

Memo for CPA

17 May 03

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From Walt Slocombe

Subject: Recommendations concerning Dissolution of Entities and Payment Policies

1. We have completed staffing of the draft policy statements on these two subjects and submit them for your approval.
2. Latest versions, incorporating results of our discussions as well as comments by Jay Garner, Robin Raphael and Peter McPherson, are attached. LTG McKiernen has reviewed both documents and we have verbally discussed many aspects of them but he did not formally comment.
3. I am prepared to draft these into formal declarations when you are comfortable with the substance.
4. You may want to consider forwarding these to SECDEF with the following cover note:

"Message from ACPA to SecDef

Subject: Dissolution of entities; payment policies

I intend on Tuesday, May 20, to issue the attached order (Tab A) dissolving key security ministries. The MOI is not included because it oversees the police, which we are using to help restore order; the ministry (or commission) of Military Industrialization, because it runs SOEs with significant civil functions. Elements of those entities may be dissolved after further review.

To confirm our policy on payments for Iraqi government employees to reflect both the de-Baathification announced on May 17 and those dissolutions, I intend to adopt the payment policy outlined in Tab B. Essentially, it continues all pension payments, and payments to employees of non-dissolved entities; provides for a termination payment to employees of non-dissolved entities, and authorizes employment of such employees by other Iraqi and Coalition agencies. No payments, however, would be made to people barred from government employment by Tab A. The mechanics of payments will be worked out following, in so far as possible, the process that has worked fairly well in the case of the "emergency" payments to civil servants.

The payments provided for will be made from Iraqi funds, under the established procedures.

I believe these policies, taken together, are necessary to show both our determination to root out BP structure, and to recognize the need for people to have some means of support during this difficult period."

Walt

Approved – Draft as Proclamations _____

Approved – Will submit to SECDEF in this form _____

See Me _____

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DRAFT of 2330 17 May 03

By Order of the Administrator of the Coalition Provisional Authority:

The following institutions (the "Dissolved Institutions") are hereby dissolved:

**The Ba'ath Party
The Ministry of Defence
The Ministry of Information
The Ministry of State for Military Affairs
The Iraqi Intelligence Service
The National Security Bureau
The Directorate of National Security (Amn al-Aam)
The Special Security Organization**

All entities affiliated with or comprising Saddam Hussein's bodyguards

To include:

- **-Muraeiqin (Companions)**
- **-Himaya al Khasa (Special Guard)**
- **-Himaya al-Khasa (Special Guards)**
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The following military organizations:

- The Republican Guard**
- The Special Republican Guard**
- The Organization of Military Industrialization**
- The Al Quos Force**
- Emergency Forces (Quwat al Tawari)**

The following paramilitaries:

- Saddam Fedayeen**
- Ba'ath Party Militia**
- Friends of Saddam**
- Saddam's Lion Cubs (Ashbal Saddam)**

Other Organizations:

- The Presidential Diwan**
- The Presidential Secretariat**
- The Revolutionary Command Council**
- The National Assembly**
- The Youth Organization (al-Futuwah)**

And all entities and organizations subordinate to the Dissolved Institutions.

Additional entities and institutions may be added to this list in the future.

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All assets, including records and data in whatever form maintained, wherever located, of the Dissolved Institutions are the property of the Administrator of the Coalition Provisional Authority as Receiver and Trustee. Those assets will be used for the benefit of the Iraqi people by the Administrator of the Coalition Provisional Authority and transitional interim authorities as they from time to time exist, pending the establishment of full representative self-government by Iraqis of Iraq. In appropriate cases such assets may be transferred to civilian agencies or privatized.

The Administrator of the Coalition Provisional Authority may delegate his powers and responsibilities as Receiver and Trustee to such person or persons, or entity or entities, as he determines appropriate.

All employees of the Dissolved Institutions are dismissed effective April 16, 2003

All persons employed, in any capacity or in any form, by the Dissolved Institutions remain subject to the penalties for acts committed during their tenure as such.

All military or other ranks granted to employees and functionaries of the Dissolved Institutions by the former Regime are hereby cancelled.

All financial obligations of the Dissolved Institutions are suspended. Procedures will be established whereby persons claiming to be the beneficiaries of such obligations may apply for lifting the suspension. Pensions will be paid, except to persons disqualified from public office by (the De-Ba'athification Order)

Persons in possession of the assets of the Dissolved Institutions shall preserve those assets, promptly inform the Receiver and Trustee, through the local Coalition military or civilian authorities, of the assets in their possession, and immediately turn the assets over to the Receiver and Trustee, as directed by the local Coalition authorities.

After the date of this Order, continued possession, or attempts to transfer or to conceal such assets of whatever character, will be subject to arrest and punishment.

Persons who provide information to the Coalition authorities relating to the Dissolved Institutions, or their assets or personnel, shall be suitably compensated as the Receiver and Trustee may determine.

The Administrator of the Coalition Provisional Authority plans to create in the near future a New Iraqi Corps, as the first step in the process of forming a national self-defense capability for a free Iraq. That Corps will be under civilian control, professional, non-political, militarily effective, and representative of all

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Iraqis. Former employees wishing to be considered for employment by the Receiver and Trustee will be informed of procedures for application.

All provisions of General Franks' Freedom Message to the Iraqi People of 16 April 2003 are reconfirmed and remain in effect.

Outline of Policy Re Payments to Former Military/MOD and related persons

[reflects comments in clearance and ACPA decision on final salaries for DPs]

- No further payments will be made to people disqualified for government service under the de-Baathification policy announced on 16 May 03 ("Disqualified Persons" or "DPs"). However, DP salaries for services prior to 16 May can, as a matter of administrative convenience, be paid where doing so will avoid delay in making payments to other persons. [Penalty for DPs seeking payments?]
- Pensions, including to survivors (including war widows) being paid prior to 1 Apr 03 will be continued, except for Disqualified Persons. [Need to find out pre-war pension procedures, and records, and use them.]
- Payments of salaries, at new scales, will continue for employees of MIC and its SOE's, pending determination of what SOEs will be continued. [Same basis and procedure as for other ministries/SOEs, i.e., through prior "audit committees" and using payroll records.]
- Payments to police will continue as announced and implemented already.
- Certain ministries and entities, in addition to the Baath Party and its affiliates, will be dissolved, including MOD, intelligence agencies, armed forces, and the employment of their employees will be terminated effective today. Officers COL and above will be rebuttably presumed to be DPs. Those terminated employees will be paid a one-time "transition payment" (roughly equivalent to a month's pay at new scales), except Disqualified Persons. [Process: Assemble what payroll records are available, set up system of payment points (as for civil servants) and pay people against those records, or on presentation of ID showing rank.]
- Former employees of dissolved entities are eligible for employment by other Iraqi government agencies, unless they are Disqualified Persons. For example, military medical personnel can be employed by civilian health agencies and paid as such. [as exemption from hiring freeze] Similarly for other specialists for whom a special need exists.
- A New Iraqi Corps will be established as the first stage of creating a self-defense capability for the new Iraq. Former military personnel, below the rank of COL and not otherwise disqualified, will be eligible for the NIC. However, recognize that numbers will be very limited, especially for officers.
- Former employees of dissolved entities can be hired as individuals by Coalition military or civil authorities, for example as security guards. They are not hired as reconstituted old units, as soldiers, or as part of the future Iraqi military.
- Implementation of the policy will be both essential and difficult. Total number of pre-war military, almost all of whom are eligible for payments, was on the

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order of 400,000. CPA will need to designate a small team in OSSA (or Finance) to plan details of implementation, which will include gathering records (working with Iraqis), arrange security from Coalition military forces, authorize allocations of cash, prepare announcement of both policy and process. Set realistic timetable, start payments in Baghdad but will need to be countrywide. Don't promise to pay before 1 July unless someone can show how it will be done.

- Consider how to use the process of application for termination payments as a way of building database.