Thank you, Mr. Chairman. You may have covered

this earlier, I couldn’t be here, so if you have, I don’t wish to

impose on my colleagues, just say you have; and I can read the

record, and will. But my focus is on the IMF extension of credit in

last early summer, early summer of 1998, followed rather precipitously

in my view thereafter on the default of the Russian obligations.

So let me just interrupt to say, have you already discussed

this?

Great. Then my question is directed to both gentlemen.

To the extent you know, and if you don’t, just tell me, that

is fine, but to the extent you know, I want to find out what IMF

knew. That concerns me, about the extension of credit prior to

what appeared to be—must have been, I would say—a predetermined

decision to default on bonds. It looked to me as though we

were either took, I mean IMF was took—bad English, but you get

my drift—or were hopelessly incompetent. I hope you have a third

option, but those are the two I can think of. I would be happy to

hear the answer of either gentleman.

Thanks, I guess.

Mr. Swartz.

Thank you, Mr. Chairman. I yield back.

[Presiding.] Thanks, Dr. Waller, and thanks for

staying within your time.

Mr. Timmerman.

Mr. Timmerman, I am going to interrupt. The 5

minutes is up. We have a vote pending. So I think it is fair to let

Mr. Cannon speak for 5, at least that way he can have his opening

statement.

Indeed. Thank you very much. We will come back

to you, no question.

Mr. Cannon.

Mr. Cannon, I apologize, 5 minutes are up. We

are going to interrupt and proceed as follows. Because we have a

pending vote, we will not be able to complete the panel before a recess

is necessary.

Chairman Gilman has a question he would like me to place before

you, which I will. I would ask Mr. Waller to answer it and to

take, if possible, under 2 minutes. I will then yield to the Ranking

Member. After that, I will then recess. Then as soon as Dr.

Cooksey comes back, we will be able to reconvene.

If you gentlemen can stay—is it possible for each of you to stay?

Thank you. I apologize for having to stick to the time limit.

Mr. Waller, the question—but I would be delighted to hear the

answer from all three: How corrupt are the highest levels of the security

and police agencies in Russia today? Do Russian police ever

work in support of Russian criminal groups?

Mr. Timmerman.

Mr. Cannon.

The Committee of International Relations is recessed

pending return of Members adequate to reconvene. Thank

you.

I would assume we have a 15-minute vote on now, followed by

a 5-minute vote, so why don’t we assume we will come back at 10

or probably 5 minutes to 1:00; 5 minutes to 1:00.

[Recess.]

Thank you, Mr. Chairman. My question, first of

all, is to Dr. Waller.

The Shelley e-mail that you appended to your testimony, it is

possible to interpret that Professor Shelley was pursuing something

that would be embarrassing to AID and inaccurate. If she

was silenced because she was critical of AID, that is one thing; if

she was silenced because she was inaccurate that is another. I am

trying to make the case that could be used to rebut. Namely, the

author of the memo, Mr. Bronheim, might say, well, we just didn’t

think she was right. We weren’t going to have that erroneous patina

put upon AID.

Can you give me any more information about what happened to

Professor Shelley? What might lead you to believe that she was silenced,

if you care to or can?

But were any steps taken with regard to Professor

Shelley on her contract?

You also said—I am trying to quote close to accurately,

I hope accurately—that members of State and AID were instructed

not to write cables concerning crime and corruption, and

AID contractors were also so instructed.

Can you give a little specificity to that?

Thank you. These are my last two questions: I

don’t remember the gentleman’s name, but the deputy mayor of St.

Petersburg was assassinated. I remember he was shot by a high-

velocity rifle through the roof of his car, that he had been identified

with fighting corruption. If you can refresh my memory—any of the

gentlemen—it comes to mind because of Dr. Waller’s testimony

that advocates for reform had been assassinated in Russia, and I

wonder if that instance which I am recalling probably 3 years ago

was an example of that reality.

But that particular incident.

I apologize for not remembering the name. But

what was remarkable about it was it was a very difficult rifle shot

that killed him, doing damage to no one else. In other words, it had

all the marks of professional killing about it.

Last, Ambassador Morningstar’s tenure as our Special Ambassador

for the Newly Independent States is of interest to me. Again,

my question is directed to Dr. Waller, but I invite Mr. Cannon and

Mr. Timmerman, as well, to give me an assessment. I believe you

had said that he had tried to establish a dissent channel. I notice

he has been moved, that he is no longer in that position. I wonder

if you could enlighten me as to whether any negative career action

was taken with regard to him because of his attempt to establish

a dissent channel or whatever else you could shed on the change

in personnel.

Is your judgment of his tenure a favorable one?

Last, Mr. Timmerman. Incidentally, unless my

direction be in doubt, I happen to have high regard for his work,

but I am seeking advice. If you had good things to say, they would

be welcome; if truth forced you to say less than good things, obviously

I would receive that as well.

Mr. Timmerman, your comment about the Shahab 3 having

Strobe Talbott’s name on it is chilling. I wanted to ask you if it is

your belief that Deputy Secretary of State Strobe Talbott knew of

the diversion of the technology, whether he could have taken steps

to prevent it and chose not to.

Again, just for the sake of getting the full story

out, if he were here, he might say he undertook a lot of steps, but

they were not publicly known. You categorically state that he

knew, and did nothing.

On what do you base that judgment?

Thank you.