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JC73

From: [redacted]
Sent: Monday, July 01, 2002 4:24 PM
To: [redacted]
Subject: RE: feedback, pls.

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Original Message
From: Cunningham, James B USUN
Sent: Monday, July 01, 2002 3:21 PM
To: [redacted]
Cc: [redacted]
Subject: RE: feedback, pls.

I said I wanted to know more about the first allegation, since I wasn't sure that UNDP had acted to circumvent the program. In any case, pls. proceed and try to get what you can. We can follow up when I return, if necessary. riginal Message-----

From: [redacted]
Sent: Friday, June 28, 2002 9:04 PM
To: Cunningham, James B USUN
Cc: [redacted]
Subject: RE: feedback, pls. 86

Status Report:

-- Allegations of UNDP Misconduct re: Iraq: As noted in the following e-mail I sent you June 6, I met with OIP several weeks ago on this matter. Subsequently, I attempted June 13 and again last Friday (6/21) to set up an appointment with UNDP Arab States Director Rima Khalaf Humaidi to discuss the comments allegedly made by UNDP Iraq Program Chief Michel Gautier. I again will try on Monday to meet with Humaidi. I also understood you to have said at one point that you would raise this matter with Mark Malloch Brown at a reception you both were scheduled to have attended. Perhaps I misunderstood your comment.

06/06/02 E-Mail
Ambassador -

I met with OIP Contracts Processing Director Farid Zarif (Benon's wasn't available) this morning (6/6) to discuss the allegations reported in STATE 107865 that a NY-based UNDP official had advised an Oil-for-Food supplier that U.S. export control regulations would have to be violated in order for contracts to be approved and that an illegal surcharge would have to be paid to the Iraqi Government to ensure the contract was processed.

Farid said it was OIP's understanding that USG approval of OFF contracts implied Washington had considered all factors, including U.S. domestic regulations, before granting its consent. I suggested Farid's assumption was not valid, since OFAC rules governing exports by U.S. companies were a completely separate matter from our evaluation of OFF contract applications. I noted we often did not know the exact sourcing of every item on every contract, making it impossible for us to ascertain with certainty that U.S. export regulations were being respected, particularly in the case of foreign subsidiaries of U.S. parent companies.

If Farid assumes falsely that our approval of OFF contracts implies our acknowledgment that U.S. export control regulations are being respected, it's not surprising that a UNDP official also might be similarly misinformed.

As to the allegation that the UNDP official in question allegedly said a contract application would not be approved absent payment of an illegal surcharge to the GOI, Farid agreed that such a statement was completely inappropriate and false and one we should bring to the attention of UNDP senior leaders.

-- Jordanian Airflights: I demarched Jordanian poloff [redacted] June 18 as instructed by the Department and reported on my meeting in USUN 1531 (text below). UK poloff [redacted] told me June 24 that [redacted] said Amman was instructing Royal Jordanian Airlines to reduce the number and frequency of their Amman-Baghdad flights, a demand which seems to have taken effect based on the fewer number of flight notifications we received from the Jordanian Mission this past week. 86

Text of USUN 1531:

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Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir.
() Release (X) Excise () Deny () Declassify
Date 6/17/05 Exemption B6, NR

Subject: UN/IRAQ: JORDANIANS TROUBLED BY ONGOING U.S. CONCERNS
OVER FLIGHTS

REF: A. STATE 112154
B. AMMAN 3130

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Classified By: ACTING
1.5

REASONS: B6

(B) AND (D).

1. (C) USUN poloff met June 18 with Jordanian poloff to convey U.S. concerns (ref a) regarding the frequency and regularity of Royal Jordanian Airlines flights from Amman to Baghdad. indicated he was aware of a June 11 conversation between EmbAmman A/DCM and FM Muasher's Personal Assistant Ali Al-Ayed on this issue (ref b), noting steps already were being taken to terminate Royal Jordanian advertising of flights to Amman from Baghdad within Iraq's diplomatic community. said Jordanian authorities were troubled and concerned by U.S. dissatisfaction over the flights in light of the great importance Amman attached to maintaining a close, productive working relationship with Washington.

2. (C) privately remarked that he already had brought the flights issue to the attention of Jordanian permrep Al-Hussein several weeks earlier, warning that a perception of regularized commercial air service between Amman and Baghdad would be unacceptable to the United States. stressed that the Jordanian Government was committed to upholding its obligations to implement and enforce all UN Security Council resolutions and did not want to give any impression that it was ignoring its responsibilities with regard to flights. In fact, noted that Royal Jordanian Airlines personnel were under strict instructions not to engage in any commercial transactions with the Iraqis while Jordanian planes were on the ground in Baghdad.

3. (C) promised to keep USUN poloff informed of additional steps Jordanian authorities might take to ensure U.S. concerns over flights were satisfactorily addressed.

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-- **Syrian Flights:** Ambassador Negroponte advised me that he raised a number of non-compliance issues with Syrian FM Shara when they met June 20. We intentionally have not met separately with our working-level counterparts on this issue pending a decision as to whether we would raise Syrian non-compliance issues on the pipeline, illicit shipment of goods, and flights in the Council as we advocated in USUN 1447.

-- **UAE Ferries:** We and the British have coordinated a strategy in anticipation of a July 9 formal meeting of the 661 Committee to demand that a) Cotecna monitors begin inspecting all ferries upon their arrival in Iraq, and/or, b) MIF begin conducting spot inspections at sea (something DoD has not favored but MIF Commander Keating reportedly is willing to do).

-- **USUN 1494 / Credibility of Sanctions Committee Lists:** As of 06/28, we have not received a Department reply or official comment on our cable warning of imminent problems associated with various committee lists.

-- **Follow-Up to U.S.-UK Bilats:** UK poloff and I have begun discussing how best to address the need for tighter border controls, especially in Jordan and Turkey. Our initial thoughts were to consult jointly with our Jordanian and Turkish counterparts, then request Washington and London to send out demarches to Amman and Ankara. I've been speaking with IO about the concept of a possible monitoring mechanism to verify border compliance.

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and I also are plotting a strategy to raise in 661 Committee discussions the issue of the illicit 10% surcharge imposed by the GOI on OFF contracts. Reporting to Committee members on the alleged comments of UNDP Iraq Program Chief Michel Gautier might be appropriate in this regard. B-6

On oil pricing, another issue discussed at the U.S.-UK bilats, I assume you have seen USUN 1619 reporting on the June 26 661 Committee meeting on this issue as well as my e-mails.

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

From: Cunningham, James B USUN
Sent: Friday, June 28, 2002 6:48 PM
To:
Cc:
Subject: Feedback, pls.

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We were supposed to demarch UNDP and OIP on allegations that a UNDP official acted improperly on Iraq. I asked you for more information about the nature of the first allegation, and never heard back from you. Status?

What is status of effort to address Jordan airlifts, and plans to address Syrian flights and UAE ferries?

Has there been any reaction in Washington to our cable on the credibility of the sanction committee lists?

Let's get moving on the items you identified in your email on follow up to the US-UK bilats on Iraq.

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