

Subcommittee on National Security, Emerging Threats,
and International Relations,
Committee on Government Reform

Tuesday, October 5, 2004, 11:00 a.m.

**Cotecna
Inspections S.A.
Documents**

Markovic Tania

From: Cotecna Inspection Jordan [cotecna@go.com.jo]
Sent: mercredi, 27. décembre 2000 13:39
To: Saliba Joe
Cc: Geneva M. Pruniaux
Subject: Re: IRAQ (Confidential!)



Authentication
period Umm Qasr...

Joe,

Let me express my feeling about issues raised to the attention of
Mr. Robert
Massey:

- Poor performance in Iraq - I don't think that any of suppliers can
prove
poor inspection and handling procedure in Iraq from inspection point of
view. My understanding of what has triggered suppliers to pass this kind
of
...ge to Cotecna's CEO is unfortunate stipulation in contracts (in all
approval letters) where one of the conditions for L/C to be effected is
: to
supply Standardized Confirmation from Secretary General designee in Iraq
(and they will find out that this is Cotecna). Every time when they
apply to
BNP with all possessing documents they have got the answer - missing
standardized confirmation from Bottle-neck might be all the way in
the
chain : Cotecna sites - OIP -Treasury -BNP. Important : This should not
be
passed to the suppliers by no means, as it will look like accusing our
own
employer - which can adversely backlash to us.
Each step takes in average up to week time -so supplier ends up with
minimum
3 weeks under ideal condition that cargo inspected from our side has
left
the port immediately -which is not the case(in reality it will go up to
one
and half month).
In addition I am providing latest statistic from Umm Qasr (point 2)
covering
p: 9.11.-21.12. (in which we continued to wait for cargo to leave
th
port notwithstanding inspection date).
I can add that most of supplier's dissatisfaction is related to cargo
delivered in containers
(Milk, washing powder, tea, salt, veg. oil, non-edible items and spare parts)
and
less to bulk (bagged) cargo or wheat for silo.

Answers by points:

1. Yes, there is a huge backlog of cargo in Umm Qasr Port, delayed for
various
reasons, mostly : insufficient documentation, discharge in progress,
discharge not started yet, and most common - inspected cargo still in
the
port- still not transported by receiver.
If we need to be extremely self-critical, say up to 10% can be given to
inspector's side and 90 % for afore-mentioned circumstances.
2. Average time for inspection - this is not the major problem itself as
cargo is made accessible for inspection in reasonable time (2-3
days), but

other reasons make authentication delayed.

3. Local conditions: unloading capacity still the same. Fork-lift unreliable

and unpredictable for smooth handling (often breaks-down). Iraqi are well aware of this and they relayed to our people unofficial message that one berth (no 20) will be exclusively prepared for container handling, with sufficient cranes and unloading gear (recently released from the OIP).

4. Specific comm. numbers - will be answered under particular consent from AEP.

I can add that OIP is regularly, once a week, updated from each site with list of contracts which are pending (not authenticated) and reasons why they are still pending. This has been introduced particularly for accurate answer to the queries from suppliers via Permanent Missions. There is a room for faster reporting, but still major reasons are beyond our control. I did not mention that many of the ships are waiting on the high waters for nearly a month time - before being allowed to berth.

Regards,
Milan

----- Original Message -----

From: Saliba Joe <joe.saliba@cotecna.ch>
To: (Amman) Radenovic Milan <cotecna@go.com.jo>
Sent: Wednesday, 27 December, 2000 10:19
Subject: FW: IRAQ

> Thank you for giving me brief answer for points 1,2,3
> Regards

>
>

>> ----- Original Message -----

>> From: Massey Robert
>> Sent: Tuesday, December 26, 2000 10:58 AM
>> To: Saliba Joe; Pruniaux Andre
>> Subject: IRAQ

>>

>> As I mentioned to JS I have been in contact with traders who complained

>> bitterly to me about the poor performance of Cotecna in Iraq.

>> The lack of response from JS on the files numbers given to him is

>> surprising.

>> I therefore want to know if :

>> 1) there is any back log on shipments to be inspected by us at Um Qasr

>> 2) what is the average time for inspection from the arrival of the ship

>> until we transmit the information to NY.

>> 3) What are the local conditions and/or problems that pre-empt us from

>> performing a flawless job.

- > > 4) MORE SPECIFICALLY the status of the files which numbers were
- > > communicated to Joe Saliba.
- > > Your prompt action will be appreciated.
- > > Robert Massey
- > > Chief Executive Officer
- > >

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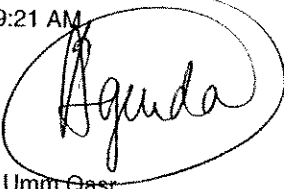
> business.

>

>

SPECIMEN

Markovic Tania
From: Pruniaux André
Sent: Thursday, November 16, 2000 9:21 AM
To: 'Verne Kulyk'
Subject: RE: FW: Umm Qasr - Forklift



Verne,

Thank you for message. I will tell the staff in Umm Qasr.

Best Regards,

André E. Pruniaux

-----Original Message-----

From: Verne Kulyk [SMTP:kulyk@un.org]
Sent: Wednesday, November 15, 2000 3:02 PM
To: Pruniaux André <andre.pruniaux>
Subject: Re: FW: Umm Qasr - Forklift

Andre: I have advised Farid and others of the situation. Mr. Sevan has also been advised and is contemplating communicating directly with the Iraq mission on the issue. Clearly, your staff can only operate within the capability of the port authorities. All I can suggest is that they keep an eye on things and make the appropriate notations on shipment inspection forms when delays occur. This will put the pressure on the port authorities when the suppliers complain. There is no liability on the part of the inspection staff in this situation. Their role is to inspect and authenticate the goods that are presented to them, not to facilitate the off-loading or handling. As far as the staff complement specifically in this situation, my view is that Craig and Cotecna management have staffed according to the current workload and are ready to respond to any increases in discharge. No need to adjust the numbers at this time. Hopefully the port authorities will take some action.

Pruniaux André <andre.pruniaux@cotecna.ch> on 15/11/2000 03:44:55 AM

To: "KULYK Verne UN-OIP" <kulyk@un.org>
cc: "RADENOVIC Milan" <cotecna@go.com.jo>
Saliba Joe <joe.saliba@cotecna.ch>

Subject: FW: Umm Qasr - Forklift

Verne,

Do you wish to comment on this message?

Thanks,

André E. Pruniaux

HA004036

-----Original Message-----

From: U Coins [SMTP:coinsu@un.org] <mailto:[SMTP:coinsu@un.org]>

Sent: Tuesday, November 14, 2000 11:31 AM

To: andre.pruniaux

Cc: Verne Kulyk

Subject: Umm Qasr - Forklift

Dear Andre

Reference my previous correspondence on the above, the top-hoist forklift has broken down and the container yard now has to use a normal forklift to place/reposition containers. They are waiting for spare parts and are hoping

to have it working in a week or so. Effectively it means that the efficiency of the container yard has been seriously impaired and delays can be expected.

Best regards

Craig Airey

SPECIMEN

HA004037

Aguda

Markovic Tania
From: Pruniaux André
Sent: Thursday, November 16, 2000 10:15 AM
To: 'coinsu@un.org'
Cc: Saliba Joe; 'RADENOVIC Milan'; 'CIRIC Goran'
Subject: Umm Qasr

File = Procedures -
Dag

CC: Ad

Craig,

After concertation with UN OIP-NY and due to the fact that the forklift does not work any more, please apply the following procedure (as instructed by UN-OIP) :

You can only operate within the capability of the port authorities. Keep an eye on things and make the appropriate notations on shipment inspection forms when delays occur. This will put the pressure on the port authorities when the suppliers complain. There is no liability on the part of the inspection staff in this situation. Their role is to inspect and authenticate the goods that are presented to them, not to facilitate the off-loading or handling. As far as the staff complement specifically in this situation, the staff is probably sufficient to the current workload and is ready to respond to any increases in discharge. No need to adjust the numbers at this time. Hopefully the port authorities will take some action.

Kindly comment, if necessary.

Best Regards,

André E. Pruniaux

SPECIMEN

*Copies Delau -
Goran -*

Markovic Tania

From: Verne Kulyk [kulyk@un.org]
Sent: Tuesday, November 07, 2000 3:38 PM
To: U Coins
Cc: andre.pruniaux; Dejan Radojevic; cotecna
Subject: Re: Umm Qasr Inspection Procedures

good

Yes. Wholeheartedly agree with the inspection. This will give the receiver the impression that these goods are going to be authenticated. The receiver will not necessarily know when the goods will leave but may feel that because the goods have been inspected, that authentication is forthcoming. In addition to this, I would suggest that while you will routinely inspect the goods without the receiver necessarily being present, that your staff be accomodating if and when a receiver requests your presence (in the event that there is a suspected short delivery or if the receiver feels that the goods are not according to order or damaged.) In any event, authentication will not take place until/if the goods leave the port.

U Coins@UNDPA
07/11/2000 07:54 AM

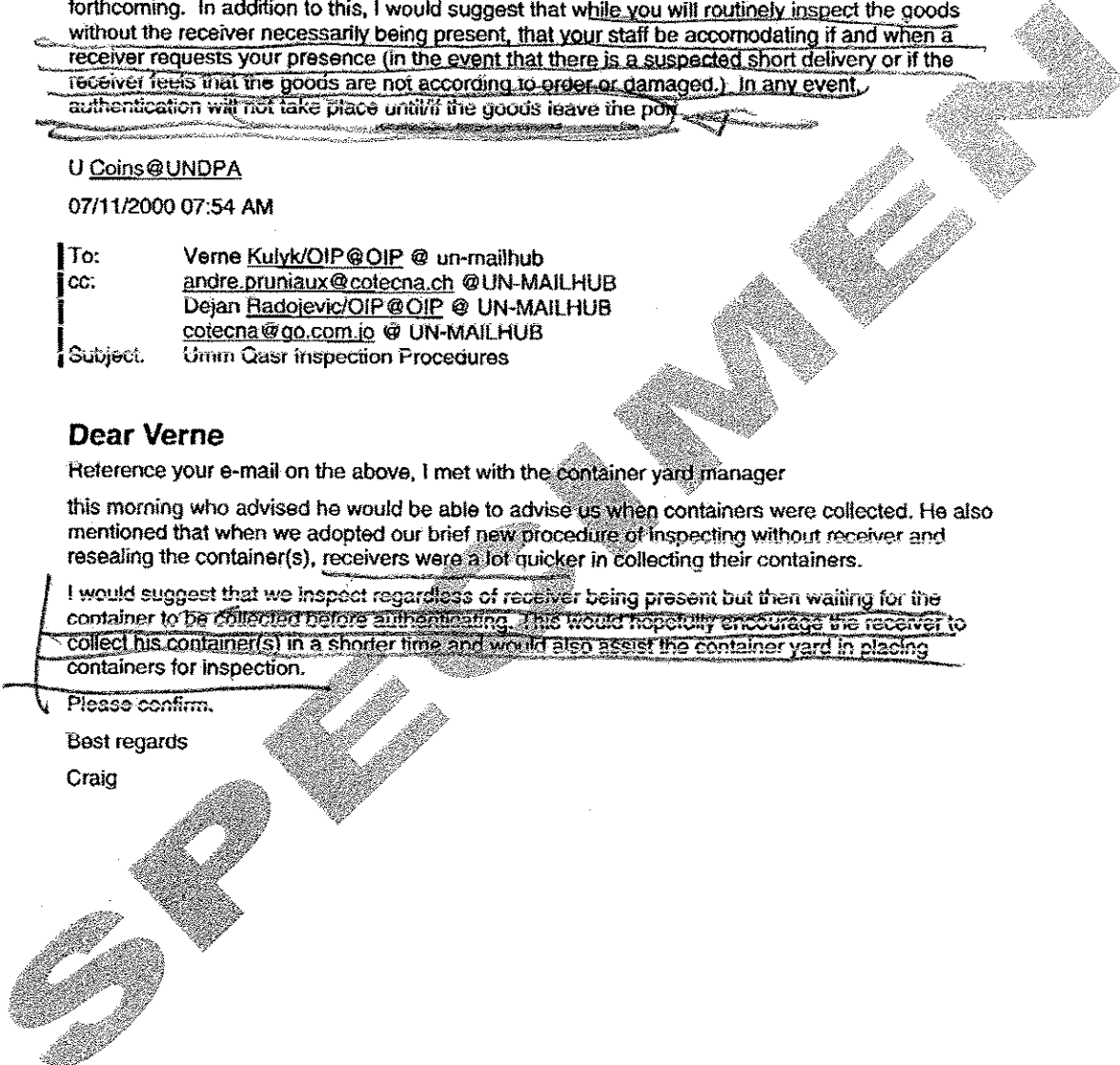
To: Verne Kulyk/OIP@OIP @ un-mailhub
cc: andre.pruniaux@cotecna.ch @UN-MAILHUB
Dejan Radojevic/OIP@OIP @ UN-MAILHUB
cotecna@go.com.io @ UN-MAILHUB
Subject: Umm Qasr Inspection Procedures

Dear Verne

Reference your e-mail on the above, I met with the container yard manager this morning who advised he would be able to advise us when containers were collected. He also mentioned that when we adopted our brief new procedure of inspecting without receiver and resealing the container(s), receivers were a lot quicker in collecting their containers.

I would suggest that we inspect regardless of receiver being present but then waiting for the container to be collected before authenticating. This would hopefully encourage the receiver to collect his container(s) in a shorter time and would also assist the container yard in placing containers for inspection.

Please confirm.
Best regards
Craig



Pruniaux André

From: Verne Kulyk [kulyk@un.org]
Sent: Monday, November 06, 2000 6:24 PM
To: Pruniaux André (Exchange) <andre.pruniaux@cotecna.com>; Cotecna Inspection Jordan <cotecna.jordan@un.org>
Cc: U Coine; Farid Zarif; Felicity Johnston; Dejan Radovic
Subject: Re: Continued - Umm Qasr inspection procedures

Andre/ Milan/ Goran: Our understanding is that authentications do not take place until after the goods have left the port. Goods that have not left the port area are not considered to have arrived in Iraq. We have discussed the issue here and are of the opinion that we should not authenticate containers/shipments of goods that may remain in the port area. I understand that they will affix an URN seal to those containers that they examine/inspect. My concern is that if they then authenticate these goods without knowing that they have left the port area, there is then the possibility that the goods may be rejected without their knowledge. This will leave us open to criticism from the receivers. As well, authenticating goods that are still within the port area, while being facilitative to the suppliers in terms of payment, may result in the goods being diverted and never reaching the supplier. Your proposed authentication procedures also make the authentication process vulnerable to such potential allegations of fraudulent actions.

While I agree that it is unfair for a supplier to wait weeks for an authentication for goods that have arrived, but not accepted by the receiver, it is not our role to solve the port authorities problems. Our office has been quite vocal and has consistently encouraged the purchase of additional equipment and the need to upgrade the port facilities. Suppliers will have to argue this point with the receivers who are the stewards of the facility and in charge of the discharge/distribution procedures. While we can recognize the problems, they are not our problems nor have we created them. It is inappropriate for us (CIP & Cotecna) to be drawn into this issue and for us to take any leadership role in solving their dilemmas. We will, of course assist as usual in any efforts to ameliorate the situations however should not take on the responsibility for this. Cotecna's role, (perhaps unfortunately due to the circumstances), is to work within the current constraints and make best use of a bad situation.

If the port authorities remove the goods from the port area, the goods should be authenticated, regardless if the receiver is in agreement or not (in the obvious cases of short delivery or damaged goods, where noted, an appropriate comment should be made on the shipment inspection form. Short delivered goods should not be authenticated.). The issue of non-compliance with contractual specifications then becomes an item for discussion between the supplier and the purchaser. With respect to the issue of a "pending file" I simply meant that containers that your staff will have inspected in this file would still be in the port and will not have crossed the gates. As discussed with Craig, authentication should be contingent on verification that the goods have entered Iraq (cleared the port gates). This is of course dependent on the co-operation shown to your staff by the Iraqi Port Authorities. Bottom line is that if goods leave the port without being reported, that is bad for the supplier and the authentication will not take place. This is the responsibility of the Port Authority/MOT/SOMO and we should not take this on as our responsibility. If the situation of goods leaving the port without report to Cotecna continues, there will be a long list of suppliers who will be very vocal. Their complaints should then be directed to the Port facilities/authorities. I would not like to see these complaints directed at Cotecna for something that was done from a facilitative point of view. Hope this clarifies our position.

Regards,
 Verne

Handwritten notes:
 OK
 OK
 OK
 Final procedure?
 OK
 but not should
 officially inform
 Iraq -

On the other hand congestion in the port can be lessened by inspection of long sitting containers.

I would appreciate your consideration of this issue, as I fear that keeping files pending until containers will leave the port will bring massive flood of queries from the suppliers which will be difficult to handle for both of us.

Best regards,
Milan

SPECIMEN

Cotecna Inspection Jordan <cotecna@go.com.jo> on 24/10/2000 11:16:23 AM

To: "Verne Kulyk" <kulyk@un.org>
cc: "Felicity Johnston" <johnston@un.org>

Subject: Continued - Umm Qasr inspection procedures

Dear Verne,

Following your recent conversation with Craig, here are my concerns:

To avoid possible confusion for Umm Qasr Team I would appreciate if we can define something for their pretty clear procedure and action:

Moment of the authentication : Will Team authenticate after inspection has been done (with or without receiver) ?, or as I understood from your conversation with Craig:

Team should keep files pending until cargo(containers) will leave the port ?

Here are points in favor of undertaking immediate inspection of the containers:

1. MOT as a main receiver for the key commodities is pretty expedient and they appear almost always within one week, and if the cargo is to be rejected, they do it immediately. So there are no major delays in the key commodities inspection and take-over, partially because of the nature of the cargo.
2. SOMCO is known as very slow in attending inspection, sometimes delayed for more than a month time. Oil spares consignments are checked in SOMCO's warehouse together with Saybolt, and ultimate LOD has been produced for all discrepancies in detail. It is noticed recently that SOMCO representative does not sign for the compliance of goods to the contract specifications during inspection (as it was before), but just signs for presence during the inspection. However, real moment of taking away of the container might be week or couple of weeks later depending on transportation availability. (On the other hand, detailed expertise is done later by Saybolt, and in the moment of the inspection which is based on identification of the goods against shipping documents, database and experience of the inspector with random check of selected items it is clear that full compliance of cargo against specification is not realistic in the moment of container inspection, unless discrepancies are very notorious.)
3. MOE is second-known for very late show for the inspection. Some of containers were stranded for more than a two months, with no prospect of soon clearance. Receivers of "other items" GEEP, WATSON, GAMCO are next in the sequence.

Assuming that most of rejections are related to the foodstuffs, which are inspected shortly after container is on the container yard, it seems very optimistic to continue inspection of containers (containing spare parts, machinery, non-edible stuff) as soon as they are available - with or without receiver's presence (in any case not conditioned to the receiver's presence).

Before this changes were suggested from our side, authentication was consequent to the nearest date of inspection and mostly because of non-presence of the receiver and slow container handling with the only one fork-lift - authentication was obviously delayed (I am not excluding reasons inherent to human factor from our side).

Now, making authentication process dependent to the physical removal of the container(s) from the port will bring unpredictable delays in authentication -as there are no guaranties that inspected container(s) will be carried away right after the inspection. Container port is lacking equipment and in the same time, there is no reliable source of container statistics in the port.

Some of containers have been "lost" i.e. without record when and where they have been carried away.

IRAQ

KQ
30/10

PRESS CLIPPINGS

Office of the Iraq Programme

25 October 2000

UN oil-for-food programme in Iraq handling record humanitarian supplies

UNITED NATIONS, Oct 24 (AFP) - The number of ships carrying supplies to Iraq under the UN's oil-for-food programme has doubled in recent weeks and a record 34,000 tonnes of supplies are unloaded daily, the UN said Tuesday.

"Given the limited berthing and unloading capacity of the port of Umm Qasr, as well as the lack of trucks, these vessels can now wait up to four weeks to complete unloading," the Office of the Iraq Programme (OIP) said.

Iraq has only about 70 kilometres (45 miles) of coastline, on the Gulf.

The oil-for-food programme has grown enormously since it was set up by the United Nations in December 1996 to soften the impact on Iraqi citizens of sanctions imposed on Iraq after the invasion of Kuwait in August 1990.

Iraq's oil exports since the start of the current six-month phase of the programme on June 9 have totalled 282.5 million barrels, for revenue of almost 7.2 billion dollars, the OIP said in its weekly update.

That is one-fifth of total revenues of 36.2 billion since the programme began.

The UN sets no limit to the amount of oil Iraq may export, but only 53 percent of the revenue is allocated to imports to the central and southern parts of the country under government control.

Another 13 percent goes to the northern, Kurdish regions. Most of the rest goes into a fund to compensate victims of the invasion of Kuwait.

In the week to October 20, Iraq exported 19.4 million barrels of oil with an estimated value of 508 million dollars, the OIP said.

The weekly volume is the second largest since the programme started, and almost as large as the amount sold in the last week of May, a UN official said.

But the official said no particular significance should be read into the figure, since Iraq's oil sales often fluctuate widely from week to week.

In the week ending October 6, it exported only 11.6 million barrels, for revenue of 305 million dollars. The following week, sales totalled 16.3 million barrels, worth 450 million dollars.

The office added that, last week, the Security Council's Iraqi sanctions committee released holds on 17 contracts worth a total of 62.4 million dollars.

"These included contracts for trucks, electrical and sewage equipment, circuit breakers and oil parts," it said.

The committee blocked another 46 contracts worth 89.8 million dollars, including orders for trucks, cranes, transformers, water compact units, a suction dredger and ambulance boats.

"The total value of contracts on hold as at October 20 stood at almost 2.28 billion dollars, including 1.99 billion dollars for humanitarian supplies (centre/south of Iraq only) and 285 million for oil industry spare parts and equipment," the OIP said.

It said the value of humanitarian contracts processed under "fast-track procedures" adopted in March had reached 2.55 billion dollars. Another 65 contracts for oil spare parts worth 52 million dollars had been expedited in this way, it said.

Iraq's oil supplies to Jordan are exempted from United Nations sanctions.

The newly appointed Jordanian government recently put out feelers to Baghdad, hinting that it sought better ties after a number of misunderstandings over the last few years.

Jordan, sympathetic to Iraq in the 1990-91 Gulf crisis over Kuwait, turned against Baghdad in 1995 and gave shelter to senior Iraqi defectors. The late King Hussein then called for a change of administration in Iraq.

But in recent years Jordan has been an advocate of lifting the sanctions, which it says hurt only the Iraqi people.

Lebanon sends second plane to Baghdad

BAGHDAD, Oct 24 (Reuters) - Lebanon sent a second humanitarian flight to Baghdad on Tuesday in protest to United Nations sanctions against Iraq, witnesses said.

The plane landed in the newly reopened Saddam International airport carrying a 130-strong delegation, representing all segments of the Lebanese people including doctors, lawyers and businessmen. The delegation was led by the head of the Lebanese Arab Club, Ma'an Bashour.

"The trip comes in solidarity with Iraq," Bashour was quoted in Beirut on Monday as saying.

"Lifting sanctions on Iraq contributes directly to the support of the Palestinian Intifada (uprising)."

At least 131 people, all but eight of them Arabs, have been killed in Palestinian-Israeli clashes in the West Bank, Gaza Strip and Jerusalem since a September 28 visit by Israeli right-wing opposition leader Ariel Sharon to a sensitive religious site in Jerusalem sacred to both Muslims and Jews.

The plane was the latest of several sent by Arab and other countries to Baghdad, since Russia and France started the challenge to the U.N. sanctions by contending there is no ban on civilian air travel.

Relations between Iraq and Lebanon were re-established in 1998. Lebanon had cut diplomatic ties with Iraq in 1994 after accusing Baghdad of killing an Iraqi opposition figure in Beirut. Iraq has called repeatedly for U.N. sanctions to be lifted, saying it is no longer justified, but U.N. Security Council members, the United States and Britain advocate keeping firm sanctions in place.

They say sanctions cannot be lifted or eased unless Baghdad allows U.N. inspectors back into the country to check on its weapons of mass destruction. Iraq has refused for nearly two years.

Turkish businessmen land in Baghdad on solidarity mission

BAGHDAD, Oct 25 (AFP) - Several Turkish businessmen flew into Saddam International airport on Wednesday aboard a light aircraft in the fifth solidarity flight from Turkey in a campaign against the decade-old air embargo, an airport official said.

Two flights were due to touch down in Baghdad on Thursday, one carrying trade unionists from Damascus and the other 120 politicians and cultural figures from Cairo.

A long list of Arab countries have tested the embargo, part of the sanctions regime imposed after the 1990 invasion of Kuwait, since the reopening of Baghdad airport in August.

Arab trade unionists to fly to Baghdad on Thursday

DAMASCUS, Oct 24 (AFP) - A delegation of Arab trade unionists is set to fly to Baghdad from Damascus on Thursday in an act of solidarity against the decade-old UN sanctions against Iraq, according to a statement from the International Confederation of Arab Unions.

The delegation, made up of people from several countries, will inaugurate a school in Baghdad named in honor of Mohamed al-Durra, the 12-year-old Palestinian boy whose televised shooting death in the Gaza Strip last month riveted the world.

The communique did not say whether the organization had sought approval from the United Nations sanctions committee for making the flight.

It also did not say what the nationality of the airplane would be, though flights recently from Damascus have been aboard Syrian Arab Airlines.

A long list of Arab countries have tested the embargo, following Russian and French flights, since the reopening of Baghdad's airport on August 17.

Paris and Moscow say the air embargo, part of the sanctions regime, does not cover private non-commercial flights. Washington and London insist all flights must be approved by a UN sanctions committee.

Palestinian plane to fly wounded to Baghdad

BAGHDAD, Oct 25 (AFP) - A Palestinian aircraft is to fly out 20 people wounded in the clashes with Israeli forces for treatment in Baghdad, a Palestinian diplomat said Wednesday.

"A Palestinian Boeing from Gaza airport is to bring to Baghdad on Sunday 20 Palestinian wounded who will be hospitalised in Iraq," said Dalil al-Qasus, first secretary at the "embassy of Palestine".

"The plane will also carry a delegation from the Palestine National Council for a solidarity visit to Iraq," said the diplomat.

It will be the first Palestinian flight to join the flow of aircraft into Saddam International Airport since it reopened in August, in a bid to force an end to the 10-year-old air embargo on Iraq.

Iraq has despatched two convoys of more than 100 trucks carrying food and medicines for the Palestinians, but charged that Israel refused to let the goods enter the Palestinian territories.

Israel concerned about Iraq military movements

JERUSALEM, Oct 25 (AFP) - Israel is viewing with concern Iraqi military movements near the Syrian and Jordanian borders, a top political source said in the Hebrew daily Yediot Aharonot on Wednesday.

"This big Iraqi force is deployed in an offensive formation. It could be simply a symbolic initiative, but we saw what happened before the start of the Gulf War when Iraq invaded Kuwait," the source said.

"If they want, the Iraqis can ignore Jordanian sovereignty to move on Israel," the source said.

In Washington, however, the Pentagon said Tuesday that the troop movements in Iraq's western desert appeared to be part of annual training exercises and posed no danger to its neighbours.

There was no air cover nor logistical back-up for any offensive operation, the US defence department said.

According to the Yediot, Israel and the United States have stepped up contacts to counter any Iraqi threat on Israeli territory.

Israel and Washington, using several European countries as intermediaries, have warned Iraqi President Saddam Hussein -- who has called for jihad (holy war) against the Jewish state -- not to interfere in the Israeli-Palestinian conflict.

Almost a month of clashes in the West Bank and Gaza Strip has cost 138 lives, the vast majority of them Palestinian.

Iraqi troops not threatening Israel-Pentagon

WASHINGTON, Oct 24 (Reuters) - The United States is still closely watching the movement of Iraqi troops west of Baghdad but the move appears only to be part of an annual training cycle, the U.S. Defence Department said on Tuesday,

"We continue to pay very close attention to what they are doing," Rear Adm. Craig Quigley, a Pentagon spokesman, told reporters.

He also said that improvements in food and health were held back by the collapsing value of the Iraqi currency and by holds placed by the UN's sanctions committee on contracts to import electrical equipment.

Myat took over as coordinator of the oil-for-food programme in Iraq in April after Hans von Sponeck resigned in protest at what he called the "humanitarian tragedy" caused by sanctions. He told a news conference that there had been "considerable progress" in the food sector, and every man, woman and child now received 2,470 kilocalories a day.

According to UN data, in the first half of the year, Iraqis received on average 1,990 kilocalories. The new amount "should be sufficient to sustain life," Myat said, but many people were selling their food rations in order to buy clothes and other necessities.

"For many of them, food rations represent the major part of their income," he said, adding that because of the falling exchange rate, many people lived on two or three dollars a month.

"That is what a junior civil servant would get," he said. Myat said that foreign flights which began arriving in Iraq a month ago had "given (Iraq) moral support rather than anything else." He said they carried only a "miniscule" amount of cargo compared with the 150,000-200,000 tonnes of food and equipment which Iraq imports "in an average month" under the UN's oil-for-food programme.

Several dozen foreign aircraft have arrived in Iraq since mid-September, when Russia and then France allowed oil company executives, athletes and doctors to fly to Baghdad to test the UN's sanctions regime.

Myat recalled that "humanitarian flights per se have always been permitted" since the UN Security Council imposed a trade embargo and other sanctions on Iraq in August 1990 after the Iraqi invasion of Kuwait.

The purpose of the flights was to challenge the view that even humanitarian flights needed prior clearance from the council's Iraqi sanctions committee, he said.

The United States and Britain, which defend that view, have also been criticised for blocking most of the 2.25 billion dollars worth of contracts now put on hold by the sanctions committee.

"Some critical items" had been placed on hold, Myat said, drawing attention to the fact that 36 percent of all contracts for electrical goods had been held up.

"In Iraq nothing works without electricity," he said. Clean water, effective sanitation and decent housing were also important to health, he noted.

"To bring about a major improvement in the situation one needs to have improvements in all related sectors," he said.

Myat said he did not believe the authorities were inefficient and thus to blame for higher infant mortality rates in the centre and south of Iraq than in the Kurdish north, where health programmes are run by the UN.

"The food distribution system in Iraq is second to none," he said. "Food gets to everyone it is supposed to get to. You cannot fault them for that."

But, he said, "you need more than food. You need health care and decent infrastructure."

He recalled that a hospital doctor who was about to discharge a young boy after treating him for gastro-enteritis said he expected his patient to return within three weeks.

"He is going back to the squalor he came from," the doctor said.

UN has problems inspecting cargo on flights to Iraq

By Evelyn Leopold

UNITED NATIONS, Oct 19 (Reuters) - A U.N. official asked for help on Thursday in inspecting cargo on a rash of flights going to Iraq, some of which apparently are not being examined for banned goods.

Oct. 20, 2000

Tun Myat, the U.N. humanitarian coordinator in Baghdad, told a news conference inspection procedures needed to be changed for the flights that he said were giving "more moral support than anything else" in alleviating Iraq's needs.

Some 26 flights have landed in Baghdad in the last month, from Arab countries and Russia and France, who started the challenge to the U.N. sanctions by contending there is no ban on civilian air travel.

But a member of the Security Council's Iraqi sanctions committee, speaking on condition of anonymity, said the problem was not who inspected the flight but orders from Iraq that they could not be scrutinised without a week's notice.

Most of the aircraft depart with short notice or none at all. "We certainly aren't getting them seven days in advance," the envoy said.

Myat was in New York for the first time since he took up his post in Baghdad last May for a review of the "oil-for-food" programme that allows Iraq to sell oil in order to buy supplies and offset the impact of 10-year old U.N. sanctions.

Iraq imports an average of 150 to 200 tons a month of food and other supplies so humanitarian goods airlifted were only a fraction of the total, Myat said.

All the planes are carrying some medicine or food but also trade delegations, politicians or advocacy groups protesting the sanctions.

However, some of the recent flights, notably from Egypt and Syria, have not given any notification. Most of other flights have received permission to fly from the sanctions committee.

Russia and France say the committee should be notified 24 hours in advance so cargo can be inspected for banned goods. But they argue the committee did not need to give permission, as Britain and the United States have contended.

Myat said his teams usually inspected such humanitarian flights but the growing number made the task increasingly difficult.

Currently outside inspectors hired by the United Nations look at goods arriving under the oil-for-food programme at the border and ports. Myat said the council should authorise them to survey the cargo on planes also.

"There has been a practice because there was no other U.N. presence in town than my office to attend to the arrival and departure of planes and provide a manifest of who came in and who came out," Myat said.

But now that some flights come unannounced, his job is far more difficult. "We will not be able to do it, in any case, because of the time that is needed," he said.

Some council members have noted the planes flying near or through the United States and British-enforced no-flight zone over areas of northern and southern Iraq. They want details of the flight paths in ample time to ensure a plane's safety.

The council's sanctions committee is expected to begin discussions of the issue on Friday but not necessarily reach any immediate conclusion, members said.

IPU Calls For Lifting Economic Blockade on Iraq

JAKARTA, October 20 (Xinhua)--The 104th Inter-Parliamentary Union (IPU) conference finally agreed here Friday to call on the United Nations Security Council as well as international community to soon put an end to its global economic blockade imposed on Iraq, instead of just reassessing it. During its final plenary session, all participants of the conference cast their votes with 592 in favor, 517 against and 105 abstaining. Earlier, the IPU's drafting committee adopted the draft of resolution on embargoes and economic sanction, including a call for the U.N. Security Council to reassess all sanctions imposed on Iraq. But the draft resolution was vetoed by the plenary session.

Markovic Tania

From: Markovic Tania
Sent: Thursday, October 19, 2000 3:08 PM
To: 'Cotecna Inspection Jordan'
Subject: RE: Situation in Umm Qasr Port - answers

From : André E. Pruniaux

Milan,

Thank you.

I think that we have to officially inform, in writing, UN-OIP-NY providing this, plus your previous, info.

Kindly and urgently prepare a draft and send it to me.

I will review, edit and send it to Felicity.

Thanks,

André E. Pruniaux

-----Original Message-----

From: Cotecna Inspection Jordan [SMTP:cotecna@go.com.jo]
Sent: Thursday, October 19, 2000 1:00 PM
To: 'Geneva M. Pruniaux'
Subject: Situation in Umm Qasr Port - answers

Andre,

In regards to your reply, these are my comments:

1) Traffic increase or stable high traffic in Umm Qasr will last, and will have an ascending trend. I assume according to the recently released brand new contracts from phase 6, phase 7, and first part of phase 8 - forthcoming months are going to be very busy, converting Umm Qasr into main port of entry with the biggest volume of cargo. OIP is well aware of the backlog of contracts to be delivered.

2) I have used our internal reserve moving one person from Al Waleed, and two from Trebil, without disrupting work flow.

For your info (between us), we can go further into doubling inspection shifts in : Trebil (currently 4 hours daily), Al Waleed (currently 4.5 hours daily) and Zakho (currently 2.5 hours daily) which is feasible, but will be highly unpopular and might lead into lack of concentration and possible mistakes.

We can say that with 3 extra people in Umm Qasr we have used our internal reserves.

On the other hand we have reached the figure of 74 inspectors, apart from LO Baghdad and myself, to allow extended leave, and this is 20 people above the paid level.

Increased traffic is a ground for asking for 2-3 paid inspectors above the agreed minimum, but it can also wait if political situation will bring some extra job.

3) Delays in authentication in Umm Qasr have been mostly generated by:

- Late appearance of receivers to attend inspection - practice which I have changed now ;
- Insufficient documentation from suppliers - very often situation causing additional contacts and faxing (OIP was very cooperative in contacting respective Missions for lack of documentation).
- Ships are delayed in berthing, which gives wrong impression to the suppliers that ship is in Umm Qasr (not knowing that discharge did not start yet).
- The only one fork-lift in the container port which cannot satisfy increased requests for inspection.

HA004139

In any case Umm Qasr team need to show high vigilance and accuracy dealing with increased workload.

Regards,
Milan

SPECIMEN

Markovic Tania
From: Markovic Tania
Sent: Thursday, October 19, 2000 10:27 AM
To: 'Cotecna Inspection Jordan'
Cc: Saliba Joe
Subject: RE: Umm Qasr Port - struggling with heavy traffic

From : André E. Pruniaux

- 1) Please re-format this message in a better way (statistics, presentation of our new measures, etc) and send it urgently to Felicity Johnson and Verne Kulyk, copy : AEP.
- 2) In your opinion, is this situation going to last? Do we need more permanent inspectors in Umm Qasr? Can we move some from other sites, without exposing us on these sites? Should we ask for more inspectors in Iraq? According to your answers, I will prepare a statement to UN-OIP-New York (Stephanie Scheer who must be alerted).

Also, is this situation in Umm Qasr producing delays in transfers of data/authentications to UN-OIP?

Many Thanks for your urgent attention.

André E. Pruniaux

-----Original Message-----

From: Cotecna Inspection Jordan [SMTP:cotecna@qo.com.jo]
Sent: Wednesday, October 18, 2000 9:10 PM
To: 'Geneva M. Pruniaux'
Cc: 'Joseph Saliba'
Subject: Umm Qasr Port - struggling with heavy traffic

Andre,

I meant to address to Felicity and Verne regarding traffic situation in Umm Qasr, but for the time being this is first info for yourself and shortly afterwards we will advise OIP. Reason is increasing delay in ships berthing and start of discharge, which will affect suppliers and increase pressure on us who might be ultimately blamed for delayed authentication. Traffic is getting much heavier from day to day, discharge is much bigger as vessels are using their own lifting gear, and on contrary - port cranes and fork lift remain as they were a year ago.

Enclosed is the statistic from our Weekly Report from 31/08/2000 until 12/10/2000.
Umm Qasr 31.08.2000.07.09.2000 14.09.2000 21.09.2000 28.09.2000 05.10.2000
12/10/2000

Vessels processed this week 6 7 5 5 7 7 14
Discharge per day average (MT) 7,576.559 12,466.346 5,761.580 10,680.969 11,509.102
16,102.414 13,055.789
Min/Max daily discharge during the week (MT) 5,644.250/[PARA] 10,084.435
8,403.560/[PARA] 15,629.395 3,037.340/[PARA] 8,047.030 7,880.290/ 12,922.520
6,043.210/[PARA] 13,949.670 4,838.230/[PARA] 24,968.570
6,443.480/[PARA] 26,904.205

Number of vessels doubled in last 2 weeks, from average 7 to 14.

Present traffic (figures taken today 18.10.2000) :

HA004141

Active vessels (on discharge) 16
Vessels departed during week 19
Vessels at Inner Anchorage(samples taken -awaiting berth) : 5
Vessels at Pilot Station 5 (3 out of them with containers)

Vessels awaiting for berth might be big concern for the suppliers, as average delay of 3 weeks now tends to increase.

There is increasing congestion in the container port, mainly due to the fact that only one fork-lift is working and due to the apparent shortage of trucks, engaged in general cargo transportation. Lack of inner manipulation is slowing-down our inspection of selected containers.

From our side, we are undertaking additional measures:

* Starting from this Saturday 21.10.00. containers in the container port will be inspected by Cotecna inspectors, without presence of receiver, and sealed after inspection by URN Cotecna seal. Inspection will be done as soon as containers will land from the ship. Port authority has been advised accordingly. This will make a room in the port for the new containers (backlog of containers remained due to non-show of receivers to attend inspection and take-over the cargo).

We may expect increased Iraqi claims for "non-conformity of cargo against contract specification" as their representatives mostly will not be present in time of inspection. This was the only reason why this common practice lasted from the very beginning of the project.

* 3 additional inspectors have been allocated from other sites to Umm Qasr, making total of 20 active on the site (in addition to 5 on leave)

* Average allocation of 3 ships per team now goes up to 7 ships per team, consisting of two inspectors.

Regards,
Milan

*** RAPPORT TX ***

EMISSION OK

N° TX/RX 1469
TEL. CORRESPONDANT 00012127721794
SOUS-ADRESSE
ID CORRESPONDANT IRAQI MISSION UN
RG.HEURE 17/10 13:16
DUREE 00'26
PAGES ENVOYEES 1
RESULTAT OK

COTECNA INSPECTION S.A.

58, rue de la Terrassière

1207 GENEVA - SWITZERLAND TEL. 41.22.849.69.00 - Fax 41.22.849.6909

FAX

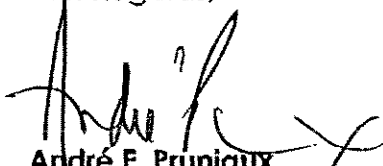
Date : 16 october 2000
To : Felicity Johnson Chief Customs Expert
: Verne Kulyk Customs Expert
Page(s) : 1 (this one included)
Our ref : 006/trm
Subject : **Flight to Baghdad**

We have been unofficially invited to attend the arrival of a recent flight which was carrying some commodities.

I have instructed the cotecna staff in Baghdad and elsewhere in Iraq not to intervene unless directly authorised by Cotecna Geneva (myself) acting on firm written instructions from UN-OIP New York.

Kindly confirm by return that this is the right procedure.

Best Regards,


André E. Pruniaux
Senior Vice-President

HA004150

COTECNA INSPECTION S.A.

58, rue de la Terrassière 1207 GENEVA - SWITZERLAND TEL. 41.22.849.69.00 -Fax 41.22.849.6909

F A X

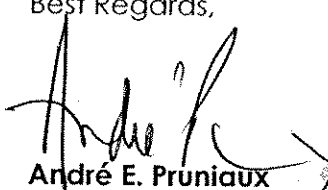
Date : 16 october 2000
To : Felicity Johnson Chief Customs Expert
: Veme Kulyk Customs Expert
Page(s) : 1 (this one included)
Our ref : 006/tm
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I have instructed the cotecna staff in Baghdad and elsewhere in Iraq not to intervene unless directly authorised by Cotecna Geneva (myself) acting on firm written instructions from UN-OIP New York.

Kindly confirm by return that this is the right procedure.

Best Regards,


André E. Pruniaux
Senior Vice-President

HA004151

Markovic Tania

From: Jean Azouri [azouri@un.org]
Sent: Tuesday, October 17, 2000 9:40 AM
To: Markovic Tania <tania.markovic@un.org>
Subject: RE: Flights to Baghdad - Info

Importance: High

From Jean Azouri

I confirm the recipient of the mentioned instructions and I wish to emphasize that Mr. Tun Myat was informed that unless clear instructions from Geneva Headquarters and/or OIP NY we cannot intervene in any activity related to this matter.

Regards,

Jean

Markovic Tania <tania.markovic@cotecna.ch> on 16-10-2000 08:47:47 PM

To: "cotecna" <cotecna@go.com.jo>
cc: Saliba Joe <joe.saliba@cotecna.ch>, "azouri@un.org" <azouri@un.org>
(bcc: Jean Azouri/CANAL-HQ/UNOHCI)
bcc: Jean Azouri/CANAL-HQ/UNOHCI
Subject: RE: Flights to Baghdad - Info

From: André E. Pruniaux

I wish to confirm that under no circumstance we are going to intervene at the Baghdad airport. This is a very delicate political matter which has to be handled by Cotecna Geneva.

Kindly confirm reception of this email.

André E. Pruniaux

-----Original Message-----

From: cotecna [SMTP:cotecna@go.com.jo]
Sent: Wednesday, October 11, 2000 3:05 PM
To: ANDRE
Subject: Flights to Baghdad - Info

From: Cotecna Inspection Jordan <cotecna@go.com.jo>
Date: Sun, 8 Oct 2000 14:00:10 +0200
To: "Geneva M. Pruniaux" <Andre.Pruniaux@cotecna.com>

Andre,

Lloyd Adam has attended landing of one recent aircraft which

HA004152

landed this
morning in Baghdad. He has also seen the arriving commodity
and people, and
he is going to report to Mr. Sevan the situation.
(He himself was expecting some of Cotecna people to go to
the airport, as
well . However he realizes our position - I instructed
J.Azouri not to have
any move unless we will be contacted by OIP through Geneva)

Regards,
Milan

SPECIMEN

Markovic Tania
From: cotecna@go.com.jo on behalf of Cotecna Inspection Jordan [cotecna@go.com.jo]
Sent: Monday, October 16, 2000 8:00 PM
To: 'Markovic Tania'
Subject: RE: Flights to Baghdad - Info

Confirmed receipt on 16/10/00 at 19:00. Regards,
Milan

-----Original Message-----

From: Markovic Tania [SMTP:tanja.markovic@cotecna.ch]
Sent: Monday, October 16, 2000 5:48 PM
To: 'cotecna'
Cc: Saliba Joe; 'azouri@un.org'
Subject: RE: Flights to Baghdad - Info

>

From : André E. Pruniaux

I wish to confirm that under no circumstance we are going to intervene at the Baghdad airport.

This is a very delicate political matter which as to be handled by Cotecna Geneva.

Kindly confirm reception of this email.

André E. Pruniaux

-----Original Message-----

From: cotecna [SMTP:cotecna@go.com.jo]
Sent: Wednesday, October 11, 2000 3:05 PM
To: ANDRE
Subject: Flights to Baghdad - Info

From: Cotecna Inspection Jordan <cotecna@go.com.jo>
Date: Sun, 8 Oct 2000 14:00:10 +0200
To: "Geneva M. Pruniaux" <Andre.Pruniaux@cotecna.com>

Andre,

Lloyd Adam has attended landing of one recent aircraft which landed this morning in Baghdad. He has also seen the arriving commodity and people, and he is going to report to Mr. Sevan the situation.
(He himself was expecting some of Cotecna people to go to the airport, as well. However he realizes our position - I instructed J. Azouri not to have any move unless we will be contacted by OIP through Geneva)

Regards,
Milan

HA004154

Markovic Tania

m: Pruniaux André
Sent: mercredi, 14. mars 2001 15:26
To: RADENOVIC Milan (Amman)
Subject: CONFIDENTIEL - FW: Star Incident Update

For info.

André E. Pruniaux

-----Original Message-----

From: Jean Azouri [mailto:azouri@un.org]
Sent: mardi, 13. mars 2001 12:04
To: andre_pruniaux@cotecna.com
Cc: cotecna@go.com.jo
Subject: Star Incident Update

I met with the coordinator and asked him about a feedback related to his recent meeting with MoFA. He informed me that he had personally submitted a

Verbal with three enclosures (Letter to Tun Myat & two statements) to

MoFA informing them about the departure of the two inspectors. He told them

that although the two inspectors don't seem to be guilty as charged, Cotecna has taken the necessary action to depart them. MoFA had emphasized

that the case is closed and they are grateful for the prompt action.

He apologized for not informing us accordingly after the meeting, and as discussed during your last telecon with him this was the best decision to undertake, he sends you his best regards.

Regards,

Jean

SPECIMEN

Pruniaux André

From: Dejan Radojevic [radojevic@un.org]
Sent: mardi, 13. mars 2001 14:54
To: Cotecna Inspection Jordan
Cc: "Dejan Radojevic" <radojevic@un.org>; "Joseph Saliba" <joe.saliba@un.org>; "Geneva M. Pruniaux" <Andre_Pruniaux@un.org>; coinsu@un.org
Subject: For Mr.Radenovic

Dear Milan,
Thanks for updates as I've just arrived from vacation. That would be great if you during your visit to sites clarify/advise/investigate with sites management/inspectors, in case of any doubt, recent exchanges. Would you please also, sort out discrepancy between "date printed" on Authentication Sheets and actual mailing date. Remind Authenticating officials about "adjustment policy" (any minus input has to be with OIP permission).

Reminder please find below:

Dejan Radojevic
27/02/2001 09:27 AM

To: cotecna@go.com.jo
coinsu@un.org
cc: Farid Zarif/OIP@OIP
Felicity Johnston/OIP@OIP
Herve Mathevet/OIP@OIP

Subject: "Left port without inspection"

Dear Milan/Craig,

Number of cases "left port without inspection" is at the moment 16 /Shipments (worth around \$5mil) and time has come that solving authentication problems has to start. Suppliers have already started with inquiries about payment.

For crosscheck please find list of such OCs reported to OIP :
00371 ,00510 ,50202 ,50207 ,600831 ,601480 ,601483 ,630424 ,630489 ,
630946
, 630701 ,630771 ,700017 ,700077
700206 & 700602

According to procedures we expect that initial core for action should be on

site ,like:

- Evidence of ship and cargo arrival and departure
- List of containers selected for examination
- Documentation collected on first/upon arrival visit to vessel(cargo manifest,bill of lading,list of containers,samples, etc)
- Analysis results

COTECNA INSPECTION S.A.

CO-INS

P.O. Box 6155 - 1211 Geneva 6 - Switzerland
TEL : (00 41 22) 849.69.00 FAX : (00 41 22) 849.69.26



UN SCR-986 PROGRAMME

Date : 08 March,2001
To : Mr Tun Myat **Confidential**
United Nations Humanitarian Coordinator
UNOHCI, Baghdad
From : André E.Pruniaux
Senior vice President – Cotecna SA -Geneva
CC : Milan Radenovic , Joe Saliba, Jean Azouri
FAX : 00 1 212 963 3009
Page(s) : 1 of 2
Our ref. : js/03.00 S
Subject : Star Incident – Trebil, Iraq

Dear Mr Tun Myat,

I refer to our telephone conversation of today. We deeply regret this unfortunate incident. As a result, two of our good inspectors have to leave the mission.

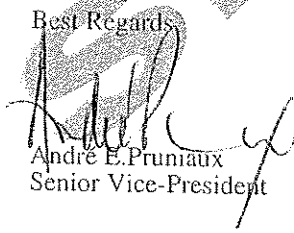
As you can see from the attached confidential reports, the star was already on the site among other Xmas decorations. It was unintentionally placed on the tree.

We have instructed the two Inspectors to leave Iraq before Saturday the 10th March and they are on their way to Amman.

Please forward our sincere apologies to the Iraqi Government insuring them that our Inspectors on sites are very well aware of the procedures and local Customs, re assuring that we are doing our best at all times to ensure a friendly relationship in Iraq.

I take this opportunity to thank you for your kind assistance.

Best Regards,


André E. Pruniaux
Senior Vice-President

HA004405

Saliba Joe

From: T Coins [T_Coins/UNDPA.OIP@intlhub.un.org]
Sent: Monday, March 05, 2001 11:09 AM
Cc: joe.saliba
Subject: Gary Graboski & John Aherne

Dear Andre,

You are already informed about the MOFA's request. I spoke by phone to Bosko who was in charge of the Site at that period and Janne who was his Deputy and they independently told me the same facts. Following is what happened:

Gary Graboski and John Aherne were in charge of Christmas & New Year celebration. That included decorations and preparations of meals and social events during this period. In Trebil we already have Christmas Tree (plastic) and decorations that were on the Site since at least last Christmas. That means that The Star (David's Star according to MOFA) was already on the site. In many Christian countries people put The Star on the top of the Christmas Tree. As the mentioned Star was among other decorative items kept since previous times, Gary and John used it to decorate the Tree.

Bosko and Janne realised that the local Iraqi staff started to look at the Star in a strange way making comments in Arabic at the same time. That was the signal for Bosko and Janne to take the Star off the Tree and put it in the garbage bin. Number of local staff witnessed that and there were no any further problems. Local's co-operation in organising the celebration was very good and It is very strange that such accusations were made against those 2 Inspectors.

I was talking to John Aherne about the issue and he told me that what happened was not done with any intention to provoke local people.

One relevant fact is that Nazar, Camp Manager at that time was fired by the end of January because of extremely low performance and in co-ordination with Botan. Mentioned 2 Inspectors have nothing to do with that fact.

Best Regards,

Goran Ciric
Trebil

S P E C I A L

HA004406

To whom it may concern,

In regards to the false allegations concerning myself with a connection to a star of David. In trying to recall any association with this star, or of the like, it was of great surprise and confusion. The only time I can recollect even hearing the words Star of David, is in Trebil Iraq in December during the holidays. In preparation for the holidays, the camp of Trebil had some decorations for this occasion. The camp had set up Christmas lights, some paper decorations, and a Christmas tree. This tree had a star on top made of some wood. The tree and office were decorated by others and in no way shape or form did I have anything to do with decorating of the tree or placement of a star or anything. In fact, I was completely out of the office when this was being done. It was brought to my attention the next day that an outlet did not work in the office and this outlet was by the tree, in which lights were to be plugged into. Being the liaison officer between Cotecna and the Camp staff, I asked our camp manager Nasar to fix the outlet, in which he said he would. After 3-4 days of this outlet not being fixed, I approached our camp manager and asked him why this job was not done, when it is normally a five-minute job. Nasar, being an electrical engineer, such a job should be very easy, and with some discussion he finally fixed the outlet. After a number of days our back office was to be painted by the local staff. During this job, the local staff had to enter the Trebil office and move furniture, rugs etc. around in order to paint the room... During this time I noticed that our tree decoration was removed and was told by our ATDL, that the local staff did not approve of the star on top of the tree, therefore it was removed.

This recollection is all that I can associate with the Star of David. In early January I was relocated to Zakho site by my request. It should be noted that Nasar, the camp manager in Trebil, was dismissed by the Team Leader some time in Feb. For the record I had nothing to do with the decorating of the office, the decoration of the tree, nor placement of such a star. This all that I can associate with anything to do with the term star of David or of the like.

Gary Graboski
March 4 2001

HA004407

Markovic Tania

m: Pruniaux André
Sent: mardi, 6. mars 2001 15:21
To: 'JOHNSTON Felicity'
Cc: 'mathevet@un.org'; RADENOVIC Milan (Amman); Saliba Joe
Subject: CONFIDENTIAL - Incident in Trebil - Gary Graboski and John Aherne

Felicity,

MoFA have requested that these 2 inspectors leave Irak by 09 March at the latest.

This was communicated verbally to Mr. Tun Myat, UNOHCI coordinator. After giving due consideration to the "reasons" presented by MoFA, Cotecna has decided to obey and not to argue.

These two inspectors are now in Amman or on their way to Amman.

They will be replaced.

This is for your information. We can discuss on the phone if you wish.

Best Regards,

André E. Pruniaux
or Vice-President

S P E C I A L I N T E R V I E W

Pruniaux André

From: Jean Azouri [azouri@un.org]
Sent: dimanche, 4. mars 2001 14:19
To: andre_pruniaux@cotecna.com
Cc: cotecna@go.com.jo
Subject: Graboski, Aherne Incident - Urgent and Important

Importance: High

I was approached by the UNOHCI Coordinator Mr. Tun Myat and was informed the following;

He was at a meeting with MoFA and was informed that Mr. John Aherne Irish, and Mr. Gary Graboski, Canadian should leave Iraq within one week, the problem is that they had brought into the country the Star of David and put it on a X-Mas tree, both of them were inspectors for Trebil at that time.

. Tun Myat tried to explain to them that this is the Star of Bethlehem but with no success.

The instructions for leaving the country came from high ranking officials at MoFA and there is nothing which can reverse this decision.

Our immediate action and advise would be highly appreciated, considering that the Coordinator asked to be briefed about this issue and the issue of Tourdiev, before he meets with MoFA next Saturday.

I will be in the office on Monday, I have cancelled my trip to Zakho.

Regards,

Pruniaux

Please

> give me a call regarding some feelings that are being expressed here.

> Verne

> ----- Forwarded by Verne Kulyk/OIP on 21/02/2001

7 PM

>

>

> Verne Kulyk

> 20/02/2001 06:35 PM

>

> To: Dejan Radojevic/OIP@OIP

> cc:

>

> Subject: Sites

>

> Dejan: I was just thinking about a few things, procedurally and thought

> that I would run them by you and see what you think.

> As all Cotecna staff require the UN's approval for deployment into Iraq,

> it also seems that this approval (or at least a certain amount of

> consultation) should be solicited from OIP when staff moves

regarding

> Team Leaders, Deputys etc., are contemplated. While we do not want

to

> interfere with operationally driven changes, there should be some

> consultation, resulting in consent or at least, non-objection from

> for such managerial moves. Staff changes at these levels impact on

OIP

> as these are the persons who interact with you on a daily basis.

We

> have all experienced occurrences when the T/L goes on leave and we

> already know that we might not get the same level of responsibility

from

> the Deputy. Part of the reason for this is that we were not always

> consulted as to these types of appointments. As per the contract

with

> the UN, the UN may ask for the removal of any unacceptable

inspector.

> In the same regard, Cotecna has the right to terminate the contract

with

> any employee, but I believe that it should be consultative. I do

not

> think of any reason why OIP would object to the termination of an

> employee that was not performing up to the expectations of the

employer,

> however it should be at least a matter of advice before the action

is

> taken. Needless to say, objectionable or inappropriate behavior on

part of any employee which results in that employee being

terminated

> would be highly supported by OIP.

> I seem to remember that Lloyds used to integrate a rotation scheme

with

> all of their employees including team leaders. Something like a

move

to

> another site after the employees' second leave would inject "fresh

> blood" to all sites and give the employees a well rounded

experience.

> This was also done with Team Leaders and Deputies. What is your

opinion

> on this?

> It seems that often, mission or supplier's representatives come to

us

> saying that all of their goods have been delivered. When we check

the

> data base, we find outstanding non-authenticated lines. I think

that

> one thing that an inspector should check when the comm is close to

- being
- > closed is to review the entire documentation file to see if any items
 - > were missed.
- Yesterday, I was shown a copy of an e-mail from Cotecna to a supplier
- > informing the supplier that nothing (2 million worth of detergent powder) that was shipped could be authenticated due to the fact that the
 - > goods were never presented for inspection. This is fine but I think
 - > that you should have been copied.
 - > We also spoke of daily authentications and I think that your ideas in
 - > this regard should be conveyed to Milan (dating the S/Is the same as the
 - > authentication sheets) given the requirement for authentications to be
 - > forwarded to OIP within 24 hours of the arrival of these goods in Iraq.
 - > We do not want them to be unfairly criticized for doing something that
 - > was appropriate and in the best interests of facilitative procedures.
 - >
- ts have a conversation about this.

- >
- >
- >

SPECIMEN

Markovic Tania

From: Pruniaux André
Sent: lundi, 26 février 2001 18:15
To: AIREY Craig (UmmQasr)
Cc: RADENOVIC Milan (Amman); Saliba Joe
Subject: FW: FW: Cotecna Um Qasr (Iraq) CRAIG AIREY - URGENT

File Amman Lo

Craig,

Thanks for your comments which are ok. However, I do not understand Zelijko's message (quote) to the supplier. Is it correct? Are we permitted to, directly, provide this type of info? Thank you for your urgent attention.

André E. Pruniaux

-----Original Message-----

From: Saliba Joe
Sent: lundi, 26 février 2001 14:45
To: UN.ORG--(UmmQasr) Airey Craig
Cc: Pruniaux André; Massey Philippe; Massey Robert
Subject: RE: FW: Cotecna Um Qasr (Iraq) CRAIG AIREY - URGENT

Craig,

Thank you for your prompt reply, we will reply from Geneva (Standard Letter).

Best regards,

Joe

-----Original Message-----

From: U Coins [mailto:coinsu@un.org]
Sent: Monday, February 26, 2001 2:01 PM
To: Saliba Joe <joe.saliba>
Cc: andre.pruniaux; philippe.massey; robert.massey; cotecna
Subject: Re: FW: Cotecna Um Qasr (Iraq) CRAIG AIREY - URGENT

<< File: C.DTF >>

Joe

A few points:

1. We are obviously aware of this shipment as it is recorded on our pending Comms list which is updated and sent to OIP every day.
2. The containers were not presented to us for inspection so we are unable to authenticate.
The fault lies with the receiver (MoT) who is fully aware of the procedures. We deal with many Comms as you know, so I fail to understand why the receiver removed the containers from the port without notifying us.
3. All suppliers are aware (or should be aware) that they should refrain from contacting the Sites directly with queries and that all queries should be addressed to their respective Permanent Mission who will in turn contact OIP who will then contact us if necessary.
However, we have suppliers here almost on a daily basis and I give them a standard answer which is for them to contact their Permanent Mission. This is not an answer I have dreamed up but one which is required by OIP.

This particular supplier visited the site and I advised them of the

Pruniaux André

From: Saliba Joe
Sent: lundi, 12 février 2001 10:06
To: Pruniaux André
Subject: FW: Authentications

Saliba / ACP
to answer

12/02/01

For Info.
Joe

-----Original Message-----

From: Verne Kulyk [mailto:kulyk@un.org]
Sent: Friday, February 09, 2001 6:11 PM
To: A Coins; T Coins; U Coins; Z Coins; azouri@un.org; Cotecna
Inspection Jordan <cotecna; "Saliba Joe " <joe.saliba; "Saliba Joe "
<joe.saliba_>
Cc: Cotecna Inspection Jordan <cotecna; Dejan Radojevic
Subject: Authentications

Gentlemen:

I have to do this. I'm not writing this to create problems, rather it is because I feel that there might be some problems out there that need to be cleared up. I'm doing this because it is I who has had the relationship with the sites on authentications for the last year or so. The person is changing but the relationship should only improve. This is absolutely necessary to ensure the smooth continuation of the relationship. We all know that there are frustrations out there on everyone's part. The current frustrations being passed back and forth must stop.

As you know, I am leaving at the end of March, and it is important for all of you to know that as far as I am concerned, Dejan is in complete charge of authentications. Dejan came to OIP based on his intimate knowledge of the authentication process. As far as I am concerned, Dejan has met everyone's expectations with respect to his abilities to deal with authentication issues. For the first few months here, Dejan was tasked with all of the (long-awaited) clean up issues on the data base, and as a result, much of his contact with the sites has been of a corrective nature.

This situation has not been overly conducive to creating a "good news" type of relationship. I can assure, however, that in spite of all the "please fix this" calls that you received, he is your disposal for advice that you can feel confident in.

For issues regarding policy or political decisions regarding

authentications, you will take your lead from Felicity and/or Herve (who will replace me as Deputy). In all cases of dispute or if you are unsure how to proceed, you must feel free to contact OIP and you have a right to expect guidance and advice as to how to proceed. In addition, as long as I am here, I will also be available to give you advice in their absence.

We (you and I) have built up a very good and amiable working relationship. This will continue. This office has never gone out of its way to assess blame or responsibility to the sites for a cock-up. In fact, this office has always defended your procedures as pursuant to the MOU. We work these things out together and with a team approach. Nothing is gained by taking up positions on opposite sides of the fence. We are on the same side and this office will ensure that your independent status is maintained. For this reason, we will not instruct you to do something unless it is a policy matter.

This said, however, you all know that you have specific guidelines as to how to fulfill your mandate as UN Independent Inspectors. In this respect, we will not tell you what to do or how to do something. We will, however give you advice to resolve situations in the most expeditious and non-intrusive manner. You are all in the best positions to judge how to proceed on issues as the situations are right in front of you. Sometimes something gets away from you and we will help remedy the situation. Do not however confuse the giving of advice with being an instruction. When it is something that has happened as a result of a mistake or missed communication at the site, (whether it is the driver's responsibility or not) do what you have to do (within the legal parameters) to remedy the situation. If you need advice on the matter, feel free to ask, but then do not say that you were instructed to do so. The decisions are, in most cases yours to take. Sometimes this office will be in a position to advise you better because of a political sensitivity or whatever else. In those cases, you will be free to cover yourselves by saying "on the basis of OIP advice".

Non-reported cargo: Sometimes it is not enough for Sites to sit back and wait for drivers to do what they are required to do. We all know that many

of them are barely literate but they are working to live and it is important, (while their responsibility as an agent of the supplier) that they are aware of their requirements of reporting. This is where you

come in. I know by my visits to the sites that you all do a lot to facilitate this, but sometimes non-reports are out of your control and other times they are due to a lack of control. This is where shared responsibility comes in and as long as you recognize it, you will have OIP

support in resolving these cases. Resolutions do not come about by covering one's backside while burning someone else's. Genuine cases of non-reported cargo will be supported by the appropriate advice from Felicity/Dejan

Rejections: I think that sometimes there are cases where rejections take place too quickly. Please take the time to determine what is required and if necessary, call Dejan or Felicity for the necessary advice. Be judicious, as well in using the term "rejected" as this is something that you will need to justify at some point.

As you know the Programme is one that has been imposed on the Iraqi Govt.

They do not necessarily celebrate the success of your efforts. In fact, your efforts are often frustrated by and through actions by others outside

of your control. In addition, as the Programme has evolved, our respective responsibilities have increased. This increased workload, brings additional frustrations. Changes in POEs, non-reported cargoes, less than complete or accurate documents, the congestion in Um Qasr are all issues that put pressure on everyone, (Dejan included because he has to face the Missions on the front-line here in the UN, on your behalf and also

explain why cargo has not been authenticated because the receiver refuses to remove the goods from the port) etc. None of us should fall into the

trap of taking these frustrations out on our colleagues. We work together to make the Programme work. I will always expect that everyone involved, Cotecna & OIP will always conduct themselves as colleagues and respect one another.

Lastly, I have had some complaints expressed to me regarding the less than gentlemanly treatment of drivers by some inspectors. Drivers, (as are all other people) for those of you who have had the pleasure of working with them in Customs environments, are in fact human beings deserving of common courtesy and respect like everyone else, regardless of whether or not they piss us off. I'm not interested in knowing who the offenders are, but

as
Team Leaders, you all know that this is unacceptable and we all expect
that

will all take the appropriate action. Inspection staff, I suspect,
like to be able to tell others that they work for the UN and as such,
they
should conduct themselves in a manner that does not bring disrepute to
the

UN. It is not a one way street. You are also there not necessarily to
build bridges (although its not a bad idea) but are certainly not there
to

tear them down or give people reason to complain about the UN. Please
remind all of your staff that as guests of the Iraqi people, any
inappropriate behaviour on their part will have serious consequences.

So guys, cut out the caustic e-mail fencing on all sides and lets get
back

to working as a team. Milan, I expect that you will encourage the
teams

to get on with the job at hand in as amiable fashion as possible.

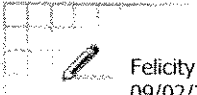
My best personal regards to all of you.





SPECIMEN

← C : MR - NM - JS



Felicity Johnston
09/02/2001 06:36 PM

To: Carl de Cruze/OIP@OIP
cc: Dejan Radojevic/OIP, Herve Mathevet/OIP@OIP

Subject: Rf: RFP Cotecna

Some thoughts that the ED's office may wish to consider including in the scope of work section of the RFP.

The overall performance of the current contractor is good and there are no key personnel issues we need to raise. Cotecna has been slightly slow in the area of IT development in Iraq and is taking steps to remedy this situation. EDP has made a separate contribution regarding OIP's IT relationship with Cotecna.

1. Reports authenticating the delivery of goods should be reported by the contractor to OIP on a daily basis.

Since the inception of the programme authentications have been reported to OIP by the Independent Inspection Agent on a weekly basis. This procedure generally involved the contractor faxing thousands of shipment inspection reports to OIP. The four sites each report authentications on different days so as to stagger the procedure. In late 2000 Cotecna commenced electronic authentication. Shipment Inspection reports authenticating the delivery of goods are currently e mailed to OIP on a weekly basis. The contractor will imminently be transferring to daily authentication from all sites and this should be a stipulated condition of the scope of work.

2. Contractor should maintain a staff compliment with appropriate skill sets

The contractors staff should contain a high percentage of customs officers. Staff from a non-customs background should have skills pertinent to examination e.g electrical engineers.

3. Contractor should deploy staff, as appropriate, to authenticate the provision of services

Many contracts contain service elements which require special authentication procedures such as on site inspection to verify that services have been performed, before authentication may take place. Deployment of this nature is linked to point 2. above. The contractor should recruit staff capable of making a professional judgement that services have been performed in accordance with the contract.

4. Contractor should not reject any consignment without prior consultation with OIP

The contractor should bring any cases involving expired approval letters, presentation at a point of entry other than that specified on the approval letter, obviously damaged cargo or deficient paperwork to the attention of OIP immediately. Attempts to resolve such cases with the transporter rather than with the supplier through the appropriate medium of OIP and the Permanent Mission tend to lead to cases where cargo is not reported as the transporter proceeds with the delivery in spite of reservations raised by the contractor. The authentication procedure may not, in such cases, go forth and the supplier does not receive payment.

5. Contractor should arrange for the timely laboratory testing of food stuffs

This is an area where OIP has always maintained pressure upon the contractor and it may be useful to include it in the scope of work.

6. Comments on the original scope of work

- Para. 2. Line one should read - the contractor shall provide up to 62 Agents as per OIP's agreement with Cotecna of January 2001
- Para. 3. The reference to quality inspection should be removed. The contractor does not have a

F A X

Date : 15 January 2001 URGENT

To : Felicity Johnston / Dejan Radojevic
UN-OIP New York

Fax No. : 00 1 212 - 963.80.83 (00 1 212 - 963.60.90)

Copy : Mr. Farid Zarif
Chief Contracts Processing Section

Fax No. : 00 1 212 - 963.59.47 / 80.83 (tel.: 00 1 212 - 963.87.93)
Milan Radenovic - Cotecna Amman
Craig Airey - Cotecna Umm Qasr
Goran Ciric - Cotecna Trebil
Joe Saliba - Cotecna Geneva

From : Co-Ins Geneva/AEP

Page(s) : 2

Our ref. : 012/jb

Subject : Left Port without inspection
Dejan Radojevic's e-mail to Goran Ciric of 11 January 2001

Felicity, Dejan,

We have thoroughly analysed the content of Dejan's e-mail of 11 January 2001 and I wish to comment as follows:

1. The Umm Qasr team, in response to the increased congestion of cargo in the port proposed to be proactive and to inspect the incoming cargo in advance of the formal presentation of the goods for inspection prior to removal from the port. However, authentication of such goods is done only once the goods are removed from the port. It should be noted again, that some 11'000 containers were landed in the Port of Umm Qasr in 1999 whilst some 27'000 containers were landed in 2000.
2. The procedures as we understand and as confirmed by UN-OIP are that authentication is based primarily on documentation presented by the supplier / transporter agent at the time the goods are being entered into Iraq. This is quite straightforward at land border crossings such as Trebil, Al Waleed and Zakho. Umm Qasr, however is somewhat special since authentication takes place only after confirmation that the goods have entered Iraq i.e. have physically left the port area. As you also are aware, authentication is also done on some goods that are physically not inspected. Authentication, as confirmed in the MOU may be done upon the presentation of documentation and when possible after physical examination. The key element to authentication is notification by the supplier / transporter (plus in the case of Umm Qasr by the Port Authority) that goods are being entered. We do not authenticate goods that are not presented to us. We are of the opinion that the decision as to the practicality or physical availability to examine such cargo is ours to take, and does not limit us in authenticating presented cargo as long as we are convinced that the documentation presented to us reflects the cargo. We cannot be held responsible for cargo leaving the port without inspection, as we would consider these goods as not having been

reported to us. Also, I am convinced that due to the unavailability of suitable container handling equipment, many examples of cargo, stocked end to end exist in the port. We are not able to examine these. The mere arrival of goods in the port, discharged from ships, does not necessarily constitute formal report to us as these goods often remain in the port for weeks or months. We do endeavour to inspect such cargo during this period. However, we do not assume responsibility for not inspecting cargo that has subsequently left the port without our knowledge. We cannot and as instructed by UN-OIP will not authenticate such cargo. We do consider that "reporting of cargo" (for the purpose of authentication) takes place at the time the goods are presented to us upon leaving the port.

3. Dejan's statement about "cargo reported to Cotecna" needs clarification, since it could mean that formal notification has been issued by the transporter that this particular cargo is about to leave the port area. This notification is always provided to Cotecna by the Port Authorities. Consequently, when Dejan mentions, "leaving without inspection", we consider that this is **unreported cargo**.
4. As previously stated, Cotecna's inspections in the port area were initiated to try to relieve the congestion in the port and assist the port authorities. However, authentication can only be done when the port authorities formally advise Cotecna that goods are **leaving the port and are entering Iraq**.
5. While we will continue our efforts to facilitate and assist the timely authentication of goods, we are limited in that we must rely on the appropriate Iraqi authorities.

Please note that some of the cases of shipments noted as "left Port without inspection" date back to April or May of 2000 (notably, Ministry of Education shipments of school desks).

6. Our procedures, as supported by UN-OIP, stipulate that we will authenticate goods that were inspected by us. We do not, however, feel that it is appropriate or within the mandate as supported by the MOU to authenticate goods where we were at least not given the opportunity to inspect. We do not enjoy any enforcement capabilities to "prevent" such actions but must rely entirely upon cooperation of the authorities.
7. We are continuing daily dialogue with Port Authorities to enhance the communication exchange with respect to goods being removed from the port. We note, however, that the majority of cases of goods removed without our knowledge are goods consigned to SOMO and the Ministry of Education. When we ask the Port Authorities for explanations of such discrepancies, we are told by them that "SOMO (or MOE) said that these goods were examined by Cotecna - clearly not necessarily the case".


Finally, the recent approval by UN-OIP of additional inspectors in Iraq (as requested by Cotecna in November 2000) will enable us to better respond to the important increase of traffic, particularly in Umm Qasr. In addition, we understand that better equipment is expected in the Port shortly. We are, therefore, trying to have a proper inspection area as well as a dedicated forklift.

We will continue to keep you closely informed. However, kindly let us know if you have any other concerns or comments.

Best regards,

André E. Pruniaux
Senior Vice President

COINS
 COTECNA INSPECTION SA *Umm Qasr* UN SCR-986 PROGRAMME



Fax

Date: 13 January 2001
 To: Cotecna Geneva
 Att: Andre Pruniaux *AL 13/01/01*
 From: Craig Airey
 Subject: Containers Leaving the Port without Inspection
 Our Ref: UQF/01/17
 Pages: 1

Dear Andre

I refer to the e-mail sent by Dejan on the above subject.

Admittedly, there has been an increase in the number of containers which have left the port without inspection. However, my feeling is that we are doing our best to minimise this.

We have put in place various procedures but are being hampered by the lack of port equipment and poor co-operation from receivers. There are 2 Receivers, SOMO and MOE who are repeatedly lying to the container office, saying that goods have been inspected, when they haven't.

Basically I feel that the 986 programme has been going for a number of years and all parties concerned are fully aware of the requirements i.e. goods must be presented to us for inspection.

I feel that it is unfair for OIP to push the blame onto us. More pressure should be put on Iraqi receivers to adhere to the procedures. From my side I will not authenticate any goods which have been taken without inspection nor do I feel that we should inspect at destination - this will only encourage receivers to continue taking goods without advising us.

Hopefully if suppliers are not getting paid they will put pressure on receivers to act in the proper manner.

Best regards

Craig Airey
 Craig Airey
 TL Umm Qasr

COTECNA
 13 JAN. 2001
 UNSCR 986 PROJECT
 UMM QASR



Minutes of the meeting held in Geneva 29th December 2000 COTECNA S.A /UN SCR 986 Programme contract – Iraq

Participants: Robert Massey Chief Executive Officer
Andre E. Pruniaux Senior Vice President
Milan Radenovic Contract Manager
Joe Saliba Ass. Contract Manager

Meeting was to emphasise and clarify in details the scope of work in Iraq, administration, Field, personnel, technical and procedures.

A- Administration: Contract, Sites structure - Contract Manager (Amman) Report to AEP
- Assistant contract Manager (Geneva) Report to AEP
- Liaison Officer (Baghdad) Report to Amman/Geneva
- Team Leader, Deputy T.L and Acting Deputy TL
(Sites) Report to Amman/Geneva.

B- Field: Four sites are run smoothly i.e. Management, inspection, personnel, IT and communications.

C- Recent correspondence from suppliers to sites and Geneva enquiring about their goods if inspected and authenticated, has raised and highlighted Cotecna's position and activities in Iraq.

D- Complaints were made that Cotecna delaying authentication consequently experiencing delays in payment from BNP New York for goods shipped to Iraq. In fact it is based on very little information on Cotecna's scope of work in Iraq and contractual obligations. Therefore it was suggested (AEP) that a standard letter to be faxed/sent to whom is enquiring/complaining about Cotecna's work. A draft was sent to OIP for their approval on the said letter.

E- UmmQasr in particular is experiencing operational delays in the port due to broken down equipment and only forklift which is an old one and scarcely working. The recent increase of workload and constant arrival of ships has created a backlog thus an average of 10% of arriving containers waiting to be inspected at one stage. Also some of these containers have insufficient paperwork consequently inspection cannot take place until proper paperwork is submitted, therefore, goods to be released and authenticated.
Despite Cotecna's proposals to UN- OIP-NY, the procedures have been maintained- goods are authenticated only when they leave the port (although they have been inspected earlier).

F- UN 661 committee released all applications for cranes to Iraq, virtually few of these cranes to remain in the UmmQasr Port to replace the current ones.

G- Once goods are authenticated, sites report to OIP by signed faxes on a weekly basis unless instructed to do otherwise for a particular case i.e. (enquiry through a permanent mission), OIP control and add any other information to all reported comms, then passed to treasury whom confirm and pass to BNP for payments, it could take two to three weeks from the day OIP receives authenticated items to BNP releasing payments.

H- Email Authentication is presently running in parallel with faxing on all sites. Once it is proven accurate, sites will be instructed by OIP to switch fully to Email Authentication. The full switch is anticipated in January 01.

2- Personnel:

- A- As of inspection teams in UmmQasr we have 9 teams entailing two inspectors constantly and whom are responsible for the allocated ship since arrival until departure, therefore it could take one to two weeks on one particular ship with an average of 40 comms to be checked, inspected and authenticated providing that there is no missing papers or complications with the ship, whereas other sites have shift basis involving 4 to 5 inspectors at one time in the front office daily.
- B- As of Data shift, each site has a minimum of two people assigned for Data entering and reporting daily and weekly.
- C- OIP has agreed to have additional 8 inspectors that Cotecna proposed to cope with the workload on sites in particular UmmQasr, thus we will have a minimum of 62 permanent inspectors on sites instead of 54, with 21 inspectors in UmmQasr. Total inspectors will be increased to 81 as of February 2001.

3- Technical and Procedures:

- A- Weekly report to be copied regularly to RM.
- B- Monthly report for Iraqi Operations to be defined and submitted regularly to RM/AEP.
- C- Copy of sites Procedures enclosed.

Markovic Tania

From: U Coins [coinsu@un.org]
Sent: vendredi, 29. décembre 2000 16:56
To: andre.pruniaux
Subject: CONFIDENTIAL

Andre,

As discussed herewith my views on this mission. Apologies for a lengthy report but I feel it cannot be shortened.

Umm Qasr is a unique site in that we are basically doing the equivalent of Aqaba and Trebil.

This essentially means that procedures in place at other sites cannot be implemented here. A number of Inspectors on the site have previous port experience which is invaluable regarding co-operation with Port Authorities.

Morale on the site is high; present people on the site can be fully trusted and are responsible.

Umm Qasr is frequently thought of as the best site although working ours

are a lot longer than the other sites (at least 8 hrs/day) due to the independent nature of the job.

Job-wise, a lot is expected of the Inspectors - professional judgement and

evaluation of landed bulk cargo for one as well as daily data entry (weighbridge tickets) and production of Inspection Notes which are sent to

OIP together with Authentication Sheets.

Our present system suits the nature of the job and is working well as has

been confirmed by OIP even though we have had to adapt rapidly to many and varied procedures required by OIP.

Since I have been TL I have instituted the following:

Created a harmonious and cohesive team of professionals to properly represent Cotecna's interests

Standardised Fax Cover Sheets

Standardised Inspection Notes

Improved Documents checking procedure

Improved communication between the site and OIP

Improved relations with the port authorities

Improved security related to data entry

Increased the presence in the port

Improved morale of the team

Basically there is a happy working environment which has improved efficiency although the workload has increased 150% since the last contract. In my opinion the site is working well.

However, I am frequently disappointed as I feel I get little or no support

on operational issues from Amman. On many occasions suggestions from Amman

can only be construed as ignorance of port operations.

As TL I have to evaluate how best to utilise the staff complement efficiently within the port, having a regard for Cotecna's and OIP's interests. To this end I constantly keep Amman informed and issues are discussed and agreements made verbally. However, it is often the case that

follow up written instructions from Amman are in contradiction to the prior

verbal agreement for no apparent reason.

While I am constantly striving to improve the operational efficiency of the site, it appears as if many illogical decisions made by Amman are of no assistance and impact negatively on improvements I am trying to make. *// examples*
Bearing in mind OIP's obvious approval of our performance in Umm Qasr, I find it frustrating having to deal with unnecessary side issues. *?*
Furthermore important information (such as operational matters discussed with OIP in Nov/Dec) is not divulged as if it is top secret. Obviously certain information is needed to enable us to operate efficiently and according to OIP's requirements.

It is my opinion that every Inspector is employed to do a job and that it is the duty of the TL to ensure that people perform their duties thereby protecting Cotecna's interests.

I also believe that it is the duty of the TL to report and act on non-performance and that there is a reasonable expectation that the Contract Manager will take suitable and firm action in such cases.

Unfortunately on the odd occasion during the last 11 months disruptive elements on the site have been transferred. Sadly, untrue accusations made

by resentful people appear to have been taken seriously by the Contract Manager without any reference to my myself.

This has created unnecessary disharmony and rumours that the site is not performing adequately or not being run by myself in a professional manner.

I wish to stress that my criteria for Inspectors is performance and the ability to work in a team, NOT have an active presence in the bar.

I feel that support for my decisions and actions is totally lacking and not

what should be expected from a professional company such as Cotecna.

I am bitterly disappointed having found it necessary to write this report but I honestly feel the above is having a negative effect on the mission and my honest intentions on the site. I am loyal to Cotecna and am becoming increasingly frustrated with the Contract Manager's indecisiveness and lack of support which incidentally also serves to undermine my authority on the site.

I would appreciate your comments.

Best regards

Craig Airey
TL - Umm Qasr

SPECIAL COMMENT

UNITED NATIONS



NATIONS UNIES

POSTAL ADDRESS—ADRESSE POSTALE: UNITED NATIONS, N.Y. 10017
CABLE ADDRESS—ADRESSE TELEGRAPHIQUE: UNATIONS NEWYORK

OFFICE OF THE IRAQ PROGRAMME – BUREAU CHARGE DU PROGRAMME IRAQ

THE EXECUTIVE DIRECTOR
LE DIRECTEUR EXECUTIF

REF: ED/2003/661/

5 April 2003

Dear Mr. Chairman,

Pursuant to paragraph 8 (a) (iii) of Security Council resolution 986 (1995), paragraph 25 of the Memorandum of Understanding between the Secretariat of the United Nations and the Government of Iraq on the Implementation of Security Council resolution 986 (1995), and paragraph 36 of the procedures of the Security Council Committee established by resolution 661 (1990), the arrival of humanitarian supplies in Iraq must be confirmed by the independent inspection agents appointed by the Secretary General as a condition of payment under letters of credit issued for purchases of humanitarian goods under resolution 986 (1995).

On 17 March 2003, the United Nations independent inspection agents (Cotecna Inspection, S.A.) were withdrawn from the Port of Umm Qasr, and on 18 March 2003, from the remaining four authorized entry points in Iraq. At the time of their withdrawal, consignments shipped under 56 contract applications, worth a total of \$56,912,865.16, were either under active discharge/delivery or reported to have been discharged/delivered soon thereafter, but neither of which have been authenticated so far by Cotecna. As detailed in the attached table, of the total of 56 cases filed, 34 relate to goods consigned to the Port of Umm Qasr, 20 to Trebil and 2 to Al-Walid.

Cotecna inspectors had registered the arrival of 23 consignments and were well into reviewing documents related to 6 other consignments, but were unable to complete the inspection process due to their abrupt withdrawal. Based upon direct observations by Cotecna and/or documentary evidence provided by the suppliers concerned, the Office of the Iraq Programme is satisfied that the consignments under 29 contract applications, with a total value of \$19,846,456, have been delivered in Iraq. Therefore, the Office of the Iraq Programme supports the recommendation by Cotecna to carry out a retroactive authentication of these 29 cases.

His Excellency
Mr. Gunter Pleuger
Chairman of the Security Council Committee
established by resolution 661 (1990)
New York

With regard to the remaining 27 cases worth a total of \$37,066,407.60, the Office of the Iraq Programme has requested further information and documentations. Should a prima facie case is established on the basis of customs declarations, bills of lading, receivers reports,

HA006128

consignment movement reports and/or other pertinent documentation which would satisfy Cotecna to validate the claim by suppliers that their goods were delivered to Iraq, the Office of the Iraq Programme should like to proceed in support of Cotecna's recommendation to effect retroactive authentication of such deliveries, on an exceptional basis. Consignment of supplies reported to have been delivered to Iraq after 20 March 2003 will not be considered in this category.

I should be grateful if you would circulate this letter to the members of the Committee for their consideration of the approach described above, under a no-objection deadline of 7 April 2003.

Please accept, Excellency, the assurances of my highest consideration.

Benon V. Sevan
Under-Secretary-General

SPECIAL DELIVERY

Pruniaux André

From: Farid Zarif [zarif@un.org]
Sent: Monday, October 27, 2003 6:06 PM
To: U Coins
Cc: Pruniaux André; cotecna@go.com.jo; Darko Mocibob; haugk@un.org; Jason Abrams; Saliba Joe; johnston@un.org
Subject: Re: OC 702091- Tug Boats



Authentications-stra
nded-03050...

Dear Hamid,

I take note of the extensive investigations carried out and the set of evidence and documents gathered, including the email dated 24 October 2003 from the supplier conveying electronic version of an Arabic letter and its translation from two senior officials of the Iraqi Ports Authority confirming that the tugboats and spare parts were received.

I also note your judgement that, based on the above investigation and information, there exists a "prima facie" case for authenticating the arrival of the tug boats that were delivered to Iraq after the withdrawal of Cotecna from Iraq due to security reasons.

In view of the above independent conclusion, Cotecna may wish to proceed with authentication of the said cargo.

Many thanks for all the efforts you and your team have invested in clarifying this very naughty issue.

Kind regards,

Farid

U Coins@OIP

To: Farid Zarif/OIP@OIP@UN-MAILHUB
26/10/2003 08:08 cc: johnston@un.org@un-mailhub, cotecna@go.com.jo,
AM Pruniaux André <andre.pruniaux@cotecna.ch> @ UN-MAILHUB,
Saliba Joe <joe.saliba@cotecna.ch> @ UN-MAILHUB, Darko
Mocibob/OIP@OIP, haugk@un.org@un-mailhub, Jason
Abrams/NY/UNO@UNHQ@un-mailhub
Subject: OC 702091- Tug Boats(Document link: Farid Zarif)

Dear Mr Zarif,

Your request for professional judgement, on the email dated 24/10/2003 refers.

This has been a very problematic and troublesome shipment, as we are all aware.

I base my comments without prejudice, and the information is what I have been able to obtain, together with information that has been supplied to us.

I view this shipment as a "prima facie" case based on stranded cargo rules.

Mr Benon V. Sevan's correspondence to 661 Committee, dated 5 April 2003 refers.

We have been doing tracking where possible, on stranded cargoes, and have lived up to 35 OC's, with 917 manifested containers, 816 not inspected. Value approx \$23 751 989.00. These stranded shipments were authenticated on the basis of mathematical calculations and documentary evidence supplied by the Shippers only. We could not obtain any information from the Receivers, nor did we physically see the cargo, as they were discharged at Umm Qasr, without our inspection.

In this particular case, the same principles need to be applied. The shipment was not seen, however, we have the documentary evidence of confirmation of delivery from the Iraqi Ports. Several telephone communications have been done, together with meetings with officials in Baghdad. The correspondence files on this shipment, is huge. We have also done an audit on this companies previous shipments, to see perhaps a track record of their previous shipments as well. To date, we have authenticated \$2,288 500 against previous shipments, with another one currently under a second inspection on OC 702090, Mooring Boats.

I would to start with the correspondence forwarded to us, from the OIP, Mr M. Ahlin who on 16 May 2003, who stated:
"This case is pretty strong with the confirmation from the receiver as documentary evidence".
"I need your input on this if we are going to accept this as enough evidence for authentication".

The Supplier forwarded an "Information Sheet on the status of goods (Type 2)". This was received by OIP on 07/04/2003, wherein the Supplying Company stated that the said goods arrived at Umm Qasr. There is a OIP official, I assume, who hand wrote on the document, "approved, stranded", initialed by "DM".

I was originally very skeptical about this shipment, and stated this in various earlier emails. However, after been requested to track and trace as much as possible, which I did, and after having received the confirmation documents from the Receivers confirming receipt of the shipment, a different scene started to appear, once telephonic conversations we held with the current Iraqi Port officials. I refer to various telephone calls, on 10 October 2003, with Mr Aziz Rustom, Deputy General Manager, Iraqi Ports, and Capt Ali who is Port Operation Manager. He stated verbally, as well in a statement that he had received the said tug. A separate email was sent to OIP on this, dated 10/10/2003. This person was employed by Iraqi Ports before the war, and is still there now. Hence his information is important, as we evacuated on 17 March 2003, and were not in Iraq.

Various correspondences from the Receivers, ie Ministry of Transport and Communication, General Company for Ports of Iraq, are received, and OIP has this information as well.

They include:

1. Muaid Abdul Ghafoor Al_Alosy, Director General, General Company for Ports of Iraq, dd 20/03/2003
2. Aziz Rostum Mohammad, Deputy Director, General Company for Port of Iraq, dd 20/03/2003
3. Capt Ali Abdul Hussain Faleh, Umm Qasr Port Operation Manager, dd 28/7/2003.
Capt Ali Abdul Hussain Faleh, Umm Qasr Port Operation Manager, dd 30/7/2003.

All the above documents, duly stamped and signed, confirm the delivery of the tugboats, with no remarks to the contrary.

I further, refer to an email, dated 02/10/2003, in which our then Liaison officer based in Baghdad, stated that he had received a signed document by Mr Aziz Roustomon behalf of the General Manager for Iraqi Ports. Another official by the name of Mr Ali Mohamed Ali Nassif MOU Manager at the Ministry of Communication in Baghdad, was also present at this meeting, and that both the officials are legible for issuing statements.

Under the stranded cargo rules, these documents, together with receivers confirmations, independent verbal confirmations, which are on record, there is a "prima facie" case for authentication, that the goods were delivered to Iraq. We are not required to have a confirmation of arrival from CPA for stranded goods.

One of the main issues we tried to, isto locate the said boats, or obtain information on there whereabouts. This was not successful, and the response from the Iraq officials, was that, it was perhaps used the war, and/or taken by Iraqi Navy, and/or sunk. These are their speculations, now ours.

I note further that on an email dated 24/10/2003, a letter was submitted by the Supplier in Arabic, to which a translation was done, stating that the said tugboats and spares were received.

The letter had two officials named as:

1. Engineer Abdul Razak Ali Kateh.
2. Aziz Roustom Mohamad
Both of Iraqi Ports.

Therefore, with all the above information, there is a "prima facie" case that the said cargo was delivered to Iraq, under the rules of "stranded goods".

Based on all the information, written and verbal, and the issuance of documents from the Receivers that the said shipment was received by them, my judgement, based that the cargo was delivered to Iraq, under - "stranded goods", a "prima facie" case exists for authentication.

That is all I have on this, most difficult and problematic case.

Kind Regards

Hamid Araie

From: Farid Zarif@OIP on 25/10/2003 01:28

To: Felicity Johnston/OIP@OIP, U Coins/OIP@OIP@UN-MAILHUB
cc: cotecna@go.com.jo, Pruniaux André <andre.pruniaux@cotecna.ch> @ UN-MAILHUB, Saliba Joe <joe.saliba@cotecna.ch> @ UN-MAILHUB, Darko Mocibob/OIP@OIP, Karl Haug/OIP@OIP, Jason Abrams/NY/UNO@UNHQ

Subject: Re: Urgent - Sit rep on the tug boats (Document link: U Coins (OIP))

Okay, Fliss, let's meet sometime on Monday. Meanwhile, I am asking Cotecna if they would feel comfortable, on the basis of their professional

judgement and in the light of the verifiable information available to them, to make an independent decision on authenticating the arrival of the tug boats in Iraq. Thanks. FZ

Felicity Johnston

To: Farid Zarif/OIP@OIP, Darko Mocibob/OIP@OIP
24/10/2003 05:04 PM cc: Karl Haug/OIP@OIP
Subject: Urgent - Sit rep on the tug boats

Dear Farid

As per the attached e mail, CPA is unable to add anything to the equation and I am unsure how to progress.

Latest is that the supplier submitted a letter to us in Arabic the translation of which is as follows:

Greetings,

Kindly be informed that the following has been received;

Two Tug Boats with Spare Parts
2 Tug Boats 4000 HP with Spare Parts from Petroman Corporation at Umm Qasr on 16.03.2003, at berth No 3 in accordance with contract No 702091 LC 728225 and we assure that the former Iraqi Army has used the Tug Boats during the war.

Engineer Abdul Razak Ali Kateh
General Manager
General Company for Iraqi Ports
(no signature)

Signed on behalf of the General Manager
Aziz Roustom Mohamad
Manager of Warehouses and Purchase Department
(illegible signature)
(round seal)
(Ministry of Transport and Communication
General Company for ports of Iraq)

At a meeting between Cotecna and Mr. Mohamed ali Nasif, MOU Manager at the Ministry of Communications in Baghdad earlier this summer, Mr. Nasif had indicated that Mr. Aziz Roustom Mohamad should be the appropriate person to provide confirmation of the arrival of the vessels.

Because the letter originated from the supplier it was considered necessary to confirm its authenticity.

Cotecna spoke to Mr. Rustom on 10 October who confirmed that the letter was genuine and that Port operations manager, Captain Ali, had received the boats.

Besides the documentation presented by the supplier in support of their claim we now have verbal and written communications from the port authority that the boats were received.

The supplier had employed a rather slippery agent to handle their case (since dismissed) who stated that the boats had sunk. I am inclined to believe that this was stated in a moment of madness to try to speed things up and had absolutely the reverse effect.

Attached below is your final draft of our letter to the Committee which resulted in Cotecna being authorized to authenticate stranded goods provided there is a prima facie case that the goods were delivered to Iraq. We are not required to have confirmation of arrival from CPA for stranded goods - this is only the case for goods authenticated under the ad hoc system and for goods arriving in Umm qasr under the revised Authentication system.

I am naturally concerned that the agent lied to us and that we have no idea where the boats are at present but we do appear to have a strong case that the goods were delivered as we had for the other stranded cases.

The supplier is in a state of rising hysteria and claims to have been losing \$3,000 per day for 7 months. I am trying to avoid calls from the supplier on the days I have nothing to report but he is calling my office number and cellphone some 50 times a day which is very vexing. They are despatching a further agent to meet with us on Wednesday in the presence of the mission.

I would very much appreciate it you can give some consideration as to what we might do if we are not prepared to authenticate. There is no hope of getting any meaningful assistance from CPA I fear. We can discuss it on Monday if you like.

My thanks

Felicity

(See attached file: Authentications-stranded-030503.doc)

----- Forwarded by Felicity Johnston/OIP on 24/10/2003 04:22 PM -----

"Lennon Peter S. (O-6)"
<lennonp@orha.centcom.mi To: "Felicity Johnston" <johnston@un.org>
> cc:
Subject: RE: 2 Tug Boats with Comm# 702091 LC#U728225
24/10/2003 07:15 AM

Felicity: Just returned from the port. I discussed this with John Gaughan and ABSOLUTE. NO ONE knows about these vessels. Where do we go from here?
Pete

-----Original Message-----
From: Felicity Johnston [mailto:johnston@un.org]
Sent: Wednesday, October 22, 2003 11:55 PM
To: Lennon Peter S. (O-6)
Subject: RE: 2 Tug Boats with Comm# 702091 LC#U728225

Dear Pete

I anxiously await your feedback on the tug boats.

The supplier and his representatives are now calling me hysterically morning, noon and night and claim to be incurring huge interest charges on a daily basis.

Your assistance will be greatly appreciated.

Best regards

Felicity

--- Forwarded by Felicity Johnston/OIP on 22/10/2003 04:50 PM ----

Felicity Johnston

To: "Lennon Peter S.
(O-6)" <lennonp@orha.centcom.mil>@UN-MAILHUB
16/10/2003 12:50 cc: "Felicity Johnston"
<johnston@un.org>, "Von Tersch, Robert L. (O-4)"
PM
<vonterschr@orha.centcom.mil>, "Wayne, Victoria P. (SES)"
<waynev@orha.centcom.mil>

Subject: RE: 2 Tug Boats
with Comm# 702091 LC#U728225(Document link: Felicity Johnston)

Of course and thank you - Pete

Best
Felicity

"Lennon Peter S.
(O-6)" To: "Felicity Johnston"
<johnston@un.org>
<lennonp@orha.ce cc: "Von Tersch, Robert
L. (O-4)" <vonterschr@orha.centcom.mil>, "Wayne, Victoria
ntcom.mil> P. (SES)"
<waynev@orha.centcom.mil>
Subject: RE: 2 Tug Boats
with Comm# 702091 LC#U728225
16/10/2003 12:14
PM

Finally spoke with John Gangan today regarding this issue. He's been trying to track down the Iraqi Captain of the Port to verify the claim, but due to some other obligations, has been unable to contact him. He will continue try to get a hold of him. I plan to be in Umm Qasr Tues and Wed? can we beg for an extension of couple days? Thanks, Pete

-----Original Message-----

From: Felicity Johnston [mailto:johnston@un.org]
Sent: Wednesday, October 15, 2003 4:40 AM
To: Lennon Peter S. (O-6)
Cc: u coins; mathevet@un.org; zarif@un.org; haugk@un.org; pulse
Subject: Re: 2 Tug Boats with Comm# 702091 LC#U728225

Dear Pete

Further to our earlier correspondence concerning the tug boats, please see the attached report from Cotecna regarding recent conversations the team leader Dubai had with the supplier, the Deputy Manager of Iraqi ports and

the Umm Qasr Port Manager.

The combined information obtained by Cotecna has now persuaded me that the boats were delivered just prior to the war and should be authenticated.

I understand that Captain Gaughan is currently in Umm Qasr. I would be grateful if he can verify Captain Ali's account as a matter of urgency as the supplier has been waiting for 7 months for payment. If no response is received by Monday 20 October 2003, I shall advise Cotecna to proceed with the authentication.

We remain concerned about the current whereabouts of the boats but if there is sufficient proof that they were delivered to Umm Qasr, our mandate requires that they be authenticated.

Many thanks and regards

Felicity

U Coins@OIP
10/10/2003 02:26 PM ZE3

To: Johnston@un.org @ UN-MAILHUB
Cc: haugk@un.org @ un-mailhub, pulse@life.pl@un-mailhub
bcc:
Subject: Re: 2 Tug Boats with Comm# 702091 LC#U728225

Dear Felicity,

Please be advised that we had a meeting with Dr Alaa Elbadry today.

Venue: Cotecna offices, Port Rashid Terminal, Dubai
Time: 11h00

Present:

1. Dr Alaa Elbadry, representing Petromann International
2. H. Araie, TL, Cotecna
3. C. Grushenkov, Cotecna, ADTL
4. M. Maandhui, Cotecna, Arabic Speaker, translator

We called Mr Aziz Rustom, who is the Deputy General Manager, Iraqi Ports. Telephone 00 964 404 1 4597 home, 00 965 783 9124, mobile.

He confirms telephonically that the tug boats in question were received by Capt Ali who still works as Port Ops Manager.

He further stated that he had sent a fax to OIP, confirming in writing that the tug boats were received.

He said that within a few days, a fax will be sent to us.

I questioned him, as to the whereabouts of the tug boats are now. To this, he said that he had no idea.

We then telephoned Capt Ali, who stated that he had received the boats, on/around 17 March, and that he had seen them.

I asked him if he had recorded their entry into a Port Log Book, to which he stated, yes.

Upon requesting a copy of the log, he stated that the port offices were looted and damaged, hence no documentation is now available.

I questioned Capt Ali on the whereabouts of the tug boats. His reply was that, he left the port prior to the war, and can only assume that they were destroyed, as he assumes that they were taken by the then Iraqi Navy/military. A fax was sent to OIP with this information.

During our meeting, we had a few telephone calls from Mr Mohammed Bindura, from Amman, Jordan, who is a partner in Petromann, and stated his case as well. Basically, the information he provided, is what we have on hand.

United Nation : Iraq Oil for Food Program

Meeting Wednesday 16 of December 92

A. UN organisation and procedures

Mr John Almstrom
Mr James Sutterlin
Mr Jonas Larsen
Mr Didier Sabroux
Mr Andre Pruniaux
Mr Alexis Poitevin

General information

- Iraq 23 millions inhabitants (Kurds 2.5 millions)
 - JA briefly described previous SC resolutions, 661, 687, 778, 986.
 - JA explained political situation regarding Kurd zone, ZAKHO. Area is managed by 3 Kurd Governors, this is called the 3 northern governorates. 2 main political zones. UNGCI is assisting in providing security guards from 8 nations/ 100 people (Financed by international donations).
 - Reliable polish Medical support in Kurdistan, as well Hospital in Umm Qasr / Contractor is responsible for his medical supply. In case of emergency UN support can be provided through UNGCI (Mr Sethson)
 - Electricity provided by generators, water comes from Amman (Trebil). *Drinking water only in bottles*
 - UN aircraft is not available for Independent Inspection Agency (IIA) excepted with specific authorisation in emergency situation (UN aircraft can land in Habbanyia).
 - Iraq entrance for IIA is Trebil, for Staff and equipment.
 - All equipment imported into Iraq has to be submitted to 661 Authorisation. Letter has to be submitted in NY by Coteena.
 - For transportation, pass authorisation has to be requested in Baghdad.
 - UN has good relationship with IRAQ government and administration. UN is willing to help IIA to get all necessary authorisations (Visas, travel permits,....).
 - Spare part section is new / Purchase for Government of Iraq / IIA authentication planed / Information will have to be provided to Saybolt and MDOU.
 - UN ID Card will be provided by UN in Baghdad for inspectors and LOs.
 - *Petroleum is extremely cheap (1 \$ = some 60 liters!)*
- UN organisation for IRAQ (Chart OIP In Iraq) 986 Application**

UNOHCI in Baghdad / Operation field / Manager Mr Von Sponick
Co-ordination UN units

In Baghdad

MDOU: Multi Disciplinary Observer Unit / Manager Mr Odeh (Canadian)

15-20 people

Check : if supply is distributed equitably / efficiency / adequacy

1

HA006402

we
This unit is dependant on the information *we* will provide when goods arrive in Iraq. Procedures between IIA and MDOU have to be defined, since nothing is implemented for the moment.

Unit financed by Oil for Food program
CAO,
GOU (Geographical observer Unit),
TRUST FUND.

In Erbil (13% account)

Note: In the north, aid is provided by the following organisation:

UN structure is different due to specific political problems

Ex : UNCGI

WFP: World Food Program

Distribution of food in the north, imports, warehouse, distributes...

WHO: World Health Organisation, KIMADIA (iraqi state company which purchase all medicines, pharmaceuticals....) in Baghdad.

Centralised buying organisation for medicines and medical equipment / Authentication / warehouse / quality control / distribution.

FAO:

Import Pesticides, herbicides,...

Tested prior shipment by UN

Covered ~~Under~~ take north part of the country.

Sensitive for IIA, delays are to be avoided.

UNICEF

UNESCO : Education

UNDP: Electricity

Nutrition section, De-mining section, water/sanitation (samples tested prior shipment)

Oil spare parts (~~300~~ per month) - we will have to authenticate, Saybolt will observe.

Procedures are being prepared by UNOPS.

Resolution 986

Oil for humanitarian supplies and spare parts

Holland will chair the Security Council in some 5 months.

Time is divided in 6 months PHASE, for an amount of oil sold goods can be purchased.

We are entering Phase 5, last phase ended 30 November. The first 2 Phases covered 2 billions each, now each phase is some 3 to 5 billions (maximum)

Authentication can be performed on letter OC opened on previous phases:

1. Long delivery time
2. Several partial shipments.

UN will provide us with all their databases updated. Lloyd is supposed to hand over all hard copy of physical inspection documents filed in Iraq. In fact some shipment under phase 1 (1996) have not been completed yet (partial shipment).

Distribution plan: Define number of items that have to be imported per phase and the amount of money per sectors.

After negotiations, UN SG approve DP (document prepared by Iraq).

For Each letter OC (Copy attached) a communication number is attributed COMM.NO

Data is entered in Lotus notes, and replicated to each lotus clients.

UN gives approval for qty according to DP (DP amendment is possible)

IIA authenticates goods and advises UN

LC can be used for payment after Treasury authentication.

UN can decide payment priority, this affect order in payment. All Humanitarian supplies are preferred.

(See Flow chart)

Other general information:

No interviews, to press, radio, etc are authorized

Lloyd's Customs team leader are paid 4500 GBP on a 6 to 8 weeks bases. Every 6 weeks inspector takes 2 weeks holidays in his home country (Tickets paid by Lloyds)

Therefore the GBP 4500 amount covers 8 weeks

Basic inspectors are paid 3000 GBP per 6 weeks. In addition they get some 30 USD per day and per person plus a discretionary bonus for team leaders.

According to Jonas Larsen, goods on trucks in ~~UN~~ are not unloaded for inspection, only samples are collected for analysis.

Timing : From OC date of receipt customs officer get 48 H to validate document, and from date of receipt in Iraq IIA get 24H to release goods (unless problems),

Copy of OC letter has to be presented to us at border by transporter.

Note: According to JA, if sanctions were lifted today, the backlog for phases 1 to 5 would at least take one year to clear all (already) approved transaction.

Now, direct contacts between IIA and fellows are permitted but strictly limited to technical matters such as

B. Ground Information

- Mr James Sutterlin
- Mr Jomas Larsen
- Mr Andre Pruniaux
- Mr John Broadhurst
- Mr Alexis Poitevin

Zakho North

at land border ports - consumption is the key criteria - not many discrepancies

14 inspectors always on site plus replacement during holiday : Total 18
Transaction in Kurdish currency.
Mostly Kurdish/Turkish trucks to inspect with goods of Turkish origin.
OC letter must be provided to IIA at Zakho with CMR transportation documents, packing list, and driver passport.
After authentication goods are escorted from the Turkish border ^{at} Zakho ^{to the} Iraqi border 70km from Zakho after crossing the Kurdish territory. [⊙]
Lloyds has Swedish customs officers team leaders ; some inspectors are Swedish and Norwegians, ^{Security agents are Brits}
Trucks are not always unloaded, inspectors are taking samples. Count only high values goods (ex : Generators, compressors...)
Samples are sent to Amman for analysis.
Lloyds own 3 cars in Zakho (one local, one for sample dispatch, one to escort to Iraqi border). Cars are driven by Iraqi drivers (50 USD/ month).
Gulf catering is providing food.
Prefabricated and local houses are used by Lloyds
This site is mostly day time work.
Phone communication is by satellite.
Sat Phone Back up systems are needed in case of breakdown.
2 sat phones per site are needed, one for voice and one for data.
Temperature is hot in summer and cold in winter, Heater and air conditioner are needed.
Lloyds has excellent contacts with UNICEF in ERBIL.

Umm Qasr

3 seaports
Very hot up to 62 degrees ^(C) day time, very dusty, extreme conditions.

Main one is New port
Goods : Rice (Vietnamese and Chinese origin) ^(C), Sugar (FR, BR), salt, ^{gels,} pumps, spare parts in containers

Silo port
Goods : Wheat (AU, USSR, US), boats are unloaded and loaded on trucks ^{goods are}
Rice bagged

Poor quality equipment
Weight bridge available at each port. For wheat Lloyds is using manifest figures because hoppers do not give proper figures.
Documents provided : OC letter, Packing list, manifest , certificate from port of loading (Commercial quality certificates are sometimes available)
IIA are not allowed to provide any authenticated figures to suppliers and preferably do not contact directly supplier, but only trough UN-NY.
2 inspectors /ship

Samples are taken with Iraqi customs officers. Tools used are more efficient.
Samples are sent to Sharjah by DHL or UPS ~~via~~ ^{via Kuwait (UNIKOM authorizes Lloyds to use their land mail system to Kuwait)}
Several ships can fall under one OC letter (Ex Bulk) ⁽⁴⁾

Reciprocally several OC letters for one ship (Ex containers)
Goods can be authenticated only when ship is fully unloaded.

11 inspectors already present therefore total of 15 Lloyds inspectors is necessary.

Lloyds camp is located in New port (45mn Basrah).

Inspectors can have access to UN/COM shops and areas.

Site can only be reached via Amman

Food is provided by Gulf catering

Camps are prefabricated buildings manufactured in Jordan and Lloyds rents some local houses.

2 persons in each cabin (Bathroom)

One mess, and one office for leisure.

Local water can not be consumed.

Generator backup in case on electric national network failure.

Sat phone are necessary as network is not reliable enough

Kuwait mobile phones would work in the area (But not allowed)

3 cars available.

All Data is UN property, all containers come from Dubai where goods were containerised.

Note = No control in Dubai and Ajlun

Baghdad

Manager : Senior Swedish customs officer. Excellent (When on leave, he is replaced by another Swedish)

Regular Connection with UN and Ministries

Administration tasks (Visas, permits...) Occasionally performs inspection. Certain trucks may escape control at Al Walid or Trebil and arrive in Baghdad with no authentication.

The manager will analyse and understand what happened. He will call an inspector from Trebil and authentication will be performed in Trebil -

Monthly meetings held in Baghdad with all team leaders, Chef LO and UN units involved

Mini-M Satellite phone is available / Or UN phone and E-mail can be used

Lotus mail client, global database available in Baghdad

One car - One driver, no secretary (none) - He is alone

Iraq do not allow to rent a house

Lloyds office settled in Al Rashid Hotel (Around 40usd/ night)

WORKERS in an camp called Canal Hotel

It is not allowed on Iraq territory to have local clerks, secretaries, etc...

Trebil

This site is only a border, there is no town.

Camps are prefabricated houses from Jordan - Gulf Catering

Satellite TV, gym, Are available for entertainment

Inspection are performed by Iraqi customs and afterward by IIA.

Most problem at this site

4 cars

(are)

(5)

18 inspectors always available therefore total is 24 inspectors

Al Walid

15 inspectors

3 cars

Quiet border, goods coming mainly from Syria. Mainly night work.

Goods : Wheat, salt... all produced in Syria or some are imported through Lattakie
(Also some Lebanese products)

General information

Sampling - always -

Analysis - case by case (risk management)
they

There is no airport in Zakho

If goods do not fit for human consumption they can not be authenticated.

Lloyds is proceeding to benchmark with exporters, fully inspect new exporter or if problems are suspected. Lloyds seem to apply some risk management.

9 main food products imported: Wheat / sugar / Rice / pulses / Tea / Baby milk powder / vegetable ghee / Adult milk and cheese / toilet soap liquid / detergent.

Lloyds is hired 2 IT people in Iraq for all sites.

Gas

tea

Notes =

- CVs of Lloyds agents eager to work with us will be available after contract signature
- Lloyds procedures as well as UN operations manual will also be made available to us after contract signature
- The Lloyds ^{Camps} are in excellent condition, well maintained and well managed - Catering is fine
- 4 x 4 cars are not necessary - Petroleum engines -
- Additional services - Some external inspectors should have experience in electricity contracts (to verify progress reports of such projects as the Russian all Hassiriyah \$18 million rehabilitation contract)

(6)

Pruniaux André

From: Pruniaux André
Sent: Thursday, February 12, 2004 1:40 PM
To: Saliba Joe
Subject: RE: FW: UN No. S/AC.25/2002/986/OC.1001983

Joe,

Thanks. Which 'port area' is Ron referring to?

André E. Pruniaux

File Attached Ho
Syria - Damascus
Al Waleed
At Tanf

-----Original Message-----

From: Saliba Joe
Sent: Thursday, February 12, 2004 12:27 PM
To: Pruniaux André
Subject: FW: FW: UN No. S/AC.25/2002/986/OC.1001983
Importance: High

Andre,
For your information. I will keep you posted.
Joe Saliba

-----Original Message-----

From: A Coins
To: keitht@baghdadforum.com
Cc: "A Coins" <coins>; "Frost@mx3.un.org; Gary" <gfrost>; "Warlick@mx3.un.org; James " <warlickj; joe.saliba; cotecna
Sent: 2/12/2004 10:09 AM
Subject: RE: FW: UN No. S/AC.25/2002/986/OC.1001983
Importance: High

Hi Keith,

I can confirm that all traffic has been stopped by the Syrians since this morning. Our inspectors report that the trucks are now lined up to beyond visibility". Nobody is providing us with any explanations. Perhaps the US Embassy here in Damascus has this information, or can make enquiries at a senior level to determine this.

Any impact of this closure on authentications will occur in 15 days time due to the hold back on processing them. Doing inspections right now will present challenges as well, as the port area is already apparently filled to capacity. We would have no way of knowing if an inspected truck did actually enter Iraq, or turned around and went home.

Sorry to be the bearer of bad news,

Warm regards,
Ron

"Keith, T" <keitht@baghdadforum.com> on 12-02-2004 11:39:21 AM

To: "A Coins" <coins@un.org>
cc: "Frost, Gary" <gfrost@baghdadforum.com>, "Warlick, James (CIV)" <warlickj@orha.centcom.mil>

Subject: RE: FW: UN No. S/AC.25/2002/986/OC.1001983

Ron,

Can you confirm or deny for me whether the Syrian authorities are closing the Al Waleed border crossing from today through Saturday? Our employee at the Iraqi side told me that Syrians are either conducting anti-terrorist commando training in vicinity or are attempting to prevent a terrorist crossing. I'm not sure which one, or even if this is true. Do you have any information? If closure is real, what impact do you foresee on authentications coming from there over next three days?

Best Regards,
Tom

THOMAS C. KEITH
DIRECTOR, OIL FOR FOOD COORDINATION CENTER
CPA BAGHDAD
PHONE: 703-270-0467, c: 914-360-3026
EMAIL: keitht@baghdadforum.com

-----Original Message-----

From: A Coins [mailto:coins@un.org]
Sent: Wednesday, February 11, 2004 8:36 PM
To: Keith, T
Cc: "Saliba Joe" <joe.saliba@cotecna>
Subject: Re: FW: UN No. S/AC.25/2002/986/OC.1001983
Importance: High

Hi Tom,

I spoke with Gezairi Transport earlier today on this topic (twice, in fact).

My personal preference would be to have the trucks return to the border as well. If for no other reason than I foresee that this sort of thing will become routine for the drivers, if they are able to get away with it without any consequences to themselves personally. And, as you mentioned, there is a definite need for some disinterested 3rd party to confirm arrival of these goods in general, and specifically with this shipment.

I spoke to our inspectors out at the border after talking to Gezairi, and learned that there is a bit of a "staging area" just east of the Syrian Customs port in the "no man's land" in between the two ports. It is a routine thing for trucks to return as far as that location if/when they have neglected to follow some procedure (either our's or one of the local gov't agencies) before leaving Syria.

Our inspectors have been allowed into that staging area before without any