

**COMMITTEE ON
FOREIGN AFFAIRS**
SUBCOMMITTEES:
**CHAIRMAN,
INTERNATIONAL TERRORISM,
NONPROLIFERATION AND TRADE**

THE MIDDLE EAST
AND SOUTH ASIA

Brad Sherman
Congress of the United States
27th District, California

SERVING THE SAN FERNANDO VALLEY

**COMMITTEE ON
FINANCIAL SERVICES**
SUBCOMMITTEES:
CAPITAL MARKETS AND INSURANCE
FINANCIAL INSTITUTIONS
MONETARY POLICY
**COMMITTEE ON THE
JUDICIARY**
SUBCOMMITTEE ON INTELLECTUAL
PROPERTY AND THE INTERNET

March 10, 2006

The Honorable Paul Wolfowitz
President
The World Bank Group
1818 H Street, NW
Washington, DC 20433

Dear Mr. Wolfowitz:

I am writing to urge that you take all available steps to delay any disbursement or any further obligation of funds for loans and other assistance approved for Iran that have yet to be disbursed while the United Nations Security Council considers the matter of Iran's noncompliance with its nuclear safeguards and associated commitments.

As you know, since 2000, more than \$1.3 billion has been approved for loans to Iran from the International Bank for Reconstruction and Development. Both the International Finance Corporation and the Multilateral Investment Guarantee Agency have also undertaken significant activity in private projects in Iran as well. I have strongly opposed this activity by the World Bank.

Such cooperation with Iran by a much-respected international institution sends precisely the wrong message to the regime and the Iranian people – that the nuclear and terrorism policies of Tehran will not isolate Iran's regime or deny it the benefits of membership in the community of civilized nations.

I realize that much of this activity was approved during the term of your predecessor and that in any event approval of assistance is the prerogative of the boards. That being said, as the Bank's chief executive, I urge you to use the considerable authority at your disposal to delay the normal implementation of these loans and assistance should there be any movement on implementation. Should you need additional authority to achieve these objectives, I urge you to seek it from the boards of executive directors.

WASHINGTON, DC OFFICE
2242 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-5911
FAX: (202) 225-5879



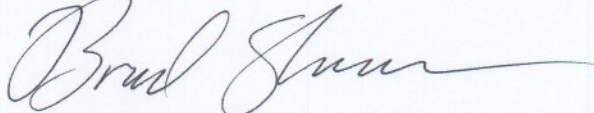
SAN FERNANDO VALLEY OFFICE
5000 VAN NUYS BOULEVARD, SUITE 420
SHERMAN OAKS, CA 91403
(818) 501-9200
FAX: (818) 501-1554

Hon. Paul Wolfowitz
Page Two

The day when some leading Western countries, including important members of the Bank, sought to engage Iran in hopes of changing the behavior of the regime are now over. Iran is in the dock at the UN Security Council. I believe that World Bank activity in Iran should be viewed in that context and accordingly halted. At the very least, further disbursements should be halted to give the Security Council time to deliberate. It would be unfortunate if disbursements were made just weeks before the Security Council imposes sanctions that would have prohibited World Bank activity in Iran.

Thank you very much in advance for your consideration of this request. I would greatly appreciate a meeting with you to further discuss this important issue as soon as our schedules permit.

Sincerely,

A handwritten signature in cursive script that reads "Brad Sherman". The signature is written in black ink and has a long, sweeping horizontal line extending to the right.

BRAD SHERMAN
Ranking Member
Terrorism and Nonproliferation
Subcommittee