SPECIAL INSPECTOR GENERAL FOR IRAO RECONSTRUCTION





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ANTICORRUPTION EFFORTS IN IRAQ

PROFESSIONALISM.

PRODUCTIVITY

PERSEVERANCE

Working toward UNCAC Compliance

United Nations Convention Against Corruption (UNCAC) In November 2008, the GOI signed the UNCAC, a legally binding international anticorruption instrument. As a state party to the UNCAC, the GOI committed to developing and implementing effective anticorruption policies and managing public affairs and property in a transparent and accountable manner.

The UNCAC outlines the obligations of member states to one another in applying four principles of fighting corruption: Enforcement, Education, Accountability, and Transparency

Iraqi National Anti-Corruption Strategy for 2010-2014 (NACS)

- Set up a system for political financing. Monitor the tendering process in all ministries.
- Appoint an adequate number of supervisors to check project
- mplementation and compliance. Verify documents via advanced mechanisms and techniques.
- Prepare tighter internal controls by automating the personnel

Council (JACC) The JACC comprises representatives from the Council of Ministers (CoM), COI, IGs, BSA,

and HJC. Its primary task is

tion of the NACS.

coordinating the implementa-

2008

Prime Minister

appoints Judge

as acting COI

Raheem al-Ugail

does not send his name forward for

confirmation by

the CoR

Report

findinas

May return cases

due to limited

investigative

capacity

U.S. Embassy-Baghdad's

Anti-Corruption

Coordination Office

(ACCO) succeeds OAT

CoR passes law that grants amnesty for

many of those accused of corruption

Prime Minister proclaims 2008

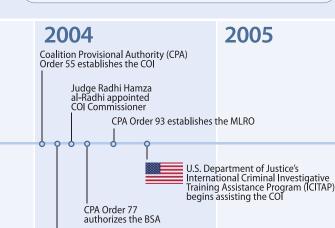
to be the Year of Anticorruption

Joint Anti-Corruption



Residents of Falluja protest corruption and the lack of public services, February 2011. (Radio Falluja photo)

During February 2011, a number of public demonstrations—some violent—erupted in Iraq. Two themes characterized them: lack of public services and a belief that most government officials are corrupt. The Council of Representatives (CoR) held public hearings in response to the demonstrations, sending a number of cases to court and repealing the law that allowed ministers to block prosecution of their subordinates. Last summer, at the urging of the CoR, the former Minister of Electricity was referred to court on corruption charges, and the director of the Trade Bank of Iraq was accused of corruption involving hundreds of millions of dollars.



2006 2007

> Office of the Prime Minister issues secret order that no ministers, former or active, and no military officers shall be arrested without its permission

U.S. Embassy-Baghdad establishes the Office of Accountability and Transparency (OAT)

> U.S. forces raid the Ministry of Health and arrest Deputy Minister Hakim Zamili for terrorist activity and terrorist financing through corruption; Zamili found not guilty when witnesses fail to appear at trial

> > Several senior officials in Ministry of Oil arrested in a diesel theft scheme trial judge replaced, and all but one of the accused given immunity by the minister under Article 136(b)

> > > **Inspectors General (IGs)**

Audit ministries and investigate

allegations of fraud, waste, and abuse

2012 Budget: Varies according to ministry

Founded: 2004, by CPA Order 57

U.S. Assistance: INL/ACCO

corruption COI Commissioner al-Radhi

Former Minister of Defense Hazim al-Sha'alan convicted in absentia for a scheme claimed to involve nearly \$1.3 billion;

announces his resignation and resettles in the United

States, claiming threats to

Prime Minister

establishes the **JACC**

Judge Radhi testifies

to the U.S. Congress

that Iraq has massive

2009

The IGs and COI initiate a campaign aimed at curbing low-level corruption

Minister of Trade resigns after corruption allegations

Anti-Corruption Training Academy

2010

CoM adopts

the NACS

Established in 2010, the academy is based in a facility built by the U.S. Army Corps of Engineers. Initially intended to train officials from all of Iraq's anticorruption agencies, the academy is operated by and caters to the COI. The U.S. government funds training in English-language instruction and basic management and investigative courses.

2011

In a case involving the Central Bank of Iraq, the Supreme Court of Iraq casts doubt on the Repeal of Article 136(b) of the Criminal independence—from the CoM and Prime Procedure Code; IGs Minister—of anticorruption institution and COI report that corruption in some

state-owned

terrorist groups

enterprises is funding

\$360 million discovered missing at the state-owned Agricultural Bank of Irag

COL

ACCO activities merged under the Assistant Chief of Mission for Law

Arrest warrant issued for director of the

Enforcement and

Commissioner al-Ugaili resigns New law explicitly gives the CoR— not the Prime

of the COI and BSA

Public officials and private

citizens report cases of suspected

wrongdoing to any of the three

anticorruption agencies.

GOI releases its first Extractive

Transparency

Initiative (EITÍ

commitment to

vast oil wealth

greater openness

report as part of a

Industries

Minister—authority Rule of Law (INL) to appoint the heads Trade Bank of Iraq

Enforcement

How Irag's anticorruption institutions report. investigate, and adjudicate anticorruption cases.

CPA Order 57 establishes the IGs

Report transactions > \$20,000 Ministry of Interior Pursues criminal activity that does not involve corruption

Money Laundering Reporting Office (MLRO)

Formed in 2004 under CPA Order 93, the MLRO reports administratively to the Governor of the Central Bank of Iraq (CBI) but is staffed and funded independently from the CBI to report on suspicious currency transactions. The U.S. Department of the Treasury has assisted in identifying some Iraqi funds that were improperly sent to banks in countries such as Jordan and Lebanon. Notwithstanding these limited successes, several COI officials and IGs report that the MLRO has made only limited progress, and money laundering remains one of Irag's most significant problems



Examples of Iraqi anticorruption agency reports.

IGs report directly to relevant ministers

Office of the Prime Minister

Report transactions

> \$20,000

Head of the IG Diwan:

Approximate Staff: Varies according to ministry, from about 10

Offices: 30+ main offices in Baghdad, located in each ministry and agency that has an IG

Mission: Conduct internal oversight within GOI ministries and

Main Challenges: Investigating crimes against high-ranking officials and coordinating division of labor with the COI and BSA

Countries/Other International Assistance: UN Office on Drugs and Crime (UNODC) and UNDP

Key Departments: Investigations, Audits, and Training

Ministry of Industry and Minerals IG Salim Polis

sentence never served

Special Committee onvened to adjudicate highly sensitive cases on an ad hoc basis

Higher Judicial Council (HJC)

DoS establishes

implement the

UNCAC in Iraq

UN Development

\$8 million grant to the

Programme (UNDP) to

The COI forwards corruption cases to an investigative judge (IJ), who determines whether sufficient evidence exists to send the case to criminal court for trial. Most corruption cases are decided by the Rusafa Criminal Court in Baghdad. Appeals are handled by the Court of Cassation

May return

cases with

evidence

Anti-Corruption Training Academy

Forward

cases

action

Commission of Integrity (COI) Investigates allegations of public corruption



Judge Alla'a Jwad Hameed (acting)

Approximate Staff: 1,400 2012 Budget: \$52.8 million

Offices: Baghdad (2, including HQ) and 14 provincial offices; no presence in the Kurdistan Region

Founded: 2004, by CPA Order 55

Key Departments: Investigations, Education, Legal, Training, and Transparency Mission: Investigate allegations of public corruption, educate GOI employees and Iraqi students about corruption, and supervise the GOI's financial disclosure requirements for public officials

Main Challenges: Investigating crimes against high-ranking officials and operating effectively outside of Baghdad

U.S. Assistance: INL/ACCO and ICITAP

Countries/Other International Assistance: UNODC, UNDP, Italy, and Denmark

Performs audits under a structure similar to that of the U.S. Government Accountability Office

Dr. Abdul Bassit Turki al-Sa'eed

Approximate Staff: 2,500+

2012 Budget: \$60.8 million Offices: Baghdad and 14 provincial offices

Board of Supreme Audit (BSA)

Founded: 1927, by Great Britain; reauthorized in 2004 by CPA Order 77

Key Departments: Audits

Mission: Audit all GOI agencies, including state-owned

Main Challenges: Obtaining financial data needed to conduct accurate and timely audit oversight

For the sources of information used to create this Insert, see the last endnote in this January 2012 Quarterly Report.

Report

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Countries/Other International Assistance: Multiple countries