



Khas Kunar chief of police was charged with misuse of his position (1 year in prison) and logistics officer was charged with corruption (61 months and fine) during rare public trial at Kunar provincial courthouse (U.S. Air Force/Christopher Marasky)

Dealing with Corruption

Hard Lessons Learned in Afghanistan

By Richard J. Holdren, Stephen F. Nowak, and Fred J. Klinkenberger, Jr.

Corruption is the existential, strategic threat to Afghanistan.

—GENERAL JOHN R. ALLEN, USMC

Operation *Enduring Freedom* has exacted a tremendous cost on the United States in terms of both blood and treasure. By the end of fiscal year 2013, the financial toll

had reached \$645 billion. While we have made a significant investment in rebuilding Afghanistan, certain actors have seen our sacrifice as an opportunity to enrich themselves by stealing

money and materiel intended to aid in the rebuilding of the country.

A recent study has indicated that these corrupt actions threaten the future of Afghanistan. According to the Joint and Coalition Operational Analysis (JCOA) report titled *Operationalizing Counter/Anti-Corruption Study*, “Corruption alienates key elements of the population, discredits the government and security

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forces, undermines international support, subverts state functions and rule of law, robs the state of revenue, and creates barriers to economic growth.⁷¹ Corruption, in other words, undermines the very essence of those attributes required to establish and maintain a legitimate government.

There is no universal definition or criterion as to what encompasses corruption, with many describing it as, “You know it when you see it.”⁷² After years of struggling with the corruption problem in Afghanistan, the term has yet to be defined in joint doctrine. Part of the difficulty is that each culture defines behaviors and attitudes that it considers “normal,” and these vary greatly from one group to another. Acceptable behavior in one culture may be anathema to another, while merely boorish to another. In some cultures, paying a gratuity may be frowned upon, while in others it is seen as appropriate in certain situations. In the United States, for example, the wait staff in restaurants depends on tips for a majority of their wages. Taxi drivers expect to be tipped and are not afraid to explain tipping etiquette to passengers who fail to grasp the concept. On the other hand, attempting to offer a gratuity to a police officer or a judge is considered a corrupt practice.

Afghans, on the other hand, have become accustomed to paying additional fees, which they call *baksheesh*, for goods and services as a matter of routine. It is important to note that *baksheesh* is not a token of gratitude for a job well done, but a payment that is required before a service is rendered, even if the provider is already being paid to perform that service. According to the United Nations, Afghans pay \$3.9 billion per year in bribes and similar “gratuities.” Given that Afghanistan has a total gross national product of only \$14 billion per year, corruption consumes 28 percent of the Afghan economy; roughly half of Afghan citizens reported paying a bribe for a public service. Among the most outrageous examples of *baksheesh* are documented cases of wounded Afghan soldiers starving to death because military hospital staff refused to feed (or even

treat) patients until the appropriate gratuity was paid.³

Afghanistan is not unique in suffering from corruption. In its report published in 2013, Transparency International assessed 177 nation states, and 122 (69 percent) were identified as having a serious corruption problem. Of these, Afghanistan, North Korea, and Somalia were tied for last place as the three most corrupt.⁴

Why is corruption such an important issue? It is reasonable to expect that in future military engagements, we will continue to face the problem of corruption. Corrupt governments are often ineffective and unstable, making them likely candidates to fail and require intervention. We need to heed the costly lessons learned in Afghanistan to be better prepared to deal with corruption in the future.

A Brief History of Corruption during *Enduring Freedom*

To understand corruption in Afghanistan, we must understand the execution of Operation *Enduring Freedom* and the prosecution of the war. This contextual understanding may be helpful in making the lessons of the operation more readily adaptable to future situations.

In October 2001, the United States initiated *Enduring Freedom* after the Taliban government refused to hand over al Qaeda leaders implicated in the 9/11 attacks against the United States. U.S. Special Forces and Central Intelligence Agency (CIA) operatives allied with warlords from the Northern Alliance—a well-organized Afghan resistance group already fighting the Taliban—to engage the group as a proxy force. This phase of the strategy was successful, and the Taliban and al Qaeda were driven out of Afghanistan’s population centers.

Unfortunately, with the intense focus on defeating al Qaeda, little attention was paid to the pervasiveness and potential consequences of corruption in Afghanistan. The U.S. military’s support of and patronage to the Northern Alliance enabled the warlords to operate without constraint. With the void left by the absence of the Taliban, there was

no organized rule of law in the country. Unfettered by legal or other challenges, the warlords leveraged goods they had received legitimately from the United States as well as those acquired through criminal acts in order to amass political power.

When Afghanistan’s new constitution was signed in 2004, Hamid Karzai—through a series of political deals—was named the country’s interim president. The 25 ministries of the Government of the Islamic Republic of Afghanistan offered him a perfect opportunity to dispense patronage, and Karzai appointed various warlords to fill key government positions. Karzai also had the authority to appoint all governors and the mayors of key cities. While patronage allowed Karzai to consolidate his powerbase, his continued political security was dependent on the continued support of warlords. As one advisor explained, “He and his family started making deals with the various warlords in order to keep themselves in power, and [they have] certainly done so.”⁷⁵

Once established within ministries and other government posts, the warlords who had become government officials used their positions to divert resources to their constituencies to strengthen the reach and power of their networks. This convergence of power and money under the warlords’ control created what became known as criminal patronage networks, which offered a conduit through which both legal and illegal gains were blended so that the warlords now had the ability to conduct illegal activities under their own protection.

As the U.S. military presence grew, it faced a logistical challenge: “Afghanistan . . . is a landlocked country whose neighbors range from uneasy U.S. allies, such as Pakistan and Uzbekistan, to supposed adversaries, such as Iran. Thirty years of war have devastated what little infrastructure the country had.”⁷⁶ To ensure a steady flow of the materiel required to sustain its forces, the United States contracted with Afghan companies to provide secure long-haul trucking services. The result was that the “responsibility for the supply chain was almost

entirely outsourced to local truckers and Afghan private security providers.”⁷

These transportation and security contracts represented a significant investment—in 2010, the Department of Defense contracted \$2.16 billion for truck transportation. The contract went to eight companies as prime contractors, none of which were known for expertise in logistics (and in fact were suspect). In fact, “several of the prime contractors . . . [did] not own trucks and subcontract out all of their trucking needs. In other words, they essentially [served] as brokers to the local Afghan trucking companies.”⁸ Also, “one of the prime contractors . . . was founded by the son of the Afghan Defense Minister and had no direct experience with managing trucking before this contract.”⁹

The trucking companies were required to provide their own security, for which they relied on private militias that were largely controlled by the warlords. According to the JCOA report, the “private security companies . . . are typically warlords, strongmen, commanders, and militia leaders who compete with the [Afghan government] for power and authority. . . . The contractors have little choice but to use [the security companies] in what amounts to a vast protection racket.”¹⁰ Transportation and construction companies, as well as security escorts, pay the Taliban not to be attacked. In December 2009, then-Secretary of State Hillary Clinton acknowledged before the Senate Foreign Relations Committee that “one of the major sources of funding for the Taliban is the protection money.”¹¹

Funding to Afghanistan was provided primarily to support the Afghan Security Forces, but money was obligated for other purposes as well. One example was for the repair or construction of badly needed infrastructure. Local U.S. military commanders initiated projects, but were not able to see them to completion due to normal deployment cycles. As a result, many projects were planned and maybe even begun, but few were finished.

Meaningful measurement of progress during wartime is difficult because it is dependent upon objective, quantifiable data. One metric that was quantifiable

was the distribution of Commander’s Emergency Response Program (CERP) funds. One officer noted, “When [senior commanders] believed that putting cash in people’s hands was the way to win hearts and minds, they graded [lower-level] commanders on the number of CERP projects they could get obligated.”¹² As a former member of the Commission on Wartime Contracting explained, “They got a whole bunch of CERP projects; none of which were completed and most were barely under way when that commander rotated and the new commander came in. What’s [the new commander’s] incentive? To go fix all of the old CERP projects or do a bunch of his own.”¹³

The sheer amount of money for direct aid and contracted services flowing into Afghanistan overwhelmed its economy; there was so much American cash that it could not all be spent. According to the JCOA report, “An economy can only absorb a certain amount of inputs until it becomes saturated. Additional input goes somewhere else, usually capital flight, usually illicit. In Afghanistan, absorptive capacity [was] reached in the first year of operations. That led to the corruption eruption.”¹⁴

When the United States realized the severity of the situation, it sought to correct it but faced an insurmountable hurdle. It could not impose sanctions on the trucking companies or the security forces; the warlords had become so well entrenched that any imposed sanctions would have impeded U.S. logistics.¹⁵ To ensure U.S. forces continued to be supplied, the criminal activities of the warlords were largely ignored.

The problem, however, was not limited to activities controlled by the warlords. Financial aid from the United States and other coalition members was deposited directly into the Afghan treasury, and materiel, such as medical equipment and supplies, was turned over to the various Afghan ministries.¹⁶ At that point, the United States transferred all legal rights of the cash or materiel to the sovereign state of Afghanistan. It was the government’s to use or dispose of as it saw fit.¹⁷

There were no treaties or other enforceable agreements in place to control the money or materiel after transfer. When U.S. officials observed materiel being misused or stolen, they referred it to the Afghan government to resolve, but the usual response was that there was no problem to correct. When the Americans pressed Afghan officials to conduct an investigation, their response was that the United States was interfering with Afghan sovereignty.¹⁸

The Lessons

Over time it became obvious that even with massive U.S. financial investment, the expected results were not being achieved. The military hospital was not performing as planned. Fuel was being diverted before reaching its intended destination. Afghan officers were reportedly using military helicopters for questionable purposes. Ultimately, this led to various investigations and analyses, the results of which may prove as important for future operations as they did for resolving the problems experienced in Afghanistan.

In retrospect, it may seem that correcting corruption in Afghanistan was not a high priority. However, the priority for finding answers during armed conflict is to solve combat problems; defeating improvised explosive devices will win out over auditing funds given to a construction company every time. If there was limited capacity to address problems, protecting American troops always took precedence.

By 2010, Afghanistan’s corruption problem was being examined by the Special Inspector General for Afghanistan Reconstruction, whose report was critical of the U.S. provision of reconstruction assistance to Afghanistan “without the benefit of a comprehensive anticorruption strategy, and that U.S. anticorruption efforts had provided relatively little assistance to some key Afghan institutions.”¹⁹ To solve a problem, one must understand it, so in March 2013 General Joseph F. Dunford, Jr., USMC, commander of U.S. Forces, Afghanistan, requested, through the U.S. Central Command chain of command, “a study



Anti-corruption interview team from 101st Sustainment Brigade talk with local trucker about conditions on road (U.S. Army/Peter Mayes)

examining counter/anti-corruption (CAC) operational challenges and provide recommendations to inform planning, operations, and decision-making for the final stages of Operation [*Enduring Freedom*], the follow-on mission, and to capture best practices for future doctrine.”²⁰

The Joint Staff J7’s JCOA Division, in cooperation with the Joint Center for International Security Assistance Force Assistance, executed the task. After interviewing 66 key individuals and reviewing relevant material from over 500 literature sources, the study was completed and signed on February 28, 2014.

Among the report’s key findings are the following four points.

Allying with the Warlords and Overwhelming the Afghan Economy with Cash Fostered Corruption. The decision to ally with the Northern Alliance was driven by the military objective of defeating al Qaeda and the Taliban. Such

short-term alliances of convenience can lead to long-term problems. (In 2002, there was little expectation that military operations in Afghanistan would continue for so many years.) In the future, it would be prudent to anticipate that short-term operations are going to take far longer than initially expected.

Commanders must also be aware that there will be second- and third-order consequences of their decisions. Initially the Northern Alliance’s role as a proxy force was beneficial, but ultimately it became a powerful obstruction to U.S. interests. It is important to realize that military issues and goals do not exist in a vacuum. To analyze the composite of the conditions, circumstances, and influences that affect a commander’s decisions, we need to include political, military, economic, social, information, and infrastructure factors.

The civil war that followed the withdrawal of Soviet forces in 1989 left Afghanistan and its economy in shambles.

What little remained was absent a central government and central bank to support an economic system. Most of the modest infrastructure that had once existed had been destroyed. Outside of agriculture, there was little potential for legitimate development or employment. It would have been wise to consider these economic factors in the analysis of the operational environment. In Afghanistan, if we had been more aware of these issues, we may have had an earlier understanding of the overall influence of the warlords and the impact of corruption.

Corruption is a cultural, economic, and legal issue. To the joint force commander, however, the key consideration is how corruption will affect the desired endstate. In Afghanistan, a successful endstate was dependent upon the successful transfer of responsibility to a legitimate Afghan government—something that has not been the norm in the past century.

Actions performed in a foreign country need to be considered in the context of that country and not purely from the U.S. perspective. In 2002, the United States pumped \$20 billion into an economy that normally operates with less than \$15 billion dollars per year, which totally overwhelmed the Afghan economy. Nevertheless, the next year, we continued to pump in more. What were the consequences? How has it impacted Afghan businesses that need to transport their products by truck now that U.S. contracts have driven up the price? What has this done to the price of fuel or building materials? What will happen as coalition military forces (and the money spent to support them) leave? The CIA estimates that Afghanistan's economy grew 6.1 percent in 2011 and 12.5 percent in 2012, but the growth rate fell to 3.1 percent in 2013.

There Must Be Rule of Law to Combat Corruption, and There Must Be Processes and Mechanisms That Monitor Where Money Has Gone and What It Is Being Used For. There was no effective rule of law at the beginning of Operation *Enduring Freedom*. After the Soviet military left, the Taliban had enforced order through local courts, but after the Taliban's defeat, there was no national legal system until the Afghan constitution was ratified in January 2004. Without the rule of law, behaviors and actions may be influenced, but they cannot be directed. In addition, property rights are not defined and there is no prosecutorial power or punishment for infractions, no matter how outrageous they may seem.

How could the United States have better managed the money and materiel it supplied for the reconstruction of Afghanistan? Declaring martial law (to secure the disbursement) would have come at a tremendous political cost that could have encouraged a more unified insurgency. A more pragmatic approach would have been to disburse money and materiel with a clear understanding of expected outcomes, with future payments dependent upon prior performance.

Tracking money and materiel and measuring performance, however, require an appropriate monitoring and reporting

system, which was woefully lacking in Afghanistan. A simple paper-based system that host-nation personnel could understand and use would be far more effective than a sophisticated computerized system they do not understand. We should also leverage the expertise of Servicemembers experienced in law, supply management, finance, and contracting—granting them the commensurate authority to monitor and measure the effectiveness of our supporting funds and materiel.

Until There Was an Understanding of Afghan Corruption, There Was Little We Could Do to Correct It. Afghanistan's corruption is a complex issue. The unexpected consequences of early decisions—such as the empowered warlords being appointed to senior government positions—are caused by the failure to adequately understand the problem.

Every military officer who is expected to deploy has the potential to be operating in an environment that includes corruption. To effectively deal with corruption, an understanding of its causes and effects should become part of every officer's skill set. Professional military education should introduce the topic of corruption and other economic factors early and reinforce them throughout every officer's career. Including the significance of economic factors into exercises and wargames would be beneficial. While economics is not a traditional focus of military operations, like cyber, it may soon be a critical component of the battlespace.

All Parties Must Work Together toward a Common Goal. Economics is recognized as one of the elements of national power and is dependent on a whole-of-government approach. Unity of effort would benefit if the highest levels of government provided clear guidance as to the need to address corruption. As seen in Afghanistan, the potential damage caused by corruption is significant and demands effective action. Legislation to sanction corrupt nation-states would provide a powerful tool. The Leahy Law, which restricts support for nations that violate human rights, would be an appropriate model.

Working toward a common goal with government partners is a frequent theme

for the military. *The Capstone Concept for Joint Operations: Joint Force 2020* places the responsibility on the military to “identify those agencies with whom Joint Forces will work most often and develop common coordinating procedures.”²¹ Guidance such as this may provide a way to operationalize combined efforts toward a common goal.

Conclusion

Every generation of military leaders builds on the lessons of those who came before, and future leaders expect that their views of operating environments will be even more comprehensive. To the map and binoculars, we have added computers and reconnaissance aircraft. Now we need to add social and economic factors such as corruption. Operation *Enduring Freedom* taught us that corruption can have devastating effects. To effectively deal with it, we must incorporate a thorough understanding of corruption into our education, training, and exercises. We need to be open to other factors that we will identify in the future as having an impact on our effectiveness; however, we must remember that our decisions and actions have unintended consequences. The better we understand the operating environment, the faster we will identify problems that are more easily solved in their early stages.

Corruption is a problem that does not require a costly technological solution. Instead, it is one that requires an open mind with which to observe, analyze, adapt, and address the problem in a timely manner. JFQ

Notes

¹ Joint and Coalition Operational Analysis (JCOA), *Operationalizing Counter/Anti-Corruption Study (CAC)* (Suffolk, VA: JCOA, February 28, 2014), 1, available at <http://nust.edu.pk/INSTITUTIONS/Schools/NIPCONS/nipcons-institutions/CIPS/Download%20Section/JCOA%20CAC%20Final%20Report_U.pdf>.

² *Ibid.*, 53.

³ Maria Abi Habib, “At Afghan Military Hospital, Graft and Deadly Neglect,” *The Wall Street Journal*, September 3, 2011.

⁴Transparency International, “Corruption Perceptions Index 2013,” *Transparency.org*, available at <www.transparency.org/cpi2013/results>.

⁵ CAC, 9.

⁶Sydney J. Freedberg, Jr., “Supplying the Surge in Afghanistan,” *National Journal*, February 20, 2010, available at <www.nationaljournal.com/magazine/supplying-the-surge-in-afghanistan-20100220>.

⁷ CAC, 10.

⁸“Warlord, Inc.: Extortion and Corruption Along the U.S. Supply Chain in Afghanistan,” Report of the Majority Staff, Rep. John F. Tierney, Chair, Subcommittee on National Security and Foreign Affairs, Committee on Oversight and Government Reform, U.S. House of Representatives, June 2010, 13, available at <www.cbsnews.com/htdocs/pdf/HNT_Report.pdf>.

⁹ Ibid., 12.

¹⁰ CAC, 11.

¹¹ “Warlord, Inc.,” 37.

¹² CAC, 13.

¹³ Ibid.

¹⁴ Ibid., 12.

¹⁵ Ibid., 11, 12.

¹⁶ “Dawood National Military Hospital, Afghanistan: What Happened and What Went Wrong?” Subcommittee on National Security, Homeland Defense and Foreign Operations, Committee on Oversight and Government Reform, U.S. House of Representatives, 112th Cong., 2nd Sess., Serial 112-164, September 12, 2012, 65, available at <www.gpo.gov/fdsys/pkg/CHRG-112hhrg76249/html/CHRG-112hhrg76249.htm>.

¹⁷ Ibid., 56.

¹⁸ Ibid.

¹⁹ Special Inspector General for Afghanistan Reconstruction (SIGAR), *Quarterly Report to the United States Congress* (Washington, DC: SIGAR, October 30, 2013), 43, available at <www.sigar.mil/pdf/quarterlyreports/2012-10-30qr.pdf>.

²⁰ CAC, v.

²¹ *The Capstone Concept for Joint Operations—Joint Force 2020* (Washington, DC: The Joint Staff, September 10, 2012), 9, available at <www.defenseinnovationmarketplace.mil/resources/JV2020_Capstone.pdf>.

Joint Publications (JPs) Under Revision (to be signed within 6 months)

JP 3-02, *Amphibious Operations*

JP 3-02.1, *Amphibious Embarkation and Debarkation*

JP 3-09.3, *Close Air Support*

JP 3-10, *Joint Security Operations in Theater*

JP 3-13.2, *Military Information Support Operations*

JP 3-26, *Counterterrorism*

JP 3-40, *Countering Weapons of Mass Destruction*

JP 3-52, *Joint Airspace Control*

JP 3-63, *Detainee Operations*

JPs Revised (signed within last 6 months)

JP 2-01.3, *Joint Intelligence Preparation of the Operational Environment* (May 21, 2014)

JP 3-07.2, *Antiterrorism* (March 14, 2014)

JP 3-29, *Foreign Humanitarian Assistance* (January 3, 2014)

JP 3-30, *Command and Control for Joint Air Operations* (February 10, 2014)

JP 3-31, *Command and Control for Joint Land Operations* (February 24, 2014)

JP 4-05, *Joint Mobilization Planning* (February 21, 2014)

JP 4-10, *Operational Contract Support* (July 16, 2014)

JP 3-05, *Special Operations* (July 16, 2014)