US says Iraq-based Iran opposition aids Iraq government
By Jonathan Wright

WASHINGTON, May 22 (Reuters) - The Bush administration has alleged the Iraqi-based opposition to the Iranian government performs internal security functions for the Iraqi government, adding a new allegation against a group which the United States has called a foreign terrorist organization since 1997.

The opposition Mujahideen-e-Khalq (MEK), also known as the People's Mujahideen, dismissed the allegation as Iranian government propaganda. A document obtained separately also appeared to challenge a U.S. claim that the group helped the Iraqi government against a Kurdish uprising after the Gulf War in 1991.

The allegations appear in the "Patterns of Global Terrorism 2001" report released by the State Department this week and did not appear in the same report in previous years.

In a written response, the Mujahideen said: "The new allegation and lies are another gift and 'goodwill gesture' to the religious fascism ruling Iran ".

"Astonishingly it has taken eleven years for those who are making these allegations to reach 'the realm of certitude' about the lies that the mullahs' regime has repeated a thousand times," the statement added.

Reuters separately obtained a copy of a 1999 legal document signed by a senior official of a major Iraqi Kurdish group that said there was no evidence the Mujahideen took part in the Iraqi government's 1991 campaign against the Kurds.

The document, which was part of a lawsuit in the Netherlands, was received on condition that the author and the original recipient remain anonymous. The Iraqi Kurds have regular contacts with the Iranian government.

("We) can confirm that the Mujahedin (sic) were not involved in suppressing the Kurdish people neither during the uprising nor in its aftermath. We have not come across any evidence to suggest that the Mujahedin have exercised any hostility towards the people of Iraqi Kurdistan," it said.

The Mujahideen has a large and well-equipped military force on the Iraqi side of the Iranian border. It receives much of its money from the Iranian community in the United States.

Members of Congress sympathetic to the Mujahideen were unavailable to comment on the new allegation, which would tend to discredit the organization in the eyes of many Americans.

The Mujahideen challenged its designation as a "foreign terrorist organization" in the U.S. courts and won a partial victory last June when a federal appeals court ruled that the State Department should give such organizations a chance to answer the allegations against them.