

INDEPENDENT INQUIRY COMMITTEE
INTO
THE UNITED NATIONS OIL-FOR-FOOD PROGRAMME

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November 16, 2004

His Excellency
Kofi Annan
Secretary-General
United Nations
New York, NY 10017

The Honorable Norm Coleman
Chairman
Permanent Subcommittee on Investigations
Committee on Governmental Affairs
U. S. Senate
Washington, DC 20510

The Honorable Carl Levin
Ranking Minority Member
Permanent Subcommittee on Investigations
Committee on Governmental Affairs
U.S. Senate
Washington, DC 20510

Dear Secretary-General,
Dear Senator Coleman,
Dear Senator Levin,

My colleagues and I have read the letter of November 9 from the Chairman and Ranking Minority Member of the Permanent Subcommittee on Investigations of the United States Senate Committee on Governmental Affairs raising important questions about the disclosure of information relevant to the investigation of the United Nations. We members of the Independent Inquiry Committee for the United Nations Oil-for-Food Programme wish to convey to you our approach and policies insofar as release of internal U.N. information and access to U.N. personnel is concerned.

I begin with a fundamental point. The members of my Committee, drawn from different parts of the world, share a common view. The United Nations – essentially created by the United States at the end of World War II – is the symbol and embodiment of the need for international cooperation on many levels. Now, serious

allegations have been made about its decision-making processes, administrative performance, and ethical standards.

Those charges demand a response – a full, unbiased, definitive disclosure of the evidence and of other findings. That is the responsibility of our Committee, an investigation specifically authorized by Resolution 1538 (2004) of the Security Council introduced by the United States itself. We mean to discharge that responsibility, wherever the facts may lead.

I, and my fellow Committee members, accepted that heavy responsibility in the firm belief that a fully credible report is in the interest of the United Nations and all its member states as they consider steps to reform the institution and enhance its usefulness.

The particular issues raised by Chairman Coleman and Senator Levin have been the subject of discussion between the U.N. and our Committee from the start of our work. It was on the basis of those discussions that we formulated our approach toward disclosure.

The United Nations is an international body with responsibility for the most sensitive matters of international security. As such, it must balance the desirability for transparency and disclosure with its responsibilities to all member states and the need to maintain confidentiality in its internal deliberations. In general, as we understand established policies, the U.N. does not make such internal confidential information (or similar information from its contractors) available to a particular member state, or in response to investigations by a particular member state. Indeed, any other policy would appear to impair gravely decision-making and personnel loyalties within the organization. The request from the Senate Committee (and likely similar requests from several other Congressional Committees) and from other interested investigatory bodies in the United States and elsewhere needs to be considered in that light.

The policies of our Committee are designed to reconcile essential and desirable transparency and disclosure in our work with the need to conduct our investigation with the degree of confidentiality and simple fairness necessary in investigations into allegations of serious mal-administration, misfeasance, and personal corruption – reinforced in this instance by serious charges affecting member states themselves.

The stated policy of the Committee, consistent with these understandings, is that our reports and findings will be accompanied by disclosure of all evidence bearing on those findings. (The only exception would be evidence received with the clear understanding that the source of such information not be revealed, a qualification essential to achieving cooperation for a full and complete investigation.) We anticipate these disclosures will include the documentary evidence explicitly mentioned in the Senate letter, certainly including the internal (and external) audit reports.

What appears primarily at issue is the timing of such disclosures. Our consistent position is that we are prepared to release such documents or other evidence as consistent, but only as consistent, with our basic investigator

requirements. The clear purpose is to avoid potentially misleading and incomplete information that could impair ongoing investigation, distort public perceptions, and violate simple concerns of due process. Consequently, we believe any consideration of the release of U.N. documents must be considered in this light.

I would point out that our investigation has made extensive progress and we are continuing to adhere to an ambitious timeline in the aggressive pursuit of the discharge of our mandate. We plan one or more interim reports as we reach conclusions about discrete parts of our investigation.

Specifically, we are currently analyzing the procedures and decisions with respect to the choice of OFF Programme inspection and bank contractors (among them Lloyds Register), a sensitive area involving allegations of bribery or undue influence. Findings are anticipated by January. In the same timeframe we anticipate findings with respect to the handling of administrative expenses of the OFF Programme, with relevant documentary information. Release of all internal and external OFF Programme audit documentation at that time should be consistent with our general guidelines.

A few weeks ago, after reconciliation and preliminary analysis, we published definitive lists of all contractors engaged in either oil purchases or sales of humanitarian goods under the Programme. Our purpose in part was to assist investigators in all countries in identifying entities which may be of relevance in their own jurisdictions.

In that vein, we have indicated to authorities in individual countries investigating possible criminal activity that we would endeavor to respond to specific requests for further information about particular cases, consistent with our own investigative requirements and principles.

These plans and procedures of the IIC provide, I believe, a basis for satisfying in a reasonable and cooperative spirit the requirements of the Senate Subcommittee and other investigative authorities here and abroad.

As we have previously announced, we aim to complete a definitive report on the internal management of the OFF Programme by the middle of the next year. By "internal management" we mean the program planning and initiation, the administration by the Secretariat and other U.N. agencies, and the oversight by the Security Council and its 661 Committee. We fully anticipate that the findings at that time will be accompanied by release of substantially all documents relevant to those findings in the Committee possession. Examination of those documents and independent information (including that becoming available in Iraq) will provide a basis for Congressional and public review of our conclusions.

There is also a wide area of inquiry that is bound to extend beyond mid-2005 and extends far beyond the administrative boundaries of the United Nations. We refer to the allegations of bribery, surcharges, kickbacks, and other corrupt activity by purchasers of Iraq oil, sellers of humanitarian goods, Iraqi officials and residents of

member states, all of which, in our first conversation, Chairman Coleman indicated would be of priority interest to the Committee.

Those allegations are also matters of direct interest to the IIC, given that the illicit activity may have been made possible by the structure of the Programme and lapses in the U.N. administration. They are also of direct interest to national law enforcement bodies.

As indicated earlier, we look forward to mutual cooperation with national authorities, including those in Iraq, involving such specific cases.

As we approach these areas of cooperation, we must express our concern about the apparent desire of the Committee to require personnel of the United Nations (including "experts" with whom it has contracted) to appear before it and its investigative staff, apparently asking them to forego their United Nations immunities. For a U.N. official to appear before the Subcommittee in the current, highly charged environment, would plainly risk ending prospects for their cooperation with our Committee and with subsequent potential criminal investigations.

What we do need is the cooperation of member states and its agencies, of the Security Council from which our authority is derived, and most particularly its permanent members. When necessary, the confidentiality of our investigation needs to be safeguarded. When possible and consistent with a full and fair investigation, we will make disclosures of our evidence.

We are committed to report our findings and the evidence to the Secretary General for transmittal to the Security Council, on the clear understanding the report will be public. The disclosure to which we are committed is, to the best of my knowledge, unprecedented for any international organization. Transparency is our ultimate objective, in the firm belief that a fully verifiable, credible report is in the interest of the United Nations and of all its member nations.

Sincerely,



Paul A. Volcker