

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

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PRESS RELEASE

INDEPENDENT INQUIRY COMMITTEE ANNOUNCES COMPANIES INVOLVED IN PURCHASES OF IRAQI OIL AND EXPORT OF GOODS TO IRAQ

The Independent Inquiry Committee into the United Nations Oil-for-Food Programme (the Committee) today publishes comprehensive tables of companies participating in purchases of Iraqi oil and the sale of humanitarian and other goods to Iraq under the Oil-for-Food Programme (the Programme).

The tables referred to accompany this release. The tables will also be available on the Committee's website as will a separate briefing paper also being released today. (www.iic-offp.org). All amounts in this release, and in the tables and briefing paper, are in U.S. dollars.

Based on a thorough reconciliation of U.N. internal records, bank payment data, and Iraqi reports, the Committee's information indicates that:

- 248 companies received and paid for Iraqi oil under contracts totaling \$64.2 billion dollars equivalent;
- 3,545 companies exported goods to south and central Iraq, receiving payment totaling \$32.9 billion dollars equivalent.

A further 941 companies are identified by name only for exports to northern Iraq. These companies contracted under the Programme in a separate arrangement administered by U.N.-related agencies. This table will be supplemented as a full reconciliation of available data sources is completed.

The decision of the Committee to release this data conforms to its general policy of providing information when consistent, and only when consistent, with its responsibility for thorough and impartial investigation. In that connection, the Committee emphasizes:

- Participation in the Oil-for-Food Programme on either the import or export side does not in itself carry an implication of illicit, unethical, or corrupt behavior.
- In some instances, companies listed are subsidiaries or affiliates of other companies that may be operating in other national jurisdictions. Some of these entities appear to have acted as intermediaries for purchasers or vendors under the Programme and some may no longer exist.

These and other matters are under continuing investigation by Committee staff and, in some instances, by national authorities. The Committee is prepared to cooperate with other authorities to the extent consistent with its own investigation and confidentiality.

The Committee invites any of the entities identified in the accompanying tables or others with relevant information to contact the Committee at (877) 442-3500.

Summary statistics

Summary statistics on both exports and imports under the Oil-for-Food Programme and the disposition of funds are provided in the attached tables.

In total, flows of funds into the Programme's accounts totaled \$69.5 billion, consisting of \$64.2 billion from oil exports, \$3.1 billion from interest, and \$2.2 billion as a result of currency exchange gains.

Payments from those accounts, through of June 30, 2004, totaled \$68.4 billion, as shown in the table below. Imports into southern and central Iraq amounted to \$32.9 billion. Expenditures in northern Iraq were \$6.1 billion. Funds for compensation of victims of the invasion of Kuwait by Iraq amounted to \$18.0 billion. Administrative expenses totaled \$0.9 billion, and arms inspectors, pipeline tariffs, and the reimbursement of frozen asset funds totaled \$1.9 billion. In 2003 and 2004, \$8.6 billion was transferred to the Iraq Development Fund. The remaining \$1.1 billion is divided among the account for the purchase of humanitarian goods, \$0.5 billion, the administrative account, \$0.2 billion, and the account for arms inspections \$0.4 billion.

	(billions)
Total Revenues	\$69.5
Less: Expenditures in South/Central Iraq	(32.9)
Expenditures in Northern Iraq	(6.1)
Operational and Administrative Expenditures	(0.9)
Arms Inspectors/Pipeline/Frozen Assets	(1.9)
Total OFF Expenditures	(41.8)
Less: Transfers to U.N. Compensation Commission	(18.0)
Transfers to Development Fund for Iraq	(8.6)
Remaining Fund balance	<u>\$1.1</u>

Investigative Approach

The Committee is well aware of data which has been made public by other investigations. However, as a matter of basic investigative approach, the Committee will not report allegations or reach findings of corruption or maladministration until a thorough investigation of the facts has been completed. That investigation will include providing persons or companies against whom adverse findings may be made with an opportunity to present relevant information for the Committee's consideration prior to issuing its findings.

The Committee is charged as a matter of priority to make a definitive and comprehensive report on the formation and the implementation of the Programme by the various arms of the U.N. (the Security Council, the Secretariat, and various operating agencies). It is aiming to make such a report by the late spring of 2005. Interim reports may be made on specific issues as conclusions are reached, including allegations of corruption by U.N. officials.

The Committee is also aware of widely reported practices of smuggled oil exports and the importation of goods by Iraq outside the framework of the Programme. The Committee is concerned with determining the extent to which smuggling was known to the members of the Security Council, other U.N. authorities, and U.N. contractors, as well as their response to such information.

Independence and Administration of the Independent Inquiry Committee

While formed at the initiative of the Secretary-General Kofi Annan and authorized by resolution of the Security Council, the Committee is administered independently. Personnel decisions, internal management (including budgeting) and investigatory priorities are entirely the responsibility of the Committee. The Committee has its own offices apart from the United Nations.

Financing is provided by the U.N. in accordance with an estimate of the Committee as to its needs. By decision of the U.N., that funding is largely provided by funds made available for administering the Programme.

At present, there are 65 members on the Committee staff drawn from 22 countries. The staff is organized into teams responsible for particular investigatory priorities, under the leadership of the Executive Director and four lead investigators/forensic accountants.

It is anticipated that a limited number of investigators may be added, partly to reinforce small offices in Paris and Baghdad.

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October 21, 2004