

hear from their loved one in Iraq or Afghanistan and praying for them every day.

So, with that, Mr. Speaker, I say thank you to those who are in uniform today who are supporting this country in the most difficult way and especially to their families and all of the great love and support that they have.

OIL-FOR-FOOD PROGRAM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Connecticut (Mr. SHAYS) is recognized for 60 minutes as the designee of the majority leader.

Mr. SHAYS. Mr. Speaker, at this time I would just introduce our remarks by saying I do not think I have done a special order this entire session, but I am doing one tonight because I feel very strongly about an issue, and that is the Oil-for-Food Program. And my subcommittee is working, as is the Committee on International Relations, on the whole issue of oil for food and the outrageous rip-off, probably the biggest rip-off in the history of rip-offs, the \$10 billion plus events over the course of many years that Saddam was involved in.

At this time I would like to recognize the gentleman from New Jersey (Mr. SMITH) for whatever time he would like to consume.

Mr. SMITH of New Jersey. Mr. Speaker, I thank my good friend for yielding and join him in this very strong concern about one of the biggest scandals known in history and thank him for his good work as chairman of the subcommittee in trying to get to the truth as to what happened.

□ 2045

Mr. Speaker, tonight, we are discussing the recent disclosures about problems with the U.N.'s Oil-for-Food program. As my colleagues know, in 1995 the U.S. worked with the U.N. to create a program to allow Saddam Hussein to sell his country's oil in what was purported to be a controlled manner in return for shipments of humanitarian goods for the Iraqi people. Tragically, we now know that this noble effort was grotesquely undermined by scandal. The GAO estimates that some \$10 billion in oil revenue was stolen from the people of Iraq.

The laudable purpose of the Oil-for-Food program was to alleviate massive human suffering by innocent Iraqi civilians whom Saddam Hussein was deliberately starving in order to generate international support and sympathy for lifting U.N. Security Council sanctions against Iraq. The system to be implemented by the U.N. and by member states was supposed to carefully monitor all sales of oil and make sure that these petrol dollars were placed in a trust fund at the French Bank, the PNB-Paribas.

The system was supposed to be transparent. It was supposed to be above

board. It was supposed to be open, but it was anything but. As the coverup and the lack of transparency crippled efforts that continue to this day, efforts to establish all of the facts and to hold the corrupt to account.

New York Times columnist William Safire noted in June of 2004 that there are some 5,000 Oil-for-Food file folders stored at BNP-Paribas storage facilities in New York and in my home State of New Jersey with documentation on the letters of credit, the notice of arrival documents, descriptions of the contracts; and yet the U.S. investigators are not being allowed access to these vital documents.

In theory, Mr. Speaker, the trust funds were supposed to be out of the Hussein regime's control and were to be used to purchase civilian consumer goods and basic infrastructure. The justified fear manifested in the 1990s by the United States and the United Kingdom was that Hussein's agents would try to misuse oil funds to purchase banned weaponry and luxury items for the regime. History has proven these fears to be well founded. Unfortunately, the United Nations apparently presided over a system that was rife with loopholes and opportunities for Hussein and his thugs to corrupt and bribe their way towards enrichment at the expense of the very people he was to feed, clothe, and provide health care for.

For example, the Clinton administration estimated in the year 2000 nearly \$2 billion of the Oil-for-Food assistance was diverted to build nine lavish palaces for Saddam Hussein and his Baath Party supporters, all of this while children went hungry and without medicines. The Congressional Research Service, Mr. Speaker, in April 2004 did an analysis of the various estimates to try to get a handle on the scale of the Iraqi sanctions cheating and the U.N. failure to stop them.

CRS notes said, "There are no authoritative figures for the value of illicit trade with Iraq. However, the most widely cited estimates come from a study released in May 2002 by the GAO. According to the GAO study, Iraq earned \$6.6 billion in illicit revenue from oil smuggling and surcharges during 1997 to the year 2001. Of that total, GAO estimates that \$4.3 billion was from illicit oil sales and \$2.3 billion from surcharges on oil and commissions from its contracts to buy civilian goods (kickbacks). The study estimated that during 2001, Iraq earned \$1.5 billion from illicit oil sales from Jordan, Syria, Turkey, and the Persian Gulf; and about \$700 million from surcharges and contract kickbacks."

Mr. Speaker, as we all know, Congress and the Bush administration are actively investigating allegations of large-scale U.N. corruption in complicity with Iraqi sanctions violations. But we have not been allowed the access to information that would make these efforts successful. One problem, Mr. Speaker, with the U.N. program,

and I would underscore this, is that it seems that the firm which signed the contracts with the U.N. to inspect the humanitarian aid shipments, Cotecna, appears to not have had enough inspectors at their posts to make sure that the transactions were handled properly.

According to internal U.N. audits, Cotecna overcharged the U.N. while understaffing the inspection positions. In other words, part-time work for full-time pay. This particular allegation was included in a report written by auditors from the Office of Internal Oversight at the U.N. This report, we are now told, is one of 55 that the U.N. auditors did on the Oil-for-Food program. Amazingly and shamefully, all 55 audits were kept from the U.N. membership, including the United States mission. This is just plain wrong; and to the best of my knowledge, no one in the Congress has seen the other 54 reports.

At the very least, these reports should be released immediately by the United Nations to the U.S. and other interested governments, and this stonewalling must end. I would point out to my colleagues that the distinguished chairman of the House Committee on International Relations, the gentleman from Illinois (Mr. HYDE), wrote to Secretary General Annan: "The U.S. Congress, which provides 22 percent of the U.N.'s budget and which has publicly requested copies of the 55 internal audits, should not be required to depend on media leaks for source documents."

The report on Cotecna, I would point out, was leaked and was placed on the Internet. If it were not for the bravery of one unnamed official, we would not even have this one report.

Mr. Speaker, let me just conclude by noting that while the United Nations looked the other way, or worse was complicit and corrupt, Saddam Hussein was underselling his oil in return for kickbacks and providing commercial favors to the companies from countries which did his bidding in his ongoing propaganda war against the United States. The scheme was rotten to the core. In my mind, it also raises some very serious questions about two of our Security Council countries which most adamantly opposed the U.S. multinational coalition military commitment, and they were France and Russia. They were among those getting the greatest sweetheart deals during the Oil-for-Food situation.

For example, the Russia diplomatic representatives, we are told, were instructed to do everything they could to push for contracts with Russian companies. There are hundreds of Russian companies dealing in Iraq. Some were even front companies for Iraqi officials steering the proceeds into offshore bank accounts. Some companies took open bribes. One Russian company, Lakia, paid bribes to Iraqi officials to get their contracts through; but when the contract fell apart, Lakia asked for

its bribe money to be paid back and even complained to the U.N. about the situation.

What did Benon Sevan, director of the U.N. office overseeing the Oil-for-Food program do about this? He notified Saddam's officials before he even told the U.N. about it.

Investigators are now hearing that the U.N. officials were open to bribes by suppliers if those vendors wanted their contracts to move up in priority for consideration there. They are hearing that U.N. officials would disclose the details behind the holes that U.S. officials were placing on contracts in return for the right amount of money. They are hearing that inspectors at Iraq's posts were also open for bribes and overfilling oil tankers beyond the contracted amount and then selling the extra oil and lining their pockets with the profits.

Under pressure, Mr. Speaker, as we all know, in April 2004 the U.N. appointed a commission headed by Paul Volcker, the former Chairman of the U.S. Federal Reserve, to independently investigate this massive scandal.

Mr. Volcker is currently assembling his staff and beginning his inquiry. That sounds good, because Mr. Volcker enjoys a great deal of respect. But even with the best of intentions, if he is not given all the tools to unearth the truth, the probe will fall short. I will point out to my colleagues that Mr. Volcker and his commission do not have subpoena power, a deficiency in his powers that will undoubtedly cripple his access to information. How is he going to compel U.N. officials to provide the hard evidence of corruption?

Let us face it, Mr. Speaker, corrupt officials are not going to voluntarily hand over boxes of files filled with incriminating evidence. Instead, those boxes are likely to be shredded or redacted. Without subpoena power, the U.N.'s internal investigation will be stymied and will likely raise more questions than it answers, and the hard truths about this mother of all scandals are likely to be lost and remain elusive.

Secretary General Kofi Annan says he will fire any U.N. employee who does not cooperate. Sounds good. Let us see. We will see. How do we define cooperate? How do we know what remains secret when we do not have that ability to compel evidence? Mr. Annan's own son may be involved in this scandal since he was Cotecna's consultant, and that raises serious questions as well.

These are tough questions, Mr. Speaker; and I understand that the answers will not come overnight, and under the current glideslope, perhaps they will never come.

Congress needs to demand real answers, as we are doing; and there needs to be real and meaningful reforms made at the United Nations.

Mr. Speaker, I am glad we organized this very important night to focus on this terrible scandal. I thank my good

friend, the gentleman from Connecticut (Mr. SHAYS), for yielding to me.

Mr. SHAYS. Mr. Speaker, I thank the gentleman for a wonderful introduction and outline of the problem.

I now yield to the gentleman from Michigan (Mr. McCOTTER), a new member to Congress and one who is very active in this issue.

Mr. McCOTTER. Mr. Speaker, we are engaged in a great debate in a great and dangerous time. At the heart of this debate dwells the United Nations' scandalous Oil-for-Food program, for it constitutes not merely a matter of dollars and cents, but truly a matter of life and death.

I would like to quote to prove the point a copyrighted article by the writer Claudia Rosett, who is a Fellow at the Hudson Institute, in which she cites Claude Hankes-Drielsma, a British advisor to the interim governing council, in which he says of the scandal, "It is expected to demonstrate the clear link between those countries which were quite ready to support Saddam Hussein's regime for their own financial benefit at the expense of the Iraqi people and those that opposed the strict applications of sanctions and the overthrow of Saddam Hussein."

Clearly this proves the scandal not only has disgraceful fiscal consequence but has also had dire martial consequences.

The resolutions regarding the weapons of mass destruction that the U.N. passed and yet lacked the resolve to fully and fairly and truly enforce, that lack of resolve will remain a question in the minds of many as long as this scandal lingers; for we will have to ask ourselves, did the U.N. come to their decisions, come to their lack of resolve with clean hands or with the money of Saddam Hussein in them? How much better would intelligence have been had the U.N. been actively and forcefully trying to get Saddam Hussein and Iraq to comply with those sanctions rather than finding one excuse or another not to do so?

In terms of our U.S. coalition and the buildup to the war, how many other countries would have been willing to join us had not many in the U.N. undermined our efforts to enforce those resolutions? And again, we ask ourselves, Did those countries that undermined our efforts to build a coalition come to that with clean hands or with Saddam Hussein's Oil-for-Food money in those very hands?

As for our soldiers, we now have to ask ourselves, how much of the potentially \$10 billion that was skimmed, stolen, misplaced, misspent, gone, how much of that money wound up in the hands of contractors who were front groups, as the U.S. Treasury has just designated one, of contractors who did business under the Oil-for-Food scandal? How much of that money that was stolen is currently being used by Saddam's insurgents and terrorists to kill America's sons and daughters in Iraq?

So much of the debate that we have heard internally in this country cannot have a resolution or even properly be addressed until we determine the extent of the corruption, the venality and the moral bankruptcy that lurks at the heart of this scandal, especially because the great debate I mentioned in many quarters these days hinges on this.

There are those in this country who believe the United States should be more like the United Nations. I for one am not ashamed or abashed to say I believe the United Nations should be more like the United States. If they had been, perhaps the sanctions would have worked, perhaps the dictator would have been deposed through democracy and other soft means; but we were not given that chance to see that because we were not dealing with an ally at the United Nations. We were dealing with an adversary. We were dealing with an adversary bent on their own financial gain at the expense of the Iraqi people and democracy throughout the world.

Mr. SHAYS. I thank the gentleman very much. I want to say before yielding to the gentleman from California (Mr. OSE), who has been very active on our committee's investigation, the National Security Committee's investigation, that one of the intriguing things about the whole Oil-for-Food program was that while people knew it was a problem, it did not really catch the attention of the international community until a paper, *Al Mada*, printed the names of 270 people alleged to be involved in this program.

□ 2100

I smiled because this was an Iraqi newspaper, not an American newspaper, not a European newspaper, and they got their information from a government leak within the Iraqi Governing Council. As I think of Iraq emerging into democracy, I smile a bit thinking that this was one of the first attempts I think of this new Iraqi community to start to enjoy the incredible protection of a free press and a press that has the capability to print what needs to be said.

So they printed the names of 270 individuals. They included Kofi Annan's son. They included Benon Sevan, who ran this program, run by the United Nations, to make sure it was free of any corruption.

I think my colleague, the gentleman from California (Mr. OSE), would agree it is kind of hard to imagine how a program that basically was run in essence by Saddam Hussein but overseen by the U.N. would be a program that would be run well.

Saddam Hussein decided that he did not want to deal in U.S. dollars. So he decided that it would be in euros. So that is what it was. He decided who would buy and who would sell his products. He decided to undersell oil and get a kickback and overpay for commodities and get a kickback.

In the end, we estimate that approximately \$5.7 billion was smuggled out of the country through Jordan, through Turkey and primarily through Syria, and that 4.4 were oil surcharges and kickbacks and so-called humanitarian purchases and kickbacks.

There is no innocent explanation for how this could happen, and there is no question that people in the U.N. knew what was happening, and I think we can say, as I recognize now the gentleman from California (Mr. OSE), that there is no doubt that the Security Council knew, including the Americans, the Russians, the French, the British, the Chinese, or most people knew that this program was really not working properly, but it took a small paper, *Al Mada*, printed in Baghdad, to awaken the world to this horrendous scandal.

At this time, I yield to my colleague, the gentleman from California (Mr. OSE), for any comments he would like to make.

Mr. OSE. Mr. Speaker, I thank the gentleman from Connecticut for yielding.

Mr. Speaker, sometimes we work here in the hallowed halls of Congress, and we come upon things that almost come out of a Tom Clancy novel. I do not know of anything in my few years here that even begins to rival the complexity or the obvious opportunities that existed in this so-called Oil-for-Food Program set up by the United Nations.

I want to go back and just kind of visit as to the genesis of the Oil-for-Food Program. If my colleagues recall, after the Gulf War, we imposed sanctions on Iraq hoping that those sanctions, in fact, would bring the Hussein regime down. Over time, the caloric intake for the people of Iraq, men, women and children, still stuck there under the regime of Hussein was reduced to about 1,200 or 1,300 calories a day. The United Nations, in its wisdom, after significant input from any number of the member states, decided to undertake a program, the objective of which would be to raise the average daily caloric intake for the folks who lived in Iraq under the same regime.

Interestingly enough, the first time the U.N. proposed this, Iraq declined the opportunity. It was only after the second time that the U.N. proposed this that Iraq undertook to participate in this; and it was, frankly, a pretty clever scheme.

It took the oil that exists in surplus in Iraq relative to its domestic needs and put it on the market, directed the funds from that sale of the oil to an escrow account under the control of the United Nations from which food and medicine could be bought for delivery and/or distribution to the people of Iraq.

Lo and behold, a couple of years passed and all of a sudden the questions started rising as to whether or not there were surcharges, kickbacks, corruption and the like.

Well, the U.N. had actually set up a committee to examine or to make sure that this program proceeded according to the rules and regulations that it laid out in its resolutions, and that committee was called the 661 Committee, and the membership of the 661 Committee was composed of the five permanent members of the Security Council, plus the additional 10 revolving members of the Security Council who move in and out of those seats as the elections or the pattern allows.

Over the ensuing years from the Gulf War, the five permanent Security Council members sat on the 661 Committee and a revolving number of 10 additional States sat on that 661 Committee.

Now, the contracts, the way it worked was you had to get a contract for the purchase of oil. That had to be approved by the members of the 661 Committee, and then the transaction would be allowed to go forward, and upon delivery of the oil, there would be a third-party inspector in Iraq to ascertain the exact compliance with the contract. That person was supposed to send notification to New York so that in New York the escrow account could collect the funds from the buyer of the oil and disburse the funds for the purchase of food and medicine.

Well, keep in mind the name of this program, I just want to make this point, because the Oil-for-Food Program was about the most inaccurately named welfare effort of the United Nations as one can imagine. Let me tell you some of the things the Oil-for-Food Program managed to procure for the benefit of the Iraqi people. Keep in mind the purpose having been food and medicine.

The government of Iraq was able to persuade the United Nations' 661 Committee that the people of Iraq needed 1,500 ping-pong tables. I guess apparently they needed fiber. So one of the contracts called for the delivery of 1,500 ping-pong tables.

We heard earlier from the gentleman from New Jersey (Mr. SMITH) the testimony about the nine presidential palaces that were constructed by virtue of the money that was skimmed from the Oil-for-Food Program.

But in addition to the nine presidential palaces that were financed through the Oil-for-Food Program, there were also roughly 300 Mercedes that were purchased, again for the benefit of the people of Iraq and their food and medicine requirements. Now, 300 Mercedes Benz, what do you suppose they did with those? I have not figured that part out.

Here is a good one. This is actually close to using some dairy products. There were soft ice cream machines authorized for purchase under the Oil-for-Food Program.

There were overpriced dental chairs from China purchased in the Oil-for-Food Program. This is like a Tom Clancy novel. I am not making this stuff up. There was a warehouse full of

undelivered wheelchairs purchased under the Oil-for-Food Program, again for the benefit of the people of Iraq.

The one that I find is perhaps best, we are worried about infant mortality, infant survivability in some of these Third World countries. So one of the things that the United Nations undertook to provide was equipment for the medical needs of newborns. So they went and bought defective ultrasound machines from Algeria. Algeria rounded up all these ultrasound machines that did not work and sold them to the U.N. for premium dollars.

There was perfume. I guess the people, I do not know, they needed perfume in the Oil-for-Food Program.

Now, there were additional things that were in the Oil-for-Food Program or at least on the contracts it allowed for the purchase of water pumps, piping and other supplies; and, unfortunately, what we find 9 years in when we have to go into Iraq, we find that none of the water pipe for drainage systems or other things that are so essential to civil life here in the United States have been installed. In fact, those water pumps and pipes have basically been hijacked for use in Saddam's various palaces for water improvement.

Now, I want to go back to my friend from Connecticut because I know he has quite a bit to offer, but before I do I just want to remind the folks in this Chamber about the preamble for the United Nations, the purpose of the United Nations. In part it says, we the peoples of the United Nations determine to establish this is the first thing, to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained; and to promote social progress and better standards of life in larger freedom; and, finally, to unite our strength to maintain international peace and security.

I would submit to my colleagues that the schemes that evolved from the original U.N. Oil-for-Food Program, that the scheme of corruption and apparent fraud basically served to undermine each of those three principles, and I hope to come back to that in the course of this evening's discussion.

Mr. SHAYS. Mr. Speaker, before yielding to the gentleman from Indiana (Mr. PENCE), who is on the Committee on International Relations, we heard from the gentleman from New Jersey (Mr. SMITH) of the Committee on International Relations and also the gentleman from Michigan (Mr. MCCOTTER) on the Committee on International Relations. I would like to recognize the gentleman from Indiana (Mr. PENCE) as well.

That committee, the full committee, is conducting its investigation of the Oil-for-Food Program. Our Subcommittee on National Security, Emerging Threats and International Relations of the Committee on Government Reform is doing that same investigation. We are working together. We

are comparing notes. We are trying not to be duplicative but trying to make sure that we are able to pierce the veil of what is truly the most outrageous scandal, certainly world scandal, that anyone to date has ever uncovered.

This again is a \$5.7 billion smuggling ring and a 4.4 oil surcharge and kickbacks on the sale of oil and the purchase of commodities that were overpaid for and then kickbacks were provided to Saddam.

What is really outrageous about this whole horrific exercise is that the U.N. was in charge to guarantee that it would be run properly, the U.N. comprised of member States like France and Germany and Russia and China, as well as the United States and Great Britain. At times, the United States and Great Britain voiced concern about this program, but the program continued, and it was not until, again, an Iraqi newspaper, *Al Mada*, really outed 270 people that the world started to think that they needed to pay attention to this issue.

Besides talking about the incredible rip-off, the U.N. was making legitimate dollars, billions of dollars running the program, and we understand why there was a reluctance to no longer have that opportunity. Then what we began to realize is people in the U.N. and member states were making billions of dollars in illegal activities.

It is hard pressed to know why particularly the Russians and the French were so involved in this program, but when you recognize how involved they were, it does give you some indication of their reluctance to want to confront Saddam since he knew so well their involvement in these illegal schemes, and it does suggest, I think, a very real motive for why France in particular and Russia and China were so reluctant to see this dictator's regime end.

If the French had stuck with us, as they had in December through January, instead of being the apologist for Saddam but had stuck with us, it is unlikely we would ever have had to go in because it is very likely and it is very clear Saddam knew we believed we were not going to come in and remove him because the French and the Russians and the Chinese were not with us.

□ 2115

That gave him the confidence to think he could continually stonewall us.

So besides the incredible rip-offs that have been mentioned by the gentleman from California (Mr. OSE), the gentleman from New Jersey (Mr. SMITH), and others, there is the whole issue of why there was not greater cooperation to force Saddam to do what was required in the 1991 signing of the ceasefire: Fully cooperate with the U.N. and demonstrate and prove that his programs of weapons of mass destruction had ended.

Mr. Speaker, I now yield to my colleague, the gentleman from Indiana (Mr. PENCE), and thank him for his work in this important investigation.

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, I rise tonight to join the gentleman from New Jersey (Mr. SMITH), and thank him as well as the gentleman from Connecticut (Mr. SHAYS), for their extraordinary efforts in bringing what is very likely the largest scandal in the history of the United Nations into the public domain.

Mr. Speaker, a very limited fan of the Larry King Live program would know that the gentleman from Connecticut (Mr. SHAYS) is one of the most eloquent and compelling Members of Congress in the national media, and I, for one, am grateful that the chairman is willing to dedicate so much of his energy to calling the Nation's attention to this issue and wish to commend him for doing that.

There seems to me to be an opposite impulse afoot in both the international community as well as here in our Nation's capital. Despite the fact that this multibillion dollar Oil-for-Food program, which operated from 1996 to 2003, resulted in billions of dollars lost in graft and payoffs, there seems to be an impulse among some quarters within our own diplomatic community here in Washington and even around the world to simply move on.

Clearly, I would be, as a strong supporter of Operation Iraqi Freedom, I would be the very first to say we ought not to let the mistakes of the past interfere with opportunities for alliances in the future. And I, for one, am extraordinarily encouraged to see the United Nations Security Council embracing a new role of partnership in the development of a free and stable and Democratic Iraq. But it seems to me to be all together consistent with the aims of a vital and important role of the United Nations on the world scene, especially in difficult areas like Iraq, or even in Sudan, of which we may well be talking in the near future, it seems to me we ought to always seek to defend the basic reputation of integrity of the United Nations.

As we gather here today, we reflect, Mr. Speaker, on this program, which was, as the gentleman from California (Mr. OSE) just said very eloquently, a program born of compassion. It was about trying to provide assistance, both food and medical supplies, to a beleaguered people in the difficult years that followed the first Persian Gulf War, and to no less extent the decades of oppression and abuse by the tyrannical dictator Saddam Hussein. It was to provide them with resources and assistance by letting the regime of Saddam Hussein sell oil, the payments for which would go into an escrow fund that would then purchase medical supplies and food stores to be then delivered back into Iraq.

Sounds like a pretty flawless arrangement, like a triangle, if you will. The only problem, and I believe hindsight is 20/20, and I understand why

these decisions were made, but as we learned in the Committee on International Relations, at the end of the day this Oil-for-Food program deferred to the principle of sovereignty of Saddam Hussein's government in Iraq. And why that was problematic, we believe, is because it permitted Saddam Hussein to choose who he would sell oil to and to choose who he would buy supplies from.

Allowing this deplorable dictator and his corrupt government to choose to pick the winners in this multibillion dollar Oil-for-Food program created an environment, the preliminary evidence of which created opportunities for graft on a global scale. And as Chairman SHAYS just suggested, the interrelationship between this program and some countries who were loathe to support our efforts militarily against Iraq is troubling and intriguing and bears fleshing out.

I believe that is what we are about here tonight, simply doing our part in this chamber, the people's House, to raise public awareness about this extraordinary scandal and an attempt by a dictator to siphon off an estimated \$10 billion from a program that was truly simply designed to help people.

A few brief points, and then I will yield back to my betters on this issue.

The role of Congress. I think what we are about tonight, Mr. Speaker, is an important role. It is to at least be that one quarter of the national government in the most powerful and freest Nation in the history of the world that says, yes, we do care what happened to the billions of dollars that went out of the Oil-for-Food program; we want to know who benefited through those illicit profits and kickbacks.

And let me hasten to add that I serve a heartland district in central Indiana where I grew up seeing the billboards that would read "get out of the U.N." This is not a "get out of the U.N. move" in the Congress. This is rather a move about saying, if we are not prepared to demand a full accounting of the resources that move through the United Nations in the programs that they are charged with governing, I think that is a greater threat to the long-term vitality of the United Nations as a legitimate forum for addressing grievances in the free world than any billboard or any accusation could ever be.

Congress, it seems to me, has a role, and there are a couple. Number one, to do everything in our power to strengthen the position of the chairman of the independent investigating committee, the former Federal Reserve Chairman, Paul Volcker; to do that by the means of the pocketbook in the Congress. And I am confident that we have done that and will continue to do that.

Secondly, it is to ensure that the Iraqi interim government and congressional investigators are able to conduct an effective and exhaustive investigation. We have heard tonight on the floor about some of the barriers that

the U.N. has not yet been willing to waive in contract arrangements that need and must be waived to permit our government and the Iraqi government to get to the bottom of the facts.

Lastly, something of what we are doing tonight is to push the State Department within the Bush administration to ensure that the Oil-for-Food scandal is thoroughly investigated. I understand, as I said before, and with this I close, I understand that we have bigger fish to fry, as we like to say on the Flat Rock River in Bartholomew County, and those fish to fry include moving forward in a multilateral way in Iraq and bringing the family of freedom-loving nations together in that project. But I hasten to add that I simply do not believe that demanding a strict accounting of the administration of the Oil-for-Food program that took place in the last decade in the United Nations is in any way inconsistent with bringing the United Nations and the countries represented on the Security Council more to bear on the challenges that we face in Iraq and elsewhere in the world.

If we can find out where the illicit profits went, and if in fact there were misdeeds done within the United Nations itself by United Nations personnel, we need to hold them accountable, create new systems whereby that kind of abuse is no longer as possible as it apparently was in the 1990s, and I think that will bolster world opinion for the United Nations and bolster the confidence in future programs, whether they be in Iraq or elsewhere around the world. So that when the United Nations says they are going to oversee a program that is designed to accomplish humanitarian aims, that it will accomplish those aims and it will not do so in a way that involves graft or the enrichment of individuals at the public expense.

So once again I commend Chairman SHAYS for his extraordinary leadership on the public stage on this issue. I commend him for being willing, as he candidly in his career frequently is, willing to swim upstream against what may be the current of the day, but to seek, as he so doggedly does, as the gentleman from California (Mr. OSE) does, and all of us I believe in our hearts do, to seek the truth, knowing that the truth is the only foundation upon which the international community should ever come together in the United Nations or in any project that faces us in the 21st century.

Mr. SHAYS. Mr. Speaker, I thank the gentleman for his generous words, but also for his caring about the U.N. I think it is so important to reemphasize the fact that we want a better U.N., and it is absolutely essential that the U.N. do what it can in every way to cooperate. There will then be a redemption, and the U.N. will have greater impact and greater moral authority in the future. Failing to do that, I think the opposite is true.

I thank my colleague for being here, and at this time I wish to reengage my

colleague from California in regards to the Oil-for-Food program.

Mr. OSE. Mr. Speaker, I thank my colleague. It is interesting that the gentleman from Indiana (Mr. PENCE) was frankly very thorough in his remarks. One of the things that I continually try to do is bring to focus why this is important for my constituents. Because, frankly, the Oil-for-Food program, paid for by oil revenues from the sale of Iraqi oil, okay, big deal. We needed it.

But let me share why I think this is so important. First of all, in addition to the reasons elucidated by the gentleman from Indiana (Mr. PENCE), the money that was skimmed was supposed to go to the benefit of the Iraqi people for the purpose of purchasing food and medicine. In the absence of that money, somebody else must step in and fill that void. Somebody else must step in and buy the food or buy the medicine that the Iraqi people need. Now, is that the United States? Is that the United Nations? Is that Europe? Whoever it is, they are having to buy something that should have been funded by money that belonged to the people of Iraq by virtue of the sale of oil that had belonged to the people of Iraq.

That is a very important point, because if the United States is going to have to fill the gap created by the loss of these funds, then my colleagues and I are going to have to take it out of the Treasury of the United States. And that is important to each and every one of our constituents.

I want to return, Mr. Speaker, to what we are trying to accomplish here. If we look at current events around the world, we find that in addition to Iraq we have a burgeoning issue in Sudan, and we have them in various places at different times around the world. Today's event is Sudan, out by Darfur. If we cannot figure out how to run these programs under the auspices of the U.N., in a manner that is transparent and full of accountability, then at some point or another in the future we are going to lose our will or our interest to do it again, and that would be a problem. Because that would only compound the tragedy or tragedies of a future nature as they are now occurring in the Sudan.

Now, Mr. Speaker, I have asked for a couple of things. I think these are central to getting to a resolution in this matter. First of all, we need to know the contracts, and there are somewhere between 30,000 and 60,000 individual contracts. We need to have a listing of the contracts that were involved in the Oil-for-Food program. How much oil was sold at the point of embarkation in the ports of Iraq? How much money was then wired from the buyer of that oil to the escrow account under the control of the United Nations? And then from that escrow account, what were those funds used for, item by item, dollar amount by dollar amount, in purchasing goods for the people of Iraq?

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Somebody earlier, I think the gentleman from New Jersey (Mr. SMITH), mentioned the 661 committee. We need to have a copy of the minutes of the various meetings of the 661 committee. As Members recall, the 661 committee was comprised of the five permanent members of the Security Council and the 10 rotating members of the Security Council. So day after day, week after week, month after month, the Security Council and the 661 committee were the same body. They had regular meetings to review these contracts. Undoubtedly there are minutes of those meetings. We have been told there are minutes of those meetings. We have also been told by the United Nations we may not have copies of the minutes of those meetings, either redacted or not. We are seeking copies of those minutes because in addition to the evidence we have available to us today that shows that the United States brought to the attention of the 661 committee in March of 2001 the potential allegation of fraud or corruption, we would like to know whether or not those allegations were brought to the attention of the 661 committee prior to that point in time and what was done about it. Interestingly enough, one of the previous speakers spoke about the office of internal oversight at the U.N. We have come to find out over the last week or 10 days that there were 55 separate audits of the performance of different contractors under the Oil-for-Food program, both the program as a whole and the individual components. We would like to get a copy of those audits. We have asked for a copy of those audits. We have been told that we may not have them. What we are looking for is a source for those audits. And, in fact, we have found one of those audits. In that audit's recommendations are a list of significant suggested improvements to the manner in which the program is run.

Mr. SHAYS. Mr. Speaker, our staff has been through some of the minutes of the U.N. 661 committee of the Security Council members responsible for the sanction monitoring and oversight of the Oil-for-Food program. Those minutes have told our staff a story of diplomatic obfuscation and an obvious purposeful unwillingness to acknowledge the program was being corrupted. Questions about oil or commodity contracts were dismissed as dubious media rumors beneath the dignity of the U.N. to answer while Saddam was given the undeserved benefit of every doubt. That is what is really striking about this whole program.

Bottom line. After the war in the gulf, after we got Saddam Hussein out of Kuwait, and I would say parenthetically, somehow he never thought we would seek to get him out of Kuwait, he had an obligation. His obligation was to cooperate with U.N. inspectors in terms of chemical, biological and nuclear program. He simply chose not

to. So the sanctions were put in place until he cooperated. The problem was Iraqis were starving and they were not getting their health care. What was obvious to us is Saddam did not care that his own people were dying. He was simply not going to cooperate. In a sense he kind of pushed the world community into doing its best to make sure that Iraqis did not starve and they got some medicine by saying that there would be this Oil-for-Food program that he basically would run with the supervision of the U.N. As has been pointed out, Saddam got to basically choose who could buy from him and he got to choose who he would buy from. He would undersell his oil and then get a kickback because there was so much money to be made in his undervaluing of oil by the parties that could give him a kickback. He would overbuy for commodities as the gentleman from California points out, commodities that were not even necessary, not related to Oil-for-Food. But he did more than that. In some cases he would buy so-called foodstuffs but they were animal stuffs, so they paid far more than would be logical for something that was for animals. In some cases he would purchase things that were never delivered.

One of the things that we are obviously aware of is the U.N. investigation by Mr. Volcker, and I believe he is going to put his heart and soul and is putting his heart and soul in this, he is only looking at the oil surcharges and kickbacks and the humanitarian purchases and only somewhat looking at the \$5.7 billion involved in the smuggling of oil through Syria, Turkey and Jordan.

The problem that we have is the following, and I would love to say this in a more lengthy way by first saying that I have been to Iraq five times since the end of the removal of Saddam. I was there a year ago April, in August, December, January, again in April, four times outside the umbrella of the military. I spoke with everyday Iraqis, literally hundreds of them. I went to an Iraqi wedding of over 400 men in attendance. I had a hard time finding the bride at that wedding. I went and met with religious leaders, community leaders, teachers, businessmen and some businesswomen. I met with the poorest of the poor in their homes. Almost every Iraqi told me thank you for ridding us of Saddam

and in the same breath they would say, and when are you leaving? It was said with a smile and it was said with this eagerness. They wanted us to go as quickly as possible. They had some criticisms of us and I think it is important to note, because the Oil-for-Food program relates to what we are talking about in Iraq. They were suspicious of us because we were the government. No hard feelings but they never had a government they could trust. Why would they trust us? They blamed us for telling them to rebel against Saddam but we left in place the Republican Guard that annihilated so many of their family members. They blamed us for the sanctions and the program of Oil-for-Food because they basically acknowledged the fact that their world was different after the Gulf War. They could not have commerce with other nations, at least legally. They could only get their food and their medicine from Saddam and he gave it out to the people he wanted to give it out to. So many people suffered not just in the early stages before the Oil-for-Food but continually. The Iraqi people were questioning why we broke apart the government and said to the Baathists they could not participate because many of the Iraqis I spoke to had family members that said, how else did you survive in Saddam's world in Iraq unless you could be part of the government, the police or the army? We disbanded all of them.

Mostly they wanted this to be an Iraqi revolution. I say that because I take tremendous satisfaction that this fledgling nation no longer having Saddam, they were the ones that forced the world community to address this issue. They are the ones that forced Kofi Annan to convince the Russians to allow for this investigation. They are the ones that have resulted in Mr. Volcker being hired with a budget and with personnel to do the jobs. The Iraqi people are demanding what happened to \$10.1 billion of their money. It is a good question for us as well, because we have put in far more than that. If they had \$10.1 billion right now, that would be \$10.1 billion we would not have to put into this country.

I am more than grateful that we have moved towards sovereignty for Iraq and I am hoping that when my subcommittee goes into Iraq this August and when we interact with this new Iraqi government that we will get their

continued cooperation in helping us pull away the veil of this unbelievably obscene corruption that was managed by Saddam but basically protected and facilitated by the United Nations and many of its member states, particularly some of the biggest apologists for Saddam, particularly some of those that were most vociferous against our forcing Saddam to cooperate and against our removal of this hideous regime, a regime where hundreds of thousands of people lost their lives and can be found in killing fields all throughout Iraq. When you see an Iraqi clutching the clothes and bones of a loved one whom they can identify by the clothes and by the identifications in their pockets, you have to understand beyond a shadow of a doubt what a noble effort this has been on the part of the United States to have freed them from this regime and how important now it is for the United States to do whatever it can to facilitate this investigation.

I yield to my colleague for any remarks that he would like to make.

Mr. OSE. I thank the gentleman. I think his point about lessons learned, the implicit point that he makes, is an exceptional one, because we have learned here. We have learned that anything we do must be watched very carefully, because the purposes for which it was set up can be hijacked. We have learned that there are people in this world who wish to utilize our charitable efforts or our efforts at building the future prospects of different countries and the opportunity for people around this world to enjoy freedom, we have learned that people will take advantage of that.

One of the things I want to do tonight with permission of the Speaker is to enter into the RECORD the list that was printed in the newspaper in Iraq which I think the gentleman from Connecticut's point was what a remarkable thing that one of the first occasions for a free press to exist in the country of Iraq since the early seventies dug out a potential scandal. What better check and balance can you argue for than the fact that we have reestablished a free press in Iraq to hold the government there accountable. I would like to enter into the RECORD the list of alleged participants in the scheme that was set up by Saddam Hussein and implemented under the auspices of the United Nations.

Recipient	Country	Data	
		Barrels (MM)	Value (\$MM)
The Russian State	Russia	1,366	\$273.2
Zarubezhneft	Russia	175	34.9
Communist Party Companies	Russia	137	27.4
Al-Fayco (Russian Foreign Ministry)	Russia	129	25.8
Rusneft Ampex	Russia	87	17.4
Liberal Democratic Party (Zhirinovskiy)	Russia	80	16.0
LUKoil	Russia	63	12.6
Mastek (Fa'iq Ahmad Sharif)	Malaysia	57	11.4
Amircom (Unity Party/Ministry for Emerge)	Russia	57	11.4
Zan Gaz	Russia	49	9.8
Ibex	France	47	9.4
Mawlana Abd Al-Manan	Bangladesh	43	8.6
Mr. Juan	China	39	7.8
Mujahideen Khaig	United Kingdom	37	7.3
Rosneft Company	Russia	36	7.1
Peace and Unity Party	Russia	34	6.8

Recipient	Country	Data	
		Barrels (MM)	Value (\$MM)
Yatumin (Russian Foreign Ministry)	Russia	30	6.0
Zayn Al-Abideen Ardani	Turkey	27	5.4
Gaspro	Russia	26	5.2
Soyuzneftgaz (Yuri Shafrennik)	Russia	26	5.1
Slayneff	Russia	26	5.1
Nafta Moscow Company	Russia	25	5.0
Trafigura (Patrick Maugein)	France	25	5.0
Roberto Formigoni	Italy	25	4.9
Elkon [or Elcon]	Switzerland	23	4.6
Al-Huda	United Arab Emirate	23	4.6
Onaco Company	Russia	22	4.4
Socialist Party	Yugoslavia	22	4.4
Sidanco Company	Russia	21	4.2
Finar (Holdings)	Switzerland	21	4.2
Salvatore Nicotra	Italy	20	4.0
Romain (son of former ambassador to Ba	Russia	20	3.9
George Galloway/Nawaf Zuraikat	United Kingdom	19	3.8
Awadh Ammura	Syria	18	3.6
Noresco	China	18	3.5
Bassim Qagish	Spain	18	3.5
Muhammad Al-Hawny	Cyprus	17	3.4
Michel Grimard	France	17	3.4
Khaled Gamal Abd Al-Nasser	Egypt	17	3.3
Italian Party	Yugoslavia	16	3.2
Techfen	Turkey	16	3.1
Leith Shbeilat	Jordan	16	3.1
Franco-Iraqi Friendship	France	15	3.0
Alias Al-Gharzali	France	15	2.9
Belminal Company	Belarus	14	2.8
Ancom Co (Muhammad Shatta)	Egypt	14	2.8
Imad Al-Jilda	Egypt	14	2.8
Hamad bin Ali Al-Thani	Qatar	14	2.8
Biorg	China	14	2.7
Nefta Petroleum	Cyprus	13	2.6
Zank Ronk	China	13	2.6
Nikolay Ryzhkov	Russia	13	2.6
Muhammad Aslan	Turkey	13	2.6
Russneft-Gazexport	Russia	13	2.5
Russian Association of Solidarity with Iraq	Russia	13	2.5
Fa'iq Ahmad Sharif	Malaysia	13	2.5
The Socialist Party of Bulgaria	Bulgaria	12	2.4
Beshara Nuri	Syria	12	2.4
Charles Pasqua	France	12	2.4
Glencore	Switzerland	12	2.4
Sevan	Panama	12	2.3
Abu Al-Abbas	Palestine	12	2.3
Ahmad Mani Sa'id Al-Utaiba	United Arab Empire	11	2.2
Riyadh Al-Taher	Ireland	11	2.2
Chief of the President's Bureau	Belarus	6	1.2
Jean-Bernard Merimee	Russia	5	1.0
de Souza	France	11	2.2
Ghassan Shallah	France	11	2.2
Samir Vincent	Syria	11	2.2
Muhammad Othman Sa'id	U.S.A.	11	2.1
Fuad Sirhan	Kenya	11	2.1
Javier Robert	Brazil	10	2.0
Arthur Millholland	Spain	10	2.0
Left Party	Canada	10	1.9
Transneft	Yugoslavia	10	1.9
Al-Rashid International (Ahmad Al-Bashir)	Russia	9	1.8
Kokostancha Party	Jordan	9	1.8
Imvume Management (Sandy Majali)	Yugoslavia	9	1.8
Hamida Na'na	South Africa	9	1.8
Uralinvest (Stroyev)	Syria	9	1.8
Social Democratic Party	Russia	9	1.7
Caspian Investment	Ukraine	9	1.7
ADDAX	Russia	9	1.7
Sibneft	France	8	1.7
Taurus	Russia	8	1.6
Samasu	Switzerland	8	1.6
Abdullah al-Hourani	Sudan	8	1.6
Neftogas	Palestine	8	1.6
Megawati	Ukraine	8	1.6
Abd Al-Karim Al-Aryani	Indonesia	8	1.6
Raz Company	Yemen	8	1.6
Kamaneft Company	Nigeria	8	1.5
Jewan Oil	Russia	8	1.5
Hayson	United Arab Emirate	8	1.5
Abdallah Al-Sallawi	Nigeria	7	1.4
Hawala	Morocco	7	1.4
Zayyad Al-Ragheb	Malaysia	7	1.4
Shaker Al-Khaffaji	Jordan	7	1.4
George Tarkhaynan	U.S.A.	7	1.4
Shaher Abd Al-Haq	Lebanon	7	1.4
Muhammad Salah	Yemen	7	1.4
Mahmoud Mahdi Al-Ma'sarawi	Egypt	7	1.4
Madex Petroleum	Egypt	7	1.4
Shaker bin Zayd	Tunisia	7	1.3
Russian Committee of Solidarity with the P	Jordan	7	1.3
Mr. Feloni	Russia	7	1.3
Abd Al-Adham Manaf	Italy	7	1.3
Fawwaz Zuraikat	Egypt	6	1.2
Vinafod	Jordan	6	1.2
Ghassan Zacharia	Vietnam	6	1.2
Ukraine Communist Party	Syria	6	1.2
Stroyneftgas	Ukraine	6	1.2
Liberal Party	Russia	6	1.2
Fakhri Qa'war	Belarus	6	1.2
Adel Al-Jablawi (I.N.M. Airways)	Jordan	6	1.2
Shukri Ghanem	Russia	6	1.2
Farras Mustapha Tlass	Libya	6	1.2
Arab Company limited	Syria	6	1.2
Nadhel Al-Hashemi	Egypt	6	1.2
Romanian Labor Party	Morocco	6	1.1
Biham Singh	Romania	6	1.1
Issa bin Zayed Al-Nahyan	India	6	1.1
Liberation Organization (Political Bureau)	United Arab Emirate	5	1.0
Shanfari Group	Palestine	5	1.0
Hugh Company (Sokolov)	Oman	5	1.0
Russian Orthodox Church	Ukraine	5	1.0
	Russia	5	1.0

Recipient	Country	Data	
		Barrels (MM)	Value (\$MM)
Khrozolit	Russia	5	1.0
Popular Front for the Liberation of Palestine	Palestine	5	1.0
Petrogas	Switzerland	5	1.0
Ministry of Energy (Jordan)	Jordan	5	1.0
Minister of Forestry	Myanmar Federation	5	1.0
Hungarian Interest Party	Hungary	5	0.9
Father Benjamin	Italy	5	0.9
Akht Neft Company	Russia	5	0.9
President Lehoud's son	Lebanon	5	0.9
Orshansky	Ukraine	5	0.9
October 8 Movement (Chavez)	Brazil	5	0.9
Muhammad Hilmi	Egypt	5	0.9
Trader Babar	Malaysia	4	0.8
Muhammad Amin Rayis	Indonesia	4	0.8
Tokyo Saxwele Holdings (MVL)	South Africa	4	0.8
The Duleimy Group	Qatar	4	0.8
Muhammad Me'moun Al-Sab'i	Syria	4	0.8
Surgut Neftegaz	Russia	4	0.8
Sultan bin Zayed Al-Nahyan	United Arab Emirate	4	0.8
Muhammad Saleh Al-Hourani	Jordan	4	0.8
Liberation Organization	Palestine	4	0.8
Mashhur Haditha	Jordan	4	0.8
IOTC (Claude Caspert)	France	4	0.8
Montega	South Africa	4	0.8
Mayudor	Tunisia	4	0.8
Belfarm Company	Balarus	4	0.8
Indian Congress Party	India	4	0.8
Pitmall Company	Malaysia	4	0.8
Comeback	Nigeria	4	0.8
Omni Oil	South Africa	4	0.8
Farnaco	Tunisia	4	0.7
Zuhair Al-Khatib	Lebanon	4	0.7
Zarabsneft (Gobkin University)	Russia	4	0.7
Wafa Tawfiq Sa'igh	Palestine	4	0.7
Muhammad Amar Nofel	Syria	4	0.7
Lid Guarantees	Syria	4	0.7
Moscow Science Academy	Russia	4	0.7
Salim Al-Toon	Syria	4	0.7
Zarbsheft & Gas (Mr	Russia	3	0.6
Makram Hakim	Indonesia	3	0.6
Osama Ma'ruf	Lebanon	3	0.6
Ali Al-Muslim Company	Bahrain	3	0.6
Nile & Euphrates Co	Egypt	3	0.6
Trader Nafta	Russia	3	0.6
Tojan Faisal	Jordan	3	0.6
Faisal Darniqa	Lebanon	3	0.6
Sy Bolt	Netherlands	3	0.6
Philippines Production Group	Philippines	3	0.6
Najah Company	Saudi Arabia	3	0.6
Chad Foreign Minister	Chad	3	0.6
Najah Wakim	Lebanon	3	0.6
Salem Al-Na'ass	Jordan	3	0.6
Russian National Democratic Party	Russia	3	0.6
International Company for Trade and Investment	Lebanon	3	0.6
Napex Company	Switzerland	3	0.6
Ozia	Turkey	3	0.5
Lutfi Fawzi	Syria	3	0.5
Lada Company	Belarus	2	0.4
Fadi Al-Alamiyya (International) 2 million	Lebanon	2	0.4
Darlink Med	Vietnam	2	0.4
Fazmash Ampex	Ukraine	2	0.4
Media	Switzerland	2	0.4
Maqdar Sarjeen	Turkey	2	0.4
F.T.D.	Ukraine	2	0.4
Natuna Oil	Indonesia	2	0.4
Asiss Company	Saudi Arabia	2	0.4
Megawati Sukarnoputri	Indonesia	2	0.4
Gulf Petroleum	Qatar	2	0.4
Samir	Turkey	2	0.4
Concrete Contracting Company	Bahrain	2	0.4
Laka	Switzerland	2	0.4
Nordvest Group	Russia	2	0.4
International Multaga Foundation	Egypt	2	0.4
Zayyad Yaghmour	Jordan	2	0.4
Hawa Atlantic	Indonesia	2	0.4
Arak Paul	Bulgaria	2	0.4
Delta Service	Switzerland	2	0.4
Afro-Eastern	Ireland	2	0.4
Yukos	Russia	2	0.4
B.B. Energy	Lebanon	2	0.4
Anwar Al-Aqqad	Syria	2	0.4
Energy Resources	Ukraine	2	0.4
Petroleum Wells Maintenance	Qatar	2	0.4
Petrolina Oil	Qatar	2	0.4
Hassan Al-Kayal	Syria	2	0.4
Haitham Seidani	Lebanon	2	0.4
Socialist Party of Ukraine	Ukraine	2	0.4
Chechna Administration	Russia	2	0.4
Grand Resource	Jordan	2	0.4
Al-Hami Bashanti Foundation	Egypt	2	0.4
Muhtashem	Turkey	2	0.4
Kadherm Al-Darazi Company	Bahrain	2	0.4
Fal Petrol	United Arab Emirate	2	0.4
KCK Company	Turkey	2	0.3
Tawfiq Abd Al-Raheem	Yemen	2	0.3
Vinapco	Vietnam	1	0.2
Mishinoimport	Russia	1	0.2
Delta Petroleum	Turkey	1	0.2
Thai Rice Trader Jaiporn	Thailand	1	0.2
South Holken	China	1	0.2
A.A.G. Company (Nigerian Ambassador)	Nigeria	1	0.2
Tatneft	Russia	1	0.2
The Ukrainian House	Ukraine	1	0.2
Slovak Communist Party	Slovakia	1	0.2
Lutfi Dughan	Turkey	1	0.2
Fim Oil Company	Lebanon	1	0.2
Plant [Blunt?] Petroleum	Lebanon	1	0.2
Sita	Turkey	1	0.2
Trans Isko	Ukraine	1	0.2
Tamam Shehab	Syria	1	0.2
Ali To'ma	Lebanon	1	0.2

Recipient	Country	Data	
		Barrels (MM)	Value (\$MM)
Delf Aderlink	Romania	1	0.2
Fidelity Torkov	Ukraine	1	0.2
IPS (Italian Petroleum Assoc)	Italy	1	0.2
Al-Hilal Co (Adnan Al-Hanani)	Lebanon	1	0.2
Wamidh Hussein	Jordan	1	0.2
Siberia Oil & Gas company	Russia	1	0.2
Iblom	Switzerland	1	0.2
Sipol	Switzerland	1	0.2
Continental	Cyprus	1	0.2
Bony Fiol	United Arab Emirate	0	
West Petrol	Italy	0	
O.S.C.	Vietnam	0	
Hetralk	Italy	0	
Abu Abd Al-Rahman	Pakistan	0	
Millenium	United Arab Emirate	0	
Petroleum Prdoucts Co	Sudan	0	
Oil & Gas Group	Pakistan	0	
Sayyed Azzaz	Pakistan	0	
Belarus Communist Party	Belarus	0	
Grand Total		4,044	\$808.8

Finally, I want to close my portion of this by just reminding everybody that when the Security Council set this scheme up, they charged the Secretary-General with the responsibility of oversight. In fact, they said that the Secretary-General is "required to supervise the sale of Iraqi oil and to monitor the spending of the proceeds on specific goods and services for the benefit of the Iraqi people." Ladies and gentlemen, Congress is entitled to ask in response to these allegations, where was Kofi Annan when this was going on? Exactly what was he doing? What issue was he dealing with that was more important than the welfare of the Iraqi people that was to be funded from this program? The fact of the matter is, there was not anything else he was doing that was more important. There was nothing else he was doing that was more important. The danger in not addressing this situation and bringing transparency and accountability to it is that we will replay this over and over and over again to the detriment of the peoples of various other countries that struggle to make it in this world. I thank the gentleman from Connecticut.

Mr. Speaker, the following are excerpts from the U.N. Goals—Preamble:

We the peoples of the United Nations determined:

to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and

to promote social progress and better standards of life in larger freedom,

to unite our strength to maintain international peace and security

Mr. Speaker, the Oil for Food Program contradicted all of these principles stated in the United Nations preamble and tarnished the reputation of this important international organization. Throughout the past year, the scandal, corruption and deception that was blatantly ignored by the U.N. for over 7 years was finally exposed.

The U.N.'s Preamble mentions a goal of unifying countries in order to strengthen international peace and security. Mr. Speaker, we succeeded in strengthening Saddam's terror regime through this U.N. administered Oil for Food Program.

Lack of disclosure of documents, contracts, and audits, as well as lack of oversight of

Iraq's dictatorial, abusive and corruptive leader—Saddam Hussein—led to the most corrupt U.N. program in the history of the U.N.

Benon Sevan, executive director of the Iraq Program, reported to the U.N. 661 Committee in July of 2001 that the U.N. was doing its best to "cut costs in order to make additional funds available to the humanitarian program," with respect to the 2.2 percent oil export revenue the U.N. received for administrative and operational costs. However, audits reveal that the U.N. Iraq Program wasted funds by not charging the primary contractor, Cotecna, for office space, equipment, and medical services. The U.N. Oil for Food program paid Cotecna for staff that didn't show up to work and amassed fees for not paying bills on time.

Mr. Speaker, the U.N. Iraqi Program did not re-open the bidding process when contractors raised their costs to estimates equal to the second lowest bidders after contracts were awarded. The U.N. Board of Audit's 1997 report revealed that the first inspection contractor successfully added new inspection employees at \$1,275 per day versus the original contract price of \$770. No re-bid was required. A year later, in January 1998, Cotecna unilaterally increased its per-man-day fee by 20 percent from \$499 to \$600, the rate of the next lowest bidder. Despite the U.N.'s failure to keep costs down, they still received 2.2 percent for every recorded oil barrel Saddam sold.

Mr. Speaker, the U.N. lacks the accountability and transparency that is required to ensure faithful execution of its programs. In 1997, OIP hired Cotecna to verify and confirm the commodity, value, quantity and quality of supplies arriving in Iraq in accordance with the requirements of the 661 Sanctions Committee resolutions. The U.N. Board of Audit's 1998–2002 reports, the 2002 OIOS audit, and OIP field missions reported that Cotecna provided insufficient numbers of point-of-entry inspectors and failed to deliver, inspect, sample, verify and report goods imported into Iraq. Instead, Cotecna relied on suppliers for data and documents, such as cargo manifests.

Furthermore, neither Kofi Annan nor Cotecna bothered to declare a possible conflict of interest, considering the Secretary-General's son had worked for Cotecna.

In a statement made by Secretary-General Kofi Annan on the closure date of the Oil for Food Program, Mr. Annan stated that the Secretary General is, "required to supervise the sale of Iraqi oil, and to monitor the spending of the proceeds on specific goods and services for the benefit of the Iraqi people." Mr.

Speaker, where was Kofi Annan when Saddam scripted and carried out his scheme to skim off millions of dollars from oil sales and to buy junk instead of legitimate humanitarian goods from his cronies abroad?

Additionally, the 661 Commission, made up of members of the Security Council, was responsible for overseeing contracts, yet only the United States and Britain voiced concerns about potential fraud within the program. China, France and Russia remained silent in order to protect their interests in the extensive lucrative contracts that Saddam was offering them. We are not asking that the United Nations be dissolved, for we value cooperation and friendship among nations. However, we will not allow this organization which is supposed to be a beacon of "justice and respect for the obligations arising from treaties and other sources of international law," to turn a blind eye to the scandals of this failed program.

We respect the Volcker commission for their investigation but are skeptical that with the track record of U.N. inaccessibility and lack of disclosure with regard to this Oil for Food Program, they will be given full access to the information they need. Mr. Volcker does not have subpoena power over the U.N. Nor does he have subpoena power over the former Baathist regime or the thousands of contractors that may have participated in the fraud. Lastly, Mr. Volcker cannot subpoena the government or various involved companies from China, France and Russia. We are demanding full cooperation and disclosure of all relevant documents by the United Nations, U.S. agencies or any international organizations affiliated with the Oil for Food Program. Let's restore faith in the U.N. by restructuring the organization to include more accountability and transparency in order to prevent this type of scandal from occurring again.

In his 2001 speech to the U.N. 661 Committee, Sevan stated that given security concerns and the arduous lifestyle in Iraq, he found it odd hearing that "a mission to Iraq is one of the most cherished and sought-after assignments by the United Nations Secretariat staff." Well, Mr. Speaker, it may not have been so odd after all.

Mr. SHAYS. Mr. Speaker, with the 2 minutes or so I have left, I would just like to summarize. From its inception in 1996, the United Nations Oil-for-Food program was susceptible to political manipulation and financial corruption. Trusting Saddam Hussein to exercise

sovereign control over billions of dollars of oil sales and commodity purchases invited illicit premiums and kickback schemes now coming to light. But there is still much that is not known about the details for the Oil-for-Food transactions and that is why our committee and other committees of Congress are investigating.

This much we know, something went wrong. Saddam Hussein's regime reaped an estimated \$10.1 billion from this program, \$5.7 in smuggling oil and \$4.4 in oil surcharges and kickbacks on humanitarian purchases through the Oil-for-Food program. There was just simply no innocent explanation for this. We want the State Department and the intelligence community and the U.N. to know there has to be a full accounting of all Oil-for-Food transactions even if that unaccustomed degree of transparency embarrasses some members of the Security Council. I appreciate Kofi Annan's call to me to tell me that he wanted to restore faith in the ability of the U.N. to do its job and subsequent appointment of Paul Volcker to lead an independent panel.

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But we know Mr. Volker has to depend on the goodwill of the U.N., and we do not have the kind of faith where we believe that some in the U.N. will cooperate, since they were so clearly involved in these illegal acts. But we also need to know more than just what happened at the U.N. We also need to know what happened at the U.S. mission, we need to know what our intelligence community knew and now knows. We need their cooperation as well.

A CRITIQUE OF RICHARD B. CHENEY, VICE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. BURNS). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes.

Mr. PALLONE. Mr. Speaker, almost immediately after Senator KERRY chose Senator EDWARDS of North Carolina as his Democratic running mate, the Republican attack dogs were out in full force. The most popular Republican attack was that JOHN EDWARDS does not have the experience to be vice president, and the second most popular, JOHN EDWARDS represents the interests of the trial lawyers.

Mr. Speaker, I ask the American people, has DICK CHENEY's experience paid off for them over the last 3 years? Tonight, I will try to highlight how Vice President CHENEY's experience in the corporate world has led to administration policies that benefit the corporate interests over the interests of all Americans.

I want to start by talking about Halliburton. After spending several decades in Washington here in the House and working for several Republican ad-

ministrations, DICK CHENEY went to Texas in 1995 to run Halliburton. On his watch, Halliburton conducted business with Iraq, Libya and Iran, three countries that at that time supported terrorism and were under strict sanctions from the United States. Despite these sanctions, CHENEY's Halliburton did business with all three countries.

During the 2000 campaign, CHENEY said, "I had a firm policy that we wouldn't do anything in Iraq, even arrangements that were supposedly legal." But while CHENEY was running Halliburton, two of its foreign subsidiaries sold millions of dollars worth of oil services and parts to Saddam Hussein's regime.

Vice President CHENEY ran a company that did businesses with companies that supported terrorism. Is the kind of experience Republicans are pointing to in lauding their vice president?

CHENEY continued to support his former company when he came to Washington as the vice president. We all know that the war in Iraq has been a financial windfall for Halliburton.

We also learned last month, Mr. Speaker, that in the months leading up to the war in Iraq, an undersecretary of defense had a meeting with members of the Bush administration, including the vice president's Chief of Staff, Lewis Libby, in which the undersecretary notified Libby and the others that Halliburton would be awarded a \$1.9 billion defense contract. This meeting contradicts a statement made by Vice President CHENEY last September on Meet the Press in which CHENEY said, "I don't know any of the details of the contract, because I deliberately stayed away from any information on that."

Yet, Mr. Speaker, his own Chief of Staff attended a meeting six months before the war in which secret contingency plans for the Iraqi oil industry that focused only Halliburton were discussed.

Does Vice President CHENEY want the American people to believe that his main staffer, his chief of staff, was at a meeting where contracts for Halliburton were discussed, but that he, the vice president, was never informed about them?

The primary reason Halliburton received billions in no-bid contracts from the Bush administration can be attributed clearly to the cozy relationship between CHENEY and Halliburton. And despite all the problems Halliburton has faced over the last year, the vice president continues to be an unyielding, positive spokesman for the company.

In 2002, CHENEY said, "Halliburton is a fine company and I am pleased that I was associated with the company." I wonder if Vice President CHENEY thought Halliburton was a fine company after it was forced to acknowledge knowledge that it accepted up to \$6 million in kickbacks in its contract work in Iraq? Or does the vice president think that Halliburton is a fine

company now, now that it is under scrutiny over allegations of overcharging the government \$61 million in Iraq? Or was the vice president pleased with his old company's conduct when it received several warnings from the Pentagon that the food it was serving U.S. troops in Iraq was dirty?

Perhaps the vice president overlooks these abuses of our troops and the American taxpayers because he continues to receive money from Halliburton.

Vice President CHENEY tried to squash a story when he appeared on Meet the Press last year. The vice president stated, "And since I left Halliburton to become George Bush's vice president, I have severed all my ties with the company, gotten rid of all my financial interests. I have no financial interests in Halliburton of any kind, and haven't had now for over 3 years."

But despite the vice president's claims, the Congressional Research Service issued a report earlier this year concluding that because CHENEY receives a deferred salary and continues to hold stock interests, he still has a financial interest in Halliburton. In fact, if the company were to go under, the vice president could lose the deferred salary, a salary he is expected to continue to receive this year and next year.

While losing around \$200,000 a year might not put a big dent in the vice president's wallet, he clearly still has a stake in the success of Halliburton.

And the vice president also neglects to mention that he continues to hold more than 433,000 stock options with Halliburton. The Congressional Research Service reports that these stock ties "represent a continuing financial interest in those employers which makes them potential conflicts of interest."

So the vice president misrepresented what he and his staff knew about the initial no-bid contract, as well as continued financial interests in Halliburton. And I ask again, Mr. Speaker, do we want a vice president who continues to benefit from a company that is essentially robbing the American taxpayers of millions of dollars? Is this the kind of leadership Republicans are touting when they praise CHENEY's leadership abilities?

I could go on. I would like to talk briefly, I see that my colleague from Washington is joining me tonight, I would like to talk a little bit about the link between al Qaeda and Iraq and the vice president's comments on that, because sometimes I think, Mr. Speaker, the Republicans admire Vice President CHENEY's tenacity for refusing to accept, despite all the evidence to the contrary, that there is a connection between al Qaeda and Iraq.

Last week, as we know, the Senate Intelligence Committee's report concluded that even though the CIA repeatedly told the White House it did not have any strong evidence linking Iraq to al Qaeda, CHENEY and the rest