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U.S. sends \$4 billion cash on pallets to Baghdad-no receipts



The U.S. Federal Reserve sent record payouts of more than \$4 billion in cash to Baghdad on giant pallets aboard military planes shortly before the United States gave control back to Iraqis, lawmakers said on Tuesday.

The money, which had been held by the United States, came from Iraqi oil exports, surplus dollars from the U.N.-run oil-for-food program and frozen assets belonging to the ousted Saddam Hussein regime.

Bills weighing a total of 363 tons were loaded onto military aircraft in the largest cash shipments ever made by the Federal Reserve, said Rep. Henry Waxman, chairman of the House of Representatives Committee on Oversight and Government Reform.

"Who in their right mind would send 363 tons of cash into a war zone? But that's exactly what our government did," the California Democrat said during a hearing reviewing possible waste, fraud and abuse of funds in Iraq.

On December 12, 2003, \$1.5 billion was shipped to Iraq, initially "the largest pay out of U.S. currency in Fed history," according to an e-mail cited by committee members.

It was followed by more than \$2.4 billion on June 22, 2004, and \$1.6 billion three days later. The CPA turned over sovereignty on June 28.

Paul Bremer, who as the administrator of the Coalition Provisional Authority ran Iraq after initial combat operations ended, said the enormous shipments were done at the request of the Iraqi minister of finance.

"He said, 'I am concerned that I will not have the money to support the Iraqi government expenses for the first couple of months after we are sovereign. We won't have the mechanisms in place, I won't know how to get the money here,'" Bremer said.

"So these shipments were made at the explicit request of the Iraqi minister of finance to forward fund government expenses, a perfectly, seems to me, legitimate use of his money," Bremer told lawmakers.

WHERE'S THE MONEY?

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Posted by Stewart Rhodes at 8:57 AM



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