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Obama associate got \$100,000 fee from affiliate of firm doing business with Iran

By Tom Hamburger and Peter Wallsten, Published: August 5

David Plouffe, a senior White House adviser who was President Obama's 2008 campaign manager, accepted a \$100,000 speaking fee in 2010 from an affiliate of a company doing business with Iran's government.

A subsidiary of MTN Group, a South Africa-based telecommunications company, paid Plouffe for two speeches he made in Nigeria in December 2010, about a month before he joined the White House staff.

Since Plouffe's speeches, MTN Group has come under intensified scrutiny from U.S. authorities because of its activities in Iran and Syria, which are under international sanctions intended to limit the countries' access to sensitive technology. At the time of Plouffe's speeches, MTN had been in a widely reported partnership for five years with a state-owned Iranian telecommunications firm.

There were no legal or ethical restrictions on Plouffe being paid to speak to the MTN subsidiary as a private citizen. But for a close Obama aide to have accepted payment from a company involved in Iran could prove troublesome for the president as the White House toughens its stance toward the Islamic republic. In recent weeks, Republican presidential contender Mitt Romney has accused the administration of being soft on Iran.

The White House declined to make Plouffe available for an interview.

Eric Schultz, a White House spokesman, said Sunday that criticizing Plouffe would be unfair because MTN Group's role in Iran was not a high-profile issue when he was invited to speak to the affiliate.

"He gave two speeches on mobile technology and digital communications and had no separate meetings with the company's leadership," Schultz said in a statement to The Washington Post. "At the time, not even the most zealous watchdog group on this issue had targeted the Iranian business interests of the host's holding company. Criticism of Mr. Plouffe now for issues and controversies that developed only years later is simply misplaced."

White House officials said in an e-mail that Plouffe referred the proposed speech to his lawyer for review before accepting the invitation. The e-mail said Plouffe's lawyer advised that MTN's business dealings did not raise any issues "that would weigh against acceptance of the proposed speaking engagement."

White House officials said it is not unusual for Washington figures to receive similar fees for speeches. They note that senior officials in the George W. Bush administration had been paid for speeches by companies doing business in Iran.

Plouffe has had no role in administration discussions on whether MTN Group or other companies might be sanctioned because of its activities in Iran, the officials said.

MTN executives denied violating any sanctions but acknowledged that they have been in discussions with administration authorities for months.

Paul Norman, a spokesman for MTN Group, said that the company sought Plouffe's participation "because of his expertise and his knowledge of the U.S. political scene. It was part of a program of such speakers that MTN Nigeria invited to attend their senior management events. It had no connection or relevance to Iran."

The White House said Plouffe declined to meet privately with MTN executives in Nigeria.

In 2005, MTN Group entered the Iranian market by forming a joint venture, Irancell, with an Iranian government-backed consortium.

Headquartered in Johannesburg, MTN Group has rapidly expanded its businesses in Iran, Nigeria and other developing economies.

In 2006, Stuart Levey, then undersecretary of the Treasury and the point man on Iran sanction enforcement in the Bush administration — a job he also held for two years under Obama — told Turkish officials that Irancell was "fully owned" by the Iranian Revolutionary Guard Corps, according to a State Department cable made public by the anti-secrecy group WikiLeaks.

The corps led a crackdown on protesters after the June 2009 presidential election in Iran and has long been accused of playing a central role in the country's nuclear program. Some of its officers and business interests have been targeted by U.S. and U.N. sanctions intended to curb Iran's nuclear program dating back to 2006.

Increasing concerns

Since Plouffe's speeches, the U.S. government has become increasingly concerned that the Iranian government has used MTN operations or technology to help monitor dissidents. Company representatives and South Africa's ambassador to the United States have met with senior executive branch officials in efforts to stress the firm's compliance with U.S. sanctions, according to U.S. officials familiar with the talks who spoke on the condition of anonymity because no decisions have been reached.

Norman, the MTN spokesman, said that the company "has been invited to a series of meetings with U.S. government officials in South Africa and Washington over the last six months" in which presidential executive orders on trade with Iran were discussed. He added that there have been several meetings with multiple agencies to "ensure that MTN's operations in Iran remain fully compliant with U.S. sanctions."

MTN Group's chief executive, Sifiso Dabengwa, said in a past statement that suggestions that the company has been involved in human rights violations in Iran are "false and offensive."

Sen. Mark Kirk (R-Ill.), a leading critic of technology firms operating in Iran, told The Post in a statement late last week that MTN should be "blacklisted" because of evidence that it "provided technology to Iran used to repress the Iranian people."

On Wednesday, Congress passed new sanctions on Iran with provisions that could apply to technology companies such as MTN. The bill awaits the president's signature.

Senior U.S. officials have expressed concern that cellular technology is being used in Iran and Syria to track dissidents. Obama signed an executive order in April allowing U.S. officials for the first time to impose sanctions on foreign nationals found to have used new technologies, including cellphone tracking, to commit human rights abuses.

White House's inner circle

With a broad portfolio mixing politics and policy, Plouffe is a key member of Obama's inner circle, a confidant whose desk is just steps from the Oval Office. There is no evidence that he has been involved in policy discussions about Iran sanctions, though he has spoken publicly about the need to restrain Iran's nuclear program.

Plouffe's role in the 2008 Obama campaign made him a sought-after speaker for political insiders and corporate conferences around the world. In 2009 and 2010, he delivered dozens of paid speeches and signed a book deal reportedly worth seven figures.

One of his appearances caused a stir. After receiving criticism for delivering a speech in the oil-rich autocracy of Azerbaijan, Plouffe ultimately donated the estimated \$50,000 fee to a pro-democracy group.

The \$100,000 that Plouffe received for his speeches in Nigeria was the highest payment he reported on his financial disclosure forms, which he filed when he joined the administration in 2011.

In December 2010, Plouffe headlined an MTN-sponsored event in Lagos called the Life Enrichment Seminar, according to Ni-ger-ian news accounts. A video posted on YouTube shows that Plouffe delivered a generic talk about the role of the Internet in Obama's 2008 victory.

Though his financial disclosure statement listed only the Lagos speech, a White House official said Plouffe gave a second talk in the Ni-ger-ian capital, Abuja, on behalf of the MTN affiliate on the same trip.

A relationship in the news

MTN Group's operations in Iran had been documented in the U.S. and foreign news media. For instance, in November 2005, Reuters reported that MTN and Irancell had won a license from the Iranian government to run the cellular service there. A May 2008 New York Times article quoted financial analysts suggesting that a proposed merger between MTN Group and another company could face obstacles from U.S. regulators because of MTN's business in Iran. An August 2009 article in the Los Angeles Times said Irancell had warned customers about "technical" problems during days of expected unrest; the article identified MTN as a co-owner of the cellular operator.

The White House on Sunday hinged its response in part on the activities of a prominent watchdog group, United Against Nuclear Iran.

White House officials noted that the group did not start a public campaign against MTN Group until this year. "Seems like if MTN was a notable public problem in 2010, they might have started their campaign then," the White House said in an e-mail to The Post.

Mark Wallace, the chief executive of United Against Nuclear Iran, said Sunday: "MTN was a charter member of UANI's target list — the Iran Business Registry — launched in 2009. We hope Mr. Plouffe will use his considerable influence to urge President Obama to enact a full economic blockade of Iran so that companies like MTN will no longer be able to operate there."

Wallace is a former official in the Bush administration, but the group has a bipartisan board of directors.

The registry, which UANI says has been online since 2009, lists many other companies active in Iran, including Marriott, where Romney served on the board until early 2011.