

United States Institute of Peace
Association for Diplomatic Studies and Training
Iraq Experience Project

ADAM SUGAR
EXECUTIVE SUMMARY

Interviewed by: Mark Gribbin
Initial interview date: November 1, 2004
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Adam Sugar is a former State Department junior officer. He served in Iraq from July 2003 to April 2004. He never served in a singular capacity. Instead, as a mid-level staffer, he bounced from assignment to assignment as need arose. He has experience in Governance, Reconstruction, and Security.

Sugar began his stint in Iraq assisting to Robin Raphel, an overall ministry coordinator Senior Advisor to the Ministry of Trade. His work here included acting as an executive assistant, scheduling site visits and coordinating with various CPA offices and military units within the coalition. He later assisted Susan Johnson, Senior Advisor to the Ministry of Foreign Affairs, on special projects. A lot of his work involved orienting new CPA staffers for the two ministries as there was no formal orientation process in place. This chiefly involved finding lodgings and workspace, both of which were lacking.

Sugar makes several observations about CPA staffing and coordination. Sugar notes that CPA was limited in its ability to absorb new staff, as there was neither adequate living quarters or workspace/equipment for persons. The inflow of new staff was, at times, purposefully delayed because there were not enough assets to support additional personnel. Most new staff had little, if any, prior understanding of what their jobs were. They were essentially "bodies" being thrown in to replace exiting personnel. High turnover rates continued to be a problem. The staffing process became more formalized (and new staff better prepared) by the end of 2003.

Sugar notes that CPA was "top-heavy" and there weren't enough "doers", i.e. mid-level persons, to make the organization run properly. This may have been an outgrowth of the hurried attempts to convert the original 250-person consulting body (ORHA) into a full-blown, 2000-plus person occupation authority (CPA).

Sugar comments that CPA was predominantly staffed by military, US government, and contractors. Contractors largely filled the more operational aspects of day-to-day operations. Sugar acknowledges that this was initially necessary, but feels that perhaps more of an effort should have been made to bring in Iraqi staff, as contractors were often grossly overpaid and (in some instances) may have been profiteering. The quality of contractors and their work ranged from outstanding to poor.

Coordinating military escorts for Ambassador Raphel was difficult and too "high-profile"; instead the security component was handled by a special detail to the Ambassador. Most travel he coordinated for the Ambassador was via air (helicopters,

planes). Internal (CPA and coalition/military) communications functioned well. However, communications with Washington were often poor. Relations between CPA and Washington were also strained, as the two disagreed on CPA's reporting obligations.

While working with Ambassador Raphel and Ms. Johnson, Sugar was assigned to the Ministry Requirements Coordination Office (MRCO). Here he assisted various ministry advisors in securing needed equipment, such as phones, computers, and office space.

Through his relationship with MRCO, Sugar became involved with helping set up the CPA's Oil for Food Program/Office of Project Coordination in the northern, Kurdish reaches of Iraq. He helped provide the new CPA office with equipment (computers, phones) that he was able to scrounge from CPA Baghdad.

Sugar describes the Oil for Food Program/Office of Project Coordination as highly collaborative with Kurdish authorities. Here, Oil for Food funds were project-oriented, rather than service delivery focused. The Kurds did a good job of converting their Oil for Food funding (which was separate from the rest of Iraq's) into tangible results. The major drawback Sugar notes is the time wasted waiting for American senior staff to turnover. Sugar also notes that there were debates as to how much money the Kurds were supposed to receive from the program.

When tasked to the Ministry of Trade, Sugar carried out several site visits to ascertain how well the ministry's facilities protection needs were being met. He compared the situation on the ground (number of guards & shifts, weapons, radios, etc.) to what had been recommended in security assessments. Sugar typically found that the security forces in place were ample, but they were usually lacking weapons and radios.

Sugar also comments on corruption and organized crime, both of which he judges to be endemic. He gives the example of a Ministry of the Interior warehouse site, which was disassembled and sold for scrap with the collusion of ministry administrative and security authorities. He was frustrated by the inability to bring any sort of charges against those involved.

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Q: Today is November 1st. My name is Mark Gribbin and today I'll be interviewing Mr. Adam Sugar. To start off, give us an idea of your background and how that led you to get to Iraq.

SUGAR: Okay, I was a civil servant working on Secretary Powell's staff at the State Department and had been on his advance team at the executive office. I volunteered to go to Iraq after a friend of mine, who was already out there, was coming home from the Garner group and was looking for a replacement. I went out the second week of July 2003.

Q: Okay. How long were you stationed there?

SUGAR: Just under nine months. I left Baghdad around April 4th 2004.

Q: I understand you had a number of jobs while you were there. Why don't we start off at the beginning, what were you doing at first? What position did you hold?

SUGAR: When I first arrived I didn't have a very solidified position. The person I was replacing, on the day that she left, they reorganized the entire operation, especially in her office. I think they were waiting for her to leave. So, when I arrived my job responsibilities had already changed. The first position I had was basically the equivalent of an executive assistant to Ambassador Robin Raphel who at the time was the senior advisor to the Ministry of Trade which included the Oil for Food Program. In addition, she was one of the "super ambassadors" that was more or less tasked to keep all of the ministries coordinated in line with each other. She had a dual role.

Not long after that I was assigned (although assigned is not really the word) to start working for Susan Johnson, who was also a Foreign Service Officer. She was working as the senior advisor to the Ministry of Foreign Affairs. Concurrently, my office was located in the Ministry Requirements Coordination Office where I spent about ten to 20 percent of my time, working with them. They were basically a logistics and coordination

office inside the palace trying to organize and provide assets to the 20 or 25 ministries (depending on how many there were at the time). At one point, I was working at about three different offices.

But for my first job I was assigned to Robin Raphel. Since she left about a month after I got there, my responsibilities started to spread out a little bit.

Q: You say your responsibilities changed before you arrived. Was that due to the CPA/ORHA transition?

SUGAR: There were a few people whose jobs changed as part of the official organization transition. I think [in the case of] the person I replaced, they had wanted to reorganize [anyways]. She worked primarily in the Ministry Requirements [Coordination] Office, which they basically gutted. It had been called something else when she was there. They basically reorganized it the day that she left. Her position didn't really exist so much when I arrived.

Q: Let's start off with what you were doing that first month with Robin Raphel. What sort of work were you doing?

SUGAR: It was a blend of project management and executive assistance. I did a lot of her trip coordination: liaising with the military to arrange helicopter trips and other types of trips for her travel through the region. I basically served as her scheduler. I had a chance to learn about a lot of the names and people, both in the CPA and within Iraq. A lot of the time was spent scheduling her trips, serving as note taker for her, gathering up lists, and doing the day to day administrative tasks.

At the same time I was sort of pulled into support for new arrivals to the Ministry of Trade and that involved anything from arranging accommodations to finding computers. At that time there was no real coordinated arrival procedure. So, basically I took care of new arrivals from the time they stepped off the shuttle until they were squared away with whatever they needed.

Q: That's just on the coalition side, not the Iraqi side?

SUGAR: That's correct.

Q: When you're talking about trip coordination, this touches on some of the issues of security and assets. Did you feel, were you able to always get out to where you wanted to? A lot of people have commented that that was one of the big pains: trying to actually arrange a military security escort.

SUGAR: We avoided using military escorts because (1) it took too long to coordinate

security convoys; and (2) it was a much higher profile. We found that going lower profile was a little bit in our favor. Plus, most people didn't have the patience to secure convoys. But we had a good mix of military assigned to us, so we usually put together one or two of our own convoys. A lot of the troops that I coordinated with for Ambassador Raphel were outside of Baghdad. That usually involved a helicopter or a C130 movement. So that was less a "ground movement" coordination [task and it therefore involved coordinating with different people]. You had to coordinate with the airlift people and other people that had responsibilities in whatever part of the country where we were going, as well as the military commander staff.

Q: So, when you're arranging these trips, were you arranging them through the local commander as opposed to directly with the Iraqis that you're meeting with?

SUGAR: Yes, because normally she was meeting with coalition officials, so most of that coordination took place out at the palace, not at the requirements coordination office. That was to submit flight requests. From there we'd link up with the liaison officers to wherever we were going. [For example], up in Northern Iraq we would coordinate with the 101st Airborne.

Q: Okay, You also said you were doing support for new arrivals. Were you supplying them with supplies or saying, "Hey, welcome to Baghdad"?

SUGAR: It was basically figuring out where to put them. We didn't have anywhere, you know, there weren't sufficient accommodations. They didn't know where to go. They didn't know what to do. They needed to get a badge, a cell phone, a computer, log on privileges, and stuff like that. So, it was basically an informal intake process for new arrivals.

Q: You also mentioned project management.

SUGAR: I think the project management was less specific projects. It was really a lot of this coordination with the military, especially on the trips that were, in Baghdad, small projects unto themselves by the time you got together all the different components. I didn't really have a specifically assigned project. I just kind of walked into them.

Q: Do you know how many people or new arrivals that you actually dealt with?

SUGAR: Dozens, because [my job doing that] started with the Ministry of Trade and it morphed into [helping] the Ministry of Foreign Affairs and other folks. But I definitely, formally and informally, probably processed dozens and dozens of people.

Q: What was your evaluation of their readiness? Did they understand what they were getting into?

SUGAR: At the beginning most people didn't. It improved over time. I would say in 2003, we were basically sent out there as bodies to replace [whoever was leaving]. As time went on, they started to develop position descriptions and staffing patterns. But certainly through most of 2003 many people didn't know what they were supposed to do. There was no one meeting [new arrivals]. Most people didn't know who their boss was or the boss didn't know who they were. Towards the end of 2003, maybe November or December, and on into 2004 it became a much more formalized process and less of a free for all. Some people started getting much better expectations about their responsibilities and who they would be working for and who they'd be reporting to. But because so many people were there for only 90 days, the turnover was incredibly high. So, up until the occupation transitions from CPA to the embassy, I think that it was still episodically haphazard. But it improved over time as we put the bureaucracy in place.

Q: Was that a running challenge, trying to assemble an organization on the fly?

SUGAR: Yes, the organization was never fully assembled. I think that will probably be attributed to the way that you started the Garner group (ORHA), with only a couple of hundred folks on the ground (followed by the rapid expansion [to CPA]). That would probably explain a lot of the criticisms that companies like MCI and Kellogg, Brown and Root [have]. They will probably say that they were never able to keep up. And we could never support the number of people that we were trying to bring in. We were trying constantly to delay arrivals and things like that because there just wasn't anywhere to put [new people]. We didn't have the assets to support them.

Q: That's not just in terms of what's needed to do work...

SUGAR: Just to live. It was primarily to live. Housing communications. Food was never a problem. Security at the palace was never a problem. We just didn't have enough space at the time. [There was also] probably a lot of interagency disagreement [which] probably led to that. [There was] certainly a lack of coordination. Yet despite efforts to coordinate, the coordination never really happened.

Q: That's coordination between the agencies sending people and CPA?

SUGAR: I would say the interagency process didn't [even] appear to be that organized amongst [individual agencies] themselves. There was certainly a lot of back and forth and arguing among the State Department and the Department of Defense, but also the lines of communication between Baghdad and Washington were not very good.

Q: How about with the military, were there any problems with communication there?

SUGAR: Yes. This was my first deployment into a military zone. I don't think that

there was, I mean if you want to talk about troop strengths I think that's kind of out of the bounds of this interview.

Q: Well, I was just saying in terms of your relationship and experience.

SUGAR: At the palace, I got along pretty well with the military. Some people didn't, but I thought actually things were better run when it was a military operation than when it was done as a civilian State Department operation.

Q: Okay, getting back to this broader perspective. Was there a general strategy in place and that was being followed as you were building CPA, or was it kind of just figuring things along as things happened?

SUGAR: It was mostly catch up, so whatever plan they had in place never really had the right staffing in place. Maybe near the end they did, but I mean at a certain point, my personal opinion was that we had too many people at least in CPA and even if the number was right, they were certainly assigned to doing the wrong things.

The staffing process, at least in the beginning, was so haphazard. My friend called me Memorial Day week in 2003 and said she was coming home. She asked me if I was interested in going and I said, "Yes." She basically walked into the Chief of Staff's office and had written out a binding request [for me to succeed her]. He signed it and that was it. I wasn't vetted through anything. The way it worked at the State Department was, once that binding request came directly from Baghdad, especially from the Chief of Staff (Ambassador Kennedy, who had a lot of pull and is very well respected), [it went through].

Once that request made it from the State Department to the State Department Director General's office which was approving request, there was basically no way to say no. I was going regardless of what anyone else thought. Since I was a junior staffer, I certainly didn't need to be vetted the way a senior advisor would be vetted through the Department of Defense.

But everyone had their own way. There was real lack of coordination, which was understandable given the confusion of an embarkment (sic.) like that.

Q: So, CPA staffing wasn't what we'd typically expect in a bureaucracy, where you would advertise a position, state qualifications, and provide a job description.

SUGAR: Not even close.

Q: Was it a broad request, then, "We need a person to work for this ministry"?

SUGAR: Well, [for me] it was basically the person who recommended me knew I could do the job and the ambassador took her at her word for it. That's kind of how staffing worked at the beginning. I'm sure other people have different stories.

Contractors are a whole different ballgame, so, I'm sure that would be a different. They were probably more organized. Now, if you're talking about a pool of interpreters for example, foreign interpreters, like Americans who speak Arabic, I'm sure that they were vetted in their own way. The contract [for interpreters] was let [and the contractor] provided the staffing.

But certainly in terms of civilian employees, civilian federal employees, it appeared a very haphazard case. It was very common that you would identify the person that you wanted to replace a job, but they wouldn't do it. So, you would go onto your second choice, your third choice, and finally you'd settle on the fifth choice [who] had no real redeeming qualifications. That happened in many circumstances. Then there was also the element of political appointees factored in. I certainly couldn't tell you how those people were appointed. A lot of them were junior level political appointees who were there to check the box, do 90 days and get out.

Q: How did you end up rotating out of Robin Raphel's office and working with Susan Johnson in the ministry of foreign affairs?

SUGAR: Well, I kind of worked for them at the same time. What happened was Robin left in August and Susan Johnson had just arrived.

When Robin left, the new woman who was appointed as the interim senior advisor for the Ministry of Trade, basically she was nowhere near senior enough to rate someone investing their time in her individually. She wasn't overseeing how the ministries [functioned] as a whole. She was a lot more focused... she was a lot more junior. She was a GS-15, so there was really no justification in one person investing that much time in her activities.

Susan Johnson became the most senior State Department official (at that time it was parochial) down in the ministries wing, the South Wing, which is where I was assigned. She had known Robin so it was kind of a pass off in many ways. [My responsibilities were] kind of fractured, [I was] doing some work for her and the Ministry of Foreign Affairs and I was still working with the Ministry of Trade while sitting in the Ministry Requirements [Coordination] Office. I certainly never spent, at most, more than 50% of my time working for Susan Johnson. There were times it was less than that and the other time it was more than that. I had a variety of tasks. I really did not function so much as her executive assistant as her "trouble-shooting-problem-fixer", in a sort of "special projects" role.

Q: Can you give us an idea of what some of those trouble shooting and special projects were?

SUGAR: Driving the foreign minister to the airport at 11:00 at night because no one else would do it. Getting in, she was doing some work with the Iraqi Embassy in Amman, trying to secure the assets from there. So I would do things [to help with that].

Q: Iraqi assets?

SUGAR: Yes, from the Iraqi Embassy. We would do things like work logistics of retrieving passports, passport machines, money, and things like that. I drove around a couple of times and handled new arrivals for the Ministry of Foreign Affairs, handling logistics and things like that. It was typically different everyday, but like I said, I think it was certainly less than 50% of my time any given day or week.

Q: Did you have the impression that there were a lot of people in your same position, bouncing from one thing to the next?

SUGAR: Well, I was probably on the extreme end. People that were more senior had more set roles. Certainly that was a problem: there were too many senior people and there weren't enough "doers". I got tasked a lot, I got pulled a lot into different things that no one else was going to do because of my unique relationship of being a State Department employee.

When I first went to work, [there were so]many State Department employees at CPA in Baghdad that it was natural to latch onto anyone that had State experience. We were [better prepared] to do certain things that other civilians might not. We certainly understood document security much better. When I first arrived, there were classified documents all over. Unlocked and everywhere. I guarantee you it is not the same way anymore.

But just having certain skills [helped]. I have worked in the "skiff" at the State Department, so I understood certain procedures and things that were helpful to know. I had done events for Secretary Powell. I've worked in his executive office. I also had previous private sector experience as a project manager. Those combined skills that made me able to really kind of float a lot. The result was that I never really had a boss. You're always doing something else which was nice because it really cut out a lot of bureaucracy. I was able to run my own show and it kept me busy for 16 hours a day, seven days a week.

Q: You mentioned that you ended up doing a lot of work with State Department people. Were there former hierarchies like that in CPA?

SUGAR: When I first arrived, rank didn't matter so much. It certainly did later on. There was a natural tendency for senior State Department officials to try to identify who was from State, and that was basically how I was passed on to Susan Johnson, how later I was passed on to Steve Mann for a time when he came out as the senior advisor for Oil for Food.

Q: You also commented that there were a lot of "thinkers" and not enough "doers".

SUGAR: I think a lot of people will say that it was very top heavy. I'm certainly not in a position to make observations from the military folks that were deployed with us, because they had their own [system and organization]. Certainly there were military officers that were assigned to CPA. There was a distinction between being assigned to CPA and being part of CENTCOM or the coalition headquarters, even though there was a bit of a blur. But there were certainly too many ambassadors. There were too many people that went from being the number one person, wherever they were, to being to being one of a hundred. In some ways it was necessary because we had, at one point, 25 ministries. You needed someone with fairly high-level seniority to be able to deal with the Iraqis. But it seemed to be a little overwhelming.

Q: I know at least in embassies, you have FSNs that are working largely in the "doer" positions. Was there not a large Iraqi staff?

SUGAR: At the beginning, Iraqi nationals basically did [some] core functions. They cleaned trailers, they did building maintenance, and I think they helped with food. But [their roles were limited to] basically building operations and cleaning. They served as our translator pool. But they didn't do a lot of jobs that Foreign Service Nationals traditionally do at an embassy, although I'm sure that has shifted by now.

The motor pool was a very good example. We had employees from Kellogg, Brown and Root running the motor pool. They basically [were supposed to] keep track of the cars, which they couldn't do. They had computerized systems. [All they were doing was] printing out vehicle dispatch forms, keeping track of the cars, and getting paid seven to eleven grand a month to do this.

Q: Wow. Not bad pay.

SUGAR: No, not for [what they were doing]. Certainly there might have been a need at the beginning to have those people do those functions, but I question the usefulness of [having contractors carry on in that role]. There are a lot of positions like that [which could be done by Iraqis]. I know there's probably a percentage [out there], but traditionally most employees in embassies are not Americans; they're foreign nationals.

Q: FSNs often handle things like budget and financial. I assume in CPA that was all being

done by Americans or contractors?

SUGAR: Yes, all contractors, mostly Halliburton's subsidiary KBR. We didn't really deal with Halliburton. It was all Kellogg, Brown and Root.

Q: So a lot of these positions, that we would expect to have Iraqis in, were being filled by contractors?

SUGAR: Correct.

Q: Did that change over time or is that something that remained consistent?

SUGAR: Through the occupation it remained consistent. There was no planned transition. Certainly it wasn't in KBR's interest. I'm not sure how well they planned the transition from CPA to the embassy. I would say, at this point, it's probably moved toward hiring foreign nationals. I think it's probably a bit more traditional now. I would say the embassy probably still has, percentage-wise, more individuals performing foreign national jobs than a normal embassy would. During the CPA there was no talk of that.

Q: Was there reason behind this?

SUGAR: Well, we certainly couldn't have rolled in and hired all these foreign nationals to do key jobs like motor pool and housing and stuff like that. Over time it certainly could have been transitioned to reduce the number of contractors doing these jobs. A lot of them did great jobs.

Q: You had the chance to interact with two ministries. Did you have any insight of the Iraqi component of those ministries and what was being done there? Was it a similar situation that we had Americans and Europeans manning positions within the ministry?

SUGAR: It was all Iraqis. The advisors to the ministries, those were people that were at the CPA headquarters. You would have senior advisor and people that worked on different component issues within a given ministry. They would go over every day, or every other day, to the ministry and work things out; budget, security and policy, basically transitioning it back into a real ministry.

Q: I guess the last major thing you worked on was Oil for Food. Was that being done out of the Ministry Requirements Coordination Office?

SUGAR: I basically did Oil for Food two different times. When Ambassador Steve Mann arrived in August to work on the Oil for Food portfolio and I was passed onto him. There was a core Oil for Food group that worked on contracts and things like. I basically worked on starting up an Oil for Food North office. That was mostly a logistics

operation.

Q: You were starting up the office or was it already in existence?

SUGAR: Not, it didn't exist at that time. They were a little bit behind the ball. Basically the CPA North office was at the Khanzad Hotel in Arbil. We basically set up an office there. There was nothing up there [originally], so we had to get vehicles, computers, communications equipment, and staff. We had to coordinate personnel movement, things like that.

Q: How did you get all that stuff?

SUGAR: It was hard.

Q: Were you working with other groups?

SUGAR: No, I mean I basically worked pretty much on my own. I coordinated with the folks that were running CPA North to get the rooms. That was to basically get the billets approved. I made arrangements with them to rent us vehicles and drivers. It took a while to get cell phones up there. It was a very informal arrangement with the [CPA] North contracting officers, the civil affairs [officers] that were up there, basically to get them to provide all the things that we needed (mostly cell phones and vehicles), which they were eventually able to do.

Then there was the other stuff we needed: communications equipment, satellite phones, as well as computers. For things like that, basically I rummaged through CPA [Baghdad], boxed up a whole bunch of stuff, and sent it up on a C-130. I sent them up some high speed printers, laptops (I sent a bunch of laptops), satellite phones with antennas to the roof, and things like that just to get them started. .

Q: I know USAID/OTI had a "ministry in a box" program, was that already passed by that time or did you?

SUGAR: I never came in contact with any of that stuff. I basically identified the requirements for what we would need to operate up there, for a certain number of people. {I looked at needs} for basic communications and transportation; an equipment point of view. [To find that stuff] I basically just rummaged through CPA. It was easy. I was able to take some State Department communications equipment and send it up there because there were State Department officials going up. [Plus,] I knew where the stuff was hidden.

Q: I thought the Oil for Food program that ran in the North was separate from the rest of the country.

SUGAR: That was [at] the beginning.

Q: There was not an Oil for Food running prior to [your setting up the office]?

SUGAR: Well, from a CPA point of view it wasn't running. Logistically, we stood it up in August, maybe September – I'm not really sure – but the money was always kept separate, certainly, in the UN escrow account. There were people working on Oil for Food from Baghdad that certainly worked on the North issues as well, but in terms of setting an office up there...

Q: A CPA office...

SUGAR: A CPA office, yes. CPA was already up there, but in terms of CPA personnel really focusing on Oil for Food, that didn't start until August or September.

Q: So, there was an Oil for Food program running, it just wasn't being controlled by CPA at that point?

SUGAR: Well, they took over when the UN... well CPA was running the program. They had the database contracts and they basically took it over where the UN left off. The idea was to fulfill to make these contracts as quickly as possible to get them done. To get them delivered.

Q: You said that you also worked with Oil for Food a second time?

SUGAR: Yes, when I went back it was basically as a program officer for the North. By that time Steve Mann had left. This was in starting January 1st 2004. Jim Warlick had come in as the new senior advisor for Oil for Food. The person who had worked a lot on Oil for Food in the North portfolio was leaving. The program was morphing.

The [original UN] program had basically ended in November. They had set up a big coordination center at the convention center in Baghdad to handle most of the South Central Oil for Food, but they needed someone to focus on the North portfolio now that they had set up the Office of Project Coordination up there. The Oil for Food office, through Steve Mann, started up there and transformed into the Office of Project Coordination. It was part of an Iraqi-collaborative entity. We staffed [it], but they approved [the projects].

At that point we basically just needed someone to keep an eye on the finances, moving money back and forth, and project lists. There was a large amount of disputed money that the Kurds thought that they were entitled to. Someone was also needed to help out the senior advisor on North-related issues. It was pretty much a program officer type of

job.

Q: You said that it morphed? Does that mean what was being supplied through Oil for Food morphed?

SUGAR: No, running the program, it basically morphed. There was money that had, in the escrow accounts, been set aside for the North that still needed to be spent.

Q: Was this DFI money?

SUGAR: No, it's not DFI money. It's money that we basically set aside. There were percentages laid out. The Kurds had [been allocated] separate money under the Oil for Food contract to guarantee that they would [actually] get money under the Oil for Food program. So [Oil for Food money] was kept in separate bank accounts. Depending on who you talked to, there was maybe \$2 billion to spend. You needed an office to [help] spend this money: to develop contract lists, to work the contracts, and things like that.

[For that reason,] the Office of Project Coordination was established. The head of it was a former UN official and Iraqi minister. The deputy was an Iraqi American who, I believe, had been IRDC (Iraq Reconstruction Development Council) at one point. He was hired by Steve Mann to run this office.

Q: So, this office was essentially identifying priorities for projects?

SUGAR: Project lists, yes. It was the office that worked with the Kurds, both the KDP in Arbil and the PUK in Sulaymaniyah, and they had day-to-day meetings with them. They were prioritizing contracts to spend this \$2 billion. Oversight and negotiations on the money, that was handled mostly out of Baghdad.

Q: Was that the type of thing that you were involved with?

SUGAR: I certainly didn't make any decisions on money, but I did assist them. I was the main link between Baghdad and the Office of Project Coordination on a junior to mid-level. There certainly wasn't senior day-to-day coordination. A lot of [what I did was] making sure that we got money air lifted up to the North to pay off contracts as the bills were coming in.

Q: This was all being done in cash?

SUGAR: International contracts, I think, were being done by wire transfer. At the time they were still putting in place audit controls, but there was a bank. We did use helicopters to airlift cash up [to the North] in large quantities: millions and millions of dollars. So, the local contracts, I think, were done in cash and the international ones were

done by wire transfer.

Q: Okay. So you were operating kind of an oversight capacity?

SUGAR: I certainly wasn't really ["overseeing" per se, but] I was keeping my eye out. There were problems out there, but I was more keeping my eye on the link between Baghdad and the North. Certainly, when you have \$50 million in contracts that [needs] to be paid, [you have to] make sure the money gets up there.

Q: All right. Do you have anything else you want to add to that?

SUGAR: About Oil for Food North? It wasn't run that well. There were personnel issues, both in Baghdad and up North.

Q: Were those issues with international personnel?

SUGAR: It was mostly local personnel issues. When Steve Mann left there was a two month gap. So, there was really no one minding the store on Oil for Food in many ways. This was around the time they were standing up the Office of Project Coordination. At one point, the head of [that Office] went off to Italy for a couple of months. So, the other guy went home, the senior advisor left, and no one knew what was going on. There were a couple of people in Baghdad working on it, but we lost a lot of time and made a lot of mistakes. Frankly, the person that we brought in to replace Steve Mann didn't arrive for a couple of months afterwards, and he was not qualified for the position.

Q: What about on the Iraqi side?

SUGAR: The Iraqis up North were good. They were certainly after their "piece of the pie". It was complicated a bit by the fact that they hadn't really yet integrated their ministries on all levels. [In the North,] you had the KDP and the PUK both going after money and projects. So, there were percentages hammered out on how much money each project would get. There was a lot of jockeying on it. In terms of audit control and transparency, they were pretty good. They were well organized and had their projects lists. They could pretty much be trusted with the money. If they said they were going to do something, they did it. However, the exact amount of money that was owed to them was very contentious when I was there.

Q: It sounds like there's a big separation of what's going on in the North and what's going on in the rest of the country.

SUGAR: Two completely different programs, yes. It was set up that way to safeguard the assets of the Kurds and to make sure that they had money for projects. In the North it's basically [all] projects; taking this money and spending it on projects. In

South/Central it was a matter of contracts and being able to deliver goods and things like that. I did almost nothing with South/Central, so I'm not very qualified to give much more than cursory [information about that].

Q: Fair enough. Getting back to the Ministry Requirements Coordination Office (MRCO), you said you were providing assets to the ministry, were those fiscal assets?

SUGAR: No, it was mostly [physical assets like] space, computers (which were in high demand), and phones. It was, again, a logistical kind of operation. I didn't [actually] do that much work for them. I was sitting there and it was probably a political decision to keep me there. Then it just became convenient for everyone to have me sitting there because I could handle a lot of walk-in requests and things like that. But, even though I'm familiar with what they did, I didn't do too much work for them.

MRCO handled requirements from the ministries who operating within the CPA palace. Over time they expanded to take over things like coordination for the Facilities Protection Service (FPS). They became the FPS coordinating office in that regard. They also did a lot of other things. They had a lot of the forms outside their door, escort requests and things like that. They also handled requests from the ministries' for cell phones, computers, and office space.

Q: Did they do renovations as well, renovation contracts?

SUGAR: That was more of a building operations. That would be KBR. But [MRCO] certainly arranged for a lot of the purchasing to be done. They would also do coordination with their parent office, which was the Requirements Coordination Office. Then there were 25 ministries that occupied a whole wing. It made sense to have a few people [focusing on] the ministries while all this was going on.

Q: Where did the requirements office get the money if to purchase computers and renovate space?

SUGAR: CPA budget.

Q: It was all CPA?

SUGAR: The Ministry Requirements [Coordination] Office was a huge office. They had a lot of responsibilities, but they delivered. The computers were provided by Raytheon phones by MCI, and KBR did the construction within the palace. They were a big; they had a small operations center I think. You submitted all your flight requests and stuff like that through them. Helicopter requests; anything that was for a senior [advisor] trip.

Q: So, they were kind of a liaison with the military?

SUGAR: Yes, they had military as part of their staff. A lot of their staff was MPRI contractors. I think they were subbed to someone else, but they do a lot of military training. A lot of those people are former military officer doing logistics-type work.

I also did some work on FPS (Facility Protection Services).

Q: Were you working with contractors like Global [Risk Strategies]?

SUGAR: I basically was the ministry representative. I was assigned by my ministry to do inspections of the Ministry of Trade facilities. Basically, [my job was] to verify that security was in place [at various ministry sights] and estimate the additional requirements.

As [CPA] was staffing up FPS, every ministry was supposed to send people out to all their [ministerial] facilities throughout the country. Basically, it was a transfer of responsibility from the military protecting critical sites to ministry security [forces providing that protection]. I went around to the Ministry of Trade's sites, like grain silos, to basically count heads, count radios, and take estimates of what other equipment they needed (like radio communications, additional personnel, or weapons).

Q: Did you have an understanding of FPS?

SUGAR: I'm certainly not a security [expert], no, but they didn't need me to be a security expert. They basically needed somebody to go down to a grain silo, see what [security] was really there: to see how many shifts they had, how many people they had, make sure that the names were right, find out how many weapons they had, and find out how short they were [on staff or equipment]. Basically it was a "double-check" [of a previous assessment].

There had been an assessment done right after the war on most of these sites. [My assessment's purpose] was to make sure that the security that was in place (or was supposed to be in place) matched the requirements [that had been laid out]. For example, I was verifying that (1) it was a grain silo; (2) it was a tier one site; (3) whether or not grain was still being stored there; and (4) what actual security was in place.

Q: Is that what most of the Ministry of Trade buildings were?

SUGAR: Well, grain silos were all over the country. They had a lot of state owned enterprises, so there were also things like construction material companies. Most of the sites I went to were large grain silos, usually at least one in each province. It was certainly something that you didn't need to be a security expert [to do]. It was more common sense. In theory, the assessment had already been done. It was just important

to make sure that all the information on the assessment was correct, [that identified needs were being met].

Q: Did they largely live up to what they were supposed to?

SUGAR: No, they never did. At the time I did it, I think it was in March or February, they still were waiting on tens of thousands of weapons. For the most part they didn't have uniforms. No one had radios. Sometimes there was a police station that was co-located. Usually the security force was ample, but they were usually lacking weapons.

The success of the program depended on what region of the country it was in. In the Dutch sector they had a really great program. They had pretty much everything they were supposed to have. You go other places that weren't as well organized and they didn't have any weapons or ID cards, which was a problem. In those cases, there was no real program actually being run.

Q: Who were the FPS guards? You said they're hired by the ministries?

SUGAR: Those are all Iraqis. I think they were supposed to be hired by the Ministry of Interior. They changed it a couple of times. You basically had the local, civil guards that were hired by the ministry and they were supplemented by the FPS guards. The idea, of course, was to transform them to one security service, which never really happened.

You had different elements of security at these sites. You'd have local police. You might have national guards depending on where you were and how big the site was. You might have FPS guards. There were places that had no traditional FPS guards that were large sites. That wasn't the way the program was run. There were a lot of problems with it. It took a while to get started. It was really hard to keep track of people and bodies were moved all over the place. There was some corruption and things like that.

Q: As you were getting out to all these places, as time goes on, is security becoming more and more of a concern? Is that making your life more difficult?

SUGAR: Where?

Q: Just in general security situations. For example, if you're going out and looking at grain silos, do you have to worry about getting an escort? Do you have to worry about an IED exploding on your way?

SUGAR: Oh, sure. I mean, well you have to coordinate on the security trips. We went with military and security convoys. In the North security was never that much of a concern. You could go into downtown Arbil without body armor or a security escort. The rest of the country, no, you needed body armor and escorts. You had to be careful.

Q: How about the impact of sending supplies to different places, was security affecting your ability to do that?

SUGAR: No, that was one project, [setting up the Oil for Food North], and it was pretty easy because it was in Northern Iraq. It was basically getting everything I needed in Baghdad and basically boxing it up and getting it transported up on a C-130. That wasn't terribly hard. Yes, security is a huge consideration for movements especially outside of Northern Iraq.

Q: Looking back, what things could have been done and how could those things could have been done better? What was done well and why?

SUGAR: I think we were pretty much plagued from the beginning of playing catch up. [That stemmed from] the political/military decision to deploy the Garner group [and] the way they were deployed. To think you could run a country of 25 million people, in an occupation, with a staff of 250 is pretty unrealistic. I think that criticism probably is not that much different than the way that people said we didn't have enough troops on the ground.

Certainly there was really no good post conflict planning and interagency disputes were pretty severe, especially at the beginning between the State Department and the Department of Defense.

Q: That impacted how effective the CPA was?

SUGAR: Yes, there were qualified individuals that the State Department wanted to send but the Pentagon nixed for political reasons. There were people that got held up for a very long time that wanted to come. Those are all policies.

Q: How about prior orientation? You said you were shuttled out there?

SUGAR: I was shuttled out there, yes. I was allowed to go because the Foreign Service Officers were volunteering in large numbers. Normally a civil servant wouldn't be sent out to a place like this.

Q: Was there any prior orientation or training that would have been helpful to you in getting your job done?

SUGAR: At the time, it was so haphazard that it didn't make much of a difference. I had a couple of pieces of paper to fill out and a medical exam. Then I picked up my gear one afternoon and basically got my plane tickets. It was pretty short.
[END SIDE]

Q: What about the perspective of cultural training or anything like that to orient you to Iraq or the Middle East?

SUGAR: I certainly didn't have [any]. I had a little Middle East experience, not a lot. I'd been through the region before, earlier that year. But, I would say that the State Department employees are probably fairly well culturally attuned to wherever they go. Maybe not every group that was out there was culturally attuned.

So, from my perspective I kind of already had the grounding that I needed to be there. Certainly there were some people that didn't, but it wasn't a major issue for me. I've been in 40 countries, so being able to deal with Arabs in the Middle East was not difficult for me. It might have been for some people, but I never got the sense that that was a problem. The criticism will be that people didn't get out enough and interact enough with Iraqis, and that might be true.

Q: What was your level of interaction with the Iraqis? It sounds like most of what you were doing was interoffice coordination.

SUGAR: [Yes,] but I was usually outside of the Green Zone five days a week, except for the stints in Ambassador Bremer's office. So I interacted with the Iraqis in the Ministry of Trade and the Ministry of Foreign Affairs. I had a chance to get out and meet a lot of these people.

Q: What was your overall impression?

SUGAR: Corruption was endemic. You could go on and on about the examples that I've seen.

Q: Give us one.

SUGAR: One example: late in my time, this was probably February or March, the military had called our acting senior advisor (who was also army civil affairs) to tell him that there was looting going on at one of our facilities. This was in Baghdad, in broad daylight. So, we went out [to see what was going on. The Iraqi we found at the site] were basically taking apart the new food warehouses. We're talking tons and tons of steel here. They had forged documents, and claimed that they were allowed to be exporting scrap metal, which was clearly a lie.

It was basically organized crime: they had hired trucks and a couple hundred day laborers to take this stuff down, beam by beam, with power tools. What they left out was scrap rotting. We stopped it, but when we went back a few weeks later they had [come back and] finished what they had started. Twenty warehouses were gone; it was an empty

field.

It turns out that it was partly an inside job. There were a lot of kickbacks. A couple of senior administrative officials were involved in it, our security official was involved in it, and we couldn't even fire them (there were a lot of procedures in place to prevent hiring and firing of ministry employees). But we couldn't arrest these guys: we couldn't do anything. A lot of money was involved.

Q: So even when you went out there and said, like you guys are obviously doing something illegal, you didn't have the authority to arrest them?

SUGAR: Well, we did. The ministry people weren't on site, because this was all basically organized crime in a big way. We arrested one person who was a middle-level operative. We sent the day laborers home because they don't know any better. They're getting a dollar a day to go work. All they know is that someone tells them to go work on such-and-such a site.

A bunch of the guys got away. We arrested one guy and took him down to the local police station to see if a couple nights in jail would change his thinking. We came back to get him a couple of days later. We couldn't just let him rot there.

Later on, we finally referred it to the Ministry of Justice. They went out and took some interviews, but I'm guessing nothing really ever came of it. This was hundreds of people looting in broad daylight! This was one year after the war had ended. There's not enough people. The ministry has dozens of sites just in Baghdad. Some of them were inactive and don't have anything going on in them. So, you don't know what's going on in all of these places.

Q: The Iraqi police weren't of any assistance in this?

SUGAR: It was ministry property. [The looters] paid off the guards. They had gone in, they weren't doing something obviously wrong in broad daylight. The coalition military came by and saw what they were doing and stopped it until we came.

The looting there, which I'm sure many people had told you, was just horrendous. I've never seen anything like it in my life. The damage done by looting is far greater than any damage than we did by bombing. A lot of times the only way you could tell whether a building it had been bombed or looted was structure damage. Looted buildings were stripped down to the support beams. They even pulled the wiring out of the walls. They pulled out the floor out, the ceiling, the plumbing: there was nothing left. It was bare.

Q: You mentioned that the ministry of justice instigated an investigation. You also mentioned that corruption was endemic. Was this type of organized looting going on

frequently?

SUGAR: Still a year afterwards? Yes, it was happening. It's hard to say what the frequency was, because... Frankly I was surprised that widespread looting, something like that was going on still. But [in my example] it was certainly it was an inside job. It appeared to have elements of organized crime. I'm sure that that was happening [in other places]. We were not the only people that that happened to. It was pretty shocking to see that going on a year after the war was over.

Q: Was this a regional difference? I mean you mentioned that in the North the Kurds were handling the administration of Oil for Food and they could be trusted to do that.

SUGAR: The looting wasn't as bad in the North especially up in where the KDP and the PUK were headquartered in Sulaymaniyah and Arbil. They really have been running their own things for years now, but yet the looting was the worst in the central and South. There were episodes of looting I'm sure in the North, but there was nothing at all. It was a free for all in Baghdad. They just tore the place apart and set them back years.

Q: The persons that you worked with in your dealings with the Iraqis now these people were all in the bureaucracy or various bureaucracies?

SUGAR: Yes. The Ministry of Trade, for example, was a mixture of civil affairs, State Department, contract linguists, DFID (which is the British equivalent of USAID). We had some Australians too. Mostly civilians with a few military.

Q: But I mean with the Iraqis you were dealing with.

SUGAR: The Iraqis were technocrats.

Q: Most of these people had been bureaucrats under the previous regime?

SUGAR: Yes, they were basically people that were mid-senior level people. They weren't Baathists, or as far as we could tell weren't Baathists. We cleaned out the political hacks.

Q: You mentioned your stint in Bremer's office, I forgot to ask you about that.

SUGAR: Yes, I was there for three months. Hated it. I was Basically pushing paper, doing inter-agency coordination. It was in the executive secretariat.

Q: So, you were coordinating all the American agencies as well as the international?

SUGAR: Basically coordinating all the paper coming into Bremer, coordinating taskings,

coordinating with CPA rear. It was a mindless job and not a very fun one.

Q: What was your impression of the coordination effort from that perch?

SUGAR: It was fine. The communication between CPA and Washington was never that good because Washington was really focused [on reporting]. They were used to daily reports and cables [in] the way that the interagency process [usually] works. Ambassador Bremer said, "We're not a reporting agency." The number of cables that went out increased over time, but it certainly was never to the level that...

In Washington, they want a cable. They don't want an e-mail or a phone call, they want a cable, and Bremer does not like cables. He's known for hating cables, so there was a little bit of push-and-pull. Policy-wise it was hard.

Governance did do cables fairly often from the beginning. In that respect there were some cables getting out.

But Bremer looked at it as if CPA is an operational-type of entity that didn't have time for writing cables beyond a certain minimum. That's not the way they like it in Washington. They want their information, they want a say in how's things are being done; certainly that was not in tune with Bremer's view. There were mid-to senior level bureaucrats that came in over time who were big fans of writing cables, but quite frankly you had time to either write cables or do the work. You had to make a choice. The governance people pulled all-nighters all the time. They were routinely up until midnight, one, two, three just because they had to write a cable.

Q: It seems like there was a communication issue between Washington and CPA, do you have any impression of what the communications were like between CPA and other countries that were involved?

SUGAR: My perspective is more from our side, but foreign officials certainly came in to see Bremer a lot. We ended up providing MCI cell phones to most of the embassies. They had some kind of communication, but that was mostly handled with the Ministry of Foreign Affairs. The senior advisor for foreign affairs did liaison quite frequently with other embassies in Baghdad: coalition and non-coalition. They knew the Russians, they knew all those people.

Q: Do you have any advice that you'd like to pass on for future operations doing this sort of thing?

SUGAR: In Iraq or just generally?

Q: Let's start in Iraq.

SUGAR: In Iraq: be careful. I would really consider why you are going to Iraq before you go, because the threat levels is exponentially higher than when I went. Personally, I think it's one thing to go for public service to do your part. I would caution people that want to go to get paid well. That may be a mistake. The element of danger just increases exponentially. With the elections coming up, it's going to be a dangerous place.

For the next time we do this, we better do a little more planning beforehand. There certainly was a lot of planning that went into the war. I had no doubt that we were going to win it, but they really didn't put a lot of care of how they were going to run this afterwards. I think that we paid a lot for that.

Q: By that you mean what organization we were going to put in charge?

SUGAR: Yes. Basically we start with this government group that didn't have enough people. You originally had 250 people to run this. Then we decided that we needed a lot more, and the mechanisms really weren't in place to turn it from a 250 person organization to a 2,000 person organization. We certainly did not plan it well. That was very apparent. I think almost anyone who was there will tell you that, whether they were military, civilian, or political appointee.

Q: Any final comments you would like to add?

SUGAR: Well, I think we can talk about KBR some other time.

Q: What was your impression of the contractors?

SUGAR: Contractors? I mean a lot of them were great. There was also a lot of personal profiteering, by contractors especially. I questioned the value that a lot of them provided. Some of them were very hardworking. [Then again,] the way they did these real big contracts was just... We spent unbelievable sums of money for these guys. I'm sure the auditors will have a field day with this.

When it came to things that people really needed like cell phones at MCI, rooms in the Al Rasheed Hotel, trailers, cars, there was a bit of horse trading which I think is normal. But when it moves on from trading favors and helping people out to profiteering, that probably crosses the line.

Q: Okay. Any last words?

SUGAR: No, I think that's about it.

Q: Thank you very much.

SUGAR: No, it's no problem.