

## ADDITIONAL INFORMATION ON THE AWB SCANDAL

Until 1 July 1999 AWB Ltd was a government body known as the Australian Wheat Board. On that date it became a private company owned by wheat growers, and in 2010 it was acquired by a Canadian company known as Agrium.

The United Nations initiated the Oil-for-Food Humanitarian Program in 1995 (UN Security Council Resolution 986: <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N95/109/88/PDF/N9510988.pdf?OpenElement>) for the purpose of allowing Iraq to sell oil on the world market in exchange for food, medicine and other humanitarian needs for ordinary Iraqi citizens without allowing Iraq to gain military capabilities. The program was discontinued in November 2002 when US and British forces invaded Iraq, and the humanitarian functions were transferred to the Coalition Provisional Authority.

After the discontinuation of the program a series of investigations concluded that Saddam Hussein was able to exploit the program by obtaining US\$1.7 billion through kickbacks and surcharges and a further US\$10.9 billion through illegal oil smuggling (Council of Foreign Relations <http://www.cfr.org/un/iraq-oil-food-scandal/p7631>).

The UN Independent Inquiry Committee (also known as the Volker Committee) released its final report on 27 October 2005, which accused nearly half of the 4,500 companies that participated in the program of paying kickbacks and illegal surcharges. In reference to AWB:

In summary, based on the available evidence, AWB Ltd paid over US\$221.7 to Alia, [a Jordanian transport company that was partly owned by the Iraq government] for what it termed inland transport and trucking fees. These payments were channelled to the Government of Iraq by Alia. Both AWB and Alia deny that AWB know of Iraq's partial ownership of Alia, and there is no evidence to contradict these denials (<http://www.iic-offp.org/documents/IIC%20Final%20Report%2027Oct2005.pdf>, p 325).

The Australian Government established a Royal Commission (known as the Cole Inquiry) to determine whether "decisions, actions, conduct or payments by Australian companies mentioned in the Volcker Inquiry...breached any Federal, State or Territory law" ([http://en.wikipedia.org/wiki/Cole\\_Inquiry](http://en.wikipedia.org/wiki/Cole_Inquiry)).

On 18 January 2006, the CEO of AWB admitted to the Cole Inquiry that the company breached UN Sanctions on Iraq (<http://www.abc.net.au/pm/content/2006/s1550486.htm>). Additional information emerged in April 2006 (<http://www.smh.com.au/news/national/deceit-by-the-truckload/2006/04/14/1144521506851.html?page=fullpage#contentSwap1>).

The Cole Commission recommended that 12 people be investigated for criminal offenses (<http://www.news.com.au/cole-recommends-criminal-probe/story-e6frfzu9-111112592292>) but eventually the Australian Federal Police dropped the criminal charges ([http://en.wikipedia.org/wiki/AWB\\_Oil-for-Wheat\\_Scandal#cite\\_note-Cole\\_Recommends\\_Criminal\\_Probe-19](http://en.wikipedia.org/wiki/AWB_Oil-for-Wheat_Scandal#cite_note-Cole_Recommends_Criminal_Probe-19)).

And that brings us to the report in *The Sydney Morning Herald* on 7 June 2012 <http://www.smh.com.au/opinion/political-news/cop-told-make-awb-probe-go-away-20120606-1zwgk.htm>.