275 and .333. For those of you who are baseball fans, that will get you within a multibillion dollars being accurate. It may not be as far long in the policy process as we'd like, we'd like 90 percent of sanctions cases to be effective. We know historically that arms embargoes are a sieve and they're a tragedy, but now we know something about how to improve them, but in the 1990's this was a scandalous failure.

Mr. VAN HOLLEN. Thank you.

Mr. ROSS, I'd just like to ask you a couple of questions about your role at the U.N. on behalf of the British government. And as I understand it from your testimony, you are also responsible for the liaison with the U.N. weapons inspectors.

I raised a number of questions with Ambassador Bolton with respect to the fallout for the United States and others in the international community from the failures in Iraq, specifically with respect to the failures of our claims about the existence of weapons of mass destruction to prove true, and the implications there for our efforts to date and in the future with respect to making claims, and also the concern at the United Nations that resolutions adopted may at some point be used by the United States or another country as a point for unilateral military action, and that may be something that makes other nations a little leery about trying to take action with respect to economic sanctions. Do you have any comments on that?

Mr. ROSS. Well. I agree with everything you said. I think U.S. arguments that Iran is a threat to international peace and security are severely undermined by the discredited evidence over Iraq. That is one problem with which I highly agree with your analysis.

Second, on the legal justification argument, I think that's an important and yet subtle point. The history of the U.N. resolutions before the war is quite a complicated one that's easily mischaracterized. The United States and U.K. sold Resolution 1441 to the Security Council on the basis that it was the last chance for peace, it was the last chance for inspections to be successful, they did not sell it as authority for the use of force. This is proven by the fact that the U.K. delegation later was required to go back to the Security Council with a second draft resolution which British lawyers judged was necessary to get authority for the use of force. This was the so-called second resolution. The U.K. failed to get that resolution, and in negotiation they were asked explicitly, do you need this resolution to get authority for the use of force. I know this secondhand from my colleagues at the U.K. mission and from other friends who were at the Security Council at the time. By that time I had left the U.K. delegation. The U.K. failed to get that second resolution. In other words, if you go to the Security Council and fail to get—and you ask them for the authority of the use of force and you fail to get it, you do not have the authority for the

use of force. And I think that sequence of events still sits in the minds of Security Council members, particularly the permanent five who of course are permanent members of the Security Council and were there then as they are today, and they remember very well. Sergey Lavrov, who has been the Russian permanent representative in the Security Council, and there's no doubt that he feels he was misled in that sequence of events, and that's why he says today that he has a sense of *deja vu* when he sees U.S. tactics in the Security Council.

Mr. VAN HOLLEN. I appreciate that, because I think that our own actions with respect to the Iraq at the United Nations have clearly undermined our ability to go back to the Security Council to get the kind of action that we want to take on economic sanctions with respect to Iran, and it's going to hurt our ability in the future in dealings with Iran.

You mentioned in your testimony that at some point—and I understand the shortcomings with respect to the sanctions of Iraq and the fact they weren't targeted, as you explain in your testimony. But you mention that we believe sanctions had at some point—your testimony was that they had achieved—largely achieved success in terms of at least the goal of preventing Saddam Hussein and Iraq from rearming and developing weapons of mass destruction, and that was sort of the private consensus along the British and U.S. Governments at the time. Could you comment further on that?

Mr. ROSS. I'm still covered by the Official Secrets Act in Britain, which is a rather Draconian piece of legislation that prevents me from talking about anything which I learned during my time as a British official, including my testimony to the Butler review, which is still covered by that act, and that led to my resignation. But all that notwithstanding, it was clearly the view within the British and U.S. Governments that Iraq was not substantially rearming for all the years I worked on the subject. I took part in the regular quarterly discussions between the U.S. State Department and the Foreign Office on Iraq, where of course the weapons inspections and Iraq's rearmament was the top of the agenda, and we would begin those talks by saying sanctions have been successful, Iraq is not rearming, there is no threat from Iraq. The claim that Iraq was a threat, which was made by my government and the U.S. Government from mid-2002 and onwards I believe was deeply misleading.

Mr. VAN HOLLEN. Thank you for your testimony.

Dr. LOPEZ. If I might add to that, as someone who after 1999 was deeply involved in the linkage between sanctions and inspections, our own research work in almost 200 private interviews confirm this, which is why a good colleague of mine and I published in *Arms Control Today* in September 2002 why we thought if you were to enter Iraq you would find weapons remnants only. We saw a significant shift at the State Department's request in February 2002, began work on the Smart Sanctions Resolution—we saw a significant shift in thinking at the highest levels of government, which moved from a widely accepted belief before 2001 until after about the effect of the sanctions. And I think there is more evidence to suggest rather than National Defense Estimates and others that it was fairly widely known among the expert community that these have taken a biting and devastating chunk out of

Saddam's ability. In fact, the Oil-for-Food leakage money was used for political patronage, it was not used for production of materials, and that was well documented.

Mr. VAN HOLLEN. Thank you, thank you all.

Mr. SHAYS. Dr. Lopez, it was also used to influence the French and the Russians, correct?

Dr. LOPEZ. No, I think that's absolutely the case.

Mr. SHAYS. There is so much that I want to ask you because I think there is so many elements here to be discussed and I don't want to get distracted. But I will tell you that when I went to visit with officials in Great Britain and France, in Turkey, in Jordan, in Israel, there was no question on the part of these government officials that Saddam had weapons of mass destruction. The only debate I got into with these officials before war broke out was there was some who said he wouldn't use it. And you know, I believe that even President Clinton believed that Saddam had weapons of mass destruction. I'm not in any way convinced that Hillary Clinton voted because George Bush thought that there would be weapons.

The arrogance of this administration I think stems from the fact, Mr. Ross, that they actually thought after the war we would basically be able to stick it in front of people's faces and say, there it is now, what do you have to say for yourself. I remember in 1994 the challenge was we didn't think at that time they had a nuclear program. And when you had the head of the program, who had no longer been involved, claim he was part of it, the United States said there is no program and we don't know who you are, it wasn't until Saddam's two son-in-laws went to Jordan that they located it. So the irony is at one point we didn't think he had it when he had it, at another point there were a lot of people in government who thought he had it when he didn't have it. That's the irony. And so then what people were saying, you know, that he doesn't have it, I'll tell you my attitude was, well, you were wrong once the other way, I'm not gonna let you get away with it a second time.

So at any rate, it is for me—I guess what I first want to ask is, give me some examples where comprehensive sanctions have worked and where so-called smart ones—I mean, I think there was a comprehensive, weren't there, against South Africa, weren't they fairly comprehensive?

Mr. ROSS. Well, in the case of South Africa, there were various financial sanctions. But comprehensive sanctions in the case of Iraq mean something much more severe; namely, a ban on all imports and exports.

Mr. SHAYS. Food and everything.

Mr. ROSS. It was never including food or other humanitarian supplies. It is not accurate to claim that they covered those items; it was never supposed to cover those items.

Mr. SHAYS. It was never supposed to—

Mr. ROSS. No. Those rules exempted—

Mr. SHAYS. Well, let me back up then, just to make sure we're talking from the same foundation.

So Saddam had food, he had medicine coming in, he just chose not to—he didn't have the means to purchase it, or he just chose not to get it to where he wanted—where we wanted it to go?



Mr. ROSS. They had to get approval for purchases on a case-by-case basis for anything that they wanted to import. These things had to be approved by the 661 Committee of the Security Council. What this produced was a very cumbersome, bureaucratic and slow process. And as I'm sure you realize, an economy that can support a decent life for its citizens and a health care system requires much more than just imported drugs, it requires electricity, it requires functioning sewage systems, all of these things, and that infrastructure declined very rapidly after comprehensive sanctions were imposed in 1990. And the remedy didn't start to appear until the Oil-for-Food program was implemented in 1996.

If I may, sir, I'd just like to return to your point where you introduced your question about WMD. I didn't say that Iraq had no WMD. It was our view within the British and U.S. Governments that Iraq had some WMD, we believe they had some remnants of the original program that they had been developing very vigorously up until the war of 1990. What I did say, however, was that we did not believe Iraq was a threat, and that is a very different thing. In order to be a threat you have to have, A, considerable stocks of weapons, and, B, the means to deliver them, and we did not believe that Iraq had the means to deliver them. They had approximately 12 dismantled SCUD missiles lying around somewhere, we thought; in fact, there turned out to be none. They had no effective air force—

Mr. SHAYS. So the issue is potential possession of weapons of mass destruction, just not in any great quantity, and the delivery system to provide them.

Mr. ROSS. We did not, as I recall, believe they had substantial stocks of any WMD, chemical or biological or nuclear weapons. We believed that they had failed fully to account for their holdings and destruction of their previous stocks. Ambassador Bolton alluded to that point, they had failed to give us a credible account of their destruction of previous stocks. That did not mean that we believed they had substantial stocks. We had no evidence, intelligence or otherwise, that they had substantial stocks of weapons or the means to deliver them. On that basis our internal assessment was that Iraq was not a threat, and that was the case until I left the job in June 2002.

Mr. SHAYS. Let me just say that I agree with Mr. Van Hollen that when you're wrong—I was wrong—that you lose credibility; the President lost credibility, I lost credibility, our Nation lost credibility. I mean, that just seems intuitively to be something I can accept.

What I'm hearing you say, though, is that the sanctions against—so let me ask you this, and I'll ask you, Dr. Lopez, as well—Mr. Christoff, if I'm not in an area where you've done research, but if I am and haven't asked you, feel free to jump in. Is there anywhere—where have, if ever, comprehensive sanctions worked?

Mr. ROSS. I'm struggling to give you an example.

Mr. SHAYS. Dr. Lopez.

Dr. LOPEZ. The same. Remember the South African ones were only partly ascribed to by major trading states. Only Haiti, former Republic of Yugoslavia and Iraq are the comprehensive ones where

actually everyone signs on. And the approach that we learned from that by 1994 was that not only the Western states, but the Council as a whole abandoned comprehensive sanctions because the level of punishment and devastation on the economy wasn't worth the political compliance we were getting. So we moved to more refined measurements.

Mr. SHAYS. Mr. Christoff, do you have any comment on this?

Mr. CHRISTOFF. No. I would just reiterate that when you look at Iraq in the Oil-for-Food Program, you can see where parts of the sanctions were effective. Comprehensively they were not effective, but when we focused on, as the United States and the U.K. did, holding about \$5.5 billion of Oil-for-Food contracts because of dual use items, that contributed to keeping WMD and dual use items out of Iraq.

Mr. SHAYS. So comprehensive are not something that you've seen succeed or advocate. I get interested in the term "sanctions" versus an "embargo." Now, it strikes me that an embargo is one step beyond sanctions. Is an embargo where you literally just kind of ring the state and prevent people from coming in and out? I mean, in a sense that's kind of what I thought we were doing in Iraq. Are there cases where you can have smart embargo or targeted embargoes, or is an embargo by definition comprehensive?

Mr. ROSS. They're essentially, Mr. Chairman, the same thing. We would often refer to sanctions on Iraq as the oil embargo because oil was Iraq's biggest export and we were preventing the sale by Iraq, except through U.N. controlled means. So we would talk about the oil embargo as a different way of talking about sanctions, so I think the terms are interchangeable.

Dr. LOPEZ. And in fact if I might add, Congressman, the commodity specific embargoes are the ones that seem to be not only the most enforceable, but most comprehensive. These are the ones that I think helped resolve the situation in Liberia and ones that really focused on blood diamonds in Angola and Sierra Leone, and the Council has found these to be quite effective.

Mr. SHAYS. Do you believe—and this is obviously opinion here—do you believe that in order to achieve our objectives in both Iran and the Sudan, that we will need to have some—a target embargo program? And I'll start with you, Dr. Lopez. I mean, our objective, as I defined it, would be we don't want Iran to have a nuclear program, we don't want them to have weapons grade material. In Sudan, we want the support of the—basically of the Arab Muslims in Sudan, we want the fighting and the genocide of the African Muslims to stop. And is sanctions the way we are going to achieve it, in your judgment, Dr. Lopez?

Dr. LOPEZ. I think sanctions would be an effective way of achieving it in Sudan if this diplomatic effort of the last week seems to fail. I think we've had even more biting Security Council proposals on the table before the resolution of last week which imposed targeted sanctions on four individuals; there were 20 on the original list more than a year ago. I think that can be effective because it's an outcome of failed diplomacy that's occurred prior.

My own reading, since you've asked for judgment, is that much more direct engagement by U.S. policymakers with the government

of Iran ought to occur before we think about bringing this dispute to the Security Council.

Mr. SHAYS. Meaning direct talks, one-on-one talks?

Dr. LOPEZ. Yes. I think a U.S.-Iranian summit is called for because of the multiplicity of issues that separate us. For many people this is still about November 1979. It's not just about the development of the nuclear program, it's about frozen Iranian assets, it's about Iranian support of terrorism, it's about the future of the Shiites in that region. We have enough issues on the table with Iran that astute diplomacy held at the summit level may in fact take this off the exclusive prerogative of a President in Iran who will stand on a soapbox and continue to proclaim us as the bad guys.

Mr. SHAYS. The challenge is that when the President authorized our Ambassador in Iraq to interact with the Iranians, other nations began to be very concerned that somehow we were going to do something outside their interests—

Dr. LOPEZ. I understand that, but I think those states will continue to redefine their interests as they see a potential deadlock in the Security Council.

Mr. SHAYS. OK. Mr. Ross, how would you respond?

Mr. ROSS. I more or less agree with George Lopez on both points. On Sudan, I think that targeted sanctions on the leadership of the Khartoum government and others involved in the genocide are absolutely warranted, but they do need to be calibrated contemporaneously with what's going on politically. You can't just punish without encouraging people—you can't just punish, you also have to encourage a political solution to what's going on in Darfur, but I think they should be threatened with sanctions. And if they don't comply then those sanctions should be imposed. I do think, however, it's not just United States, but Western efforts to get sanctions agreed on Sudan have been undermined by the ability of Sudan to argue that the United States and others are just seeking a kind of hegemonistic plan for the Middle East where they just want to invade countries and occupy them—

Mr. SHAYS. And you think it's a viable—how do you assess that?

Mr. ROSS. I think it's a completely bogus argument, but the illegitimacy, as many see it, of the Iraq invasion has added to that argument, and that argument has considerable resonance in the Middle East.

Mr. SHAYS. How about on Iran?

Mr. ROSS. On Iran, I agree with George Lopez. I've been troubled listening to the discussion this morning that we seem to see the relationship with Iran and its nuclear program as a sort of continuum, stepping from sanctions to the inevitable option of military force if sanctions fail. There is, of course, an alternative, which is called talking to the Iranians. I think that Iran has legitimate interests in developing nuclear power, I think they have legitimate security interests, and we should start to recognize that instead of just demonizing their leadership and insulting them. If you want them to cooperate, as we do, and we don't want to use military force—as I assume we don't—I don't really see much alternative to sitting down with them and working out a viable way forward where we can create a framework where their security interests

are taken care of and our legitimate concern that they don't develop a nuclear weapon is also taken care of.

Mr. SHAYS. Let me just pursue this a little bit. Given the kinds of comments that are made by the President of Iran, you believe that should compel us to dialog with them, make us feel that dialog would work out in a way that would benefit our interests? Just kind of give me a sense—I mean, by the way, he has said extraordinarily outrageous things.

Mr. ROSS. I agree; but it's not just me, but as you yourself commented, Mr. Chairman, your own Ambassador in Baghdad suggested dialog in Iran. You have interests in common, including stability in Iraq. You need Iranian help to stabilize Iraq, and indeed the broader Middle East area, if not the world. Iran has the potential to be enormously troublesome in the Middle East and globally. And I think that before pursuing what to my mind would be a pretty disastrous option of military force, you should consider talking to them.

Mr. SHAYS. Let me just ask one more point—given there are just two of us here—one of my staffers wrote down—and I agree with it, but I'm going to read it. So sanctions and reform are completely separate? A corrupt, mismanaged United Nations, empowered and tolerated by member states, is just likely to craft effective targeted sanctions as well as well managed and accountable organizations. Does the credibility of the organization imposing—this is the question—does the credibility of the organization imposing the sanctions have nothing to do with the likelihood member states and others will respect them?

Mr. ROSS. Well, there seems to be a lot of confusion in the question, if I may say so without wanting to be rude.

Mr. SHAYS. I'm claiming this statement. My staff wrote it, but I happen to buy into it.

Mr. ROSS. There seems to be endless confusion between the United Nations, as a sort of generic concept, and the member states. The U.N. Secretariat is tasked to implement things by the Security Council, which is composed of its member states. And as I said before, part of the obligation is implementing sanctions and policing them, and ensuring that our companies don't do trade with embargo regimes and all the rest of it. That is our responsibility as the governments of the member states of the United Nations, it is not the U.N. Secretariat's responsibility.

However, with all of that—

Mr. SHAYS. Let me just understand that. And we can take unilateral action as member states? How does that work?

Mr. ROSS. No, no, not unilateral actions. If U.N. sanctions are imposed by the Security Council, the legal responsibility falls on every national government of the U.N. to impose those sanctions and to police them and to make sure that their citizens and their companies don't abuse them.

Mr. SHAYS. So what you're saying is then the U.N. basically has no ability to get member states to conform?

Mr. ROSS. The U.N. is its member states, the Security Council and indeed the 661 Committee on the Iraq sanctions, we would try and get member states to implement the sanctions. That was our responsibility at the Security Council.

Mr. SHAYS. But once the member states agree to abide by them and they just don't abide by them, what is the alternative? Will we just blame the member states—

Mr. ROSS. Well, we found it very problematic. Those breaches, as they were called, sanctions breaches, would come to the 661 Committee, where we would try and impose—we would take the country's concern to task and try to encourage them to implement the sanctions, but we have very little real means to persuade them to see otherwise.

Mr. SHAYS. And see, that's how I connect the dysfunction of the U.N.; to say that the member states have to abide by it, but then there's no mechanism.

Mr. ROSS. Well, that's one kind of dysfunction, certainly. I think once sanctions regimes start to crumble you've got real problems in propping them up. But I do think that is a separate question from the broader question of Secretariat reform, which you have addressed this morning. I do think that's important. I'm not decrying efforts to reform, I think they are all connected. And I think certainly if not in your mind, in the minds of the broader public the U.N. is one big thing, it's all connected, and if the U.N. has disgraced itself over Oil-for-Food, I think it would be wise to reform itself to avoid such accusations in the future.

Mr. SHAYS. I hear you. Thank you. My only problem with the question is my staff wrote it in such small type, knowing that would aggravate me.

Mr. Lynch.

Mr. LYNCH. I want to followup on that. My question was on another matter, but I do want to followup. Like the chairman, I just came back from my fifth trip to Iraq and to Afghanistan as well, and I have to say that the difference between what I see on the ground in Afghanistan and what I see on the ground in Iraq is directly related to the participation of the U.N. When you're on the ground in Afghanistan, the presence of the U.N. there—and they've got jurisdiction over the northern and western parts of the country—the presence of the U.N. troops, U.N. vehicles definitely induces the imprimatur of a humanitarian effort there in Afghanistan, and the people respond to that.

Now there are problems in Afghanistan, but clearly the situation in Afghanistan, even though they're desperately poor, only 6 percent of the people have electricity, Iraq much, much further ahead economically and development-wise, there is still great value in having the U.N. take the lead on that. And I appreciate it is the responsibility of each constituent government to enforce sanctions, but that collective effort is much, much greater than the individual components. And I do have to say that a lot of my constituents would say if that's not what the U.N. is for, what the hell is it for? And that's exactly why we pay our dues to the U.N. is because we want that collective strength as a community of nations. It legitimizes actions that might otherwise be suspect. And I dare say that at least in the case of Afghanistan, the fact that the U.N. is supporting the effort there and the British are handling the poppy eradication, the Germans are training the Afghani police department, the Canadians, the French, they're doing their part in individual government roles, but all as part of that larger program it

has contributed mightily to the success there and the progress there, yet it is under the umbrella of the United Nations, and under NATO as well. So I just—I know it's a distinction you're making, but I still see tremendous value in having the U.N. as being the lead.

Now——

Mr. CHRISTOFF. Mr. Lynch, could I even——

Mr. LYNCH. Sure.

Mr. CHRISTOFF. Just having come back from Iraq as well and spending some time with the international community in Amman, Jordan, I think there is a growing desire on the part of the specialized agencies, the IMF and the World Bank, to become more engaged in Iraq because what they bring are the kinds of specialized skills that the U.N. has traditionally brought, FAO with its agricultural skills, WHO with its health specialists, etc., UNDP and its development specialists. So there is a desire I think on the part, from what I heard when I was in Amman, of the international community to try and reengage with our efforts at reconstruction in Iraq. And you do see the contrast with NATO and other specialized agencies within Afghanistan.

Mr. ROSS. Well, I also completely agree with the point you made, Mr. Lynch. I set up the National Security Assistance Force in Afghanistan after the invasion by a Security Council resolution which I negotiated on the Security Council, and there's no doubt that the fact that it is seen as a multinational effort in Afghanistan contributes to the credibility of that effort and much to the stability of Afghanistan.

Mr. LYNCH. Dr. Lopez.

Dr. LOPEZ. For all the difficulties we had in acquiring Security Council mandate before going into Iraq, maybe the equal tragedy is the decision by the United States to ask the Council for a singular designation as a belligerent occupier after the war when we had the opportunity to engage the international community substantially, and that's as sad a moment in the Security Council for me as early March 2003, when later on we were, in December 2003, in a position where we could have gone back to the Council and said, OK, now it's time to internationalize the effort, let bygones be bygones, and we systematically rejected that option. That was a sad moment.

Mr. LYNCH. I'll yield back.

Mr. SHAYS. Thanks. And the gentleman is just yielding to me a second.

These hearings do show my ignorance of certain issues, but I sure learn a lot in the process by exposing my ignorance.

The implication is that had we not asked for this designation, your implication is that we could have asked what?

Dr. LOPEZ. We had an opportunity to ask the Security Council to bless, after the fact, the occupation of Iraq by U.S. forces, but to multinationalize that force and particularly to multinationalize the reconstruction program. And my understanding of the way the events unfolded was that we asked for the belligerent occupier designation, which means that future elections and economic reconstruction would fall under the purview of the United States.

Mr. SHAYS. The elections though were supervised by the commission, that was one of the extraordinary events—excuse me, I don't mean to claim your time. I'll come back. I appreciate it, Mr. Lynch.

Mr. LYNCH. And I appreciate it, Dr. Lopez.

My question is, now, for example, by a hypothetical, I want to refer, Mr. Ross, to your piece in the Washington Post where you posit the rhetorical question, could sanctions be effectively used against Iran? And you go on to say that—and again I'm paraphrasing—that largely because of conditions precedent and which exist there now and within the current framework, it is unlikely to work. Let's assume, though, for the purpose of my question that the conditions precedent had been met, that there is consensus among the wider community that there is the urgency—I think you used the example if Iran were testing nuclear weapons and that it was a sense of urgency there, and there was a consensus among the U.N. that we needed to act, assuming those things, what would effective sanctions in your mind look like? What are the terms of those sanctions against Iran that might be effective? Because that may be the situation down the road that we're confronted with.

Mr. ROSS. The terms of the sanctions I think would be pretty clear, that you would want Iran to comply with its obligations under the Nonproliferation Treaty, to allow full access for the International Atomic Energy Agency, etc. Those would be the criteria that you would seek to demand. And the sort of means that you might introduce to the Security Council to achieve those demands would be things like targeted sanctions on the leadership of Iran, things like asset freezes, other financial sanctions, travel bans. I think an arms embargo is also a clear option for the Security Council since this would also be an issue of international peace and security.

Mr. LYNCH. OK. Those are the essential elements?

Mr. ROSS. Yes.

Mr. LYNCH. Mr. Christoff.

Mr. CHRISTOFF. The only problem that I would have about targeted financial sanctions, I know that the U.N. and the international community is moving more toward targeted sanctions rather than comprehensive sanctions. When I talked with OPIC officials and Treasury officials about just trying to get countries to return assets to the former regime, one of the challenges that they always face in trying to put targeted sanctions on individuals is that when the sanction is announced and when it's eventually enforced can be a long time lag that would allow the individual to move those assets quickly. So I clearly believe that targeted sanctions are important, but the practicality sometimes of enforcing them can be difficult.

Mr. LYNCH. Right. Dr. Lopez.

Dr. LOPEZ. I agree with everything that has been said by my two colleagues. The two colleges in the Iranian case would be, do you want to on the back of a strict arms embargo really expand what you consider dual use goods that can reinforce military goods already existing and expand things like Wassenaar lists and others to a large number of items.

The second issue—and the greatest temptation, I think—is because Iran is heavily dependent on a precious and large scale ex-

port, the prospect for oil embargoes I think looms in the mind of many, although we know what both the humanitarian aspect of that would be and the effect on Western markets itself and Western consumer economies would be substantial. One of the histories of embargo success is that the imposers are willing to accept substantial costs. And the suggestion of embargoing Iranian oil would pose that question in new and significant ways in 2006 to the U.S. economy in particular that has not been posed before.

Mr. LYNCH. I am sort of cheating a little bit, because one of the factors that Mr. Ross has pointed out to is, one of the factors that is very important is the cooperation of neighboring states, so given the geopolitical situation there, and the fact that we don't have a financial intelligence unit in Amman and in a number of other major other financial centers around that area, would also present problems in terms of isolating that regime.

Mr. ROSS. I think it can be done with a will as long as you have the political consensus, and you are prepared to give it the sufficient technical attention. I mean, during the Iraq sanctions years, despite all the political rhetoric that our leaders paid to Iraq, we never set up a financial sanctions units on Iraq.

I had frequent discussions with U.S. Treasury officials saying should we not set up should such a unit to target Saddam's illegal financial holdings, which were many, sitting in Swiss bank accounts, etc. He agreed. He felt we could do it. Such a unit would, we felt, be effective. I personally recommended it at several sessions of talks between British and American governments. It was never implemented.

Dr. LOPEZ. It is really Security Council resolution 1483 in May 2003, after American forces had toppled the regime and actually imposes the asset freeze on Saddam Hussein's family and designated officials, because we were fearful of them fleeing the country and being able to get to assets is one of the ironies of the Iraqi case.

Mr. ROSS. I hate to correct you, George. There was, of course, an asset freeze before that. Comprehensive sanctions are included in all financial assets of the Iraqi regime. So from 1990 onward, no government was allowed to hold financial assets for the Iraqi regime. But we never did put any effort, nor did the U.N. collectively put any effort into enforcing that part of the comprehensive embargo.

Mr. LYNCH. Thank you, I yield back.

Mr. SHAYS. I feel like we have, both of us have this golden opportunity to talk to the three of you. And I would like to go on a little bit longer here.

I want to, first, know from all three of you, and maybe I am getting you out of your territory, Mr. Christoff in areas you can't respond. So don't feel like you need to.

Do you believe that, just taking Iran first, it is an absolute imperative that we prevent Iran—or not, that we prevent, that somehow Iran does not move forward with its nuclear program, and the obvious fear that we have that they will develop a weapons grade material.

One, do you think that is where they are headed, and two, do you think it is in the world's interest to prevent that? And I will start



with you, Mr. Ross. And I am just trying to understand, you will understand why I am asking these questions.

Mr. ROSS. Sure. We don't yet know that is where Iran is headed. There is no conclusive proof of that. The latest IAEA report suggests that they have achieved a certain level of uranium enrichment, and indeed, they publicly avowed this themselves, and worryingly, they also denied the IAEA full access to their sites and to information about their program. This is concerning. And it does perhaps suggest that they have less altruistic goals in mind and the mere development of a civil nuclear program.

Mr. SHAYS. Let me just pursue that with a point though, I mean, Russia, in particular, and Europe, seem surprised that this program was progressing as quickly as it had and that they had this program for 18 years, contrary to what they had claimed, correct?

Mr. ROSS. Russia is surprised of that did you say?

Mr. SHAYS. Yes.

Mr. ROSS. I don't know I am afraid.

Mr. SHAYS. Because the information we get is that one of the reasons we have some opportunity to deal with the Russians is that they feel that Iran has not been forthcoming to them. But that is not information that you—

Mr. ROSS. Well, it is clear that Iran has not been forthcoming to anybody. They are not being forthcoming to the IAEA. They need to be forthcoming to the IAEA.

Mr. SHAYS. But had, for a number of years, had this program in development. So that certainly leads one to begin to question where they are headed if they had done this, at the same time, they claimed they never were. Their credibility clearly is pretty low.

Mr. ROSS. I agree with that, their credibility would be wonderfully increased if they were to allow the IAEA full access.

Mr. SHAYS. Dr. Lopez.

Dr. LOPEZ. This speaks to the question of what is the immediate goal. I think IAEA access is the goal. And continued dialog with Iranians about the pace of development of their civilian program and the distinction between a civilian energy program and a weapons producing program is critical. And what shifted, I think, in the diplomatic dialog and particularly in the U.S. foreign policy dialog over the last 3 months has been a leapfrogging over those important steps to the notion that it is important for us to deny Iran a weapon.

Senators that I have a great deal of respect for says there are two dangerous things that loom before us, a U.S. attack on Iranian facilities, and a Iranian development of a weapon, as if those are the only two choices. And I think the issues that lie before us are that we have a country that is now continuing to back away from international inspections to which it had been a part up to now, even while it did, on occasion, falsify information and withhold information.

Mr. SHAYS. Aren't you being really generous when you say "on occasion?"

Dr. LOPEZ. Generous, sir, because the stakes are too high.

Mr. SHAYS. No, you don't want to be generous. You want to be accurate. And with all due respect, I was kind of saying I am agreeing with these folks in front of me, and now I am beginning

to think—and I admit you lose your credibility when you say Saddam has a weapons program and he doesn't, so I am going to have to live with that. But I feel like we are being a bit naive and extraordinarily generous to Iran to suggest that 18 years of developing a program to which the world was not aware of, and now is aware of, that we can't draw certain conclusions. The trend line is in, clearly, the wrong direction. Am I wrong about that?

Dr. LOPEZ. No. I think the trend line is in the direction you pointed. But we need to cut it by three important facts. One, the technical capacity, as far as we can estimate from all intelligence sources, is still relatively low for the production of a real weapon.

I go back to what Carne said before, which I think is critical in terms of the balance between Iraq and Iran is I am worrying much more about the delivery capability of the Iranians, that is, they have systems that can deliver weapons rather than where they really are with the development of weapons of mass destruction.

Mr. SHAYS. See, the last thing I care about—the last thing—I care less about delivery, because I believe that a weapons grade material in the hands of, I don't look for a signature item coming to the United States or wherever. I look for it in a different direction.

But Mr. Ross, the Iranians have no credibility as it relates to this issue, clearly, correct? I mean, 18 years of a program that were doing undercover are now being exposed, they are saying they are moving straight ahead.

The trend line is clearly in the wrong direction, whether, so, I am just asking the next question, which is, we don't want them to develop weapons grade material, clearly.

Now, to what extent would you be suggesting it would be nice that they didn't do it, we need to work hard that they don't do it, or it is absolutely imperative that they don't do it?

Mr. ROSS. I think it is extremely concerning that Iran might be developing a nuclear weapon, particularly with the current regime. I think the concern about it is entirely legitimate, and they have very little credibility in the disclosures that they have made. But you then need to ask yourself if you assume that they may be developing a nuclear weapon, what are you going to do about it? You have to look at why they may be developing a nuclear weapon.

They are now adjacent to a country which is still largely controlled by the world's superpower which itself is armed with nuclear weapons.

Israel is armed with nuclear weapons. More and more countries in their neighborhood, India, Pakistan are armed with nuclear weapons.

They may have serious security concerns of their own, particularly when confronted by U.S. Government that seems bent on regime change and is fairly abusive in the way it describes the Iranian regime calling them part of the axis of evil or whatever.

In my view, whatever we feel about the Iranian regime, they do have legitimate security concerns that they should not be attacked, which may be why they are developing a nuclear weapon. If that is the case, you need to sit down with them and work out ways of satisfying these security concerns without them developing a nuclear weapon.

Mr. SHAYS. Do you believe that Iran has used Hezbollah as its surrogate that they train and finance Hezbollah?

Mr. ROSS. I worked on the Middle East peace process as it was then known in happier days in the mid 1990's and Iran——

Mr. SHAYS. You look so young to me I am trying to imagine.

Mr. ROSS. No. I am antique.

The Iran——

Mr. SHAYS. How many years were you in the foreign service?

Mr. ROSS. 15. Iran was working, was certainly supporting Palestinian Muslimic Jihad and Hezbollah at that time. I have to say, though, at that time the British government, of which I was then a part, did not regard Hezbollah as a terrorist organization. They regarded them as a resistance organization because Hezbollah at that time was primarily directed at ending Israeli occupation of southern Lebanon. That has since changed. And Hezbollah has not fully recognized Israel's right to exist and is still supporting some questionable activities.

Mr. SHAYS. You are being a little generous here. I wish you would be a little more forthcoming in terms of——

Mr. ROSS. The truth is, I don't know about what Hezbollah is doing today or whether Iran is supporting it today. I worked on that specific issue in the mid 1990's so my information is somewhat out of date.

Mr. SHAYS. But the bottom line to this whole dialog is what I think I am taking from this conversation is that you believe direct talks need to take place with both governments, Sudan and Iran, before there is dialog of sanctions and that you believe that sanctions need to be targeted such as with Iran what would be effective? I will tell you two that I think will be and maybe you can tell me more. Not allowing their scientists to study abroad, their scholars, not allowing their airline to land anywhere by air, but Syria. Things like that. What other types of ways?

Mr. ROSS. I mentioned in answer to Mr. Lynch's question that financial sanctions, travel bans and arms embargo are things that you could consider for Iran. In terms of yes, we are——

Mr. SHAYS. Let me quickly say, would they be successful giving China, Russian and some European nations——

Mr. ROSS. Well, in order to be successful, as I think all three of us have made clear, you need to have broad political support for them. I think before you will get broad political support for any sanctions, you need to show that you have exhausted all other means of addressing this problem with Iran. And I think that would include dialog.

Ramping things up at the rather accelerated rate that the United States is doing, pushing things through the Security Council in a very determined and aggressive way in a time limited fashion is not the way to win political support.

My recommendation would be that United States should take things a little bit slower and show that it is willing to address these issues by dialog before advancing more punitive measures.

Mr. SHAYS. Do you believe that in order for diplomacy to work that you need to have the concern that you might use a military or do you think you just take military option off the table.

Mr. ROSS. I don't necessarily think that, although——

Mr. SHAYS. Think what?

Mr. ROSS. I don't think that you should take the military option off the table, although I am appalled by military action in all cases. I think that some cases, it remains a necessary thing to have in your armory.

Mr. SHAYS. Dr. Lopez, can you respond to that question?

Dr. LOPEZ. I think that targeted sanctions in this case can be very effective. But I am recalling the Yugoslav case where in the second generation of sanctions, we decided that we were dealing on the top with a regime we wanted changed, but at mid levels and levels below were people who were reformers who we were trying to help.

So as targeted as travel bans can sound and be, we even want to be more targeted within the imposition of that specific sanction. Because in fact, there were people we wanted to have assets. There were people we wanted to be able to travel. There were people we wanted to deal with because they were, in fact, opposed to the Milosevic regime. And I think it will be a real challenge in the case of forging Iranian sanctions to decide what will be the designated group of entities and individuals who will be subject to the targeted sanctions. It is not impossible. It is, in fact, very possible. But it will be able to strip from the Iranian leadership that kind of rally round-the-flag effect which says, see, I told you, they are all against us. Look at what we are all suffering. If, in fact, all of them are not suffering from that, that is to our advantage.

I think the second issue supporting again Carne's great statement about diplomacy is we have to decide, I think at the council level, and in the larger powers, just how serious are we going to take sanctions? You know, at one level in the late 1980's, people kept saying to us, see sanctions on South Africa are not effective. By 1993 people said, wow, look at that sanctions case on South Africa.

We were continually told throughout the 1990's, Saddam's robust actions, his hostility to the west, his hostility to inspectors, sanctions aren't working. By 2003, at the end of 2003, we learned that, in fact, sanctions had worked, but we chose diplomatic and military means to go about it a different way.

I think we have to broaden our thinking about sanctions. One of the things I noticed in the Iraqi sanction situation was every time things were interdicted at the border, rather than that being interpreted by political figures that sanctions were working, because we were catching these bad things, it was interpreted in one direction only, look how terrible this is, there must be thousands of things getting through because look what we caught this time and we only caught one. Every time inspectors found prohibited weapons and destroyed a chemical or biological facility, we believed there was even more hiding under Saddam's bed, rather than the position we were taking, which was it was actually working.

So I think if we go ahead with Iranian sanctions, we have to go ahead with a degree of confidence and with an ability to give it a timeline where it might actually change policy.

Mr. SHAYS. Let me say we are going to conclude here. I am struck with a bias that I still hold, and that is, you know, when people from Europe lecture us about diplomacy and

multilateralism, and they say Germany and France we can talk with each other, to me that is like Connecticut and New York talking with each other. I view it as an economic union.

I am left with this feeling that sanctions—in one level, Mr. Ross, I agree that there needs to be dialog, significant dialog and extended.

I think I have learned to have a little more faith in the recognition that with Qaddafi, it was a long-term effort. So I think what I am hearing from here is that sanctions take a while.

I just don't have any faith that Europe's heart or Russia's heart or China's heart is in having sanctions. I think it is with Iran, I think it is a message that Iran it ain't going to happen so they don't need to fear them.

And then what I fear is that the only thing left on the table is military option, which I don't like at all. And I am left with a feeling that if Europe doesn't want there to be a military option, they have to recognize that the dialogs about sanctions have to be real and we have to, we have to recognize without sanctions you leave very little on the table. That is kind of what I am left with.

Let me end by saying, is there a question we should have asked but we didn't? Is there a question that you would have wanted to have responded to that you think we need to put on the table? Start with you, Mr. Christoff.

Mr. CHRISTOFF. Mr. Chairman, a couple of points, why we need negotiations with Iran not just on the nuclear issue but we need Iran to try to help us deal with the situation in Iraq.

I think, as my boss testified last week before you, and we talked about the security situation in Iraq, clearly the Iranian influence in the southern part of Iraq, the army and militias all with Iranian influences is an important reason why we need to continue types of negotiations with Iran.

Second point is that I don't want to completely divorce that reform with sanctions, which, is, in many respects, a topic of interest.

I think if you want to have effective sanctions in the future, you have to engage in certain reforms. We have to have reform of the oversight services with the United Nations, we have to strengthen the internal auditors. We have to revamp procurement. If you have an Oil-for-Food program like situation in the future, you are going to have to have a U.N. that has those types of strength and controls.

Mr. SHAYS. Mr. Ross.

Mr. ROSS. I don't disagree with the thrust of what you said, Mr. Chairman. I think my difference with you would be over the timing.

At present, you are right, the international consensus does not exist to impose sanctions on Iran because above all, there is no compelling evidence that they are developing a nuclear weapon. But that may change.

And what I would urge is the more patient approach to this continuum of dialog of sanctions and then armed force.

I am worried about is that the U.S. administration is currently rushing us through that line. And saying, oh look, the Europeans and Chinese won't support sanctions, therefore we have no alternative but to go to military force.

I think this is hasty and unwise, not least because I think military force would be pretty disastrous all around, not just for the Iranians, but also for us. So I would, therefore, urge that in order to build that political consensus, there are other options to be tried first, and a more patient effort is made to buildup the body of evidence and the record of Iranian noncompliance with the Security Council's demands, then, at the end of that, you would have, I think, the consensus you would need.

Mr. SHAYS. Thank you.

Dr. LOPEZ. I completely concur with that. I underscore some of the great points you and others in the subcommittee made about Sudan, I think we are in a critical moment with regard to Sudanese sanctions and the ability to send a clear message to the government of Khartoum that the international community now means business, enough is enough.

And there are ways in which an earlier discussion of sanctions in Sudan we let the Khartoum government waive the new peace treaty before us and say, well, we don't know if we are able to actually follow through if we are so constrained by sanctions, and the international community backed away.

Now I think that process has a dynamic of its own. It is separate from the conflict in West Darfur. It is separate from the humanitarian crisis. And I think the international community has to get backbone and move ahead with more sanctions in the Sudan area.

Mr. SHAYS. Do you have any question?

Mr. LYNCH. No. I think these people have suffered enough.

Mr. SHAYS. Well let me say, Mr. Christoff, Mr. Ross and Dr. Lopez, you have been a wonderful panel, and I thank you for your taking the time with us this morning. Thank you very much.

Mr. ROSS. Thank you. It is an honor.

[Whereupon, at 1:20 p.m., the subcommittee was adjourned.]

