



الإئتلاف الأردني للمعارضة

The Jordanian Opposition Coalition

Ms. Christine Lagarde
Managing Director
The International Monetary Fund
700 19th Street, N.W.
Washington, D.C. 20431.

July 16th 2016

Re: Jordanian Loans and the next government

Dear Director Lagarde

On behalf of the **Jordanian Opposition Coalition (JOC)**, we are writing to you today to specifically discuss not just the loans given by your organization to Jordan's current regime, but the ones you may be considering.

Historically, your organization has been very supportive of Jordan, its people and the economy, and as such, have been lenient with the current regime's economic shortcomings, greed and obvious mistakes.

With that said, we at the **JOC** firmly believe that Jordan's current regime is collapsing politically, and as such will fall sooner or later. With that said, on behalf of both the people of Jordan, and the future government that is going to take the Monarchs place, we are writing today to express our concern about both the way the loans have been given and who is ultimately responsible for them.

Jordan's Monarchy is imploding, and it's no secret that many governments and experts believe that Jordan's monarchy is on its last legs. In fact, not only is the American, Israeli and Arab media are reporting about the "up-coming collapse", but US Presidential Candidate Hillary Clinton, said in November 2015 that: "Jordan's future is not clear". She added that it was not clear "Whether Jordan will remain stable". Even more, a recent Israeli intelligence leak by Israeli politician Danny Dayan, confirmed that Mossad's top leaders believes this this king will be Jordan's last, and that he will never pass the throne to his son.

And that brings us to the direct purpose of this letter. In it, we believe that you will see irrefutable evidence that Jordan's monarchy is incompetent, corrupt and not going to survive, making them a bad financial investment. Finally, we hope that one of the conclusions that you draw from this letter is that the unstable Jordanian government (King) is short on cash, is losing international support, and is frantically turning over every stone, looking for money to prop up the out-of-control royals' expenditures.

In the aftermath of the "Arab Spring", it is no secret that post-dictatorship governments have faced a dual set of issues, not only for those who will take over once the change

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happens, but, for those who will be responsible for questionable loans, financial mismanagement and loans made upon fiscal irregularities and financial responsibilities.

We at the **Jordanian Opposition Coalition (JOC)** have pledged to not allow our country to fall into the hands of Islamists or be stricken by anarchy once the king leaves. We have also pledged fiscal responsibility, transparency and are writing today for the following reasons:

- To introduce ourselves to you and educate you about the democratic concepts that we plan to bring to Jordan, including the right to:
 - Vote for both men and women,
 - Freely move within the country and world;
 - Education for all as the ultimate “civic duty”;
 - Financial transparency by the king and government;
- To open your eyes to what is going on in Jordan, politically, socially and economically;
- To urge – warn - you not to give money to a corrupt regime that provides its citizens and the financial world with zero transparency;
- Urge you NOT to fund any Jordanian schemes without assurances;
- Let you know that if you do fund them without requiring any type of assurances, especially transparency, the new government will not be responsible for repaying the debt when it takes over.

We are sure that these strong statements have created a lot of questions that you want answered. Let me assure you that I want to answer every question you have. Personally, I hope that the first question you have is this: how did the world miss this, and allow it to happen?

As a dictator who runs his country with an iron fist in secret, the Kingdom has literally been flapping in the wind for years thanks to the King’s lack of leadership, mismanagement and questionable fiscal policies and has started to crumble in the last five years. What saddens the average Jordanian (and us) is this: it has happened on several levels and the rest of the world is not paying attention.

As educated individuals, we know that you do your intellectual, economic and political due diligence before you make any loans, but even so, we find ourselves obligated to inform you that, until recently, the global media has failed to report on the unrest and anarchy that is taking place in Jordan. This is probably because what’s happening in Jordan is being overshadowed by the dreadful civil wars and unrest that are taking place in the region. That means that the world’s attention is not focused on Jordan, when it should be. The largest reasons for this have to do with the media.

- First, the king controls the nation’s media both entering and leaving the country, meaning that the world is getting only half the picture. For example, the world media is not allowed free movement within Jordan, and as such, can’t produce accurate reports;
- Second, I will be honest, Jordan is a small, yet strategic country, and when compared to the problems exhibited by neighbors like Syria and ISIS, they are just not as sexy.



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- Third, when a reporter is found that would even step foot in the country, they are “wined and dined” and become recipients of gift and travel perks from the king. In other words, the King buys them, sways them and ruins their neutrality.

While we are confident that you have your intelligence and soci-economic sources, and as such, we also know that your researchers will look for information in the media first. Therefore, we have to share with you that what we are sharing with you here is just the tip of the political, social and economic iceberg that is melting all around the country. And quite frankly, the unrest you hear about in Jordan are the first cracks before the volcano grows. Many signs point to this, and we want to call your attention to them before you invest any money in the country.

As we see it, Jordan’s problems fall into two categories. The first are general conceptual problems, with the second being specific economic problems. The general conceptual problems are:

- Jordan has turned into a state of non-state because the government cannot enforce its authority on large areas of the country;
- Gun battles are a daily event, which if we are not careful, clearly is the beginning of a civil war;
- This have gotten so bad that Western Embassies have issued serious security warnings on travel Jordan;
- The king and his entire Hashemite family spend most of their time, on purpose, out of Jordan;
- Strong internal “riffs” between the regime and the now-independent security agencies exist and are widening as you read this;
- All of this is leading to one thing: public unrest and open despise for the royal family is growing, and cannot be overlooked;
- To the average person, the king’s opulence and continued spending makes it safe to say that Jordan will never be the same. In fact, Presidential Candidate Hillary Clinton said this at the end of last year: “(Jordan’s) future is not clear”;
- The king’s one-man show controls Jordan like a medieval style state. Recently, the king forced his Parliament to expand and enhance his Constitutional Powers. As the nation’s ruling Monarch, he was already above the people, now he is above the law AND Constitution, and clearly has free reign of the country. That means he is not only above being tried in a court of law, but more importantly for you – has complete control over the country’s coffers, and can spend the money anyway he wants, paying himself a huge salary, before passing the money on to others to use. Sadly, since that is the practice all over Jordan, little of the earmarked money actually gets to where it needs to – the people of Jordan. As such, since the funds were not voted on by the people (and thus supported), and the legislature means very little because they simply rubber stamp the king’s demands/requests, it would be foolish for any responsible financier, bank or government to be loaning Jordan’s government any money;
- The king and his regime, his media, his writers, his TV, his thinkers, his loyalists and everything he controls have been promoting instability in the Middle East, with his focus being inciting hatred towards Israel and Jews. In fact, many mindless commentators within Jordan have made claims that this is only “lip service to appease the public,” but it’s not. As leader of the **Jordan Opposition Coalition (JOC)**, I have to emphatically

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state that the king is inciting real hatred against Israel and Jews, and is doing it in Arabic, hoping that both the Israelis and Americans will not pay attention to what is actually being said. This claim has been documented by not just the **JOC**, but by the Israeli Ministry of Foreign Affairs who has publically protested through official channels twice;

- Many in the region are watching the King's actions and are shaking their heads. In fact, Israel is not the only one who knows what Jordan's king is up to. For example, the king has been ignoring requests from Saudi Arabia, Egypt, UAE, the USA, UK and others to shut down the Muslim Brotherhood (MB), whose HQ just happens to be across the street from his Amman palace. With respect to the MB, on one hand he says that he has, while on the other hand, he has clearly refused to do so, and has publically said that he would not do so. Nonetheless, the naive Western media has been reporting that the king is "shutting down the Muslim Brotherhood". Everyone in Jordan is shaking their heads, asking Who, What, When, Where or even How this is being done. It is being done in three ways:
 - Their TV, Radio and other media outlets are in full operation;
 - Their huge trust fund is collecting money, investing and spending profits;
 - They are also using money to field candidates in the upcoming elections, challenging the west once again to either support a brutal dictator, a terrorist group, or, a group dedicated to peace and democracy like the **JOC**.
- It is unknown how many people have been arrested, placed in jail, tortured or have simply disappeared because of the king and his actions.

On the specific economic side, the problems Jordan faces in real life, versus the concepts Jordan's king is providing to investors and the world, couldn't be further apart, further distorting the truth. In fact, in the span of less than 3 years, Jordan's king has turned himself and Jordan into what can only be considered an economic black hole, surviving hand to mouth on foreign aid and outlandish tax schemes that are paid for by his suffering subjects. Additionally, the king has squandered the country's resources and international loans and grants given to Jordan, to the point that it has become evident that giving money to him at this stage will not fix Jordan's economy or bring it any stability, and is very unlikely to filter down to the suffering Jordanian economy. The economic signs that bad things are happening are:

- Most Arab Gulf states are no longer providing financial aid or grants to Jordan's king. Those states know the king personally, and the fact that they are no longer providing him any of their money is a clear sign that they know he is not stable, or is at best, irresponsible and misuses their money;
- It is no longer a secret that historically supportive Western donors are no longer extending the same kind of generosity that they have once extended to the king;
- Because of so called "financial shortages", the king recently raised taxes on all products, an economic sign that the regime doesn't have enough money to operate, or that they want to take as much as possible with them before they leave the country. The **JOC** believes that the money you give them, will leave with them, and not be used to benefit the people of Jordan;
- The king's entire family is on the "government payroll" in one fashion or another, yet they provide nothing back to the country. Their lavish life style is no secret and zero accountability is exhibited from the Royal Court despite its huge budget;

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- Despite having received over \$30 billion in aid from Western governments and more than \$40 billion from Arab and other non-Western governments in the last 17 years alone, Jordan's king has accumulated a national debt approaching \$40 billion. For a country whose 8 million population survives on a budget of just under \$8.5 billion, we have to ask "what could he have possibly been done with the money?" For the record, the aid money and loans Jordan has received, since Jordan's current king took over, have amounted to almost 1,500% of Jordan's annual budget, and therefore, could have been enough to turn Jordan into one of the most successful economic model of the region;
- Even though Jordanians pay a total of 16 different taxes, including a 200% small car tariff (and there are over 1.5 million cars in the country), money has disappeared. And for some reason, the country doesn't offer one single free service to Jordanian citizens or refugees (except education). When added to the huge influx of money listed above, the citizens of Jordan and investors from the west need to understand what is actually happening – between the royal family's lavish lifestyle and the government sponsored system of graft, much of the money disappears way before it reaches those who it is earmarked for;
- Unemployment in Jordan stands at just over 50% and about 85% of the people are living either at or below the poverty line. In the past, you have graciously extended economic assistance to our country, and we are sure you have accurate records to verify that assistance. **At this time though, before any more loans or grants are given, we need to stress that there must be a direct link and/or connection between any loans and grants given and an increase in any economic indicators.** If this cannot be shown, like an increase in consumer confidence, we believe that it is safe to assume that none of your loans or grants (nor those from other creditors and/or governments), have made their way into the pockets or livelihoods of the general Jordanian public. In other words, your organization, and others are giving money to the king not the Jordanian people, regardless of whether this is knowingly or unknowingly, and we will not be held responsible for your bad judgement.
- Jordan's debt to GDP ratio stands at a staggering 90%. Greece collapsed when it reached this level. And while Greece and others were bailed out because they had more or less transparent governments that showed everyone where they used the money, Jordan has no real government, is run by an iron fisted monarch, and its estimated to have than 1,000 people running the whole country, with the government being just a useless façade with no real authority at all;
- Jordan's king has refused any form of fiscal reforms or transparency; so how could anyone give aid money or loans to someone who refuses to utilize budget practices that governments in the 21st century are using. To prove this point, even US Embassy Amman cables made public by WikiLeaks have confirmed that the US believes the king has executed zero reform. Again, this begs the question – without reform, why should anyone risk investing in a sinking ship called the Hashemite regime?

At this point, the **JOC** would like to share a closing hypothetical question with you: What's worse than having an illness or disease? Neither – it's the misdiagnoses of the problem that's worse, and the **JOC** believes that the world is misdiagnosing the

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problems and then prescribing the wrong medicine and treatment! And in this case, the wrong medicine is to give more money to a regime that is not only doomed and probably stocking it away in Swiss bank accounts, but clearly wasting money that is spent legitimately!

With that in mind, I want to close by saying this: giving financial assistance to a dictatorial regime with zero-transparency and with such a high debt ratio is bad business and to shareholders, will clearly appear to be throwing good money after bad, making the situation worse for everyone involved.

Jordan is a country in transition, and is clearly on its way to an economic meltdown, meaning that it is just a matter of time, regardless of how soon or how far away in the future, before the king packs his bags, heads out of town and fades into history. And as such, everything that is being done now to prop up this phony, corrupt government, will prove to be a waste of time, energy money and unfortunately, life.

With all of the above points taken into consideration, one has to understand this solid fact: the current regime ruling Jordan is not democratic, has never been elected, and does not represent the will nor the interest of the people. Even more alarming to any potential creditor to Jordan's government is this: Jordan's puppet parliament has no real say in choosing the government's executive bodies and senior parliament members themselves have publically told the media that their votes always come to them as orders over the phone from the regime.

For all of the reasons outlined in this document, **we firmly believe that any actions, loans, or financial commitments made by this regime, or any of its bodies on behalf of the Jordanian people, are questionable and thus not binding on the Jordanian people, whereas we believe 100% that they are binding on the king.**

Additionally, we feel obligated to tell you in advance that the Jordanian people will not be held responsible for the money given to Jordan's king from your organization from this day forward.

In closing, the JOC believes that a lot of money and lives can be saved by taking prudent action today in order to protect the lives of tomorrow. **The largest action we suggest that you take today is not lending money to the king and his corrupt regime.** But, should that happen, not only should you require solid answers to the above issues, but more importantly, require 100% budget transparency for each project and loan. If this requirement is established on all loaned money, it will be the #1 way to ensure that all money lent or given, will not end up in the king's Swiss bank account, but rather, it will be used for what it is intended for – those who are starving, homeless or refugees.

Sincerely;

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