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Prospects Abound Among the Kurds



Ayman Oghanna for The New York Times

A housing complex for Western workers in Erbil, in Iraq's Kurdistan region.

By SAM DAGHER

Published: July 14, 2010

ERBIL, Iraq — Shortly after leaving his job last year as the United States ambassador to the [United Nations](#), [Zalmay Khalilzad](#) started negotiations with Iraqi Kurdish leaders to become a paid adviser.

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Ayman Oghanna for The New York Times

John Agresto, left, outside the American University of Iraq in Sulaimaniya that he helped found.

His stint as adviser to the semiautonomous [Kurdistan region's board of investment](#) lasted about seven months. In May Mr. Khalilzad, who also served as ambassador to [Iraq](#), became a board member of [RAK Petroleum](#), an [oil](#) and gas investment company based in the Persian Gulf Arab emirate of Ras al-Khaimah.

RAK is a significant shareholder in Norway's [DNO](#), a major oil producer in the Kurdish region that has been [mired in controversy](#) for its involvement in a deal that granted an interest in its oil field to the former American diplomat [Peter W. Galbraith](#) for help in negotiating the contract with the Kurds. Last month DNO [nominated Mr. Khalilzad](#) to its board.

As America winds down its war effort in Iraq, Mr. Khalilzad is among a growing list of former American diplomats and military officials now chasing business opportunities in the oil-rich Kurdish region or acting as advisers to its government. Some visit regularly, while others call the region and its booming capital, Erbil, home. Kurds treat them like dignitaries.

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The Kurdish region may be the only place in Iraq where Americans are still embraced as liberators. The authorities boast that no Americans have ever been attacked in a place that has enjoyed relative security.

Critics say these former officials are cashing in on a costly and contentious war they played a role in. The way they see it, though, they have every right to fulfill the American dream after having left their government posts. At any rate, business and politics are inseparable in a region [dominated by two governing parties](#) and families, who have been accused of autocratic rule and corruption. Many of the former American officials turned businessmen have also become staunch advocates of the Kurdish cause, including the right of statehood, which clashes with America's stated policy of preserving Iraq's unity and being at equal distance from all groups.

The Kurds in turn have leveraged their American connections, which in some cases go back decades, into an impressive lobbying and public relations machine in Washington.

The Kurdish region ranks among the top 10 buyers of lobbying services in the United States, according to [the Foreign Lobbyist Influence Tracker](#), a joint project of ProPublica and the Sunlight Foundation. "They love these consultants here," said Denise Natali, an American academic and author based in the region's other main city of Sulaimaniya. "It brings them attention, recognition and credibility."

Ms. Natali herself has advised corporations like America's [Hunt Oil](#), which was among dozens of foreign oil companies awarded concessions in the Kurdish region in defiance of the central government in Baghdad.

Mr. Khalilzad's firm, [Khalilzad Associates](#), describes itself as serving "clients at the nexus of commerce and public policies," and is advising businesses seeking opportunities in Afghanistan and Iraq.

He said he ended his advisory contract with the Kurdish government after his company started advising "multinational corporations" investing in the Kurdish region and Iraq.

"We felt it created a possible conflict of interest to represent both sides," he said.

He said he was trying to find a way to pay rent on an apartment in Erbil provided to him free by the Kurdish authorities as part of his contract. The region's Oil Ministry owns the apartment.

Mr. Khalilzad made several high-profile appearances last year while on contract for the Kurds. They included an election rally for the region's powerful president, [Massoud Barzani](#).

Mr. Khalilzad, along with most of the region's top leaders, sits on the board of regents of the [American University of Iraq in Sulaimaniya](#).

John Agresto, who served as a senior adviser for higher education under America's post-invasion [Coalition Provisional Authority](#), helped found the university with the strong backing of Barham Salih, the region's current prime minister.

Mr. Agresto said he had accomplished in the Kurdish region what he had failed to do in the rest of Iraq, namely introduce American-style liberal arts education.

"The American brand is much more welcome here," Mr. Agresto said. "This is probably the last place in the whole world where George Bush could still win an election."

The majority of Kurds are grateful for the American-led invasion to topple [Saddam Hussein's](#) government and America's support of the no-flight zone in the 1990s that helped them establish their present autonomy. Thousands of foreigners, including many Americans, now live and work in the Kurdish region, enjoying comforts that are rare in the

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rest of the country.

"We love them," Haro Ahmed gushes about Americans.

His family owns a real estate conglomerate, whose assets include [a sprawling mall](#) in Erbil that would not be out of place anywhere in suburban America.

Mr. Ahmed has reserved space in the mall for several American fast-food chains and says he is in talks with Marriott to build a hotel and golf course nearby.

[Jay Garner](#), the retired lieutenant general who briefly headed the reconstruction effort in Iraq after the invasion, says that it is precisely this pro-American attitude, coupled with the region's oil wealth and strategic location between Iran, Syria and Turkey, that makes Kurds the perfect partner in Iraq.

"Why we do not wrap our arms around them, I do not understand," General Garner said.

He said he did free consulting for the Kurds. But he also sits on the advisory board of [Vast Exploration](#), a Calgary-based company prospecting for oil in an area of the region known as Qara Dagh, where drilling started in May.

On the seventh anniversary of Mr. Hussein's fall, in April, General Garner flew to the Kurdish region on a chartered plane accompanied by oil analysts and executives. The visit included meetings with Kurdish leaders and a camping trip to Qara Dagh.

In contrast to the close relationship with their American friends, most of them Bush-era officials, Kurdish leaders have grown impatient with the Obama administration, particularly its mounting pressure on Kurds to make concessions in a continuing dispute with Baghdad over internal borders and the sharing of oil and gas resources.

"Kurdish officials are frustrated with us," said one senior American diplomat, speaking on the condition of anonymity under diplomatic ground rules.

"They say, 'The minute you turn your back, Baghdad will stab you.' "

Harry J. Schute Jr., a former Army colonel who commanded a civil affairs battalion in northern Iraq after the invasion and later became the Coalition Provisional Authority's chief of staff in the north, says the Kurdistan region is the "poster child" for what America has been trying to accomplish in the rest of Iraq.

"There are not a lot of places in the Middle East where they are saying 'pick us, we want to be your friends,' " Mr. Schute said.

He now runs [a security consulting practice](#) in Erbil and sits on the board of Vigilance, a joint venture between American and British security contractors and the Kurdish government itself.

A version of this article appeared in print on July 15, 2010, on page A4 of the New York edition.

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