How Assad’s Allies Got $18 Million From the UN

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The United Nations paid at least $18 million last year to companies with close ties to Bashar al-Assad, some of them run by cronies of the Syrian president who are on U.S. and European Union blacklists.

Contracts for telecommunications and security were awarded to regime insiders including Rami Makhlouf, Assad’s cousin. UN staff ran up a $9.5 million bill at the Four Seasons hotel in Damascus, co-owned by Syria’s tourism ministry, according to the UN’s annual report on procurement for 2016, a [739-page](https://www.unops.org/SiteCollectionDocuments/ASR/2016_ASR_Major%20purchase%20orders%20and%20contracts%20by%20UN%20organization.pdf) document published in June. Some UN money even went to a charity set up by the president’s wife.

The UN has its own global blacklist and isn’t bound by sanctions imposed by member states or regional blocs such as the EU. Still, the distribution of funds to Assad allies will further fuel criticism that the world body has failed badly over Syria, where more than six years of civil war have left at least 400,000 people dead.

UN bodies have repeatedly condemned the conflict’s atrocities. Western and Arab nations put most of the blame on Assad, yet the veto power wielded by Russia, a supporter of the Syrian regime, has prevented the UN Security Council from endorsing tougher action or adding Assad cronies to its blacklist.

“Any money going to Assad and his allies shows that the UN is not impartial but is in fact helping the largest player in the conflict,’’ said Kathleen Fallon, a spokeswoman for The Syria Campaign, an independent advocacy group. “The regime has been responsible for the majority of the deaths, and they are being rewarded. It sends the wrong message.’’

UN officials point to the difficulty of operating outside the auspices of governments in countries such as Syria, and the premium placed on protecting its staff. In 2003, when the U.S. invasion of Iraq had begun evolving into a civil war with parallels to the Syrian conflict, UN envoy Sergio Vieira de Mello and several members of his staff were killed by a car-bomb attack on the Baghdad hotel they were using as a base.

“We source locally and there are many places where the local economy is either state-owned or we have very limited options,’’ said Stephane Dujarric, the UN’s chief spokesman. Of UN spending at the Four Seasons, co-owned by Saudi billionaire Prince Alwaleed bin Talal, he said: “that’s one place in Damascus that has been cleared for security.’’

The UN spent $140 million on goods and services in Syria last year, according to the report.

Syriatel, which belongs to Makhlouf, was paid $164,300 by three different UN bodies including the refugee agency UNHCR and the children’s relief organization UNICEF. Another UN agency, the United Nations Relief and Works Agency for Palestine, paid $105,043 to Qasioun, a security firm he owns.

### ‘Mr. 10 Percent’

Makhlouf, one of Syria’s richest businessmen, has been on the U.S. Treasury’s blacklist since 2008. Qasioun was specifically [listed](https://www.treasury.gov/press-center/press-releases/Pages/jl0690.aspx) by the Treasury’s Office of Foreign Assets Control in December.

He’s “known as Mr. 10 percent in Syria because he has an interest in so much of the economy,” said Joshua Landis, a Syria expert who heads the Center of Middle East Studies at Oklahoma University. “The key to getting anything done in Syria is to grease the palms of the powerful.’’

Muhammad Hamsho, another regime insider, was added to the U.S. sanctions list in 2011. The EU followed suit in 2015, saying he “benefits from and provides support to the Syrian regime through his business interests.’’

Hamsho controls Jupiter Investment Co., according to the U.S. and EU. The company was awarded two contracts for office space and accommodations by the UN’s peacekeeping operation monitoring the Golan Heights region between Syria and Israel. The UN’s procurement report for 2016 said the company received contracts worth $1.5 million. A UN spokesman said by email that the world body had options to extend the leases, which have a total value of $7.7 million.

### ‘You Don’t Know’

A Treasury spokesman said that U.S. sanctions on Syria “prohibit American persons from engaging in a wide range of transactions, and block the Syrian government from certain activities,’’ while declining to comment on specific companies.

Linda Robinson, a senior policy analyst at Rand Corp., said the UN’s “reputation has been damaged’’ over Syria, but acknowledged the difficulties it faces. “Assad has the ability to shut down independent actors and that limits who you can work with,’’ she said. “In some cases it’s not clear where the lines of company ownership lead and you don’t know the connections.’’

Meanwhile, UN efforts to bring food and medical relief to Syria have been physically targeted by Assad’s government -- and also criticized by his opponents.

Last September, Syrian planes bombed an aid convoy carrying medicine and supplies to the city of Aleppo, then under siege by Assad’s army and since captured from the rebels.

### ‘Get Things Done’

But Syrian and international non-governmental organizations have complained that aid has disproportionately gone to government-controlled areas. They received 88 percent of food aid distributed from Damascus in April 2016, according to a World Food Program report. In September, 73 NGOs wrote to the UN condemning the manipulation of relief efforts.

One local group that handled aid deliveries is the Syria Trust for Development, a charity headed by Asma al-Assad, Bashar al-Assad’s wife. It was awarded $751,129 last year by the UN Office for the Coordination of Humanitarian Affairs.

“The UN wants to be as close as possible to the regime to get things done,’’ said Reinoud Leenders, an associate professor at the Department of War Studies at King’s College in London. Still, he said, it’s “puzzling’’ that the UN is ignoring American blacklists. “Especially considering that the U.S. is its main funder.’’