Thieves fall out in Baghdad: behind the US raid on Ahmed Chalabi

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Last week's raid by Iraqi police and US troops on the Baghdad home and headquarters of Ahmed Chalabi—whose Iraqi National Congress (INC) was once the favored US group of Iraqi exiles—is an unmistakable sign of the deepening disarray and crisis within the US occupation regime. The man the Bush administration once promoted as the George Washington of Iraq is now being linked to charges of kidnapping, torture, embezzlement and murder.

Chalabi and the INC personify the criminal character of the US conquest and occupation of Iraq. Largely on the basis of the phony "intelligence" on Iraqi weapons of mass destruction supplied by Chalabi at the behest of Bush, Cheney, Rumsfeld and company—who knew the claims to be false—US imperialism has to date killed tens of thousands of Iraqis, wasted the lives of more than 800 American soldiers, and caused thousands more Iraqis and Americans to suffer crippling injury and incalculable anguish. Chalabi's role testifies to the fact that the Bush administration's aims in invading Iraq had nothing to do with establishing democracy, but instead were centered on seizing control of the second-largest oil reserves in the world.

The US government launched its invasion of Iraq last year with Chalabi waiting in the wings to be installed as the replacement for Saddam Hussein. The Pentagon disdained any planning for the predictable consequences of the overthrow of the Baathist regime—looting, the breakdown of public services, guerrilla warfare—at least in part because of Chalabi's assurances that the Iraqi population would welcome a US conquest and rally behind his organization.

US military transports flew Chalabi and several hundred members of his INC armed guard, dubbed the Iraqi Freedom Force (IFF), into Nasiriyah, the first big southern Iraqi city to fall to the advancing US troops. Chalabi and the IFF followed the US offensive into Baghdad, where they played the role of extras in the Bush administration's Hollywood production in Firdos Square (where a statue of Saddam Hussein was torn down by US soldiers while a handful of Iraqis—mainly members of Chalabi's militia—cheered).

The scion of one of the wealthiest families under the Iraqi monarchy of the 1950s—his father was president of the Senate in the old regime—Chalabi compared himself, rather improbably, to Spartacus, leader of the great slave revolt in ancient Rome. He suggested that his 400-strong IFF would rapidly grow into a decisive military force, and US proconsul Paul Bremer abolished the Iraqi army to make way for this eventuality. Instead, the people of Iraq responded to Chalabi, who lived outside the country from the age of 11, with indifference or outright hostility, and the US military had to protect the IFF from the population it was supposedly liberating.

Failing to achieve the preeminent role he craved, Chalabi was appointed by the US-run Coalition Provisional Authority to the 25-member Iraqi Governing Council (IGC), and he settled into the life of a lesser stooge of the US occupation regime. In that capacity, as the indictment handed down by a Baghdad judge now alleges, he conducted himself more like a mafia don than the democratic political leader his US apologists had touted.

Chalabi is a convicted embezzler still wanted for looting the second-largest financial institution in Jordan, Petra Bank, which collapsed after Chalabi, then the bank's president, fled the country hidden in the trunk of a car. He has been unable to set foot in most of the Arab world for the last 15 years for fear of arrest on an outstanding Jordanian warrant. Bremer put the convicted con man in charge of the Iraqi Finance Ministry, where he installed a dozen or more of his INC confederates.

One of these, Sabah Nouri, was arrested recently on corruption charges after auditors found a $22 million shortfall in the unit that oversaw Iraq's changeover to a new dinar, replacing the old currency that featured Saddam's face on every bill. The transition provided obvious opportunities for windfall profits for someone with Chalabi's experience in financial manipulation.

Gangsterism was added to chicanery. At least 15 employees, members or associates of the INC are wanted on charges including kidnapping, fraud, extortion and theft of government property. Nouri, for instance, allegedly stole 12 cars from the ministry.

Another investigation into the INC involves the kidnapping in April of a Baghdad cardiologist who said he was seized by people he recognized as INC members, blindfolded and tortured until he arranged to pay ransom. Other INC members face complaints over impersonating police officers, breaking into homes and carrying out robberies, sometimes in the guise of searching for "terrorists."

The thuggery continues in the wake of the arrests. According to the *Los Angeles Times*, Judge Zuhair J. Maliky, who issued the warrant for the raid on Chalabi's home and office, has received numerous anonymous telephone death threats since then. "We've hired 100 professional assassins to kill you," one caller told Maliky. Another said, "We are collecting information about you and buying weapons right now." The judge told the *Times* the threats were coming in so frequently that "I stopped counting."

To "sell" the war to the American people, the Bush administration engaged in political skullduggery just as cynical and duplicitous as Chalabi's bank swindling. Chalabi himself played a central role. The INC was the principal source of the pre-war claims that Saddam Hussein had huge stockpiles of chemical and biological weapons and was actively pursuing the development of nuclear weapons.

The INC dispatched purported Iraqi defectors to at least eight Western intelligence services with tales of Saddam's secret weapons cache. Among these was a military defector—later revealed to be the relative of a top INC official—who claimed knowledge of mobile labs for making biological toxins. His testimony was cited by US Secretary of State Colin Powell in his February 5, 2003, presentation to the UN Security Council, which summed up what Powell called the strongest evidence that Iraq was violating UN weapons sanctions.

In the wake of the post-war failure to find any chemical or biological

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weapons in Iraq, or any trace of a serious nuclear program, Chalabi dismissed the issue. He declared that since the WMD claims had been instrumental in accomplishing the goal of overthrowing Saddam Hussein, "We were heroes in error." Only last January, Chalabi was the guest of honor of the Bush administration, seated behind Laura Bush in the audience at the State of the Union speech.

Since then, however, the security and political situation for the US in Iraq has deteriorated, leading the Bush administration to change tactics and seek the cover of the UN to replace the generally despised Iraqi Governing Council with a new, supposedly "sovereign" puppet regime. As a result, Chalabi has seen his influence—and potential financial rewards—diminished. Bitter over losing out in the struggle to control the spoils of war, Chalabi has, in recent weeks, taken to criticizing the Coalition Provisional Authority and Bremer, positioning himself as an ally of the leading Shiite clerics, and demanding immediate elections and greater Iraqi control over the country's oil wealth.

Recently, the Pentagon announced that it was terminating the stipend of $335,000 a month it paid the INC to gather intelligence on other Iraqis for the US military. All told, the US government has reportedly subsidized Chalabi to the tune of $40 million.

Shortly after the Pentagon halted the monthly payouts, the raid was carried out on Chalabi's office and home. The methods employed in the raid are themselves illustrative of the real state of affairs in occupied Iraq. The police smashed down doors, pointed guns at the head of Chalabi's aides, broke furniture and took food and money from the premises. If such violence and contempt are displayed toward a prominent member of the US-appointed Iraqi Governing Council, what can ordinary Iraqis expect, especially those who seek to oppose the occupation?

The well-publicized nature of the raid suggests that one purpose was to make an example of Chalabi for the other members of the IGC, who are resisting plans, negotiated between the Bush administration and UN envoy Lakhdar Brahimi, to replace them with a different group of stooges in the "turnover of sovereignty" set for June 30. The current IGC president, Sheik Ghazi Yawar, got the message, telling the press that the treatment dished out to Chalabi "could happen to any Governing Council member."

In the wake of the raid, the Chalabi affair has served as something of a political Rorschach test for the divisions within the US government and ruling elite over Iraq, which have been exacerbated by the failure of the occupation and the upsurge of mass resistance, in both the Sunni Triangle and the Shiite-dominated south. There are at least three competing explanations for the events of the past week.

*** Chalabi is exactly what he appears to be—a corrupt financial operator:** This is the line taken by much of the American media, which did its best up to now to conceal Chalabi's sordid résumé from the American people, and by congressional Democrats. *Newsweek* magazine, for instance, produced a cover story on the subject, bearing the headline, "Our Con Man in Iraq."

The *Washington Post* reported: "For several months, US officials have been investigating people affiliated with the INC for possible ties to a scheme to defraud the Iraqi government during the transition to a new currency that took place from Oct. 15 last year to Jan. 15, according to a US occupation authority official familiar with the case. The official said the raids were partly related to that investigation. At the center of the inquiry is Nouri, whom Chalabi picked as the top anti-corruption official in the new Iraqi Finance Ministry. Chalabi heads the Governing Council's finance committee and has major influence in its staffing and operation."

*** Chalabi is an Iranian spy:** This was the claim of the CIA and State Department, which have been on the outs with Chalabi since the mid-1990s. (The CIA preferred to pursue an anti-Saddam military coup, while the State Department caught the INC stealing US aid funds.) Chalabi's longtime director of intelligence, Aras Habib, is being sought on suspicion of betraying US intelligence secrets to Iran. The information allegedly includes both US capabilities for communications intercepts and details of the US military position within Iraq.

If true, this demonstrates that Chalabi is for sale, not merely to the highest bidder, but to any bidder willing to make an offer. The Iranians presumably have been more discriminating customers for intelligence than the credulous US officials—and media pundits—who swallowed Chalabi's lies about weapons of mass destruction and a Saddam-Al Qaeda connection. The US counterintelligence investigation is now said to be focusing on Pentagon civilian officials who may have shared secrets with Chalabi—an indication that the Iraqi is only a pawn in the infighting between various branches of the US national security establishment.

* **Chalabi is a victim of the Bush administration's turn to the UN after the April uprisings in Fallujah, Najaf and Karbala:** This is the position taken by the most right-wing section of the US media (the *Wall Street Journal* and the *New York Post*, for instance) as well as some elements among the congressional Republicans and within the Pentagon. Chalabi and the INC, who took possession of much of the archives of Saddam Hussein's secret police, supplied documents that were used to support charges that top officials of the UN oil-for-food program had taken bribes from Hussein. According to this account—which hardly casts a favorable light on the methods of the Bush administration—the White House has sought to discredit Chalabi because an exposure of corruption at the UN would cut across its plans to win UN sanction for the June 30 transition to a new puppet regime in Baghdad.

Significantly, even though the US military command in Baghdad authorized the raid on Chalabi, top Pentagon officials have still been supportive. In testimony before a congressional committee last week, General Richard Meyers, chairman of the Joint Chiefs of Staff, praised the INC for providing tactical intelligence that "saved the lives" of US soldiers.

In the aftermath of last week's raid, the Chalabi affair has degenerated into farce. Chalabi denounced US administrator Bremer, saying he "has lost his mind," and he postured as the Moses of Iraq, telling the US occupation authority, "My message is let my people go, let my people be free."

Chalabi appeared on four US television interview programs last Sunday, proclaiming his innocence of charges of corruption and handing over sensitive intelligence information to Iran. He blamed the charges on the CIA, his longtime nemesis in Washington politics, and challenged CIA Director George Tenet to provide evidence. Rather incongruously for someone now posturing as an Iraqi patriot, Chalabi insisted he would not cooperate in any investigation conducted within Iraq, demanding instead a hearing on the issue before the US Congress, where he still hopes for support among far-right elements in the Republican Party.

According to some reports, it is widely believed in Iraq that the raid itself was a fake, that there is no real conflict between Chalabi and the US government, and that Chalabi and Bremer are playing assigned roles in a stage-managed effort to boost Chalabi's political credibility by giving him credentials as an opponent of the US occupation. The popularity of this theory testifies both to the chameleon-like character of Chalabi and the widespread—and thoroughly justified—distrust of the Iraqi people for anything coming from the US media and US occupation authorities.

There are likely elements of truth in all the scenarios outlined above, including the claims of the right-wing media that the Bush administration is seeking to cover up an oil bribery scandal involving the United Nations. There is no doubt that Iraq's oil wealth underlies the conflict, although perhaps not in the way presented by the *Wall Street Journal*.

There has been little comment in the American media on an event, reported by Al Jazeera, that took place only a few days before the raid on Chalabi. The IGC sent a delegation to New York City on May 19 to ask the UN to turn over full authority for the disposition of Iraqi oil revenues. Up to now, the Coalition Provisional Authority and the UN have jointly

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controlled the billions in funds obtained from Iraqi oil exports, under provisions of Security Council resolutions passed after the 1991 Gulf War. Those resolutions provided that the bulk of Iraq's oil revenues would pay for imports of food and other necessities, while a portion was set aside to pay "compensation" for damage caused by Saddam Hussein's 1990 invasion of Kuwait.

The Security Council is discussing a new resolution, sought by the US, which would provide UN sanction for the June 30 transition to a "sovereign" Iraqi regime. IGC officials, including Chalabi, have begun raising demands that the resolution put an end to compensation payments to Kuwait and Saudi Arabia, which are vastly more wealthy than Iraq, and assign all the revenues from oil sales to whatever new regime is in power in Baghdad.

The IGC-appointed deputy foreign minister of Iraq, Hamid al-Bayati, told Reuters, "Iraq must have a say in the next UN resolution. Iraq must be fully in charge of its resource wealth." Planning Minister Mahdi al-Hafidh added, "It is unjust for Iraq to pay for the crimes of Saddam with its future."

These comments and the dispatch of an Iraqi delegation to the UN were followed only days later by the raid on Chalabi. The timing was probably not coincidental. One thread runs through all the Byzantine maneuvers in Baghdad: the struggle to control the vast wealth generated by Iraq's oil resources.

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