



Countering Corruption and Organized Crime to Make Afghanistan Stronger for Transition and a Good Future

“We will work to fight corruption more effectively and further reform government institutions to render them more efficient, transparent, and accountable. We will enforce rule of law and pursue further judicial reforms.”

- President Hamid Karzai, Bonn Conference, December 2011



Strategic Context



Coalition

International Community

GIRoA

Counter Corruption Weakens the Enemy

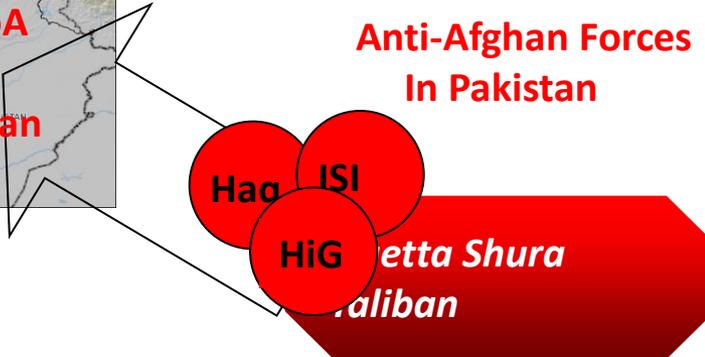
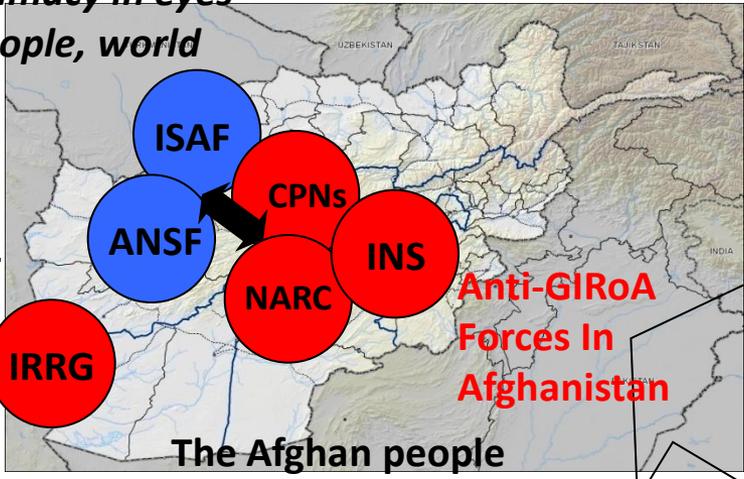
- Hardens GIRoA against resurgent Taliban and other actors vested in state weakness
- Decreases ISAF/IC contracting \$ spillage to the Taliban, criminals
- Decreases narcotics trade funding to the Taliban, Warlords
- Decreases willingness of Afghan people to actively/passively support the Taliban

Strategic National/ International CoG:
Coalition cohesion & political will to continue

GIRoA CoG: *GIRoA Legitimacy in eyes of people, world*

Counter Corruption Strengthens Afghanistan and Donor Support

- Neutralizing criminal penetration in ANSF and state functions critical to transition strengthens GIRoA
- Decreasing corruption is critical to GIRoA legitimacy and to coalition cohesion and international will to support



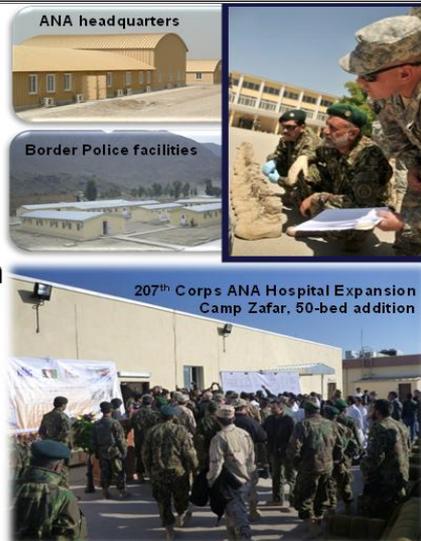
Enemy Sources of Strength: Taliban Senior Leadership/Illicit funding; support (or apathy) of the Afghan people



Actions to Keep Money Intended to Help The Afghan People From Strengthening Criminals



Afghan First Initiative



- Commodities contracts
 - \$232M; 1,800 employed
- Clothing and equipment
 - \$341M; 6,500 employed
- Construction projects
 - \$427 M; 3,700 Projects
- Joint Venture and Distribution Agreements
 - Model for future manufacturing projects
 - Create and expand manufacturing capabilities
 - Will increase Afghan skilled labor force

Host Nation Trucking

- HNT contract [\$2.16 billion] will expire in September 2011; the National Afghan Trucking (NAT) contract will replace it
- The number of prime contractors will increase at least threefold, ensuring greater transparency and rewarding corporate responsibility

Contract Actions

ISAF continues to drive action to ensure our money does not support Criminal Patronage Networks or the insurgency

- Reviewed nearly 1200 high-value, high-risk contracts involving nearly 700 companies, valued at approximately \$27B, in the past quarter (April-June, 2011)
- Identified approximately 170 contracts potentially linked to CPNs or insurgents
- Debarred 78 companies and individuals
- 145 cases opened, 38 convictions

Next Steps:

- Establish Acquisition Accountability Office to coordinate oversight of all U.S. military and civilian contracts
- Expand vendor-vetting and joint investigations
- Enact U.S. Wartime Contracting legislation

UNCLASSIFIED//FOUO

سند غیرمحرّم // فقط برای استفاده رسمی

The level of corruption in Afghanistan today represents a potentially fatal threat to the ISAF mission, because it:

- *Alienates key elements of the population*
- *Discredits and weakens the government and security forces*
- *Subverts state functions and rule of law*
- *Robs the state of revenue*
- *Creates barriers to economic growth*
- *Preserves Taliban regenerative capacity*
- *Perpetuates Afghan dependence*
- *Undermines international support*

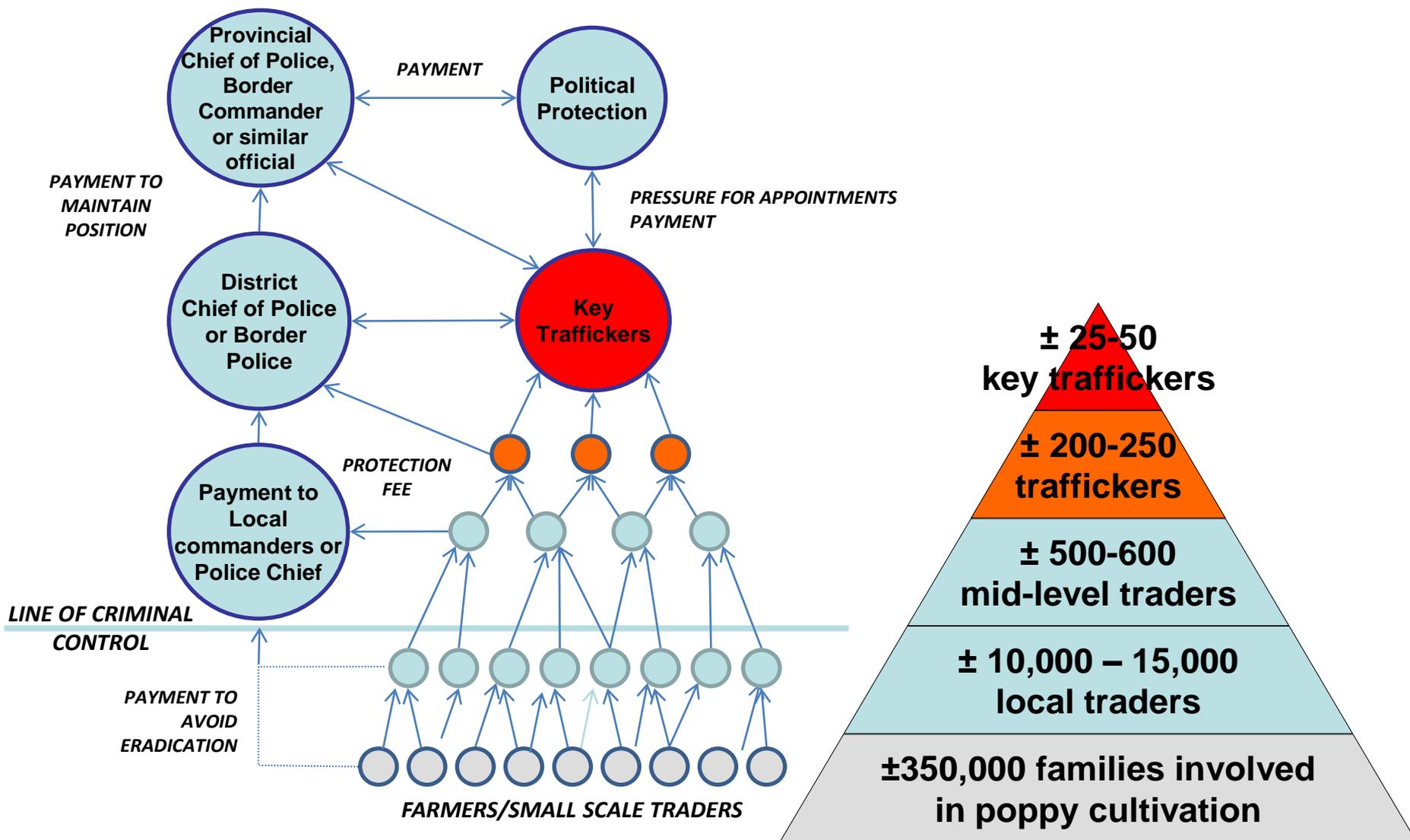
Corruption is more a problem of political will than capacity

Slide developed with Afghan partners





CRIMINAL PATRONAGE AND PROTECTION SYSTEM



UNCLASSIFIED//FOR OFFICIAL USE ONLY

سند غیرمحرّم // فقط برای استفاده رسمی

- Obstructs justice
- Retards economic development
- Undermines state institutions
- Strengthens organized crime
- Victimizes the Afghan people
- Perpetuates insecurity
- Destroys state reputation
- Empowers warlord politicians

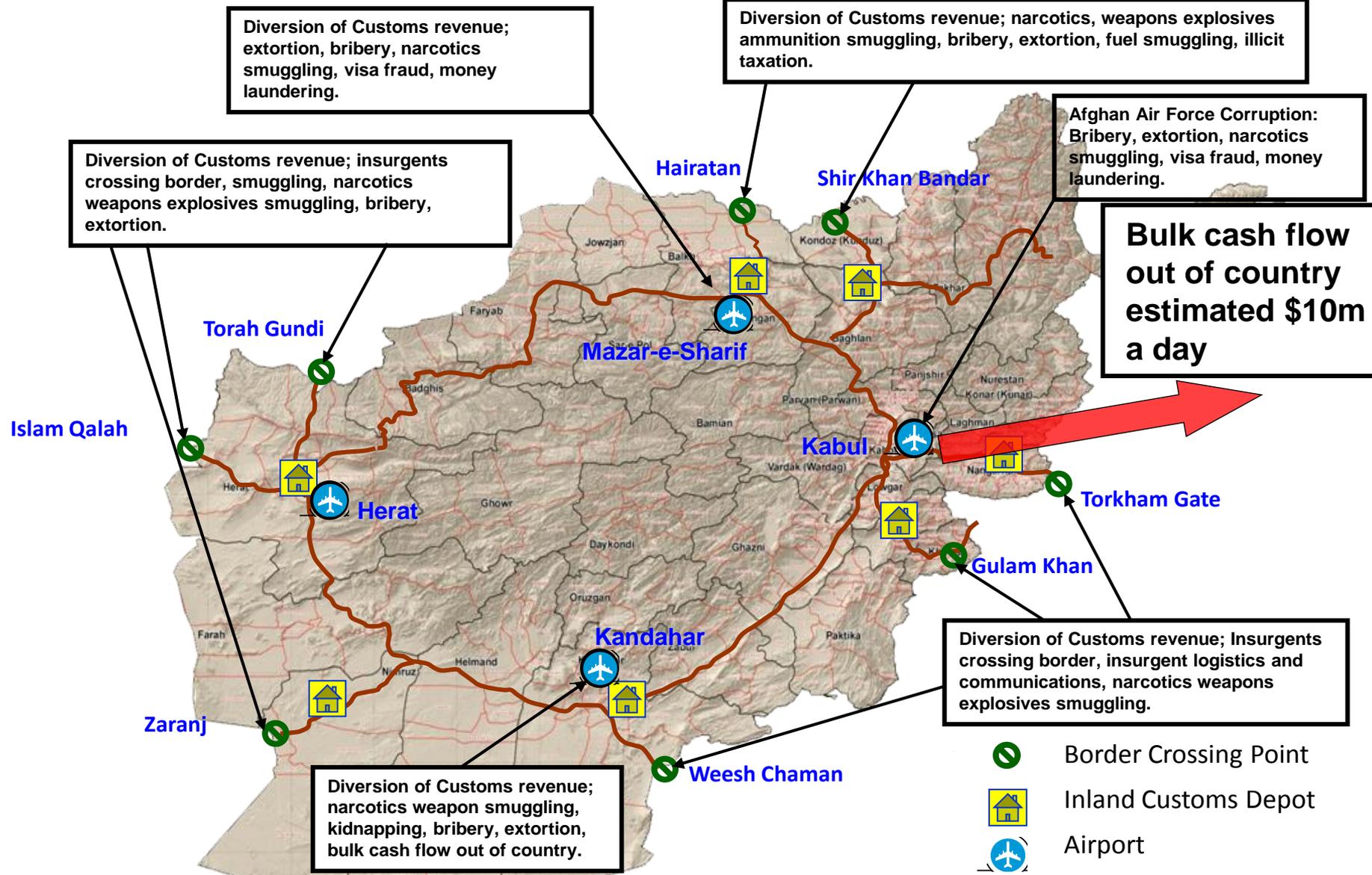


“We cannot allow this country to be influenced by mafia and narcotics-related activities. It kills our economy. It destroys our reputation. So we are going to work against it.”

H.E. Hamid Karzai



Organized Crime at Borders, Airports and Customs Depots: Stealing From Afghanistan

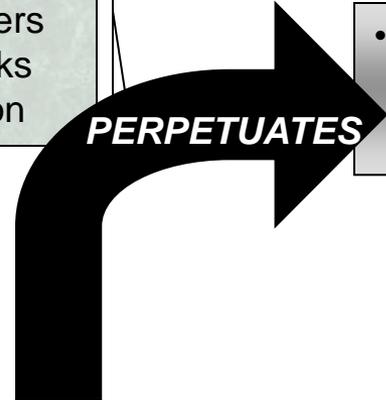




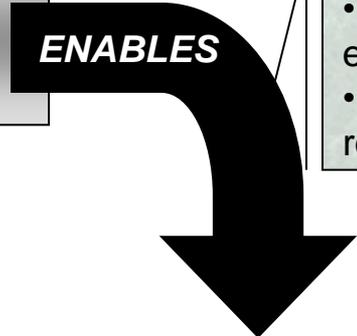
IMPUNITY FRUSTRATES RULE OF LAW



- Negative influencers
- Protection networks
- Political subversion

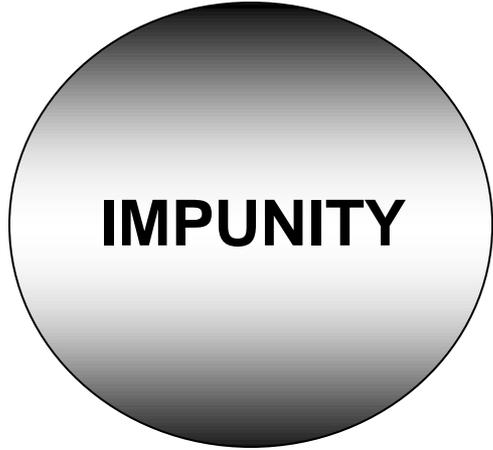


- **Ineffective Justice System**
 - Delegitimizes GIROA
 - Undermines security



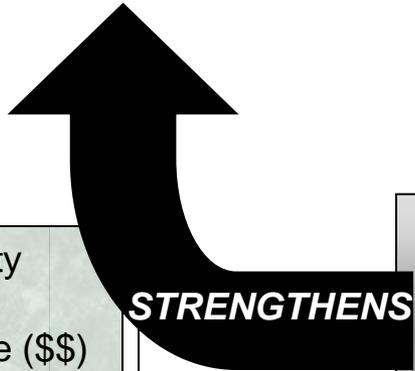
- Advisors restricted
- Laws selectively enforced
- Judicial access restricted

Criminal Patronage Networks

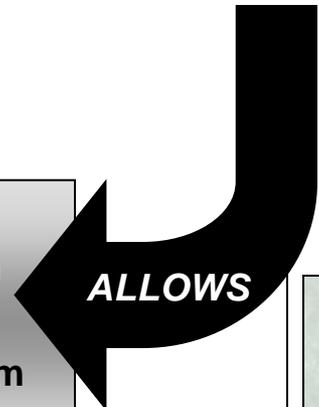


Political Interference and Corruption

- Justice/Security capture
- Justice for sale (\$\$)
- No incentive for judicial improvement



- **Injustice**
 - Disaffects the population
 - Fuels the insurgency
- **Inconsistent calls for reform**
 - Status quo



- Blocked prosecutions
- Vacated sentences
- Illegal restitution
- Early releases

SENSITIVE BUT UNCLASSIFIED



Counter Corruption & COIN Principles



1) Legitimacy is the main objective

Countering corruption increases GIRoA legitimacy (CoG) in the eyes of the Afghan people and the IC and decreased active/passive support for insurgents

2) Unity of Effort is essential

Common understanding of corruption problem as basis for action; joint venues with GIRoA, interagency, international community

3) Political factors are primary

ISAF counter-corruption efforts grounded in an understanding of Afghan politics. Scale of corruption function of current (unsustainable) political settlement; CPNs have political and criminal agendas

4) Understand the environment

ISAF LOO#4 drives understanding of the NEXUS of INS, CPNs, and narcotics trade and associated lines of authority/deference/ antagonism; flows (\$, precursors, drugs, weapons, people); political connections; licit and international business connections



Counter Corruption & COIN Principles



5) **Intelligence** drives operations

ISAF LOO#4 has changing paradigm from pure military intel to Intel, info, and evidence & “write for release” to drive evidence-based operations.

6) **Isolate insurgents** from their cause and support

Criminalize insurgency; reduce active and passive support for INS, INS finance, freedom of action

7) Security under the **Rule of Law** is essential

Arrest and reverse criminal penetration and make security ministries, judicial sector resistant to and insulated from CPN interference and subversion. Develop “sanitary corridors” for investigation and prosecution.

8) Prepare for a **Long-term Commitment**

Harden Afghan institutions against the resurgent capability of the Taliban. Create a positive vision of the future and unleash civil society in support of transparency and accountability. Build increasingly capable Afghan anti-corruption institutions and organizations with political support



CJIATF-Shafafiyat Mission



Shafafiyat, in coordination with the International Community and in support of the Government of the Islamic Republic of Afghanistan,

- Fosters a common understanding of the corruption problem
- Plans and coordinates ISAF anti-corruption efforts
- Integrates ISAF anti-corruption activities with those of key partners to support the development of an “active and honest administration.”*

* *H.E. President Hamid Karzai, London Conference, January 2010*



Keys to Success



- Improve intelligence and understanding of the problem
- Implement COMISAF's COIN Contracting Guidance
- Integrate law enforcement and military efforts
- Internationalize counternarcotics and anti-corruption efforts
- Institutionalize reforms



Afghan-led Counter-Corruption Measures to Help Transition Success



- **Suspend, investigate, and prosecute officials accused of colluding with the insurgency, the narcotics trade or being complicit in egregious corruption**
- **Ban reinstatement of public officials removed for corruption; address negative leader recycle problem with GIRoA**
- **Enforce vetting of key positions and merit-based hiring regulations for central and provincial government officials**
- **Investigate illegal acquisition of land and authorize prosecution of those implicated**
- **Investigate conflicts of interest in the business activities of provincial and district officials**
- **Investigate allegations of provincial government involvement in contract extortion**



Afghan-led Counter-Corruption Measures to Help Transition Success



- **Use vendor vetting for provincial and district contracts**
- **Enforce asset declaration for customs officials, police chiefs/DCOPs, and senior government officials**
- **Support Counter-Narcotics Police Afghanistan and Afghan Law Enforcement units in disrupting the narcotics trade and encourage transitioning provinces and districts to pledge to become poppy free during transition**
- **Enforce Afghan laws prohibiting the maintenance of personal militias**
- **Use Public Trials to promote transparency and accountability in the judicial sector**
- **Examine and codify unofficial "tariffs"**



Other Actions to Support Transition



- **Include Transition as a factor in counter-network targeting to prioritize and focus our collective efforts to help Afghanistan have successful and irreversible transition**
- **With coalition and Afghan vetted law enforcement, conduct aggressive counter-network operations during the harvest and ushr collection season to deny money to enemies of the people**
- **Conduct investigations and operations versus CPNs who are stealing from the people of Afghanistan**
- **Work with the new Attorney General Office special cases committee to prosecute major corruption cases**
- **Increase focus on Afghan-led, evidence-based investigations and prosecutions**
- **Assess the degree of criminal penetration in the judicial sector and remove criminals**
- **Use the President Karzai's Executive Commission on Borders, Airports, and Customs depots (BACD) to help reverse criminal capture of BACD and disrupt narcotics networks and the drugs-for-weapons trade in transitioning provinces**
- **Consider CNPA increases in Tranche 3 locations that are undermined by the narcotics trade/associated criminal networks**
- **Support positive actors who are helping make transition successful**

Discussion