

Special Inspector General for Afghanistan Reconstruction

Closing memo: "Fraud and Corruption in the Afghan Mining Industry"

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SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

Administrative Communication – General

Precedence: Routine

Date: 9/3/2017

To: SIGAR Investigations Directorate

Attn: (b) (6), (b) (7)(C), Assistant Inspector General for Investigations

From: SIGAR Investigations Directorate, Kabul, Afghanistan

Contact: (b) (6), (b) (7)(C), Assistant Special Agent in Charge

Created By: (b) (6), (b) (7)(C), Special Agent

CCN: 0513-15-KBL-1-0103

Lead Agency: SIGAR - Special Inspector General for Afghanistan Reconstruction

ICCTF Case: Yes No

Title: Fraud and Corruption in the Afghan Mining Industry

Details: This investigation was initiated based on information received from (b) (6), (b) (7)(C), (b) (7)(D) (b) (6), (b) (7)(C), (b) (7)(D)(b) (6), (b) (7)(C), (b) (7)(D)(b) (6), (b) (7)(C), (b) (7)(D) that there is extensive fraud, theft and corruption in the mining industry in Afghanistan. The information provided has frequently included (b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C) (b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C) who allegedly corrupt mining contracts and mining activity and then profit from the mining projects. These projects include mines in which contracts were issued by GIROA as well as other mining projects where minerals are being illegally extracted without any type of contract and without any payments to GIROA for mining taxes, royalties and other fees, thus depriving GIROA of badly needed revenue.

In the course of this investigation, SIGAR investigators conducted dozens of interviews with industry experts, Non-Governmental Organizations (NGOs), Afghan government officials and various other sources of information. While this effort did develop a great deal of intelligence and confirmation of the systemic corruption in the Afghan mining industry, it did not produce any actionable information that could be used in a U.S. or Afghan criminal prosecution. Therefore, it is recommended that this case be closed at this time. One of the purposes for initiating this investigation was to bring matters of corruption in the

CLASSIFICATION:
CUI//FOUO

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To: SIGAR Investigations Directorate

Contact: (b) (6), (b) (7)(C)

Date: 9/3/2017

Title: Fraud and Corruption in the Afghan Mining Industry

Mining Industry to the attention of President Ghani for further action by GIROA. In one instance, it is believed that information provided by SIGAR to President Ghani, via official SIGAR letter, contributed to the dismissal to (b) (6), (b) (7)(C) as a result of allegations of corruption against the Minister.

During this investigation, no U.S. or Afghan individuals or companies were identified that would have any American government suspension and debarment potential. As such, no S&D declination or DOJ prosecution declination was sought in this investigation.

It is recommended that this case be closed at this time.

LEAD(s):

Set Lead 1: (Action)

SIGAR - Kabul:
Close Investigation.

Set Lead 2: (Info)

SIGAR - HQ:
For Information.