

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

**HUGH TANT
EXECUTIVE SUMMARY**

*Interviewed by: Mark Gribbin
Initial interview date: October 22, 2004
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Brigadier General Hugh Tant, retired, is a career army officer who has extensive experience in financial management. Most recently, he spent five-and-a-half years in charge of two-thirds (\$44 billion) of the Army's budget. He volunteered to lead the currency exchange program in Iraq. He was stationed in Iraq from September 2003 to January 2004. The currency exchange program ran from October 15 2003 to January 15 2003.

Currency exchange was necessary for five reasons; (1) two currencies were in circulation, the old Swiss dinar in the north and the Saddam dinar in the rest of the country; (2) inadequate numbers of denominations existed, the Swiss dinar came in 3 denominations and the Saddam came in only two denominations; (3) the currency was poorly made and easily counterfeited; (4) the Saddam dinar had been devalued and the public had little trust in it; (5) the presence of Saddam on the currency was inappropriate.

Tant details the logistical challenges his team faced, including (1) redesigning the currency; (2) printing new bills; (3) transporting new currency into Iraq and around the country; (4) public awareness initiatives to inform the public of the exchange program; (5) the physical exchange of currency conducted at hundreds of banks nationwide (old Saddam and Swiss dinars for new dinars); (6) counterfeit spotting; (7) accountability mechanisms; and (8) disposal of old currency.

Tant's team worked closely with the Central Bank of Iraq, who staffed and ran all operations except for transport and security. Central Bank staff rode along in convoys, signed for exchanges of old and new currency, oversaw exchanges, ran accountability checks, and supervised disposal. Staff at local banks actually conducted currency exchanges.

Security for the program was provided by several sources. Tant's team had a 700-man security detail on contract from Global Risk Strategies. This force was responsible for protecting the convoys that carried new currency to (and old currency from) the 243 banks involved in the exchange. As needed, the coalition military provided additional support for the convoys. Banks were protected by coalition and contract security during the exchanges and by indigenous Iraqi forces at night.

Security was an issue during the exchange, with most difficulties

encountered in the Sunni Triangle. There were also a few problems in Najaf, but these were not major. The flexibility of the exchange operation allowed for the program to avoid flare-ups of violence.

Tant's rank and connections allowed him all the support he needed. He comments on the high quality of his contract forces, the coalition military, the CPA (especially Ambassador Bremer), and the Iraqi Central Bank leadership and staff. His one complaint was that the contractor for "life support" (food, lodgings, etc.) did a poor job.

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Q: Today is October the 22nd. This is Mark Gribbin. This is an interview with Brigadier General Hugh Tant. General Tant, to start off, could tell me a little bit about your background, your experience that led you on the road to Iraq?

TANT: My name's Hugh Tant, and I spent over 30 years in the United States Army after graduating from the Citadel Military College of South Carolina, and served in various positions, including the Airborne Infantry and in many financial management positions, culminating in serving in the Pentagon my last 5.5 years, where I was in charge of two-thirds of the Army's budget, about \$44 billion. I briefed the Hill – the staffers and congressmen – about our justification of the budget and requirements for the budget. I also provided review and analysis of the budget. This was necessary to ensure that our army was funded to the level necessary to ensure success on the battlefield and to win our nation's wars.

That was the kind of money that I was responsible for – the Army's operation and maintenance appropriation. We use that money to train and recruit the troops, to fix our equipment, repair our buildings, and essentially make sure the troops are ready to go to war.

After holding that position, I retired on the 1st of October, 2001 and returned to my home area of Mount Pleasant, South Carolina, where I became a banker. And about four months after I was a banker, I got the call to volunteer in Iraq.

Q: When did you go to Iraq?

TANT: I went to Iraq on 9/11, 2003. I came home January 20-something, 2004.

The purpose of me going there was to serve as the director of the Iraqi Currency Exchange. Ambassador Bremer needed a person with leadership skills to change out the currency in Iraq, someone who knew how to get things done with large amounts of money. So I served as the director of the Iraqi currency exchange, working closely with the Central Bank of Iraq, and I had about 700 former soldiers that reported to me, and we conducted the mission.

Q: When you arrived on the ground, what sort of shape was the Central Bank in? I

understand that under the previous regime, it was just riddled with corruption.

TANT: Well, during the war, most of the banks in Iraq were broken into and robbed by the population there, and destroyed, as was the Central Bank of Iraq. They even took RPGs and tried to fire and break into the vaults down there. Of course I understand that some of the culprits who tried to do that lost their lives.

Q: Poetic justice.

TANT: They were in too close to the proximity of the explosion. Of course, there was flooding in the Central Bank of Iraq, and it was just a total mess.

They had some pretty good leaders there. Ahmed Mohammad al-Jabouri, who is the deputy, as well as Haji Fallah, who was another deputy governor of the Central Bank of Iraq. They were the two deputies. They essentially worked for Sinan al-Shabibi, who is the governor of the Central Bank of Iraq. He was newly designated in that position. He and the other two fellows had worked there for some time – really good people. Under their leadership, things started happening, improvements were made for the Central Bank of Iraq, and it became functional.

Q: What was the nature of the Iraqi banking system? Did the Central Bank have branches throughout the country? Could you explain how the banking system worked?

TANT: You had the Central Bank which answered, of course, to Saddam. And whenever he directed, they had to print more money, which was a negative inflationary monetary policy. That was one of the reasons why the currency had to be replaced. There were banks – to get back specifically to your question – there were banks throughout Iraq. Rafidain and Rashid, they owned and operated several hundred state banks. Their headquarters were collocated on the same compound in Baghdad where the Central Bank of Iraq is located. This allowed for very close coordination.

But they owned/operated some 80, 90 percent of the banks throughout Iraq. Then there were some private banks that had branches throughout Iraq as well.

Q: What exactly were Rafidain and Rashid?

TANT: They were the two state banks. Most of the banks – a great, great majority of the banks – fell under their control.

Q: How strong were the state banks' ties to the regime?

TANT: I imagine they were very strongly tied to the regime. They were at the beck and call of Saddam and did anything the regime demanded. They had to. As a result of that, the currency was just devalued in an enormous way. We found that they had two currencies over there, and when you're trying to unify a country, you need to have one currency. That was another one of the reasons why we had to change out the currency.

Q: They had two currencies?

TANT: Yes. The original currency of the country was called the Swiss dinar. The Kurdish area up in the north is where they used that: north of the no-fly zone line. They mainly continued to operate in the Swiss dinar, the original currency. That currency was not replaced, recycled, if you will, and it had a lot more value than the Saddam dinar.

There were some negotiations that went on about how to exchange this currency, and at what rate, for the new dinar. The rate ended up being 150 to one. In other words, in the Kurdish area, when they turned in Swiss dinars to one of the operating banks used during the exchange (and there were about 243 banks used during the exchange), they would get 150 of the new dinar for one of the Swiss dinar. The Swiss dinar basically had three denominations.

But, in the great majority of the country, they had the Saddam dinar with Saddam's face on it. There were basically only two denominations of that: there was a 10,000-dinar note, which was worth about \$5, and there was a 250-dinar note, which was worth about 12.5 cents, 12 cents. The reason its value had dropped so low was because of Saddam's inflationary monetary policy. In comparison, back in the '80s, before the Saddam dinar came about, the rate of exchange was about \$3 to one dinar. But because of Saddam there was now a total upside-down situation where one dollar was worth about 2,300 dinar.

Q: Wow, that's incredible inflation.

TANT: Incredible inflation. That was another reason that we had to change out the currency. What we needed, and Ambassador Bremer recognized this early on, was a single, stable, secure, convenient, and meaningful currency for the people. They needed a single currency, mainly for the reason that I described earlier, in that when you're unifying a country, you don't want to have two currencies in it. That doesn't make any sense. And you need a secure currency, because Saddam's currency was so highly counterfeited.

The Saddam dinar was made on cheap paper and didn't have many protective measures, so it was easily and widely counterfeited. As a matter of fact, the Secret Service lady who briefed me right before I went to the airport on 9/11/2003 said "You're going to the counterfeit capital of the world, where nearly two to three notes of 1,000 are considered counterfeit." She provided me with a nice package of how to identify counterfeit currency. It had beautiful color pictures of what counterfeit Iraqi dinar looked like under ultraviolet light (We provided ultraviolet lights to all of the banks who participated in the exchange program).

So looking at the situation, you needed a single currency, you needed a secure currency, you needed a stable currency. The currency was not stable because it had such a wide change in value over a relatively short period of time. I mean, there was drastic change.

For a people that want to reestablish their economy, a good, stable currency is an absolutely critical first step. It's a foundation step towards building a new economy.

On the 7th of July 2003, Ambassador Bremer announced that there would be a currency exchange conducted from the October 15th 2003 to January 15 2004. The exchange would be nationwide, and that's what we did.

Another component is that you need a convenient currency. As I mentioned, Saddam's currency was basically two denominations, the equivalent of a 12-cent note and a \$5 note. You can just imagine how difficult that is for a shopkeeper or a shopper to deal with that.

Q: It was literally printed only in those two denominations? There were no other denominations?

TANT: Yes.

Q: That's incredible.

TANT: Now, with the new dinar, we have six denominations for the people. I understand that they're going to reestablish some coinage and perhaps two additional denominations, giving them a total of eight denominations plus coinage to continue progressing the currency situation.

But, of course, my team and I, we dealt in the six new denominations. I can send you pictures of that and descriptive information of each of the notes NOTE: These materials have been supplied by General Tant as a supplemental to the interview.

Now the other thing is, you needed to have a currency that was meaningful to the people. It was important to take Saddam's face off the currency and replace it with meaningful characters, persons and places that were had historical and cultural significance to Iraqis. There were discussions with the Central Bank of Iraq and leaders in the Kurdish area, and all of them decided that they would like to basically use the characters that were on the Swiss dinar (the original currency of the country), but change the denominations.

And so that's what we did. We contacted a British company called De La Rue. This company was almost 200 years old and had produced currency for over 150 nations. They were the masters in anti-counterfeiting techniques and using high-quality paper.

The cost to produce the currency was approximately six cents per note, which allowed for a very high-quality paper. All of the currencies, the six denominations, are different colors and different sizes, based on their denomination. That also helps prevent counterfeiting. The currency has metallic threads and metallic strips. It has a watermark, where you hold the currency up to a light and you can see a white Arabian stallion. And, when you rub your thumb across the face or the back of the currency, the numbers and letters are raised. It's not just flat like on cheap paper.

It's wonderful now, the characters they now have on there. For example, on the back of the 25,000-dinar note, which is the largest denomination, is a portrait of Hamurabi. In 1700 BC, 3700 years ago, he issued the first code of laws. He is a famous character in world history. On the front of the 10,000-dinar note, there's a gentleman with his turban on, and he was born in 965 in Basrah, in southeastern Iraq. He was an absolute genius. He published over 200 volumes on math and science. He published seven volumes on how the eye operates, and this was in the Middle Ages! He was designated the father of ophthalmology or something like that. That might not have been the exact title for him, but he was credited with being the first scientist to actually determine how the eye works with reflective light off of an object back into the eye.

Q: That's incredible.

TANT: He also developed analytical geometry, tying geometry and algebra together. He was quite a genius, and so he's on the face of the 10,000-dinar note. There are all kinds of images of Iraqi culture on the notes: minarets, a grain elevator, the University of Baghdad, and even an ancient gold dinar on the front of one of the notes.

"Dinar" is derived from Greek and Latin, perhaps from "denarius" or "denari" (I don't know my Greek and Latin as well as I should). In both cases it means "money". Many other countries in that part of the world use dinar as the word to describe their currency.

Q: The British company that did the printing, how did you guys decide on them? I'm not sure how big the money-printing world is. How was that decision made?

TANT: The Central Bank of Iraq, again, we worked very closely with them and throughout the entire effort, we wanted to put an Iraqi face on this entire effort. We were doing it for them in all instances, and we were not trying to force anything on anybody. It was mainly to help the Iraqi people and help the Central Bank of Iraq. They did not have the capability to transport and secure the currency to the 243 banks throughout Iraq (these were the banks we used for the exchange), so we did that. But we did that task with them, and we had one of their bank representatives on every one of the convoys. We performed about 1,000 convoys throughout the entire exchange period.

Q: Convoys to the 243 banks scattered throughout the country?

TANT: Yes. Iraq is a little bit larger than California, and so there was a lot of driving by our security and logistics teams. They normally traveled in 35-man armed convoys, and we had about six to eight trucks. The trucks went out to the banks to carry the new currency in. After it was exchanged, they carried the old currency out.

We also liaised with the active duty units, the military units, in whose areas we would travel. We had several layers of communications, redundant communications, with them. If we were to come under attack they would send out a quick reaction force to fly to our aid.

Sometimes, when we were going through dangerous areas, they would provide us escorts and supplement our 35-man armed guard teams. That was very helpful. The 82nd Airborne, 101st Airborne, the 1st Armored Division, and the British division down in the Basrah area, they were all very helpful, as well as the Poles and the Spanish units. They would help make sure we had safe passage.

We were attacked 15 times directly over there. We had 11 people wounded, and there are other stories.

Q: That is during the exchange?

TANT: During the exchange, yes.

Q: That seems like a pretty low number, though, considering all the money that you were moving.

TANT: Yes, it was 1,000 convoys but only 15 attacks. It wasn't enormous in terms of us being attacked, you're right.

Q: The people moving the currency, was that coalition forces, or were there also private security contractors?

TANT: The people who helped us with some of the escorting business, on top of our contractor security, were the active duty units. When we were going through a dangerous area, they would often give us direct support, leading and following us through areas. That was the coalition military's role.

The 700 men we had on the Iraqi currency exchange team were contractors. Most were former soldiers from several different countries. They were contracted by CPA.

Q: Right. I had spoken with a gentleman who was a security contractor. There were groups like Blackwater doing that...

TANT: Yes. Our contractor for security and logistics was Global Risk Strategies.

Q: When you were carrying out the operation, what was the logistics train? First, you had to work with the Iraqis to figure out what the currency would look like and how many denominations were going to be printed. Then you had to find the printing company. After that, how did you get all the new currency into your hands? Did the printers set up shop in Iraq, or did you have to import the notes from their printing operations were?

TANT: Good questions. All of the currency was produced outside of Iraq, in Kenya, Sri Lanka, Malta, Germany, Great Britain, and Spain. These various printers produced the currency under the auspices of De La Rue. They were provided plates and a mission to perform a certain portion of the currency. All of the currency was then taken into England and flown into Baghdad from Manston.

The plan called for 27 747 loads of currency to be transported. It was about 90 tons of currency that was flown in on these 747-type flights. Now, we actually did about 18, 19 of those. At that time, the DHL flight was shot down. That wasn't our flight, but it was...

Q: In the same period?

TANT: Yes, during that period. So Hanover Aviation, who we contracted with for the flights of the money, didn't want to fly directly into Baghdad. They had to use a circuitous route: they flew it into another country where it was offloaded, secured, and put on smaller aircraft. And so it almost doubled the aircraft that we had to use to get the entire 2,300-plus tons (almost 2,400 tons) of new currency into Iraq.

Q: But it went off all right? I mean, you were still able to meet your deadlines?

TANT: Oh, yes, we didn't miss a beat. We received the first shipment of currency on the 18th of September. Al-Jabouri, one of the Bank's deputy governors, went to England and flew in with it. I met him at the Baghdad International Airport with some of my team. Our security force was all around, securing the area. The U.S. Air Force offloaded the currency for us with big, heavy-duty forklifts. They put it onto the flatbeds that we had arranged for and then we transported it to a secure hub inside the Baghdad International area, where we secured our funds.

Q: Was that the Green Zone?

TANT: No. Not the Green Zone. We had three main distribution hubs. We had the main hub in Baghdad, Baghdad International Airport. We had one in the north near Mosul, where the 101st Airborne Division was. Then we had one down in the south, in Basrah, where the British forces were located. These were all located near airports so we could use the former Russian aircraft that we had to ship currency around the country.

We had two IL-76s and two Antonovs. An IL-76 is equivalent of like a C-141. The Antonovs are equivalent of like a C-130 aircraft.

We used those aircraft to fly the necessary amounts of currency to the north and the south. They would also fly the old currency back to Baghdad. We had approximately 300 troops – our contracted former soldiers, security and logistics teams – right there at Baghdad International Airport. We had about 200 up near Mosul at Q-West, and we had 200 down in Basrah. And we had trucks at all three of those locations. So if you can just imagine, we covered all of Iraq from those three main hubs.

We would fly new currency in and it would be taken out by trucks to the banks in their particular area of responsibility. The collection of the old currency would then be accomplished and driven back to that particular hub. Once a load of old currency was driven back to, let's say the northern hub, it would be put on the aircraft and flown down to our central hub at Baghdad International Airport.

It would then be called forward to a location in Baghdad where we had about 650 verifiers (predominantly Iraqi women) from the Central Bank of Iraq. They would verify the currency to make sure it was properly accounted for. They would also check for counterfeit currency in those. The old currency was transported in big sacks 80-or-90 pound sacks. There were just thousands and thousands and thousands of sacks that we had to bring back.

There was also a training program that went on. A fellow named Larry Blume, out of Treasury, was on my team. He went on what we called "the Road Show". He had a few people that went with him. They trained the bankers on how to exchange the money, how to check for the counterfeit using the ultraviolet lights. We provided generators to power operations. We provided Thuraya satellite phones for communication. To deface the old currency as exchanged, we provided aprons and red dye.

When the currency came across to the teller, the first teller would verify the amount there and check if it was counterfeit. A second teller, collocated with the first teller, would double check it for counterfeit and to ensure accountability. A third teller would then take it and dip one-third of the note into red dye. Then the currency was put into these sacks and it was identified by the bank, the name of the teller, the date, and the amount of money contained. This was done for each sack.

The ultimate accountability check was done by the 650 people back in Baghdad, working for the Central Bank of Iraq. They could identify if there was any problem with any particular teller or any particular bank. Luckily, we had any few problems. The tellers and bank managers were paid incentive pay to work longer hours to get this thing done. They were also given incentive pay for their accuracy – checking for counterfeit and not including counterfeit in the sacks.

We had procedures to handle all of that. If there were any problem cases at any bank, we had a chain of command, so to speak. For example, if a person came to the bank and tried to exchange counterfeit, the teller would have to explain the problem. The teller would explain that counterfeit money could not be exchanged, no new dinars would be passed over, and that the counterfeit would not be returned. Instead, the customer would get a receipt indicating they had handed over counterfeit currency. If the teller had problems explaining this, or if the person wanted to talk to somebody at the bank other than the teller, it was set up so that they could talk to the bank manager. If that didn't satisfy the customer, then somebody from the Central Bank of Iraq would come. We didn't have to execute that, but we still had the plan in place.

We also had to provide security for each of those banks to make sure that there was no disruption of the exchange program. There were generally five to 20 people, depending on size and location of the bank, that were there to secure it during operational hours. There were also Iraqi security guards who spent the night in the banks. That provided us the degree of protection that we thought was necessary to have as smooth an operation as possible, and it worked.

Q: Another logistics question: you bring in the new bills and you exchange them with the money that the bank had, as well as with persons who came in?

TANT: Yes, let me say it my way. Let me just take you through the whole flow. We would bring the new currency into the Central Bank of Iraq, and let's say – we'll use the northern hub, up near Mosul.

We would fly the currency estimated as necessary to meet those banks' requirements in their area of responsibility. There were probably about 50 or 60 banks up there that we delivered new currency to. When we delivered the new currency, those banks would sign for it. They would sign for it with an Iraqi Central Bank of employee who went with us on each of our convoys.

We kept the chain of currency custody in the hands of the Central Bank of Iraq the entire time. None of my people ever signed for any currency. We had a good working relationship with the Central Bank. An Iraqi bank manager would sign for the currency from the Central Bank employee, and then he would conduct business. The population in that community would come in with sacks of money, and they would exchange that money with that particular bank. They would receive their new currency on the spot.

Now, we did publish exchange procedures prior to the exchange. That was done through a very dynamic information operations campaign led by a lady named Karen Triggs out of the UK, who was fantastic. Through multimedia we let the population know, "If you have accounts with the bank, there's no need to draw your money out of that account and turn right around and exchange it. There will be an automatic exchange for the new currency based on the existing deposits."

Q: You said earlier there was a 150 to one exchange rate for the Swiss dinar and the new dinar?

TANT: Right.

Q: What was the exchange rate for the Saddam dinar, seeing as it had been so devalue?

TANT: One to one.

Q: One to one?

TANT: One to one. I have to tell you, I had two dynamic guys, one from the UK Treasury named Jacob Nell and one from the Bank of England named Simon Gray. These guys are absolute geniuses in banking and treasury operations, and they worked closely with the Central Bank of Iraq on a regular basis, with all of the negotiations. We would have request meetings. I'd go to the big meetings over there with all the heads of the Rafidain, Rashid, and the Central Bank of Iraq. We would talk about deliveries, requirements, and incentive pay. We would talk about all of these different issues to

ensure we had teamwork that worked.

Our motto throughout the operation was "Teamwork that Works." We made that reality. We also had a second motto, "Delivery Under Fire", because of the attacks that we had and the security situation in Iraq. We even minted our own coin.

I emailed a sergeant major I knew up in Korea. I said, "I need some coins, because I can't present these great former soldiers and civilians that I worked with any sort of award." I saw this thing was going really well, and so we ordered these coins as a small token of appreciation. And that's quite interesting, because now they have a touchstone that they can go to. On the front it says "Teamwork that Works, Iraqi Currency Exchange" with a picture of a date palm tree on the front. On the back side, it says "Delivery Under Fire, Coalition Provisional Authority," and "Operation Iraqi Freedom." It was done just to give them something to remind them of the great job they did for the Iraqi people.

Q: You gave that to the Iraqi staff as well as Central Bank?

TANT: I gave them to Iraqi staff. I gave it to all 700 of our guys and the one lady, Karen Triggs, who helped us. We also gave it to people like Ambassador Bremer and all who supported us wholeheartedly throughout the operation. I even had the wonderful opportunity to present the ICE (Iraqi Currency Exchange) coin to President George W. Bush when he visited Charleston, South Carolina in early 2004. He said he knew all about us and was proud of what we accomplished.

Q: That sounds like a good thing. That's the perfect memento for the mission.

TANT: Right. Yes.

Q: Back to the exchange operation: after the old currency had been sorted, double checked, shipped, and sorted again in Baghdad, what happened to it? Was it then disposed of?

TANT: Yes, good question. It was disposed of. After the 650 ladies verified the currency, the Central Bank of Iraq released it to us. Still continuing with their liaison, it would be taken to the incinerators. There were approximately 47 incinerators running when we were at full capacity. The incinerators would be loaded with the old currency, and ignited. On the third day, the incinerators would be cleaned out.

These incinerators looked something like shipping containers, the 20-foot-long containers that you use to transport good on ships. They had been converted with smokestacks and all that sort of stuff. Just a real nasty operation. The Iraqis did that. They actually did the loading. We did the transporting and securing – mainly transporting – that had to occur. Then they offloaded the pallets of old bills and set it on fire, supervised the burning, and then cleaned out the incinerators. And then the process was repeated over and over and over again.

Q: Of course you also had extra check, that if any money got blown away on the wind, it was dyed red so it couldn't be converted again.

TANT: That's right.

Q: Now, the counterfeiting issue, you had mentioned earlier that there was an estimated two to three fake notes per thousand?

TANT: Yes, that was according to the Secret Service.

Q: What was the rate that you discovered?

TANT: It was less than 1 percent.

Q: Less than 1 percent?

TANT: We would get these reports from the Central Bank of Iraq, and they had less than 1 percent. So that was much better than what we anticipated.

Q: You also mentioned that there was a vigorous public information campaign. Could you tell me a little bit more about that?

TANT: Absolutely. Karen Triggs led it. We used multiple media outlets: newspapers, television, and radio. We used handbills that were issued by the civil affairs soldiers on the streets throughout the country. These were colorful handbills that illustrated the new currency, and explained the program and how it would be run from 15 October to 15 January.

We of course explained that they didn't all have to show up on the 15th of October, because there was going to be plenty of money to go around. There would be enough for everybody to exchange their money, so don't think you have to rush to the bank. Words to that effect were written in the Iraqi language, and it just reassured people that this was going to be a very high-quality currency and it would be something that they would be proud of, how it would have illustrations on it that were meaningful to their history and culture.

And it was widely well received by the Iraqi people. I only saw one article where a guy said, "I don't think we need to do this. We don't have to get rid of Saddam." He was a guy up in Tikrit, if I remember correctly. That was Saddam's hometown.

Q: I'm not surprised.

TANT: But all the other articles, and there were a lot of feedback-type articles from the people, were glad about the new currency. So it was a wonderful thing. Now, some of them wanted additional denominations, and my understanding here recently is that Central Bank of Iraq is proceeding with achieving additional denominations. So they're

going to end up with something like eight denominations. There is also the coinage, and that will be very helpful to people.

Q: Who's going to be printing this in the future? Are there are efforts underway to create an indigenous printing capacity, or is that going to continue to be farmed out?

TANT: I don't know for certain. We talked about that when I was over there, but they did not yet have the capability to do it. I believe they're going to continue to use De La Rue, at least in the near term. That's not to say that they wouldn't, in the future, develop their own capability to print their own currency. But I don't know if that's going to happen anytime soon.

Q: Looking back on your experience, what were the major lessons learned? Why was this so successful?

TANT: Well, it was successful because we worked like the best team in town. We had established a chain of command and we had meetings every day to get feedback and plans for the next day.

We had to work hard and communicate with one another. In my main cell, I had a wonderful guy, Colonel Wilkinson, retired from the British armed forces. He led my security and logistics operation. He was just fantastic. My deputy, John Rooney from Scotland, I couldn't have done it without him. There was also a fellow named John Dulle from BearingPoint, an American consulting firm, who helped us. He and his team helped with program management, doing things like arranging for flights, arranging schedules, and keeping track of how much currency we had actually taken out of the hub and transported. Essentially they were keeping daily track of everything we did to ensure overall accountability.

We had to stay on this thing constantly. We had learned as leaders to go and meet with the people who were doing the job to build spirit and keep the troops motivated. We did all of those things: we worked like just one big family. We knew the importance of what we were doing, we were proud of what we were doing, and we were very successful in getting it done.

Every aspect of it was a success. Karen Triggs with her campaign, getting the word out to the entire population. We were prepared to go to the desert to take care of some of the Bedouin tribes! We got the word out to them where their nearest bank was. If they had any problems, they knew how to contact us. We got the word out to everybody, and everybody got their money exchanged. It just took a lot of energy and a lot of teamwork to make it all happen.

Ambassador Bremer and the military gave us everything we asked for. There was no hesitation. I mean, if we needed another aircraft, we got another aircraft. We just had a great team effort.

Q: So both the military and the CPA gave you all of the support that you needed?

TANT: CPA gave us all the support we needed. The military definitely did as well. They went above and beyond the call of duty for us. I was on the phone or e-mail regularly with the commanding generals of the divisions. The U.S. Treasury Department gave us tremendous support and advice. A man named Tom Simpson arrived when I was there. He did an assessment of what he thought needed to be done. I used that to help me get things done, to get my head clearly in the game.

END SIDE 1

Q: Do you have anything else to add about the support?

TANT: Well, I just would like to say the 700 former soldiers we had, the security forces that were contracted to the currency exchange program, were terrific. They came out of Fiji, Australia, New Zealand, Great Britain, good old USA, South Africa, Rhodesia (now Zimbabwe), and Canada. We had a coalition amongst ourselves of former soldiers. It was quite interesting.

Q: How were most of the foreign personnel brought into the project? Were they recruited by CPA?

TANT: Through the contract with Global Risk Strategies. The security and logistics force was predominantly from Global, and through their processes and means got the Fijians, South Africans, Canadians, and etcetera.

Q: You were working with a number of different groups, everything from coalition military to the CPA, as well as of course the different Iraqi organizations. Did you have any coordination difficulties, or was it a pretty well-oiled machine?

TANT: No, it wasn't, and that's why they brought me in. I was a recently retired brigadier general, and I knew all the generals, like Rick Sanchez, the senior military guy over there. He and I lived across the street from each other for a year at the Army War College. I mean, if I needed anything, I'd just say, "Hey Rick, I need this," and it would happen.

Q: Great.

TANT: Lieutenant General Sanchez, they don't get any better than him, and Dave Petraeus up in 101st, and Ray Odierno pulled my bacon out of the fire in Samarra. We were going into Samarra on – let me think – it was the 30th of November. The average number of attacks per day were like 15 a day in August/September, and then they started getting higher. There were about 35 attacks a day with IEDs (improvised explosive devices) or mortars or rockets.

November was a tough time with these attacks. We'd been attacked and ambushed in the

Samarra area about four times previously. Major General Ray Odierno was the commanding general of the 4th Infantry Division, and Samarra was his area of responsibility. He provided us with an escort consisting of 10 tanks, four infantry fighting vehicles, an Apache attack helicopter, an A-10 Air Force Warthog (close air support aircraft), and we still got attacked.

We were delivering to two banks that day, (one on the west of the town and one on the east), so I had two 35-man convoys,. We went in with that heavy escort from the 4th Infantry Division, and sure enough, we still got attacked. There was about a 45-minute gun battle that ensued. I understand that there were at least 46 of the enemy, terrorists and former regime loyalist, who perished that day as a result. There were about six of us who got wounded. One of my guys got wounded in the knee. He got shot through the knee. He killed the guy that shot him, I understand. And then there were five of our U.S. troops who got wounded that day.

But, in all of that, we still delivered the money and picked up the old money. So that was delivery under fire, that was the second motto that we had. Teamwork that works and delivery under fire. I'm just so proud of all of those troops. I mean, it was just the best of the best. The cooperation with the military and the troops that were provided to me, I couldn't ask for any better. It was an incredible experience.

Q: The people who were attacking you, were they part of the general insurgency, or were these criminals just out to make a quick buck?

TANT: Oh, no, we never lost any money. When they attacked us, they never got to the money.

Q: I understand that, but I'm just saying, do you know who they were?

TANT: Yes, it was the same terrorists and former regime loyalists who have caused problems in Samarra. The same kind that are in Fallujah. It's the same ilk. They're cut from the same cloth. About 5 percent over there don't understand anything except to be eliminated, and our guys are eliminating them as fast as they can. The coalition is eliminating them as fast as they can. Ninety-five percent of the people over there are fantastic people. They're just great people. But the 5 percent of them are causing all these problems, and they just have to be destroyed.

Q: Were most of your problems with attacks in the Sunni Triangle area?

TANT: Oh, yes. Yes. The rest of the provinces and the governorates, they didn't cause us hardly any problem. We had to stay at the ready all the time when we were in the Sunni Triangle.

Q: How about in the south, when Moqtad al-Sadr's militia was active?

TANT: Yes, every now and then, down in – what was it?

Q: Najaf?

TANT: Yes, Najaf. Occasionally, we'd have some problems down in Najaf, in that area. But the military was on top of that. If there were serious problems, we just had to change our mission and go somewhere else. We had that kind of flexibility. But for the most part, we were on track with our missions every day. We did have to adjust every now and then, and that's understandable, but we'd always go back and pick them up a couple days later, make the delivery a couple days later. That didn't happen that often.

Q: As far as other security questions, you mentioned that you had your own security force on the convoys and that you could always rely on coalition military to assist. There were also coalition forces who helped protect the banks during the transfer. You also mentioned, and this is what I'd like to get into, the Iraqi security teams that would protect the bank at night. I was wondering what the role of groups like that was, what the indigenous Iraqi security role was in your operations. For example, the police or other security forces.

TANT: That's another good point you bring up. We discussed that, "Who was going to secure the banks?" We wanted to put an Iraqi face on it, so the Iraqi police were coordinated with and these Iraqi indigenous security people, like their ...

Q: Facilities protection, or something like that?

TANT: The facilities protection. They actually performed that mission. And they were the main security of the banks themselves. They fell under the Ministry of the Interior.

Now, of course, all military units over there had areas of responsibility, and so they were sensitive to things going on all the time in their area of responsibility. That's why we had liaisons, because we had to communicate with the active military every time we were going through an area. They knew we were coming and would be traveling to a bank in their area. And so they would often provide us additional escorts, or at least they knew we were there and ready to help us, should we need help.

Ray Odierno, Major General Ray Odierno, with the 4th Infantry Division, I told you about his support during the 30th November attack in Samarra. On the 13th of December, about two weeks later, that's when they pulled Saddam out of the hole. That was the same unit that pulled Saddam out of the hole.

Q: The last thing I have to ask is just about the Iraqi banking system in general. We kind of touched on this early on. How would you characterize it? Was it largely intact? Not from a physical sense, but from ...

TANT: There had to be a lot of construction to get the flooding out of the vaults at the Central Bank of Iraq, so there were a lot of things that had to go on. But those two gentlemen, al-Jabouri and Haji Fallah... It was very apparent to me and others that their

employees highly respected these two individuals. They had good teamwork as well and got things going again for the Central Bank of Iraq in short order. It was amazing what happened there. Many of the branch banks required some renovation as there was extreme looting that occurred after the fighting.

Now, we actually delivered over 2,300 tons of new currency, but we took out of over circulation 13,000 tons.

Q: Oh, wow.

TANT: The original estimate was like 3,000 tons, and they realized that, no, there was a lot more currency. So we had to expand our operation dramatically to accommodate that. 13,000 tons of old currency is a lot. One of my fellows figured it out, if you put the notes end on end, it would go around the earth's circumference about 32 times.

Q: That's a lot of money. So these gentlemen, al-Jabouri and Haji Fallah were the heads of the bank?

TANT: They were the deputy governors. The actual head is Dr. Sinan al-Shabibi. He was an economist, a PhD, and they brought him in. Wonderful man.

Q: These gentlemen had worked for the Central Bank before?

TANT: Yes, Haji Fallah and al-Jabouri were at the bank, yes.

Q: There wasn't any problem with a Baathist element in the bank.

TANT: Nope, nope. They were vetted and good men.

Q: I'm not saying that they were Baathists, but was there a large Baathist presence in the banking system that had to be vetted out?

TANT: Not that I'm aware of. I'm not aware of that.

Q: I think that is all the questions I have for you, sir. Do you have any final comments that you'd like to add? Any lessons learned or any advice that you'd pass on for future operations?

TANT: Well, for future operations, there needs to be one contractor that provides security, logistics, and life support. We had to have a company provide life support, and they were unacceptable. They provided us trucks that didn't work a lot of the time. They didn't provide us the living quarters needed for those 700 troops in a timely manner. The food was less than it should have been from time to time. I understand that they're under investigation for falsifying contracts, and not just with our operation, but with other security operations that they were involved with.

Q: Who was this?

TANT: That's a company called Custer Battles. They are under investigation. It hit the news. We were just a piece of their pie, but in the future, it would have been much better to have one contractor that provided not just the security and logistics, but also the life support. To me that was the most critical lesson learned.

Q: All right. Just to clarify, you were based in Baghdad, but you traveled all throughout the country, is that correct?

TANT: I personally lived in Baghdad at the Presidential Palace, where Ambassador Bremer was, and I reported to him on a regular basis. Sometimes daily. I answered to him. Fantastic leader. If our motto was "Teamwork that Works", his motto should be "Leadership that Works", because he was absolutely the best leader for that situation. And I experienced a lot of things I haven't told you about in terms of examples of leadership and all over there, but Ambassador Bremer, he has my highest regard and so does Lieutenant General Sanchez, for that matter. That was a dynamic duo, there.

Q: The funding for the currency exchange operation, was that funded out of DFI (Development Fund for Iraq) funds?

TANT: As I understand it, yes. Overall, it was about a \$200 million operation. The largest portion of that was for the printing of the currency and the transportation of the currency, and it was somewhere around – I'm giving you approximations – \$60 or \$70 million for the security force and life support.

Q: Right. But most of the transporting of the currency, at least in Iraq was done with the military vehicles?

TANT: No. They were mostly not done with military vehicles. They were done mostly with contractor-provided vehicles. They were just foreign-made trucks, and it was just different sizes of trucks – big trucks, small trucks. They were not government vehicles for the most part.

When the contractor failed to provide operationally sound trucks, or a sufficient quantity of trucks, we had to call on the military to support us.

Q: These were locally contracted from, for example, an Iraqi contracting firm? A firm would be contracted to help deliver?

TANT: That's right. We used a contractor who would sub-contract with foreign firms for different requirements and services.

Q: Regional. The flights: did you charter flights to bring the money in from the various places?

TANT: Yes, we contracted through Hanover Aviation, which is a British firm, for the 747s which were hauling the new currency into Iraq. We used Global Risk Strategies for the IL-76s, the former Russian aircraft, and for the Antonov aircraft. Those were used inside of Iraq.

Q: OK, well, I promise that's the end of my questions. Do you have anything else you'd like to add, sir?

TANT: No, I'll tell you what. That was great.