



COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JUN 29 2011

Dr. Abdul Basit Turki Saeed
Republic of Iraq
Head of Committee of Financial Experts
c/o Board of Supreme Audits
Haifa Street, Building 90
Baghdad, Iraq

Dear Dr. Saeed:

This responds to your letter dated May 23, 2011, referencing \$284.5 million that you believed to be held by Department of Defense agencies. Your letter cited the Special Inspector General for Iraq Reconstruction (SIGIR) briefing at the International Advisory and Monitoring Board (IAMB) on April 27-28, 2011.

I shared your letter with SIGIR, who explained the briefing was misinterpreted. The SIGIR further stated the purpose of the briefing was to provide a detail of funds and SIGIR did not intend to imply that the Department was holding the entire amount presented in the briefing. In fact, SIGIR identified \$106.6 million in the Development Fund for Iraq (DFI) sub-account at the Federal Reserve Bank of New York, owned and controlled by the Republic of Iraq. The SIGIR confirms the Department did not have access to Iraqi bank accounts.

I am pleased to report that, as a result of our research, we identified a total of \$8.5 million in residual DFI funds. We reported these amounts to the SIGIR auditors which they included in their briefing to the IAMB. Please provide remittance information to Ms. Donjette L. Gilmore, donjette.gilmore@osd.mil, and include points of contact for the Republic of Iraq Prime Minister and Minister of Finance so that we can return this amount as soon as possible.

The Department is committed to resolving all DFI issues. We are cooperating fully with the SIGIR auditors. At our request, SIGIR agreed to conduct a follow-up audit which was announced June 14, 2011. We look forward to sharing the results of our collaborative effort.

Sincerely,

Robert F. Hale

