

19 May 2003

MEMO FOR: Secretary Rumsfeld

FROM:

Paul Bremer *5/19/03*

SUBJECT:

Dissolution of the Ministry of Defense and Related Entities

In the coming days I propose to issue the attached order (Tab A) carrying forward the de-Ba'athification effort by dissolving Saddam's key security ministries. I could also implement the policies in Tab B on payments related to the dissolved entities. I believe it is desirable to issue these orders as soon as possible to maintain the momentum of our de-Ba'athification campaign.

The entities to be dissolved were the core of the Saddam system. The property of these entities will vest in the CPA and their employees will be dismissed. The order also makes clear we will begin the process of establishing new armed forces for the new Iraq to provide for legitimate self-defense needs.

The generally positive reaction to the earlier de-Ba'athification order of 16 May 03 leads me to believe this order will generate a good deal of public support, despite its impacting many more people. In any event, it is a critical step in our effort to destroy the underpinnings of the Saddam regime, to demonstrate to the Iraqi people that we have done so, and that neither Saddam nor his gang is coming back.

Some organizations that were undoubtedly in large part also part of the system are left in existence for now. For example, I do not at this time propose to dissolve the Ministry of Interior because it oversees the police, which we are using to help restore order, as well as customs and, incredibly, the sewer system; the Ministry (or commission) of Military Industrialization, because it runs state-owned enterprises with significant civil functions; and the Ministry of Higher Education and Science because it administers universities that we are working to re-open. Elements of those entities will likely be dissolved after further review.

The order will affect large numbers of people: There were some 400,000 employees of the MOD alone. Therefore it is necessary to establish a policy on payments to employees and retirees of the dissolved entities. I intend to adopt the payment policy outlined in Tab B.

That policy continues pension payments for people who were drawing a pension from dissolved entities before the war ended, provides for a termination payment to employees of dissolved entities, and authorizes employment of such persons as individuals in civilian jobs by other Iraqi and Coalition agencies. All this is subject to the overriding principle that no payments will be made to "disqualified persons," i.e., people barred



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from government employment by the de-Ba'athification order (notably those in the top three ranks of the party). All military officers with the rank of Colonel and above will be presumed to be Disqualified Persons, unless they can establish otherwise. Moreover, the policy reserves our right to revoke pensions as a penalty for past or future illegal conduct, and to modify pension arrangements to eliminate special privileges granted by the old regime.

There is obviously something that catches in the craw about paying anything to people who worked at the heart of Saddam's regime. Against this, however, we must balance the risks of serious discontent, increased terrorism, and much higher crime rates that may result if we cut off all military and security sector pensioners in a heavily militarized society. For this reason, I recommend that we pay most pensions--to include military retirees who retired before 16 April--the date of Gen Franks Freedom Message dissolving the Ba'ath Party. I also recommend severance payments to employees of dissolved entities. Disqualified persons, of course, would receive neither type of payment. If you concur with this policy in principal, the next step is development of payment plans.

There will be some delay in making these payments, because, in contrast to the situation for most civilian agencies, we do not have employee rosters, or contacts with administrative officials of the dissolved entities. In conjunction with the intelligence community, we are starting to assemble the necessary data and make the necessary mechanical preparations for the payments. When we have those data, at least in approximate form, we will estimate the likely costs and request, pursuant to the procedures for civilian agency payments, an allocation of Iraqi funds needed for payment. The mechanics of payments will follow, in so far as possible, the process that has worked fairly well in the case of the "emergency" and salary payments to civil servants in civilian agencies.

In short, I believe these policies, taken together, are necessary to show both our determination to root out Saddamism, at the same time mitigating the risks to our broad objectives for security which these measures might otherwise cause.

Attachments:

- 1 Order of the ACPA
- 2 Outline of Policy Repayments to Former MOD Personnel

CC: Paul Wolfowitz, Doug Feith, Jim Haynes



Order of the Administrator of the Coalition Provisional Authority

Dissolution of Iraqi Entities

May 20, 2003

The following Entities (the "Dissolved Entities") are hereby dissolved:

**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-'Am)
The Special Security Organization**

All Entities affiliated with or comprising Saddam Hussein's bodyguards to include:

**-Murafaqln (Companions)
-Himaya al Khasa (Special Guard)**

The following military organizations:

-The Army, Air Force, Navy, the Air Defence Force, and other regular military services.

**-The Republican Guard
-The Special Republican Guard
-The Al Quds 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)**

All organizations subordinate to the Dissolved Entities are also dissolved.

Additional Entities may be added to this list in the future.



All assets, including records and data in whatever form maintained, wherever located, of the Dissolved Entities 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 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 Entities are dismissed effective April 16, 2003.

All persons employed, in any capacity or in any form, by the Dissolved Entities 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 Entities by the former Regime are hereby cancelled.

All financial obligations of the Dissolved Entities are suspended. Procedures will be established whereby persons claiming to be the beneficiaries of such obligations may apply for lifting the suspension. Pensions being paid before 16 April 2003 will continue to be paid, including to war widows, provided that the power is reserved to the CPA and to the future Iraqi government to revoke or reduce pensions as a penalty for past or future illegal conduct or to modify pension arrangements to eliminate improper privileges granted by the Baathist regime.

Persons in possession of the assets of the Dissolved Entities 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 Entities, or their assets or personnel, shall be suitably compensated as the Receiver and Trustee may determine.



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 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 and all prior orders of the Coalition Provisional Authority are reconfirmed and remain in effect.



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

- No further payments will be made to persons disqualified for government service under the de-Baathification policy announced on 16 May 03 ("Disqualified Persons" or "DPs"). Officers COL and above will be rebuttably presumed to be DPs, and will not be paid until they establish that they are not DPs.
- Employees of Dissolved Entities, i.e., those entities dissolved by CPA Order of May ---, [the order dissolving the MOD, intelligence agencies, armed forces, etc.] will be terminated effective the date of that order.
- Those terminated employees will not be eligible to claim a pension, regardless of retirement rules that may be alleged to entitle them to retire on pension rather than be terminated. Unless they are Disqualified Persons, they will, however, be paid a one-time "transition payment" (equivalent to a month's pay at new scales). Disqualified Persons will not be paid a termination payment.
- Pensions of former employees of the Dissolved Entities, including military pensions and pensions to survivors (including war widows), that were being paid prior to 16 Apr 03 will be continued. Purported retirements after that date are ineffective, and do not entitle a person to a pension. CPA reserves the power for itself and the future Iraqi government to end or modify a person's pension as a penalty for illegal conduct, before or after 16 April 03, and to modify pension arrangements to eliminate improper privileges granted by the Baathist regime.
- Former employees of dissolved entities (other than Disqualified Persons) are eligible for employment by other Iraqi government agencies. For example, military medical personnel can be employed by civilian health agencies and paid as such. Former employees of Dissolved Entities do not, however, have any special eligibility or other privileges for such employment by reason of their service for Dissolved Entities.
- Similarly, former employees of dissolved entities (other than Disqualified Persons) 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.
- 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 limited, especially for officers.
- **Note:** Payments to police and other employees of entities other than the Dissolved Entities will continue as announced and being implemented already.



COALITION PROVISIONAL AUTHORITY ORDER NUMBER 2

DISSOLUTION OF ENTITIES

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

Reconfirming all of the provisions of General Franks' Freedom Message to the Iraqi People of April 16, 2003,

Recognizing that the prior Iraqi regime used certain government entities to oppress the Iraqi people and as instruments of torture, repression and corruption,

Reaffirming the Instructions to the Citizens of Iraq regarding Ministry of Youth and Sport of May 8, 2003,

I hereby promulgate the following:

Section 1 Dissolved Entities

The entities (the "Dissolved Entities") listed in the attached Annex are hereby dissolved. Additional entities may be added to this list in the future.

Section 2 Assets and Financial Obligations

- 1) All assets, including records and data, in whatever form maintained and wherever located, of the Dissolved Entities shall be held by the Administrator of the CPA ("the Administrator") on behalf of and for the benefit of the Iraqi people and shall be used to assist the Iraqi people and to support the recovery of Iraq.
- 2) All financial obligations of the Dissolved Entities are suspended. The Administrator of the CPA will establish procedures whereby persons claiming to be the beneficiaries of such obligations may apply for payment.
- 3) Persons in possession of assets of the Dissolved Entities shall preserve those assets, promptly inform local Coalition authorities, and immediately turn them over, as directed by those authorities. Continued possession, transfer, sale, use, conversion, or concealment of such assets following the date of this Order is prohibited and may be punished.



Section 3

Employees and Service Members

- 1) Any military or other rank, title, or status granted to a former employee or functionary of a Dissolved Entity by the former Regime is hereby cancelled.
- 2) All conscripts are released from their service obligations. Conscription is suspended indefinitely, subject to decisions by future Iraq governments concerning whether a free Iraq should have conscription.
- 3) Any person employed by a Dissolved Entity in any form or capacity, is dismissed effective as of April 16, 2003. Any person employed by a Dissolved Entity, in any form or capacity, remains accountable for acts committed during such employment.
- 4) A termination payment in an amount to be determined by the Administrator will be paid to employees so dismissed, except those who are Senior Party Members as defined in the Administrator's May 16, 2003 Order of the Coalition Provisional Authority De-Baathification of Iraqi Society, CPA/ORD/2003/01 ("Senior Party Members") (See Section 3.6).
- 5) Pensions being paid by, or on account of service to, a Dissolved Entity before April 16, 2003 will continue to be paid, including to war widows and disabled veterans, provided that no pension payments will be made to any person who is a Senior Party Member (see Section 3.6) and that the power is reserved to the Administrator and to future Iraqi governments to revoke or reduce pensions as a penalty for past or future illegal conduct or to modify pension arrangements to eliminate improper privileges granted by the Baathist regime or for similar reasons.
- 6) Notwithstanding any provision of this Order, or any other Order, law, or regulation, and consistent with the Administrator's May 16, 2003 Order of the Coalition Provisional Authority De-Baathification of Iraqi Society, CPA/ORD/2003/01, no payment, including a termination or pension payment, will be made to any person who is or was a Senior Party Member. Any person holding the rank under the former regime of Colonel or above, or its equivalent, will be deemed a Senior Party Member, provided that such persons may seek, under procedures to be prescribed, to establish to the satisfaction of the Administrator, that they were not a Senior Party Member.



Section 4 Information

The Administrator shall prescribe procedures for offering rewards to person who provide information leading to the recovery of assets of Dissolved Entities.

Section 5 New Iraqi Corps

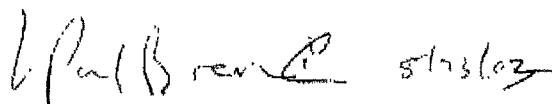
The CPA plans to create in the near future a New Iraqi Corps, as the first step in forming a national self-defense capability for a free Iraq. Under civilian control, that Corps will be professional, non-political, militarily effective, and representative of all Iraqis. The CPA will promulgate procedures for participation in the New Iraqi Corps.

Section 6 Other Matters

- 1) The Administrator may delegate his powers and responsibilities with respect to this Order as he determines appropriate. References to the Administrator herein include such delegates.
- 2) The Administrator may grant exceptions any limitations in this Order at his discretion.

Section 7 Entry into Force

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

 5/23/02

L. Paul Bremer, Administrator
Coalition Provisional Authority



ANNEX

COALITION PROVISIONAL AUTHORITY ORDER NUMBER 3

DISSOLUTION OF ENTITIES

Institutions dissolved by the Order referenced (the "Dissolved Entities") are:

- 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-'Am)
- The Special Security Organization

All entities affiliated with or comprising Saddam Hussein's bodyguards to include:

- Murafaqin (Companions)
- Himaya al Khasa (Special Guard)

The following military organizations:

- The Army, Air Force, Navy, the Air Defence Force, and other regular military services
- The Republican Guard
- The Special Republican Guard
- The Directorate of Military Intelligence
- The Al Quds 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-Futuawah)
- National Olympic Committee
- Revolutionary, Special and National Security Courts



All organizations subordinate to the Dissolved Entities are also dissolved.

Additional organizations may be added to this list in the future.

