

Grafts financing Iraqi insurgents

by UPI

TIKRIT, Iraq -- Economic corruption by Iraqi insurgents and sectarian militias hinder the official government's effectiveness and provide a source of revenue for rebel groups. Graft schemes involving oil, cement, soft drinks and real estate generate millions of dollars to finance the Iraqi insurgency, officials said. A former official with an Iraqi government corruption watchdog group said that insurgent groups have infiltrated every aspect of the oil sector, telling the Los Angeles Times that "this has resulted in the Ministry of Oil effectively financing terrorism through these militias." U.S. officials also said the insurgency tapped into funding for U.S. government projects, noting al-Qaida in Iraq financial recruiting efforts coincide with the announcement of grants. "If you think that the majority of the money is coming from outside the country to fund the insurgency, you'd be wrong," U.S. Army Lt. Col. Eric Welsh, a battalion commander in Mosul, told the Times. U.S. and Iraqi officials cite the lucrative black market as one of the greatest obstacles to the reconstruction efforts in Iraq. Graft schemes were used in the 1990s to counteract embargoes imposed by the United Nations.

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