

Ahmed Chalabi and the “liberation” of Iraq

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With its lies about weapons of mass destruction and Al Qaeda connections fully exposed, the White House is now arguing that its criminal war on Iraq is being waged to bring liberation and democracy to the Iraqi people. “America’s objective in Iraq is limited and it is firm,” declared President Bush at a recent press conference. “We seek an independent, free and secure Iraq.”

The fraudulent nature of this “independence” and “freedom” is embodied in the figure of Ahmed Chalabi, one of the nine rotating presidents on the so-called Iraqi Governing Council. While Chalabi is routinely presented in the US media as a legitimate representative and spokesman for the Iraqi people, he is a well-known US stooge and a convicted criminal.

Inside Iraq, as well as throughout the Arab world, Chalabi is regarded as a cynical careerist, wholly subservient to US interests. His position is so compromised in the region that even the US Central Intelligence Agency and State Department have come to regard him as a liability.

That the White House has actively promoted Chalabi further underscores the neo-colonialist nature of the US-led occupation of Iraq.

Ahmed Chalabi was born in 1945 into one of the wealthiest and best connected families in Iraq. A number of Chalabis held high-ranking government posts under the monarchy installed by the British colonialists. Ahmed’s grandfather served in several Iraqi cabinets, while his father was president of the ceremonial senate.

The Chalabis amassed a considerable fortune under the monarchist dictatorship. Ahmed enjoyed a privileged upbringing, and was educated by American Jesuits at Baghdad College. The 1958 coup that saw the overthrow of the monarchy threw the Chalabi family into turmoil. They quickly fled Iraq and went into exile, living at different times in England, Jordan and the United States.

Ahmed resumed his education abroad, going on to study mathematics at the Massachusetts Institute of Technology. In 1969 he received a doctorate from the University of Chicago and then took up an academic post in the American University of Beirut.

This job was nothing but a temporary arrangement. From an early age, Chalabi had been groomed for a life of power and wealth. His burning ambition for a successful career in politics and business precluded a life in academia.

While in Lebanon, Chalabi developed his connections in the Middle East. In 1972 he married the daughter of the speaker of the Lebanese parliament. He also made full use of his family’s monarchical contacts. The Chalabi family maintained their ties with the Jordanian Hashemite monarchy after the coup in Iraq, and in 1977 Crown Prince Hassan invited Ahmed to establish a bank in Jordan.

Chalabi’s Petra became the second largest commercial bank in the country. The rotten foundation underlying its growth was only uncovered in the aftermath of a severe financial and currency crisis that gripped Jordan in the late 1980s. As the Jordanian dinar’s value plummeted, the country’s central bank demanded that financial institutions deposit 35 percent of their holdings into the central bank’s reserves. Petra was the only bank that proved unable to comply. A subsequent audit revealed evidence of unprecedented fraud and theft.

Foreign exchange assets on the bank’s books had disappeared, while millions of dollars of depositors’ money had been illegally transferred to other businesses and financial institutions owned by the Chalabi family. This extraordinary looting operation cost Jordan an estimated \$US500 million—equivalent to approximately 10 percent of the country’s gross domestic product.

Escaping prosecution, Chalabi fled Jordan in August 1989. Three years later, after a comprehensive investigation, he was charged on 31 counts of theft, embezzlement and illegal currency speculation. He was sentenced, in absentia, to 22 years hard labour. Four of Chalabi’s brothers were also convicted over the affair.

After Petra’s demise, the authorities in Switzerland shut down two Swiss-based financial institutions run by the Chalabi family, amid reports of illegal practices. Two of the brothers who had been involved in the Petra fraud, Jawad and Hazem Chalabi, were prosecuted on charges of falsifying documents, and received six-month suspended sentences in September 2002.

The Chalabis continue to maintain their innocence. Ahmed maintains that the entire Petra Bank scandal was a political plot engineered by Saddam Hussein and the king of Jordan, who supposedly feared his knowledge of secret Jordan-Iraq arms sales.

This account is flatly rejected by a number of authoritative sources in Jordan. Mohammad Said Al Nabulsi, the former head of the Central Bank and supervisor of the investigation into the scandal, rejected Chalabi’s claims. “We are talking here about a half a billion dollars lost. This is not political. It is a totally economic crime.”

The disastrous end to Chalabi’s banking career coincided with the deepening crisis in the Gulf. In the aftermath of the 1991 Gulf War, Saddam Hussein’s regime, though severely weakened, remained in power. Elements within the US political establishment were angered by the decision of President George Bush senior not to launch a full-scale invasion of Iraq.

Chalabi recognised that a propitious opening existed for a pro-American “democratic” Iraqi opposition figurehead, and he thrust himself forward. From the outset of his new career as an Iraqi “oppositionist”, Chalabi sought the closest relations with the most reactionary and militaristic faction of the American political establishment.

On a trip to the US in 1985, Chalabi had already met and befriended Richard Perle, a leading “neo-conservative”. Perle, then working in the Reagan administration, became Chalabi’s fervent supporter in Washington. By the mid 1990s, Chalabi had met with a number of powerful Republican figures, including Paul Wolfowitz, Donald Rumsfeld and Dick Cheney.

These people immediately recognised Chalabi as a man with whom they could do business. In return for a chance to rule his home country, he was prepared to offer unqualified support for their neo-colonial agenda. Chalabi made repeated calls, for example, for Iraq’s oil industry to be privatised and opened up for American corporations. In October 2002, he held a series of secret meetings with three major US oil companies, reassuring them of this position. “American companies will have a big shot at Iraqi oil,” he later told the *Washington Post*.

Richard Perle, Paul Wolfowitz and other Republicans also promoted Chalabi as a pro-Israel ally. Chalabi has spoken at the Jewish Institute for National Security Affairs in Washington, and, according to some reports, has visited Israel. He has called on all Arab countries to recognise the Zionist state.

In a 1998 interview with the *Jerusalem Post*, Chalabi described Arab hostility to Israel as “an esoteric confrontation that has become a substitute for real progress toward democracy and human rights in Iraq”. He discussed the oil pipeline between Haifa and Kirkuk that existed until 1948, saying that it symbolised the basis for future cooperation between Israel and Iraq.

“I believe that in the context of peace in the Middle East there is definite economic partnership there and a definite prospect for development of economic avenues of cooperation,” he said. The *Jerusalem Post* interview (which described Chalabi as “an elegant revolutionary with a vision of peace”) did not record him making a single criticism of Israel’s treatment of the Palestinians.

Chalabi’s close personal connections in Washington have always been the sole basis of his political prestige. Without the patronage of his Pentagon friends, Chalabi would be nothing more than a disgraced banker. Completely lacking any base of support within Iraq, Chalabi’s political fortunes were directly tied to those of US imperialism.

The vehicle for Chalabi’s ambitions became the Iraqi National Congress (INC), founded in 1992. The INC was sponsored by the Central Intelligence Agency (CIA) as a loose alliance of Kurdish factions, monarchists, Islamists, former Baathist generals and exiled businessmen. The CIA poured an estimated \$100 million into the organisation in the early 1990s.

From its inception, the INC was deeply divided over how to organise Hussein’s overthrow. Chalabi favoured the idea of raising a militia and launching a frontal attack on the Iraqi army. He maintained that with adequate American support, this militia could march, virtually unopposed, into Baghdad. The Iraqi army would desert en masse at the first sight of an armed force fighting Saddam.

These fantastic schemes, which bore no relationship to what was happening inside Iraq, were widely ridiculed. Chalabi’s opponents derisively referred to him as “Spartacus”, while the CIA, which preferred to plot for a military coup in Baghdad, grew increasingly wary.

In 1995, Chalabi attempted to carry out his plan. From Kurdish northern Iraq, he rallied INC forces for an attack on the capital. The adventure ended in disaster, with the Iraqi army routing Chalabi’s gunmen.

This failure had immediate consequences. The INC began to break apart, with Chalabi’s erstwhile allies bitterly complaining about his egotism and autocratic leadership. Undaunted, he consolidated his leadership of the rump INC, maintaining it as his personal political machine.

The antipathy between Chalabi and the CIA deepened, as the Iraqi exile refused to accept any responsibility for his failed offensive. The debacle was caused, he insisted, by a lack of US support, which he even described as a “betrayal”. Within the CIA and State Department, Chalabi was now seen as an unreliable adventurer, and INC funding was cut off.

This decision enraged Chalabi’s supporters in Washington. Following an intense lobbying effort, Congress passed the Iraq Liberation Act in 1998. Chalabi played a key role in organising support for the act, at the same time winning several new admirers, including Senators John McCain and Joe Lieberman.

The unprecedented act enshrined “regime change” in US law. Iraqi opposition groups were promised \$97 million, not all of which was forthcoming. Most of what was, however, ended up in the INC. Following allegations of financial improprieties, an official audit was launched in 2001. This revealed widespread misuse of the funds, including the purchase of artwork for the INC’s Washington office and gym

memberships for staff. According to the *Washington Post*, after the White House intervened, the audit was halted.

The coming to power of the Bush administration in 2000 opened up new possibilities for Chalabi. The criminal, gangster elements in the Bush administration saw in the Iraqi politician a reflection of their own political physiognomy. Chalabi’s Washington friends were now in power, and began to exert an increasingly powerful influence, especially after the September 11 terrorist attacks, on the direction of US foreign policy.

As the war against Iraq was being prepared in 2002, Chalabi did everything possible to provide ammunition for the Bush administration’s lies against the Hussein regime. Making countless media appearances, Chalabi attempted to terrorise the American public with claims of definitive proof of an immanent Iraqi threat.

No lie was too outrageous. Appearing on the Australian Broadcasting Commission’s *Lateline* program in July 2002, Chalabi was asked about evidence connecting Al Qaeda to Saddam Hussein. “We have evidence,” he said, “of training of non-Iraqi Muslim fundamentalists in the arts and crafts of terrorism in a big, secret facility just south of Baghdad. This facility has been used to train hijackers on how to hijack an airline without weapons. This [sic] is an airline parked there for the purpose of this training. We have detailed information about the other training that goes on there and we have detailed information about who is doing it, who controls it and who gets the candidates for the training into such facilities.”

As well as these efforts to connect Saddam Hussein with the September 11 bombings, Chalabi linked the Iraqi regime to the anthrax attacks in Washington. The far-right *judicialwatch.org* asked Chalabi what would happen if Iraq were not invaded. “You had a whiff of the consequences of an anthrax attack in the United States, a limited effort,” he replied. “Saddam has tons of anthrax which he has developed. Saddam has made small containers of anthrax and he’s storing them in private homes and factories, in wells all over the country. Those things cannot be uncovered by inspectors.”

Chalabi and the INC also aided the administration’s deliberate manipulation and distortion of evidence by supplying several defectors who claimed to have inside knowledge of Saddam’s weapons programs. These informants provided a large proportion of so-called Iraqi intelligence for American, British, and other allied agencies.

One of the most important defectors organised by the INC was codenamed “Curveball”. Curveball claimed to have been a chemical engineer in Iraq who helped design and build mobile biological weapons facilities. His intelligence formed what one senior US official described as “the main pillar” of Colin Powell’s presentation to the UN Security Council in February 2003. “Curveball”, a number of US media outlets reported earlier this month, was the brother of one of Ahmed Chalabi’s leading aides.

Chalabi’s propaganda services for the Bush administration continued after the invasion of Iraq. As the failure to find any evidence of weapons of mass destruction developed into something of a political embarrassment for the White House, *New York Times* journalist Judith Miller published a series of sensational articles, claiming to have found definitive proof of Saddam’s secret arsenal. In May last year, it was revealed that it was Chalabi and the INC who provided the material for Miller’s high-profile “exclusives”.

Despite the exposure of all his lies, Chalabi remains unrepentant. “We are heroes in error,” he told the London *Daily Telegraph* in February. “As far as we’re concerned we’ve been entirely successful. That tyrant Saddam is gone and the Americans are in Baghdad. What was said before is not important.”

This assessment is evidently shared by the US authorities. The INC continues to receive approximately \$340,000 a month from the Defence Intelligence Agency for information on the Iraqi resistance.

Chalabi was one of the first exiled politicians to return to Iraq in the aftermath of the invasion. A US air convoy ferried him, along with approximately 600 members of his so-called Iraqi Free Forces from northern Iraq to Nasiriya. Some of these militiamen were fresh from training in a US military base in Hungary.

Chalabi then entered Baghdad for the first time in 45 years. The carefully prepared operation was effected with such speed that a number of Chalabi's militiamen were able to participate in the stage-managed toppling of Hussein's statue in Firdos Square.

Chalabi moved quickly to assert his authority in the occupied city. Encouraged by the US military, he seized a number of Baath Party properties and vehicles. The INC headquarters were established in what *Newsweek* described as a "luxury private club with park-like grounds".

USA Today reported Chalabi's militia looting private homes and intimidating Baghdad civilians. Several of his men were arrested by American forces while robbing a bank. These criminal acts, carried out by the very forces Chalabi hoped would form the nucleus of a rebuilt Iraqi national army, proved something of an embarrassment to the US occupation. The INC caused more trouble when one of its members proclaimed himself the mayor of Baghdad.

None of this served to deter Chalabi's powerful patrons in the Bush administration. He continued to receive support, playing an important political role immediately after the invasion by making media appearances to inform the American public about how grateful the Iraqis were for their liberation. As resistance to the occupation developed in strength, he called for mass reprisals against the Iraqi people.

Chalabi was rewarded for his services with a seat on the Iraqi Governing Council, holding the rotating presidency in September 2003. He was also given pride of place next to Laura Bush at the president's state of the union address in January 2004.

Chalabi is currently the senior member of the Governing Council's economic and finance committee. As *Newsweek* has noted, in this position the convicted embezzler has overseen "the appointment of the minister of oil, the minister of finance, the central bank governor, the trade minister, the head of the trade bank and the designated managing director of the largest commercial bank in the country".

As head of the De-Baathification Commission, Chalabi wields such arbitrary power that even one of his aides described him as a "government within the government". The Commission has the power to purge alleged Baathists from a wide range of civil service and government posts. Chalabi also controls a massive collection of secret Baathist files and documents.

Not surprisingly, evidence has begun to emerge that Chalabi is, once again, involved in corrupt activity. Two contracts worth a total of \$400 million have recently been awarded to a start-up company run by Chalabi's old friend and business partner, Abdul Huda Farouki. One of the contracts was for securing Iraq's oil infrastructure. Members of Chalabi's militia now staff Farouki's security force, which guards a number of oil installations and pipelines. *Newsday* cited an "industry source" who claimed that Chalabi received a \$2 million kickback for ensuring that his friend won the contract.

Chalabi is widely despised by ordinary Iraqis. He topped the list in a recent opinion poll in which respondents were asked who was the least trusted political figure in Iraq. Viewed as nothing more than a puppet of the Bush administration, Chalabi's ritual denial of any desire to rule Iraq is regarded as a diplomatic ploy. "George Washington turned [the presidency] down many times," his chief aide, Francis Brooke, told *Business Week*. "I wouldn't be surprised if the Iraqi people prevail on [Chalabi]."

Reports have recently surfaced, however, that Chalabi may be used as a scapegoat for the failure to find any weapons of mass destruction, and could be sidelined after the UN-supervised sham transfer of

"sovereignty", scheduled for June 30. *Time* has reported that "revelations that the INC provided the Administration with faulty pre-war intelligence have forced even his former Pentagon pals to back away. Says a White House aide: 'I'm not sure how many friends he has anymore'."

There are others in the US political establishment who are loath to part with such a long-standing ally.

The *Wall Street Journal*, for example, has condemned any move to replace Chalabi and other trusted Governing Council members. "It often seems that some US officials have more respect for Iraqis who hate us than those who share our values," its April 20 editorial stated.

Chalabi's "shared values" with the Bush administration will see him prosecuted for war crimes against the Iraqi people in any genuinely free and democratic Iraq.



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