

RELEASE IN PART
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From: Mills, Cheryl D <MillsCD@state.gov>
Sent: Monday, August 13, 2012 12:08 PM
To: H
Subject: FW: FP's The Cable: Close Obama Ally Rated Worst Ambassador in the State Department, Treasury Sanctions Hezbollah...Again, Romney's Japan Remark Raises Eyebrows

From: Thomas-Greenfield, Linda(MS)
Sent: Monday, August 13, 2012 10:13 AM
To: Kennedy, Patrick F; Mills, Cheryl D; Carson, Johnnie
Subject: FW: FP's The Cable: Close Obama Ally Rated Worst Ambassador in the State Department, Treasury Sanctions Hezbollah...Again, Romney's Japan Remark Raises Eyebrows

In the press.

From: Greenberg, Brenda L
Sent: Monday, August 13, 2012 8:01 AM
To: CLIPS
Cc: [redacted]; 'Frank A. Casale Jr.'; 'beacho [redacted]'
Subject: FP's The Cable: Close Obama Ally Rated Worst Ambassador in the State Department, Treasury Sanctions Hezbollah...Again, Romney's Japan Remark Raises Eyebrows

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Close Obama ally rated worst ambassador in the State Department

Posted By Josh Rogin ■ Friday, August 10, 2012 - 5:59 PM



The State Department inspector general's office released its scathing report on the leadership of former ambassador to Kenya **Scott Gration** Friday, saying that Gration ranked dead last among dozens of ambassadors reviewed in recent years.

Gration **resigned suddenly** June 29 after viewing the report, but he did not offer a written response to the report released today.

"The Ambassador has lost the respect and confidence of the staff to lead the mission," read the **report**. "Of more than 80 chiefs of mission inspected in recent cycles, the Ambassador ranked last for interpersonal relations, next to last on both managerial skill and attention to morale, and third from last in his overall scores from surveys of mission members. The inspectors found no reason to question these assessments; the Ambassador's leadership to date has been divisive and ineffective."

The assessment of Gration goes downhill from there.

"The Ambassador has damaged the cohesion of Embassy Nairobi's country team by underscoring differences between offices working directly with Kenya and those with regional responsibilities. Country team members, particularly those from other agencies, relied on the recently departed deputy chief of mission to maintain a sense of common purpose at Embassy Nairobi. Unless corrected there is a risk that the country team will become dysfunctional," the report stated.

Gration consumed his staff with what he called "mission essential tasks" that provided "almost no value" to the State Department or the rest of the U.S. government working on Kenya, the IG found. Gration made it clear he disagreed and would not implement U.S. government decisions, insisted on using his personal email for official business, and refused to even read the cables coming from Washington, the report said.

"Notwithstanding his talk about the importance of mission staff doing the right thing, the Ambassador by deed or word has encouraged it to do the opposite," the report said.

The IG reported that Gration refused to meet with most prominent Kenyans, journalists, and even his senior embassy staff, who would try unsuccessfully for months to get in touch with him.

Gration's big project was one he started called Let's Live, which set the goal of reducing Kenyan infant mortality by 50 percent in one year, but the program was never funded and confused everyone in Nairobi working on the Global Health Initiative (GHI) programs in Kenya, including the Kenyans.

"At the Ambassador's initiative, the embassy has spent considerable time and effort on Let's Live without advancing the GHI. At the same time, Let's Live has damaged mission morale and negatively affected relations with senior Kenyan health officials," the report said.

In an **interview** with the *Washington Post*, Gration disputed the report and said using his commercial e-mail was not a security issue. "I did rock the boat. I made changes in priorities, and changes can be very hard," he said.

Gration, a retired Air Force general, was one of the first senior military figures to openly support and actively campaign for President **Barack Obama** in 2007 and was embraced by the team that would eventually form the president's closest national security inner circle. Deputy National Security Advisor **Denis McDonough** once described Gration as **one of the top three** national security advisors to Obama, along with former Navy Secretary **Richard Danzig** and former Air Force Chief of Staff Gen. **Merrill McPeak**. He was rumored during the transition to be a candidate to lead NASA.

He took over as ambassador to Kenya in February 2011 following a controversial two-year stint as Obama's special envoy for Sudan.

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Treasury sanctions Hezbollah ... again

Posted By Josh Rogin ■ Friday, August 10, 2012 - 4:58 PM

The Treasury and State Departments announced Friday that the U.S. government is sanctioning Hezbollah for supporting the Syrian regime, even though the Lebanese militia is already sanctioned for being a terrorist group and the new announcement doesn't actually change those sanctions at all.

"This action highlights Hezbollah's activities within Syria as well as its integral role in the continued violence being carried out by the Assad regime against the Syrian population," Treasury Undersecretary **David Cohen** said on a Friday afternoon conference call.

He noted that Hezbollah is already sanctioned as a terrorist group, since 1995, for numerous terrorist acts including **the 1983 bombing** of the Marine barracks in Lebanon that killed 241 Marines. Hezbollah has perpetrated attacks in South America, Southeast Asia, Europe, and various countries in the Middle East, and tried to carry out attacks in Azerbaijan, Egypt, Thailand, and Cyprus, Cohen said.

The Assad regime has given the group weapons, money, and safe haven for training camps, and now Hezbollah is repaying the favor by providing training, advice, and logistical support to the Syrian government, he said, especially in how to wage a counterinsurgency.

"Since the start of the unrest in Syria in early 2011, Hezbollah has directly trained Syrian government personnel inside Syria and has facilitated the training of Syrian forces by Iran's Islamic Revolutionary Guard Corps, Qods Force," said Cohen. "Hezbollah has also played a substantial role in efforts to expel Syrian opposition forces from areas within Syria."

State Department's counterterrorism czar Amb. **Daniel Benjamin** said that Hezbollah is coordinating directly in Syria with the Iranian Revolutionary Guard Corps Quds Force. He pointed to **press reports** that Hezbollah was behind recent terrorist attacks on Israelis in Thailand and Belgium, and accused the group of narcotics trafficking and international money laundering.

"Hezbollah believes that there have been sustained Israeli and Western campaigns against the group and its primary backers, Iran and Syria, over the past several years. And this perception is unlikely to change," he said.

"Both [Hezbollah and Iran] remain determined to exact revenge against Israel and to respond forcefully to the Western-led pressure against Iran and Syria."

The Cable asked both officials if designating Hezbollah for sanctions, which freezes the group's U.S.-based assets and bars Americans from doing business with Hezbollah, has any added concrete effect if done twice. They said the added effect is in the court of public opinion.

"It will put the group in a more difficult situation, and, I think, will make them think long and hard before they continue this campaign in which the Syrian people are being brutalized. So we do see very concrete benefits coming from

this designation," said Benjamin. "Whether they will be in the area of financial sanctions or not remains to be seen, but in terms of casting a bright light on what the group is doing, I think that's vitally important."

So the Treasury Department doesn't have to actually do anything to enforce the new designation it wasn't doing already, and Hezbollah doesn't feel any additional direct pain. Cohen said the Hezbollah's assets should already be frozen but there is additional impact in adding the new designation.

"The purpose of our designations, whether it's the Hezbollah action today or any of our other designations under our authorities, is not solely focused on the immediate financial impact, but as Ambassador Benjamin just expressed, to expose the activity of the party that is being designated for the conduct that has led to the designation," he said.

Benjamin said that the Obama administration hopes other countries will follow suit, not mentioning the European Union specifically, but he wouldn't say there is any indication other countries are planning any such announcement any time soon.

Cohen wouldn't comment on whether or not Hezbollah even has any assets in the United States in the first place.

"As noted before, to the extent that they are here, they should have already been frozen, and anyone who has Hezbollah assets in their possession is required to report those to OFAC. But beyond that, I can't comment," he said.

For those on Capitol Hill who are skeptical of the administration's sanctions and diplomacy-based approach toward pressuring the Assad regime to stop killing its own people, today's action seemed less than consequential.

"Today's announcement appears more about politics than policy, style more than substance," one senior Senate aide told *The Cable*. "This hollow designation may be pleasing to Obama strategists in Chicago, but it won't do a thing to help the people dying in the streets of Syria."

In a separate action today, the administration also sanctioned the Syrian state-run oil company Sytrol under the Iran Sanctions Act as amended by the Comprehensive Iran Sanctions Accountability and Divestment Act.

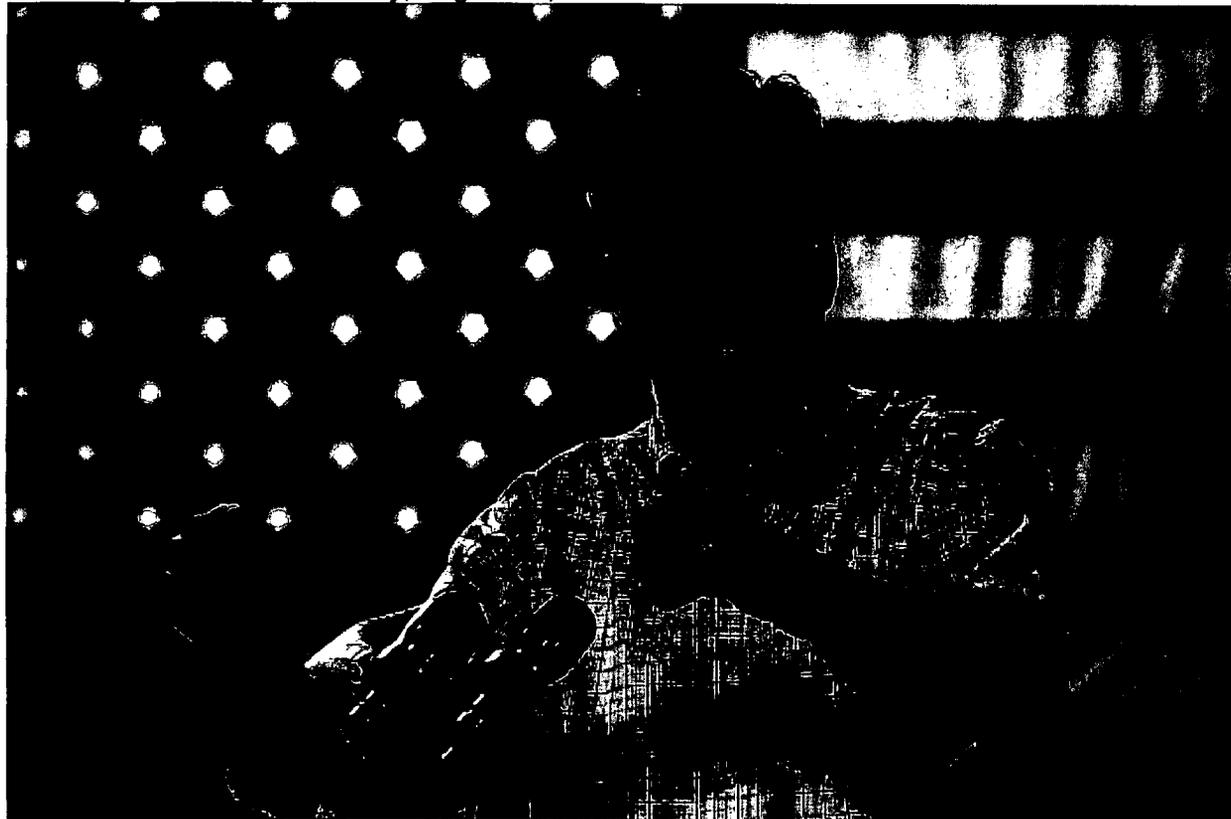
"These sanctions are because of transactions that Sytrol engaged in with Iran's energy sector, and I think the action we're taking today highlights the really serious concerns that the United States has about the close ties shared by the Iranian and Syrian regimes and the fact that we, the United States, are committed to using every tool available to prevent regional destabilization," a senior administration official said on a different Friday afternoon conference call.

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Romney's Japan remark raises eyebrows

Posted By Josh Rogin ■ Friday, August 10, 2012 - 12:33 PM



Mitt Romney's comments Thursday criticizing Japan have U.S.-Japan alliance watchers on two continents worrying that the ultra-sensitive Japanese might not appreciate being the cautionary tale in Romney's campaign stump speeches and that a President Romney might not be a good steward of the decades-long relationship.

"We are not Japan," the presumptive Republican nominee **told donors** at a \$2,500-a-plate fundraiser Thursday.

"We are not going to be a nation that suffers in decline and distress for a decade or a century. We're on the cusp of a very different economic future than the one people have seen over the past three years."

Japan experts on both sides of the Pacific told *The Cable* that Romney's offhand assertion that Japan has been in decline for "a century" isn't a fair characterization of a nation that emerged from the ashes of World War II to build the world's second- (now third-) largest economy on a small island with few natural resources.

Moreover, they worry that Romney is needlessly insulting the face-conscious Japanese and giving them the impression that if he wins in November, his administration won't appreciate the importance of America's top alliance in the East at a time when the United States is attempting a diplomatic and military "pivot" to Asia.

"Romney seems to be on a steady streak of insulting our allies," said Japan expert **Devin Stewart**, a senior fellow at the **Carnegie Council**. "Japanese are quite sensitive to statements like this. They are constantly assessing the tone

of U.S. candidates relative to those made about other Asian countries. Bashing Japan is now quite passé and even tone deaf. Has Romney even visited Japan? Is he aware of the 2011 earthquake?"

Although liberal pundits such as Paul Krugman have also likened America's present economic malaise to Japan's "lost decade," this analogy doesn't hold up, Stewart said. "We aren't Japan -- that's obvious. Unlike Japan we have a growing population, robust immigration, and a fairly healthy level of inflation," he said.

Eurasia Group President **Ian Bremmer** wrote in an op-ed Aug. 7, before Romney's Japan remarks, that Romney had missed an opportunity to embrace Japan when he visited England, Israel, and Poland last month, despite the obvious place Japan could play in a Romney foreign-policy agenda.

"For Romney to have taken an international trip that would matter, there's one place he might've considered going: Japan. Between Japan's economic efforts and its rebuilding after the tsunami and Fukushima disasters, it's an extremely relevant country to U.S. interests that would've welcomed him with open arms," Bremmer wrote.

There's also concern that the campaign isn't taking Japan seriously as it creates its foreign-policy platform. Japan watchers note that the Romney campaign website's page on "**China and East Asia**" doesn't even have a Japan section and mentions Japan, only in passing, as being threatened by North Korea and as a declining economic power.

"In 2010, after 30 years of dramatic growth, China surpassed Japan to become the world's second largest economy after ours," the website reads.

In Japan, the reaction to Romney's remarks has been muted, however, not necessarily because the Japanese aren't insulted but more because they are getting accustomed to occasionally being used as a talking point for foreign politicians.

"Mitt Romney seems to have a starkly different calendar that mixes 'decade' with 'century,'" **Tomohiko Taniguchi**, a professor at Keio University and former spokesman for the Japanese Foreign Ministry, told *The Cable*. "His now-well-known loose cannon, however, hits Japanese headlines not in too big a way as to jeopardize the alliance that has lasted six decades, during which many in Japan have gotten used to U.S. campaign rhetoric that means almost nothing."

The Romney campaign did not respond to requests for comment.

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