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Using Money

for

Counterinsurgency Operations

By

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The contents of this paper reflect my own personal views and are not necessarily endorsed by the Naval War College or the Department of the Navy.

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Abstract

The author utilized the Battle of Fallujah (Operation AL FAJR/PHANTOM FURY) as a case study to illustrate how Marines effectively used money to influence counterinsurgency operations. During the Battle of Fallujah, Marine civil affairs successfully used money as an important weapon against insurgents. Since insurgents derived strength from the civilian population, the objective was to draw local Fallujans away from the enemy. To accomplish this, Marine civil affairs focused on the needs and grievances of the local populace by using money to solve problems for the Fallujans and facilitate relief and reconstruction. To achieve effectiveness, the Marines developed a broad understanding of the funding pipelines available in Iraq and established a responsive system for employing money rapidly.

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During the Battle of Fallujah in 2004, Marine civil affairs successfully used money as their primary weapon against insurgents. The assertion was that money influenced people and people were a critical strength in the insurgency. Thus, money used correctly in Fallujah influenced the counterinsurgency by bolstering popular support and shaping the battlefield in favor of the Coalition.

In Fallujah, insurgents derived significant strength from the local population. The connection between the Fallujans and the insurgents became a key factor in their effectiveness. The people provided insurgents with resources, such as recruits and supplies as well as freedom of action through an ability to easily blend in with the environment. In essence, people provided the insurgents with the support necessary to facilitate operations and the camouflage needed to move freely within the battlespace.

To attack this strength, Regimental Combat Team 1 (RCT-1) Marines in Fallujah sought ways to sever the link or at least drive a wedge between the insurgents and the local people. Marine civil affairs used money to draw Fallujans towards the coalition and away from the insurgents by influencing local public opinion and perceptions. Marine civil affairs also used money to assist local Iraqi leaders in gaining control of an area and build legitimacy of coalition forces, further increasing the split between insurgents and their much-needed popular support.¹ Separating the people from the insurgents reduced the enemy's base of operations and ability to maneuver, thereby reducing his overall combat potential.

Marine civil affairs in Fallujah employed money for relief and reconstruction as well as attending to the needs and grievances of the people.² Focusing on the people was essential, particularly through timely efforts that assuaged concerns. Timeliness maximized the effect of

money and prevented enemy use of potentially exploitable situations that commonly occur on the battlefield. As an example, Marine civil affairs used money during the Battle of Fallujah to purchase and setup -- within 24 hours of request by the local people -- large water tanks



Civil Affairs contracts setup of water tanks during Operation AL FAJR (Jan 05)
Photo by CWO3 Reese (CA Team Leader)

to supply water to areas with broken water lines.

Setting up the force for success

The system for providing money for Iraq relief and reconstruction was essentially designed for deliberately planned, long term reconstruction projects. After noticing a lack of responsiveness for funding high impact, quick reaction uses of money, the Marines fixed this problem prior to the Battle of Fallujah. As a result, improvements in the funding system expanded the ability to use money on the battlefield. In addition to conducting long-term reconstruction, money provided an excellent mechanism for the commander to focus on immediate needs of civilians and rapidly respond to grievances. Setting up the force for success to use money effectively required a unit capable of employing money on the battlefield, creating a responsive funding system and understanding and securing funding pipelines.

Creating a responsive funding system

For the Battle of Fallujah, building a capability for the immediate use of money required structuring units and designing a paying system specifically for this purpose. From both a personnel and system perspective, these units contained as organic elements of the organization all the pieces necessary to approve and make on-the-spot monetary payments in a field environment. To effectively use money on the battlefield, RCT-1 civil affairs teams had one Marine authorized as a paying agent with \$50,000 in cash on hand and a second Marine authorized to execute contracts of up to \$3,000 each, without having to use the normal project approval process.³ This gave the cash on hand and a mechanism in place to make immediate, discretionary payments as the need arose similar to a petty cash system. This structure facilitated use of money to quickly influence a situation by bypassing the normal time-consuming and labor-intensive administrative process of securing funding and making payments for projects. As a result, money became a proactive tool to solve problems and “make things happen” in a timely manner rather than simply a means to fund long-term reconstruction projects.

Prior to this new structure, the process for securing funds in Fallujah generally required final approval at division level or higher. After approval, making cash payments required a paying agent from the disbursing office. The desire for centralized fiduciary oversight at the division level with redundant checks and balances created a cumbersome approval system replete with bottlenecks. This system did not facilitate rapid use and placed those responsible for final approval at a considerable distance from the using units, which made it particularly difficult to accomplish during field operations. Indeed, the cumbersome funding process often

took several days to complete including the submission of electronic documents to 1st Marine Division headquarters in Ramadi⁴ to gain approval. This resulted in a time lag of one to three days for the use of money once a need arose, which created a detrimental time delay between identification of a requirement and application of a resource. When viewed in a targeting sense, this system caused a long delay from target identification to prosecution. Such delays often depleted the effects of money once finally used and often negated using money as an option all together, especially for highly beneficial fleeting “targets of opportunity.”⁵

Military commanders, as with leaders in any organization, were ultimately responsible for good stewardship of money generally with the financial officer or comptroller as the senior manager. The comptroller understandably desired tight accountability due to the high profile inherent to matters involving money and the potential for misuse in the chaotic environment of Iraq. Thus, the financial managers built the funding process around centralized financial control. Commensurate with best financial practices, this included earmarking money to projects or accounts prior to authorizing its use, which occurred at the division level for al-Anbar province of Iraq.

For the Battle of Fallujah, effective use of money required delegation of its control below the division level to the on-the-ground Marines who were in the best position to influence events with its use. Consequently, decentralized financial control of money increased speed of use and rapid execution of funding projects exponentially increased their effectiveness. In essence, delegating dispersing authority for certain uses of money reduced the “red tape” of using the normal financial channels. This delegation of authority was limited to a maximum of \$3,000 per use, which accounted for the majority of projects or initiatives

with high-impact that benefitted from rapid execution. By design, this \$3,000 limit purposefully excluded long-term, high-dollar reconstruction projects. For these projects, Marines executed more extensive endeavors by using the normal funding approval process.⁶ This construct struck a good balance between responsiveness and financial control by decentralizing approval for high-impact uses of money requiring quick execution and maintaining centralized approval of high-dollar, deliberate relief and reconstruction.

Despite instituting decentralized financial controls in the rapid response funding system for Fallujah, Marines preserved oversight and accountability of money by having two Marines in the payment process: one letting contracts and one dispensing money. Submitting all payment vouchers and contract records to division on a regular basis provided additional accountability of funds. Though the system contained the potential for misuse, the significant benefit gained through rapid use of money outweighed this concern. In the end, the integrity of the Marines placed in money handling positions ensured its proper use.

Funding pipelines

In Operation IRAQI FREEDOM (OIF), funds for relief and reconstruction were not centralized nor was there a single point of contact to obtain money for projects related to rebuilding Iraq. In a report to the U.S. Congress, the Special Instructor General for Iraq Reconstruction (SIGIR) grouped funding sources that supported Iraq relief and reconstruction into three general categories. As of June 30, 2006, these funding sources totaled over \$85.4 billion in the aggregate:⁷

U.S. Appropriated Funds	\$36.2 billion
International Donor Funds	\$14.6 billion
Iraqi Funds	\$34.6 billion

Each of the three general categories contained multiple subcategories of funds and each subcategory received funding through different means. These funding means included a variety of sources such as seized assets from the old Saddam Hussein regime, Iraqi national government budgets or grants, pledges or accounts from the coalition partners, the world community or international governments. The means of funding each subcategory and the purpose of the fund largely governed the use of and access to those funds. In other words, where the funds came from and the objective of the funds determined the spending criteria. For example, under U.S. Appropriated Funds, the subcategory of Iraq Security Force Funds (ISFF) allocated money by the U.S. Government specifically for the establishment of Iraqi Security Forces. Accordingly, the rules for ISFF limited their use to developing Iraqi police or military forces. This made ISFF not eligible for other uses such as building a new water treatment center or paying a death claim.

Under the International Donor Funds category, multiple non-U.S. donors pledged money for Iraq relief and reconstruction. This money was generally placed in trust under the auspices of the World Bank with disbursement of funds by means such as implementing projects through a local staff of 800 United Nations (UN) representatives.⁸

Under Iraqi Funds category, the subcategory of Development Fund for Iraq (DFI) was “drawn primarily from [Iraqi] oil proceeds and repatriated funds”⁹ and the “CPA [Coalition Provisional Authority] established DFI with UN concurrence to serve as the primary financial vehicle for channeling revenue from Iraqi oil sales...and repatriated Iraqi assets to the relief and reconstruction efforts of Iraq.”¹⁰

Under the category of U.S. Appropriated Funds, the subcategory Commander’s

Emergency Response Program (CERP) was a funding line specifically for military commanders. CERP was “a program that [allowed] coalition military commanders to respond rapidly to urgent humanitarian, relief, and reconstruction needs in their geographic areas of responsibility.”¹¹ According to the SIGIR, “The aim of CERP...[was for] highly visible projects that yield immediate benefits and nurture positive relations with the local populace.”¹² The design of CERP provided excellent flexibility and accessibility for the Coalition and was an important tool for the commander.

The funding lines listed above represent a small sample of those supporting Iraq relief and reconstruction, each with its own purpose and guidelines for use. In addition, Iraq relief and reconstruction involved numerous agencies, such as the UN, U.S. Agency for International Development, U.S. Department of State, U.S. Department of Defense, U.S. Department of Treasury and U.S. Department of Health and Human Services.¹³ Many of the funding lines were specifically earmarked to a specific agency and thus under that agency’s control. Overall, the wide variety of funding lines combined with the numerous agencies involved, each with a different objective, created a complex funding environment for relief and reconstruction. This complex funding environment created challenges in obtaining funds and developing projects or initiatives requiring money.

To maximize the ability to secure funds in OIF required both an understanding of what funds were available and how to navigate through the complex funding environment to obtain those funds. Due to its popularity and ease of use, CERP funds often “dried out” and became unavailable until more funds were appropriated for this subcategory. Thus, establishing multiple funding lines through various sources and creating a “funding” cell within the

command that understood the funding environment provided an ability to maintain a steady stream of money for projects and initiatives. In fact, a command that relied only on CERP for Iraq relief and reconstruction ran the risk of a break in the money flow. In Fallujah, civil affairs teams understood the complex funding system and worked multiple funding lines to ensure funding of all projects and initiatives without interruption due to lack of funds. This became a key factor for success.

Using money on the battlefield

Drawing civilians away from insurgents created advantages for counterinsurgency operations in Iraq, but doing so was a tricky endeavor for the Coalition. Due to the complex nature of the operating environment, any action oriented towards civilians was difficult and effective tools at the disposal of the Coalition for use in this capacity were limited. Often, the cultural and language barrier for U.S. military personnel operating in a foreign country reduced the effectiveness of many soft power tools. Thus, making the most of the tools that did work, such as money, was especially important and creatively using these tools was particularly desirable.

For the Coalition, achieving significant positive results with the civilian population took a commitment of resources and a persistent effort over time -- often a long time with small gains and frequent setbacks. Out of necessity, commanders balanced this effort with other competing priorities and the reality was that civilians were sometimes viewed as more of a nuisance on the battlefield than an integral part of a counterinsurgency. To make the situation even more difficult, insurgents made a concerted effort to undermine any efforts by the

Coalition to win over the local population because the enemy knew full well the importance of maintaining a high level of civilian support. Regardless, money used effectively often created a cost effective way to influence civilians by providing opportunities to positively shape opinions and create goodwill.

Selecting effective targets

Good target selection provided best opportunities for good use of money. As a general rule, civil affairs teams operating in Fallujah in 2004 preferred a larger number of lower cost projects than a fewer number of higher cost projects. More projects generally meant wider coverage of space and more people involved and affected. Lower cost projects also generally meant smaller scale with better completion rate -- getting money to the people quicker or attending to needs faster. With the ever-present friction caused by an active insurgency, larger scale projects were exponentially more complex and took much longer to complete. Prolonged



**Civil Affairs inspects repairs on pump house
outside Fallujah (Sep 04)**

Photo by Capt Henegar (CA Team Leader)

projects were also generally higher visibility and those involved were more susceptible to intimidation by insurgents or projects were susceptible to sabotage. For the commander, more projects of lower cost generally meant “better bang for the buck” in terms of impact on the local population.

There were two key objectives to using a “more projects, low-cost” scheme: (1) This approach usually resulted in better spread of

money to more people with the hope that the money provided bounced around two or three times in the local economy, thus further stimulating local business. (2) Using money created opportunities to constructively engage civilians, fostering goodwill and promoting positive perceptions. During situations when money was used, a key objective was the interaction and dialogue with civilians under good circumstances, which facilitated relationship building and drew civilians toward the Coalition. Thus, more projects meant increased positive interaction with more civilians and this resulted in a wider impact on the overall population. Interestingly, in situations where civil affairs teams provided money to civilians, actionable intelligence was frequently obtained -- a significant benefit for the commander in a counterinsurgency operation.¹⁴

It was not about the money spent, however, it was about the desired effect gained. Sometimes the objective was to bolster the prestige of local leaders in the eyes of their public and empowering these leaders assisted them in building credibility and maintaining control of the area.¹⁵ Such leaders were powerful allies in a counterinsurgency and were crucial for driving a wedge between the people and rebelling forces. Due to their position or status, local leaders also had the ability to “spread the word” to a broad audience or influence a large group, often with substantial power behind their words. Thus, good target choices for use of money were projects designated by or for the local civil officials and other key leadership figures, such as religious, business and tribal leaders, town elders, technocrats and medical and legal representatives. Involving these key leaders was critical in determining and selecting projects and other initiatives that best settle otherwise intractable grievances -- including their own.

High unemployment caused major problems in many parts of al-Anbar province,

particularly in areas hit heaviest by the insurgency and lack of work was a main grievance of the local population. Unemployed military-aged males were often recruited by insurgents or drawn toward the insurgency based on their discontent with the overall situation. Consequently, short-term, labor intensive projects were preferred.¹⁶ When evaluating several proposals for the same project, the one that offered the most local jobs usually won the bid even over factors such as price and quality. Keeping military-age males busy, both in mind and body, was key to keeping them out of the potential insurgent recruiting pool.

Initiatives that created sustainable, long-term jobs were powerful forces against the insurgency, but difficult in Fallujah due to restrictions on using CERP funds. CERP was not permitted for funding projects specifically targeted for an individual's personal gain, such as assisting a business.¹⁷ Moreover, most of the reconstruction projects only created short term employment -- generally for the duration of the specific reconstruction project and after that period, the jobs expired. In some cases, civil affairs personnel provided businesses in Fallujah with money to bolster their operations, but not at the level to sustain real economic development necessary to provide steady flow of new, sustained jobs.

To promote long-term job growth, RCT-1 civil affairs developed concepts for use of grants for businesses specifically tied to job creation -- money given to a concern provided it was used to grow the business in a way that directly added jobs, especially in the short-term. In addition, providing assets to assist or create new businesses was part of the proposed economic development concept. For example, a welding machine or a bread baking oven given to a promising Iraqi would provide him with an ability to start a new business, become self sustaining and a productive member of society and possibly employ a few others. At the same

time, this limited the possibility for misuse of funds through direct issue of assets, not money. Unfortunately, none of the plans were executed due to restrictions on CERP funds.

Throughput of projects & reach of force

When using a “more projects, low-cost” scheme, the limiting factor became throughput; a civil affairs team could only effectively manage a limited number of projects or initiatives at one time. During operations in Fallujah, the civil affairs detachment supporting RCT-1 reorganized to add two additional civil affairs teams, which increased throughput of projects and initiatives.¹⁸ However, spending money in Fallujah was generally limited to the civil affairs Marines and a few Seabees.¹⁹ Increased throughput of funded projects and initiatives could have been possible by further delegating the ability to spend money at the small unit level -- those Marines operating on the ground in daily contact with the civilians. However, this option was not implemented. Implementing such an option could have had a significant benefit, but it would have required a rethinking of financial control toward a decentralized structure -- certainly a tough sell to the comptroller.

The Marines on the ground in Fallujah best understood the civilian populace in their particular area and were building important relationships with those civilians. Money opened many possibilities for reinforcing those relationships, particularly through quick response to local needs or requests. In Fallujah, quick response usually meant exponentially better results and this significantly increased the credibility of the Coalition in the eyes of the public. By making things happen for them, the civilians saw that Marines kept their promises and cared about the needs of the local population. As a result, the civilians saw that the Coalition responded to their grievances and solved their problems. In comparison, this provided a stark

contrast to the actions of the insurgents. For the Marines, quickly resolving grievances for the local populace showed not only a desire to help, but also an ability to resolve problems better than insurgents. This created an advantage over the enemy in legitimacy building and shoring up public support.

Additional capability to spend money increased the potential to favorably influence more civilians. To build this capacity would mean authorizing more Marines to spend money beyond just civil affairs teams. This would require significantly liberalizing the funding mechanism to expedite use of money by more forces. More Marines employing money as a tool for resolving grievances and generating goodwill provided an ability to bolster public support over a wider geographical area. Moreover, additional capacity created an expanded ability or reach of the force to engage more civilians in positive ways. In essence, multiple units could simultaneously leverage money at one time and in a wider space to affect more civilians than could be accomplished solely by civil affairs teams. In terms of financial cost, funding this added capacity would represent only a small fraction of the entire relief and reconstruction money used in Iraq.

In addition to expanding reach, more of the force would be seen in a positive light, not just a few civil affairs Marines who were spending all the money.²⁰ Overall, building relationships and connections with civilians would dovetail with the 1st Marine Division Commanding General's mantra, "Marines, no better friend, no worse enemy."²¹

In terms of throughput, increasing reach of the force and the tempo of attending to the grievances and needs of the population would, in effect, shift local dissatisfaction to the insurgents rather than the Coalition or the government. Quickly addressing the needs of as

many civilians as possible provided the initiative for the Coalition over the insurgents in the battle for public support.

Shaping the Battlefield & Assisting Civilians

In the Battle of Fallujah, civil affairs Marines gave money to Iraqi civilians that needed to evacuate certain areas during hostilities. Not only did this expedite getting the civilians out of

the area quickly, the

money also eased

hardship while

displaced. Money

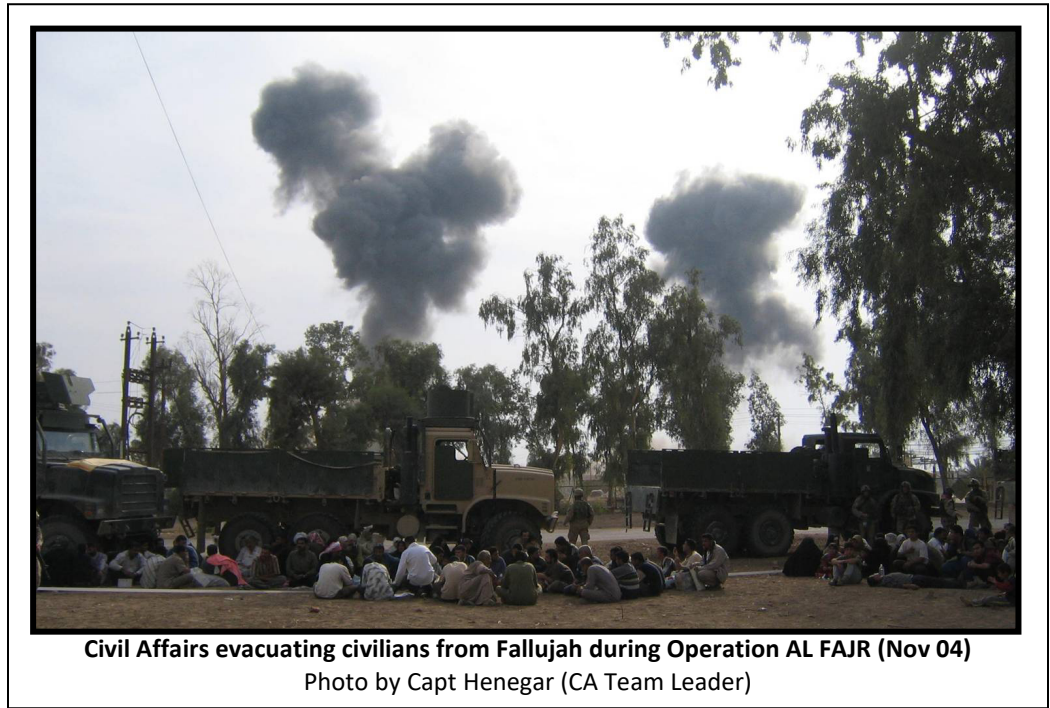
provided to displaced

Iraqis allowed them to

satisfy their basic needs

by purchasing them from

the local economy while



relocated to an area away from the city of Fallujah. This reduced the requirement for the Coalition to provide subsequent humanitarian assistance (HA) to dislocated civilians.

From a utilitarian view, money helped shape the battlefield for the Coalition by expediting civilians out of the area.²² In the short-term, removing civilians from contested areas facilitated engaging insurgents that remained by making it easier to identify and engage enemy fighters. Removing civilians limited the ability of insurgents to move among the locals by stripping away his camouflage and reducing his freedom of action. Blending in with civilians was an enemy critical strength and insurgents mixed among civilians complicated the

Coalition's targeting process. In addition to creating a "cleaner" battlefield in terms of target identification -- particularly useful in an urban environment -- removing civilians from the area reduced chances for civilian casualties as enemy targets were engaged.

Money targeted at addressing the basic needs of the Fallujan populace reduced subsequent HA issues. From a legitimacy perspective, money for dislocated civilians delivered the message that the Coalition made an honest attempt to improve a bad situation. For the affected local Iraqis, this act made a huge difference in building goodwill, forming positive views about the Coalition and how they will deal with insurgents in the future. The fact that dislocated civilians ended up in other areas helped spread the message of positive actions by the Coalition through word-of-mouth, adding value to the information operations (IO) campaign.

During OIF, responding to humanitarian crises impacted the Coalition by tying up military resources, diverting the attention of the command and necessitating immediate response often with minimal return for the investment.²³ The media often exacerbated this situation by focusing world attention on HA issues. This often pressured commanders to dedicate valuable



Iraqis deliver human assistance during Operation AL FAJR (Jan 05)
Photo by Capt Henegar (CA Team Leader)

military resources against disproportionate “needs” usually at inopportune times. These resources included military supplies, transportation assets and security forces. In addition, humanitarian crises set conditions for insurgent exploitation because these situations promoted instability in an area, created fertile ground for enemy recruiting and demonstrated the ineffectiveness of the local government to care for its people. In essence, these situations brought the people closer to the insurgents by estranging them from a government unable to ensure their well-being.

Money provided both an ability to prevent HA issues from developing and flexible response options for commanders to contain them if they did at a reduced logistical burden on the Coalition. Marines used money to achieve flexibility in response by providing options to use local resources to solve problems instead of relying on internal ones. During Operation AL FAJR, a civil affairs team purchased supplies off the local economy that were delivered by Iraqi merchants instead of the Marines. Marines on patrol used these supplies as they saw people in need in the city of Fallujah and the neighboring town of Saqlawiyah.²⁴ In this case, money built goodwill with the locals and provided economy of effort for the Marines by using local Iraqi resources.

Reconstruction

The Battle of Fallujah in November 2004, the operation to seize the city of Fallujah -- an insurgent stronghold with 4,000 enemy fighters and a symbol for resistance -- came as no surprise. What was surprising was the speed at which Fallujah was reconstructed after the assault phase considering the extent of the damage in the city. Key infrastructure was restored within weeks and stopgap measures to provide essential services in lieu of repaired

infrastructure were established prior to repopulation of the city after the battle.²⁵ The use of money, specifically the speed of funding and the throughput of projects was critical to success in rapid reconstruction. This action fostered positive perception and public opinion for both the Marines and the Iraqi Interim Government.²⁶

A small, but important example of Marines using money to influence a situation occurred early in Phase III (seize and secure the city) of Operation AL FAJR in November 2004.



Iraqi municipal workers try to fix a generator in sewer water lift station during Operation AL FAJR (Nov 04)

Photo by L. J. DeFrancisci

During the battle, the sewer water pumping stations stopped functioning. This contributed to significant citywide flooding.²⁷ Marine civil affairs teams paid Iraqi municipal workers to identify the location of sewer water pumping stations, which required entering the city. Initially, these workers were understandably reluctant to go into Fallujah while combat

operations were ongoing; however, money provided the necessary incentive. Afterwards, these workers were proud to say that they worked with the Marines in the early phases of the operation. Indeed, they told the story to other Iraqis about how they teamed up with the Marines to mitigate flooding damage to save infrastructure and houses in Fallujah -- a powerful IO message delivered by an Iraqi.²⁸

In Phase III of Operation AL FAJR, civil affairs teams also used on-hand rapid reconstruction funds to hire Fallujans to create numerous working parties to conduct a variety

of tasks.²⁹ These tasks assisted with the initial cleanup of the city and provided labor to conduct many activities related to relief and reconstruction. The Iraqi working parties relieved burden on the Marines in conducting these same activities. More importantly,



Iraqi working party morning formation in Fallujah
Guys wearing green vests were foreman
Photo by Capt Henegar (CA Team Leader)

these working parties provided both a source of quick employment for many unemployed military-aged males and an influx of money into the economy during a critical and impressionable time for the civilians in the area.

During the Battle of Fallujah, the Marines provided each Iraqi head of household in the



Marines & Iraqi Army provide \$200 Solatia payment to all heads of household during Operation AL FAJR
Photo by RCT-1 Combat Camera

city with a \$200.00 solatia payment.³⁰ Over 33,000 families received this payment for a total of over \$6.6 million dollars distributed in a one week period.³¹ This massive endeavor touched every Fallujan in a similar concept successfully used during the Vietnam War. After the Battle

for Hue, the South Vietnamese government launched Operation Recovery where “each displaced person was entitled to...\$85.00 [and various rebuilding materials]....More than 830 families received reconstruction material and all the displaced received a temporary relief payment.”³² These efforts not only built goodwill with the local population, but also jump started the rebuilding effort and the local economy.³³ It also focused the energy of the people on reconstruction instead of possibly troublesome endeavors.

After conduct of raids in Fallujah, civil affairs teams followed directly behind the assault element and provided immediate payment to anyone in the area not affiliated with the enemy that received battle damage, including broken windows and doors of nearby houses.³⁴ This proactive effort eliminated the requirement for the civilians to make a claim at the civil military operations center (CMOC).³⁵ The CMOC often



had long lines and settling a solatia claim usually required multiple trips to the CMOC, creating delays and frustration for those with a claim. The immediate remuneration for damage conducted on-the-spot after a raid eliminated grievances and assuaged concerns before insurgents could exploit the situation.

The guiding principle for civil affairs during Phase IV (Transition) of Operation AL FAJR was focus on the people, not solely on reconstruction. Using money as a means to eliminate needs and grievances of Fallujans disarmed the enemy and stifled his initiative. Since people

with needs and grievances often became discontent, insurgents exploited this segment of the population in an effort to persuade people to support their operations and their cause. From an IO perspective, it was important to highlight the destructive nature of insurgents and the willingness and effort of the Coalition to build compared to the propensity for the insurgents to destroy. However, to win over the civilians in the long run, it was also important that they believed that the situation would improve with the elimination of insurgent influence in the city. While the Marines aggressively eliminated insurgents, they also assisted those neutral parties caught up in the situation. By doing this, Marines delivered an important message to maintain support of the local populace and obtain assistance or cooperation with counterinsurgent activity.

Avoiding Pitfalls

When selecting projects and initiatives or spending money, the civil affairs teams in Fallujah considered it important to:

- Avoid larger, more expensive projects that involved only a few people. Many perceived these types of projects as showing favoritism because they only benefitted a small number of people, thus offsetting some of the desired effects.
- Align projects with needs or wants of the people to achieve a desired effect. Personnel that selected projects for an area that were far removed from that area usually lacked the local situational awareness to implement projects aligned with the needs of the people. In fact, sometimes projects that seemed like a good idea from afar were often counterproductive. For example, Baghdad officials discussed building a high cost, state-of-the-art sewer treatment plant in Fallujah. However, the Fallujans cared little about

such a project and it would have added no value to the overall effort in stabilizing the area or winning hearts and minds. In addition, the Fallujans lacked the technical expertise to run such a facility.

- Keep the contractors local even if they were more expensive or lower quality. In Fallujah, many of the larger projects were done by contractors from Baghdad and they often used workers from Baghdad as well, which did not go over well with the Fallujans.
- Watch for undue corruption or graft. A certain level of graft was always a cost of doing business in Iraq, but an unusually high level probably included a pay off to insurgents.
- Attempt to gain local buy in of projects with the city council and keep them informed of the progress. Many times, the city council facilitated or hindered the execution of a project. The city council also gained credibility in the eyes of the public for the implementation of a project in their area, which maximized its effect.
- Spread load contracts to promote fairness and expand reach. Contracts executed only in the CMOC or in a centralized location often caused recurring use of the same contractors and employment of the same people. Also, this increased chance of criminal activity against contractors, such as theft or intimidation.³⁶

Conclusion

Civil affairs achieved results with money by shaping public opinion and promoting legitimacy. Money provided options to solve problems and resolve grievances of the locals. This shored up support for the coalition forces and Iraqi officials by enhancing their credibility and their capability to respond to needs of the local population. It set favorable conditions to

draw civilians away from the insurgency and in many cases, kept “fence sitters on the fence.” Money also exposed insurgents by: (1) stripping away their local support and (2) stimulating dialogue that often led to useable information about the enemy. Good use of money also weakened the insurgency by countering the ability for the enemy to promote his cause or exploit a situation.

In summary, to significantly impact an area, more units required capability to spend money in a rapid and timely manner. This was especially important in a non-permissive environment when many relief organizations³⁷ outside the military were not willing to enter an area due to security concerns or because they lacked an understanding of the local dynamics to operate successfully in the region. Commanders asked much of their junior leaders in Fallujah, so arming them properly was important. The “strategic corporals” interacting with civilians in their zone on a daily basis needed more constructive and decisive methods to build relationships and effectively engage the local population. Passing out soccer balls and sunglasses was good, but making something useful happen that created a real difference in the life of an Iraqi was a far better approach to win “hearts and minds.” Money provided that ability.

¹Author of this paper was Commander of Detachment 4-4, 4th Civil Affairs Group. Detachment 4-4 was assigned to RCT-1 from August 2004 to March 2005, including the Battle of Fallujah.

²In a non-permissive environment, civil affairs teams were usually the link between the “pots of money” designated for relief and reconstruction and the actual on-the-ground spending of money in a combat environment. This was especially important because most relief organizations outside the military (including nongovernmental organizations (NGOs) and intergovernmental organizations (IGOs)) did not operate in non-permissive environments.

³1st Marine Division promulgated this policy through FRAGO 0364-04 during Operation AL FAFR, which authorized civil affairs teams to conduct rapid funding of projects. After spending a batch of \$50,000, the civil affairs team received a new allocation of money. This ensured a steady flow of money was available and accessible in a field environment.

⁴1st Marine Division was located at Camp Blue Diamond in Ramadi, the capital of al-Anbar province.

⁵The supporting arms field used “targets of opportunity” as a common term referring to unplanned, lucrative opportunities that present themselves on the battlefield, usually unexpectedly and were typically perishable if not acted on quickly. A small example of this in terms of using money in an unplanned, but valuable way was when the RCT-1 Commander gave \$20.00 to an old Iraqi lady with groceries walking down the street of Fallujah and hailed a cab for her. The RCT-1 Commander stated at the daily Operations and Intelligence Brief how he won a friend for life that day.

⁶Marines used the normal funding approval process for long-term reconstruction projects not requiring immediate implementation, such as building a school.

⁷Special Inspector General for Iraqi Reconstruction (SIGIR), *July 2006 Quarterly and Semiannual Report to Congress* (30 July 2006), 90. Congress created SIGIR to provide independent oversight of the Iraq Relief and Reconstruction Fund, one of the major U.S. appropriated funds for Iraq relief and reconstruction.

⁸*Ibid.*, 93.

⁹*Ibid.*, 90.

¹⁰*Ibid.*, E2. The Coalition Provisional Authority (CPA) served as an interim governing body for Iraq during the early stages of OIF and was established shortly after the fall of Saddam Hussein’s regime.

¹¹*Ibid.*, C4.

¹²*Ibid.*

¹³*Ibid.*, C1.

¹⁴The reasons for this were beyond the scope of this paper. However, the civil affairs teams operating in Fallujah repeatedly noticed a direct correlation between money exchanged with civilians and information received. Actionable intelligence included information that led to the commander taking action based on information such as locations of improvised explosive devices (IEDs), weapons caches or those who were intimidating others (bad actors).

¹⁵ Civil affairs teams and unit commanders familiar with the local area and who understood the atmospherics (see note below) knew which leaders to choose for empowering -- the ones capable of swaying the people away from the insurgency and most likely to promote stability and local control. Marines felt that using civilian leaders became particularly important when trying to maintain an “Iraqi face” in an area with respect to civil administration, public safety and law enforcement. In the long run, this was consistent with the overall objective of gaining local support and the desired end state of transferring local control to the Iraqis. Note: “atmospherics” was a popular term used in OIF to describe the general, collective feel in an area in terms of civilian sentiment towards coalition forces or any issue involving the Iraqi National Government. It was critical for the unit commanders to understand the atmospherics in their assigned zone. Indeed, it was often a matter of life and death to understand how the civilians felt about the Coalition in a particular area and the degree of support that the local Fallujans provided to the insurgents.

¹⁶This does not include rebuilding critical infrastructure or improving force protection. These projects had priority and were based on other factors such as time to complete and quality of work.

¹⁷The inability to use CERP for assisting businesses was a major complaint for the civil affairs teams in Fallujah and this limitation of CERP severely hampered economic development. Perhaps this limitation was a relic from the belief that OIF would be a short operation requiring reconstruction only and not based on supporting a long-term counterinsurgency.

¹⁸RCT-1 Civil Affairs Detachment had a total of five teams in the city of Fallujah and two in the surrounding areas. A civil affairs team in Fallujah consisted of four to eight Marines specially trained in civil affairs activities, but usually had additional personnel attached or supporting. All teams were HMMWV mobile, except for one team at the civil military operations center. The number of projects or initiatives a civil affairs team can effectively manage depended on both the operating environment (permissive/non-permissive) and the size and complexity of the projects. Generally, a non-permissive environment exponentially decreased the capacity of the civil affairs team to manage projects. Indeed, the environment had much more of an impact on managing projects than size and complexity. Thus, a more non-permissive environment meant executing much fewer projects.

¹⁹Other than civil affairs Marines and the contracting cell from the Seabees of the MEG (Marine Expeditionary Force (MEF) Engineering Group), there were few Marines spending money on relief and reconstruction in Fallujah. Select senior Marines were authorized to make on the spot payments (battalion commanders and higher) as well as staff judge advocates making solatia payments (see Endnote 30 below for description of solatia). Also, there were a few Marines spending money for establishment of police, but even these contracts were generally let through the civil affairs teams.

²⁰An additional benefit of expanding capability of spending money was better spread loading of projects. Spread loading projects to other units would alleviate requirement on civil affairs assets to support all the projects in an area. In a counterinsurgency, civil affairs assets were a high-demand, low-density force. Because of limited time available for the civil affairs forces, valuable dialogue and relationship building with civilians associated with a particular project was often cut short in a rush to meet the demand of supporting numerous other projects. The positive interaction with civilians was generally more important than the project itself.

²¹Major General Mattis promulgated the theme “Marines, no better friend, no worse enemy” in 1st Marine Division Standard Operating Procedures (SOPS) for Stability and Support Operations (SASO) dated 15 November 2003. Another theme was, “First, do no harm.”

²²Money made it easier for civilians to leave an area by providing an ability to obtain commercial transportation and a place to stay in another area. In the Battle of Fallujah, many Fallujans went to the neighboring town of Saqlawiyah.

²³In OIF, humanitarian crises significantly impacted time, force and space for a commander and thus justified preventative measures in an effort to avoid such situations.

²⁴Team 4, Detachment 4, 4th Civil Affairs Group, *Command Chronology for January 2005* (Camp Baharia, Iraq, 11 February 2005), 4. and Team 4, Detachment 4, 4th Civil Affairs Group, *Command Chronology for February 2005* (Camp Baharia, Iraq, 8 March 2005), 5. AL FAJR or “new dawn” was the name for the November 2004 offensive to seize control of the city of Fallujah. Originally, the name was Operation PHANTOM FURY, but was changed early in the operation.

²⁵4th Civil Affairs Group, *Command Chronology 2005* (Washington, D.C, 15 July 2006), 9-10. The speed at which Fallujah was restored became a powerful theater wide IO message portraying concern for the local population by the Iraqi Interim Government and the Coalition forces.

²⁶The Iraqi Interim Government was the temporary Iraqi governing body prior to the official elections in January 2005.

²⁷A number of issues caused massive flooding in Fallujah, including non operating sewer system, broken water lines and high water level from a nearly closed sluice gate dam on the Euphrates River.

²⁸Prior to the battle, RCT-1 civil affairs did not know that there was a sewer system for rain water with nine powered lift stations in Fallujah and the implications it had on deflooding the city. Continuous deflooding became important because many parts of Fallujah were below the Euphrates River water table. The main purpose of the sewer system was to pump water from the Euphrates River out of Fallujah, particularly when the river ran high. Employees from the water treatment plant on the outside of the city provided the information and guides to find all nine sewer lift stations. The flooding in the streets created a natural obstacle and caused major problems for the RCT-1 commander to maneuver his forces. It became a major focus and significant issue to resolve for the division commander. Standing water also created a health issue because of dead bodies and black water sewage washed out from septic tanks located throughout the city. For the civilian homes, the flooding caused additional damage.

²⁹Each civil affairs team managed working parties of 10-200 Fallujans. These working parties were usually paid daily by using an Iraqi "Foreman" to assist with supervising the work and to serve as single point of contact for paying the other workers. Because the working parties consisted of all military-aged males, the Marines comically referred to them as "Muj working parties" ("Muj" was short for Mujahideen).

³⁰During OIF, military commanders used solatia as a form of payment to provide compensation to a neutral party (a civilian not affiliated with the enemy) that sustained collateral damage to a house or business or death or serious injury to a family member. However, providing a solatia payment was not an admission of guilt by the U.S. Government.

³¹4th Civil Affairs Group, *Command Chronology 2005*, 12.

³²Jack Shulimson et al., *U.S. Marines in Vietnam: The Defining Year, 1968* (Washington, D.C.: Marine Corps History and Museums Division, 1997), 604.

³³The author of this paper was in Fallujah and witnessed the repairs to the city begin and local economy come back to life. Also, Shulimson et al. in *US Marines in Vietnam: The defining Year, 1968* on page 605 discussed that some early improvements were seen in and around Hue during Operation Recovery as the "[South Vietnamese government] had begun reconstruction, resettlement, and economic revival programs."

³⁴Visiting an area immediately after a raid or other Coalition action to immediately pay for battle damage or initiate a contract to fix damage affecting neutral parties became standard operating procedure (SOP) for RCT-1 civil affairs. The SOP was for the civil affairs team to follow "in trace" or directly behind the assault element. Any house harboring insurgents or weapons caches were not eligible for battle damage remuneration.

³⁵Fallujah had a CMOC called the FLT [Fallujah Liaison Team] about 1 kilometer to the east of the city and another established in late November 2004 during Operation AL FAJR. This 2d CMOC was called the "Fallujah Help Center" and it was located in the center of the city at the "Mayor's complex" or governmental center. These CMOCs served numerous purposes, including a place that the civilians went to address issues or get assistance, such as with a battle damage claim. The CMOCs were often busy places with long lines.

³⁶In Fallujah, insurgents and thieves monitored activity in the CMOC and Marines at the CMOC frequently distributed large sums of cash to the locals.

³⁷Relief organizations outside the military included NGOs and IGOs, such as the International Committee of the Red Crescent and UN World Food Program.

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