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Danger part of the job for Iraq's 'Money Man'

Bandits lie in wait as he makes his daily currency deliveries.

Hannah Allam KNIGHT RIDDER NEWS SERVICE

Basil, a 39-year-old Palestinian American known as "The Palace **Money Man**," has one of the most dangerous jobs in Iraq. He totes an AK-47 rifle and an MP5 submachine gun while traveling between two worlds connected by **money**.

On several tense rides every day, he sees the obstacles U.S. officials face in controlling the country's currency, one measure of a nation's stability and one of the most serious challenges to rebuilding Iraq.

Basil starts his days at Saddam Hussein's former Republican Palace, where American and British military officials give him two humvee escorts and orders to deliver hundreds of millions of dollars' worth of Iraqi dinars to **Baghdad** banks. The rest of his routine includes meeting with Iraqi bank managers, visiting the ramshackle shop where Iraq's currency is printed, and above all, outsmarting the bandits who will seize any chance to separate him from his cargo.

Basil says the cash he carries, which was seized from Hussein, stocks banks and pays public servants. He would not allow his last name to be published for fear of kidnapping or assassination. Even some veteran U.S. military officers have declined to accompany him on his rounds, and he has a special permit to carry weapons.

American administrators have announced plans to introduce electronic checking, credit cards and other innovations to restore Iraqis' trust in banks linked to the former regime. But U.S. and Iraqi financial officers are thwarted daily by racketeers who control exchange rates, counterfeiters who flood the market with bogus bills, and devious managers at the biggest banks, many of which are still covered with soot and scorch marks from the looters who broke into the vaults and made off with millions.

Counterfeit dinars using stolen paper, hand-typed serial numbers and scanned images are becoming harder to detect, and profiteers are buying up legitimate 250-dinar notes, the most commonly used currency, and holding them to create a shortage. That enables the owners of the unlicensed **money**-exchange kiosks on every other block in **Baghdad** to control the exchange rate, bilk residents, and frustrate American financial officers.

Basil's biggest problems are the bandits who lie in wait for armored trucks.

The most perilous stretch of his daily route takes him down the narrow alleys of al Rashid Street, **Baghdad's** oldest commercial district, to visit Faleh Dawod Salaman, the acting governor of the Central Bank of Iraq.

One recent day, Basil released the safeties on his weapons and rode down al Rashid Street with the door halfway open so he could make a fast escape. Every woman on a balcony, every **man** peering through a window, every street vendor was a potential killer.

With traffic at a standstill, Basil had no choice but to wait - exposed - until he entered the bank compound.

"Watch people on bikes," Basil ordered as two men on a motorcycle zipped dangerously close to his truck. "It's so easy to hit and run. Watch his hands! Watch his hands!"

The banks are only marginally safer than the streets.

At the main branch of the Rafidain, Iraq's largest government bank, the vault-keeper's son was kidnapped recently. Basil alerted American authorities and Iraqi police, and the 23-year-old **man** was returned unharmed four days later.

Most Iraqis blame the war and more than a decade of U.N. economic sanctions, not crooks, for the collapse of their currency, which traded at more than three to the U.S. dollar until the late 1980s.

"It took Saddam Hussein and his followers 35 years to spend this economy down," L. Paul Bremer, the U.S. civilian administrator for Iraq, said Saturday. "We're not going to fix it overnight."

But Iraqis are impatient. They say they are tired of seeing Hussein's face on their **money** every time they pay for taxis or buy groceries. Iraq's top financial managers have set an October deadline for a redesign of the dinar that would remove one of the last visible vestiges of the dictatorship.

One of Basil's most frequent stops is at Iraq's last remaining currency-printing house, on the outskirts of **Baghdad**. The building is a whirring, groaning cavern where rusty machines spit out six million crisp banknotes a day, each stamped with Hussein's mustachioed mug.

Security consists of 30 newly trained Iraqi guards and occasional night patrols by American forces, watching for the thieves who can easily hop the building's aged patchwork of barbed wire.

Inside, 600 sweltering workers whisper plans for demonstrations against a decision by American officials to print new dinars, sans Hussein, in London. If the employees walk out in protest, production could halt, worsening the shortage of some banknotes and prompting more civil unrest.

Illustration:PHOTO

LEN VAUGHN-LAHMAN / San Jose Mercury News

Basil, a specialist in the employ of the U.S., makes his rounds of meeting with bank managers and visiting the shop where Iraq's currency is printed. He carries cash seized from Saddam Hussein.

MANDI WRIGHT / Detroit Free Press

Workers at the Rafidain Bank in **Baghdad** load an armored car with 600 million dinars (about \$400,000) for transfer to another bank.

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