

COALITION PROVISIONAL AUTHORITY ORDER NUMBER 55

DELEGATION OF AUTHORITY REGARDING THE IRAQ COMMISSION ON PUBLIC INTEGRITY

Pursuant to my authority as Administrator of the Coalition Provisional Authority (CPA), and under the laws and usages of war, and consistent with relevant U.N. Security Council resolutions, including Resolution 1483 (2003), Resolution 1500 (2003), and Resolution 1511 (2003),

Avowing that corruption is the bane of good government and prosperity;

Recognizing that the Iraqi people deserve leaders who are honest and dedicated to the transparent governance of Iraq;

Emphasizing that effective governance depends on the confidence that Iraqi people have in their leaders and corruption erodes that confidence,

Underscoring that honest and transparent governance will promote lasting prosperity of the Iraqi people by assuring them and the world community of the integrity of Iraqi leaders;

Noting that Iraq has long prohibited corruption in government, but that enforcement has been arbitrary and intermittent and that corruption has proliferated under the Baath regime;

Acknowledging that the battle against corruption is a long-term struggle that requires lasting commitment to change behavior at all levels of government,

Recognizing that the CPA is committed to the effective administration of Iraq and that building the Iraqi capacity to fight corruption contributes to civilian administration,

Noting that the Governing Council is leading the development of an anti-corruption strategy for Iraq,

I hereby promulgate the following:

Section 1 Delegation of Authority

The Governing Council is hereby authorized to establish the Iraq Commission on Public Integrity (Commission) as an independent body responsible for enforcing anti-corruption laws and public service standards; proposing additional legislation as

necessary; and heightening the Iraqi people's demand for honest, transparent and accountable leadership through public awareness and education initiatives. Proposed provisions establishing the Commission have been discussed between the Governing Council and the CPA and are set forth in Appendix A.

Section 2 Terms and Conditions

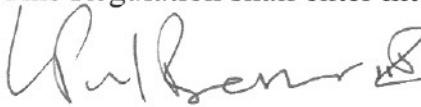
The authority delegated under Section 1 of this Regulation shall be subject to the following terms and conditions:

- a) The Governing Council shall ensure that the Commission is established and acts in a manner consistent with orders, regulations, and memoranda promulgated by the CPA.
- b) The Governing Council shall ensure that the Commission acts as the principal enforcement arm of Iraq's anti-corruption laws and performs its duties in conjunction with the Board of Supreme Audit ("Board") and the Inspectors General of Iraqi ministries.
- c) The Governing Council understands and acknowledges that the Commission, the Board, and the Inspectors General have expressly defined powers and areas of responsibility. Accordingly, the Governing Council shall ensure (i) that the Board serves as Iraq's supreme audit institution, and remains responsible for detecting fraud, waste, and abuse in Iraqi ministries and other government organizations; (ii) that the Board retains no prosecutorial or enforcement powers and must refer all evidence of fraud, waste, and abuse to the Inspector General of the relevant ministry; (iii) that the Inspectors General, in turn, and in addition to policing their own ministries, must investigate all referred matters and report their findings and recommendations to the relevant minister and to the Commission for final review and appropriate action; and (iv) that only the Commission is empowered to dispose of cases involving misconduct through criminal proceedings.
- d) The Governing Council acknowledges that this system is expressly designed to facilitate transparent governance and combat corruption at all levels by enabling oversight agencies to operate independently and by ensuring that investigative and enforcement functions are performed separately and discretely. The Governing Council shall therefore ensure that the system is implemented as designed.
- e) As part of the delegation in Section 1, the Governing Council is authorized to modify existing Iraqi law as set forth in Appendix A and to permit the Commission to promulgate a revision of the Code of State Employees and Social Sector Discipline.

- f) In the event of a conflict between any promulgation by the Governing Council and any promulgation of the CPA, the promulgation of the CPA shall prevail.
- g) The Administrator reserves the authority to alter the statute creating the Commission or any rules and regulations promulgated by the Commission, or to otherwise intervene to prevent and uproot government corruption in Iraq, if required in the interests of justice.

Section 3
Effective Date

This Regulation shall enter into force on the date of signature.

 1/28/04

L. Paul Bremer, Administrator
Coalition Provisional Authority

THE COMMISSION ON PUBLIC INTEGRITY

Avowing that corruption is the bane of good government and prosperity;

Recognizing that the Iraqi people deserve leaders who are honest and dedicated to the transparent governance of Iraq;

Underscoring that honest and transparent governance will promote lasting prosperity of the Iraqi people by assuring them and the world community of the integrity of Iraqi leaders;

Noting that Iraq has long prohibited corruption in government, but that enforcement has been arbitrary and intermittent and that corruption has proliferated in Iraq since July 17, 1968;

Acknowledging that the battle against corruption is a long-term struggle that requires lasting commitment to change behavior at all levels of government;

Be it approved by the Governing Council:

Section 1 Purpose

This statute encourages honest and transparent governance by establishing a truly independent body capable of effectively enforcing anti-corruption laws and public service standards, proposing additional legislation as necessary, and heightening the Iraqi people's demand for honest, transparent and accountable leadership through public awareness and education initiatives; by requiring Iraq's leaders to demonstrate their commitment to ethical public service through oaths of office and public disclosure of personal financial interests; and by strengthening and clarifying Iraq's standards of ethical public service and its criminal laws prohibiting public corruption.

Section 2 Definitions

For purposes of this law, the following definitions shall apply. Words importing the singular include and apply to several persons, parties, or things; words importing the plural include the singular; and words importing the masculine gender include the feminine:

- 1) "Person" means any natural person, corporation, company, association, firm, partnership, society, union, institution, or organization.
- 2) "Penal Code" means the Iraqi Penal Code of 1969, as amended.
- 3) "Code of Conduct" means the Code for State Employees and Social Sector Discipline, Resolution No. 144.
- 4) "Corruption Case" means a criminal case that involves a suspected violation of
 - a) Paragraphs 233, 234, 271, 272, 275, 276, 290, 293, or 296 of the Penal Code,
 - b) Paragraphs 307 through 341 (Chapter Six) of the Penal Code,
 - c) Any provision of the Penal Code to which Paragraph 135(5), (6), or (7), added by Section 6 of this measure, applies, or
 - d) Any other provision of the Penal Code, where the suspected violation arises from the same operative facts as a suspected violation of a provision listed in subsections (a) through (d), above.
- 5) "Covered persons" means:
 - a) Governing Council members and their deputies;
 - b) Ministers and deputy ministers;
 - c) Governors;
 - d) Judges;
 - e) The Commissioner, Deputy Commissioner, and all Directors and investigators of the Commission;
 - f) Members of the National Legislature after the Transition; and
 - g) The chief executive of Iraq on and after the Transition.
- 6) "Transition" means the moment at which the sovereign transitional Iraqi administration assumes full governance authority in Iraq.

- 7) Before the Transition, "National Legislature" means the Governing Council. After the Transition, "National Legislature" means the body that is vested with the national legislative authorities and duties.

Section 3

Commission on Public Integrity

The Commission on Public Integrity (Commission) is hereby established as a separate and independent government office that will implement and enforce this statute, by investigating and referring cases to courts for criminal proceedings; promoting the people's trust in the government of Iraq through financial disclosure and other programs; and fostering a culture in government and in the public of personal integrity, ethical public service, and accountability, through public awareness and education programs. The Commission may develop and propose for enactment additional legislation, promulgate regulations as authorized herein, and take such other actions as it deems necessary and appropriate to achieve its objectives.

Section 4

Powers and Duties

- 1) The Commission shall have the authority to investigate and, through an investigator of the first class, present to an investigative judge a Corruption Case involving actions dating as far back as July 17, 1968. Upon presentation of the case to the investigative judge, the Commission shall become a party to the case.
- 2) The Commission may refer information regarding possible violations of the Code of Conduct to the head of the government agency that employs the suspected violator or that agency's Inspector General, with or without a recommendation for disciplinary action.
- 3) The Commission shall establish procedures to receive, through the office of an Ombudsman, and investigate allegations of corruption, including anonymous allegations. The Commission shall take all necessary and appropriate steps to protect the identity of informants to the maximum extent permitted by law, unless the informant waives such protection.
- 4) The Commission shall employ, among others, financial auditors, investigators, and investigators of the first class. An investigator of the first class is hereby empowered to exercise the powers of a court investigator under Iraqi law in any part of Iraq, and a request, motion, information, application, or supplication of whatever form submitted to a judge by an investigator of the first class shall be received and entertained in the same manner as such submissions from a court investigator.

- 5) An investigating judge shall notify the Director for Legal Affairs of the Commission upon commencing an investigation into a Corruption Case. At the Commission's request, the investigating judge shall update the Commission about the investigation as it progresses. The Commission may elect at any time to assume responsibility for such an investigation. If the Commission elects to assume such responsibility, the investigating judge shall transfer the entire case file to the Commission immediately, cooperate with and fully inform the Commission about the case, and cease his investigation.
- 6) The Commission shall promulgate mandatory financial disclosure regulations in accordance with Section 7. The regulations shall be designed to gain public trust and confidence in the honesty and transparency of government service. The regulations shall have the force and effect of law, and may be amended from time to time as the Commission deems necessary to achieve their purpose. The regulations shall require, at a minimum, disclosure of the information called for by the form annexed hereto as Appendix A.
- 7) The Commission shall promulgate a revision to the Code of Conduct, to clarify and strengthen the standards of ethical conduct to which Iraq's government employees must adhere. In revising the Code of Conduct the Commission will consult with the National Center for Consultation and Development of Government Administration and with the inspectors general of the Iraqi Ministries. The Code of Conduct shall address the duty of government employees:
 - a. to report corruption to an appropriate authority;
 - b. to act impartially and not to give unfair and unlawful preferential treatment to any organization or individual;
 - c. not to engage directly or indirectly in financial transactions using official, nonpublic information;
 - d. not knowingly to provide false, misleading, or incomplete information to the Commission;
 - e. not to accept gifts of more than a nominal value to be specified by the Commission, except for bona fide gifts from bona fide friends of long standing;
 - f. not to participate personally and substantially in official matters that have a direct and predictable effect upon the financial interests of themselves, their spouses or their family relations to the second degree, except where expressly authorized by law.

Every government employee must sign a written pledge of adherence to the Code of Conduct as a condition of employment. Heads of government agencies will take appropriate actions to ensure that employees sign such pledges.

- 8) The Commission may propose to the National Legislature legislation designed to eradicate corruption and foster a culture of integrity, honesty, transparency, accountability, submission to questioning, and fair dealing in government.
- 9) The Commission shall make available to government employees and the Iraqi public such education and public awareness programs as the Commission deems appropriate to foster a culture of integrity, honesty, transparency, accountability, and fair dealing in public service. It should enforce submission to questioning and impartial dealing in public service. In performing this responsibility, the Commission shall work with education officials to develop a national school curriculum to promote public integrity.
- 10) In performing its duties, the Commission and its officials shall not discriminate on the basis of, and shall act without regard to, religion, confession, race, ethnicity, gender, political affiliation or ideology, or familial affiliation or tribe. Any act of the Commission based on or motivated by such a distinction is invalid and null. The subject of such an act may sue to have it so declared in a court of law.
- 11) The Commission shall, in all of its operations, fastidiously observe and ensure the protection of due process under law.

Section 5

Organization and Functions

- 1) The Commission shall be chaired by a Commissioner, who shall serve a term of five years. A Commissioner may serve no more than two terms, whether or not successive. The initial Commissioner shall be nominated by the Governing Council and appointed to his initial term by the Administrator. Commissioners after the initial Commissioner shall be appointed by the chief executive of Iraq from a pool of three nominees of the Council of Judges, subject to confirmation by a majority vote of the National Legislature. The nominees of the Council of Judges shall have the highest standards of ethical behavior and a reputation for integrity and honesty. The Commissioner may be removed from office by a two-thirds vote of the National Legislature for incapacity, serious misconduct in or out of office, dereliction of duty, or abuse of office.
- 2) The Commissioner shall:

- a) authorize, direct and control all operations of the Commission and ensure that it fulfills its duties under law;
- b) propose a budget for and approve expenditures by the Commission;
- c) hire, fire, and discipline Commission personnel in accordance with the Code of Conduct except as otherwise provided by law, and prescribe their training and qualifications;
- d) promulgate and ensure compliance with financial disclosure regulations as directed in this statute, and the procedural rules described in Section 4(3) of this statute; and
- e) promulgate amendments to and help ensure compliance with the Code of Conduct as set forth in Section 4(7) of this statute.

The Commissioner may delegate his duties to his subordinates in the Commission.

- 3) The Commission shall have a Deputy Commissioner, a Director for Investigations, a Director for Legal Affairs, a Director for Prevention, a Director for Education and Public Relations, a Director for Relations with Non-Governmental Agencies, and a Director for Administration, each of whom shall be appointed by the Commissioner and shall serve under his authority, direction and control.
- 4) The Deputy Commissioner shall be the chief assistant to the Commissioner. The Deputy Commissioner shall act as the Commissioner, with all appurtenant authorities, powers, rights, responsibilities and duties, during the Commissioner's incapacity.
- 5) The Director of Investigations shall be primarily responsible for the detection and investigation of corruption in the government of Iraq, and for establishing procedures for receiving and investigating allegations of corruption, including anonymous allegations.
- 6) The Director for Legal Affairs shall assist and advise the Commissioner in ensuring compliance with the law of Iraq, and in suggesting legislation to the Commissioner for submission to the national legislature.
- 7) The Director of Prevention shall be primarily responsible for assisting the Commissioner in fulfilling his duties under subsections 4(6)-(7) of this statute.
- 8) The Director of Education and Public Relations shall assist the Commissioner in fulfilling the duty imposed on the Commission by subsection 4(9) of this statute. He shall educate public officials, government employees and the public as to the principles of ethical public service, the Code of Conduct, and the financial disclosure

regulations applicable to government employees. He shall develop with the Ministry of Education and other education officials and organizations a national school curriculum to promote ethics in public service, and may carry out such training, studies, media campaigns, conferences, seminars and similar events, and hire consultants in furtherance of these activities.

- 9) The Director of Relations with Non-Governmental Organizations shall work with non-governmental organizations to promote a culture of ethics in both the public and private sectors, by developing and disseminating materials, conducting training programs and media outreach efforts, and other actions in furtherance of these activities.
- 10) The Director for Administration shall be responsible for office administration and personnel and human resources.

Section 6

Penal Code Amendments

The Penal Code is amended:

- 1) By appending to the end of Paragraph 135 the following:

- "(5) The abuse of public or trusted office for private gain or the offering, granting or acceptance of some advantage in violation of the person's trusted or public official duties and the official abuse of the rights of others, or attempting to induce such abuse or violation.
- "(6) The commission of an offense in connection with, in furtherance of, or to impede detection of any of the offenses described in Sections 2(4)(a) through (d) of the organic law establishing the Commission on Public Integrity.
- "(7) Violation of financial disclosure regulations promulgated by the Commission on Public Integrity."

- 2) By appending to the end of Paragraph 136 the following:

- "(4) If the offense involves a provision described in Sections 2(4)(a) through (d) of the organic law establishing the Commission on Public Integrity, then the offending person shall be immediately and permanently disqualified from government employment or from contracting to provide goods or services to the government and, unless a more harsh sentence is prescribed by another provision of law, the sentence may be imprisonment of up to 10 years, and a fine of up to

\$10 million or its equivalent in Iraqi Dinars, and the forfeiture and restitution of any and all amounts, objects, and tangible assets of unjust enrichment resulting from the offense or related activities.”

Section 7 Financial Disclosure

- 1) Within 30 days of the date of assuming office, the initial Commissioner shall promulgate regulations requiring, at a minimum, that Covered Persons annually disclose the information called for by the form annexed hereto as Appendix A .
- 2) Timely compliance with Commission regulations promulgated pursuant to this statute shall be a condition of employment.
- 3) The Commission shall make available to the public for inspection and copying the information and forms filed pursuant to the financial disclosure regulations promulgated pursuant to this statute.
- 4) The Commission shall review, audit, and investigate as appropriate Covered Persons' financial disclosures ensure honest compliance.

Section 8 Reporting Requirements

After the Transition, the Commissioner shall provide the chief executive of Iraq and the National Legislature with a report on the activities of the Commission, at least annually. Such reports shall include statistics on cases reported, investigated, referred, dropped, and prosecuted as well as information on the Commission's public outreach activities. The Commissioner shall make these reports available to the public.

APPENDIX A

ANNUAL IRAQI FINANCIAL STATEMENT

ALL QUESTIONS REFER TO CALENDAR YEAR (JANUARY 1 THROUGH DECEMBER 31) UNLESS OTHERWISE SPECIFIED.

Please answer all questions and where your answer is "none" or "not applicable" so state. **ANSWERS SHOULD BE PRINTED OR TYPED**, and additional sheets may be used if more space is needed. For clarification of any question, read instruction sheet.

Note: The failure to file a Yearly Financial Statement by a Covered Person, as defined in the law establishing the Commission on Public Integrity, is a violation of the law and may subject the official to penalties, including fines and suspension from office.

1. _____
NAME OF OFFICIAL (First) (Middle) (Surname)
2. _____
HOME ADDRESS (Street) (City/Town)

3. **List Public Office(s) you hold and governmental unit:**

(Public Office) (Municipality, Governorate, or National)

(Public Office) (Municipality, Governorate, or National)

4. List the names of any non-government employer from which you, your spouse, or dependent child received [\$1000 or equivalent dinars] or more gross income during the calendar year, or in which you, your spouse, or dependent child held a position as a director, officer, partner, trustee, or management position. If self-employed, list any occupation from which [\$1000 or equivalent dinars] or more gross income was received. If employed by a governorate or municipal Ministry or agency, or if self-employed and services were rendered to a state or municipal agency for an amount of income in excess of [\$250.00 or equivalent dinars], list the date and nature of services rendered. If the public office or employment listed in #3, above, provides you with an amount of gross

income in excess of [\$250.00 or equivalent dinars] it must be listed here. **(Do Not List Amounts.)**

NAME OF FAMILY MEMBER EMPLOYED	NAME AND ADDRESS OF EMPLOYER OR OCCUPATION	DATE AND NATURE OF SERVICES RENDERED
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5. List the address or legal description of any real estate, other than your principal residence, in which you, your spouse, or dependent child had a financial interest.

NAMES	NATURE OF INTEREST	ADDRESS OR DESCRIPTION
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6. List name of any trust, name and address of the trustee of any trust, from which you, your spouse, or dependent child or children have a beneficial interest of [\$1000 or equivalent dinars] or more. List assets if known. **(Do Not List Amounts)**

NAME OF TRUST: _____

NAME OF TRUSTEE AND ADDRESS: _____

NAME OF FAMILY MEMBER RECEIVING TRUST
INCOME: _____

ASSETS: _____

7. List the name and address of any person, business entity, or other organization which had made total gifts or total contributions of [\$100 or equivalent dinars] or more in cash or property during the calendar year to you, your spouse or dependent child. Certain gifts from relatives and certain campaign contributions are excluded. (See instructions)

NAME OF PERSON RECEIVING GIFT OR CONTRIBUTION	NAME AND ADDRESS OF PERSON OR ENTITY MAKING GIFT OR CONTRIBUTION, AND RELATIONSHIP TO RECIPIENT
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8. If you, your spouse, or dependent child were indebted in an amount in excess of [\$1,000 or equivalent dinars] to any person, business entity or other organization other than (i) any person related to you, your spouse, or dependent child at any time within the third degree of consanguinity (see instructions), or (ii) a financial institution regulated by the Iraqi Government where such indebtedness is secured solely by a mortgage of record on real property used exclusively as your principal residence, or (ii) any indebtedness arising from transactions involving credit, please list the following:

NAME AND ADDRESS OF DEBTOR	NAME AND ADDRESS OF LENDER
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I certify under penalty of perjury, that this Financial Statement is a complete and accurate response to the questions presented.

SIGNATURE