



**Exclusive: Afghan government officials helped smugglers sneak almost \$1 billion in cash and gold out of Afghanistan as the US-backed government neared collapse, documents show**

## Description

During the final months of the Islamic Republic of Afghanistan, as the Taliban advanced on the capital, the elected government struggled to reassure its US patrons that it could maintain control. Yet at the same time, smugglers were illegally carrying hundreds of millions of dollars in cash and gold out of the country with the assistance of officials from within the Afghan government, according to internal government documents and former Afghan officials.

The office of Ashraf Ghani, the US-backed Afghan president, had been informed about the problem, insiders say. But it did nothing to stop it.

Documents assembled by Afghanistan's now-defunct government and obtained by Insider show that \$59.7 million in cash and gold went from Afghanistan to Uzbekistan through the port of Hairatan during the first three months of 2021, as the US contemplated withdrawing its forces and the Taliban geared up for the spring offensive that eventually toppled Kabul. During a 13-month period running from May 2019 through May 2020, the total was a staggering \$824 million.

Though the couriers failed to declare the money to Afghan officials as it left the country, Uzbek customs agents on the other side of the border did record the cash and gold on handwritten customs forms. Those records were obtained by Afghan anti-corruption officials as part of an investigation into money smuggling, and they form the basis of a scathing report documenting a river of cash flowing out of the impoverished nation.

Much of the money, the Uzbek customs forms show, was bound for the United Arab Emirates, where top Afghan officials would flee when their government collapsed later that year.

**Gold and cash totaling four percent of Afghanistan's GDP was smuggled through one border crossing**

Situated on a river with one bridge crossing, Hairatan is the highest-volume customs port in Afghanistan. Insider obtained 457 pages of customs records showing that more than \$824 million in cash and gold illegally crossed the border there during the second half of 2019 and the first half of 2020 — roughly four percent of Afghanistan's GDP and more than the total amount of humanitarian assistance that the US government was providing to the country each year. In early 2021, as the new US administration was evaluating a sped-up withdrawal plan, between \$500,000 and \$1 million was passing through each day, the documents show.

The smuggling flouted [Afghan laws](#) requiring travelers to declare cash or gold worth \$10,000 or more and a strict ban on exporting \$20,000 or more. The Uzbek customs forms don't specify who the money belonged to or how the smugglers obtained it, but such a large and illicit flight of capital out of the country was one of many warning signs that the Afghan government's survival could be in jeopardy.

The documents accuse Mirza Mohammad Katawazai, the former deputy speaker of Afghanistan's parliament, of directing the smuggling ring with the help of a network of Afghan intelligence officials, border guards, and port officials. (Katawazai has [denied previous allegations](#) of smuggling ties.) They also accuse Ata Mohammad Noor, the former governor of Balkh province, where Hairatan is located, of providing security for the smugglers and issuing threats to potential competition. The documents identify the two men as being part of the 2021 smuggling ring; they do not allege who was behind the \$824 million smuggled in 2019 and 2020.

Noor did not immediately respond to a request for comment made through his former spokesperson; Katawazai did not immediately respond to a message sent via his Facebook page.

## **Afghan President Ashraf Ghani had a history of failing to combat smuggling, insiders say**

The investigation into the smuggling ring was led by an Afghan official who provided Insider with contemporaneous emails, meeting notes, investigative materials including interviews and videos, as well as additional reports on corruption compiled as part of their official duties. The investigator told Insider that they brought the records to the attention of the administration of Afghan president Ashraf Ghani, but that the findings languished on the president's desk for months. Eventually, the investigator said, they shared the documents with the US Embassy and European diplomats in the hope that they could prod Ghani to crack down on the corruption in his own administration. That didn't happen. Instead, the investigator said, they began to receive death threats.

A senior official in Ghani's administration told Insider that the former president had a history of failing to act against smuggling. While the official didn't have direct knowledge of the Hairatan investigation, they said Ghani overlooked a different money-smuggling case in 2020, when smugglers were caught attempting to move millions of dollars through a northern province. "I expected Ghani would make a big issue out of this," the official said. Instead, no charges were filed and the money was released back to the smugglers. This could not have happened, the official said, without Ghani's approval.

American officials spent the first months of 2021 publicly extolling the durability of Ghani's government, which would collapse almost immediately upon the US exit in August. But in private, they were airing

serious concerns about corruption. On March 31, 2021, diplomats from the US Embassy in Kabul met with an Afghan government delegation that included members of the team investigating the Hairatan smuggling. According to notes of the meeting obtained by Insider, the Americans told their Afghan counterparts that corruption could only be stopped “if there is will” and expressed concerns about corruption “at the inner circle of the President.”

Meanwhile, the Biden administration continued to pour billions of dollars into Ghani’s government and spoke publicly about an enduring US-Afghanistan partnership. Even after Biden announced in April 2021 that the US military would leave the country by September, the official US plan was to continue funding Ghani’s government, having already spent \$2.3 trillion on the war and \$145 billion on reconstruction.

## **“The president would say, ‘Oh, we’re working on it.’”**

The corruption plaguing the Afghan government was no secret. It is mentioned repeatedly in the final report of the US Afghan Study Group and investigations by the Special Inspector General for Afghanistan Reconstruction (SIGAR). What the details of the Hairatan money-smuggling investigation offer is a window into the vast scale of that corruption, and the lack of action by the person in Afghanistan — Ghani — who was in the best position to do something about it.

“The president would say, ‘Oh, we’re working on it,” said the investigator, whose identity is known to Insider but whose name and other details are being withheld due to the ongoing risk of reprisals. “We would follow up two or three times and nothing would happen. It was clear he wasn’t interested. If the president wasn’t going to take any action, there was no way we could go further.”

The sheer volume of capital flight has echoes of the 2010 Kabul Bank scandal, when nearly \$1 billion went missing and hundreds of millions in fraudulent loans to government insiders were routed to companies in Dubai. In that case, some of the money was smuggled out in airline food trays. In some ways, the Hairatan scheme was more brazen. According to the investigator, smugglers simply packed up the cash and gold and carried it over the border, secure in the knowledge that even if they were searched, the customs authorities had already been paid off.

A spokesperson for the US State Department acknowledged that “endemic corruption across multiple Afghan administrations” contributed to the Taliban’s takeover. “Since 2002, the United States consistently stressed to the Afghan government the importance of combating corruption, raising these concerns frequently at the highest levels of the Afghan government,” the spokesperson wrote in an emailed statement. They declined to address the particulars of the smuggling allegations, or comment on US knowledge of them.

Ghani’s US lawyers, Reid Weingarten and Michelle Levin, declined to comment. Some details of the Hairatan smuggling operation, from 2021, were [previously reported](#) by TOLO News.

## **“We’re going to take you out”**

Ghani, long touted by Washington as a trusted partner for building a democratic, independent Afghanistan, is a former academic with ties to the World Bank and United Nations. He renounced his

US citizenship in 2009 to run for office, and served as president of Afghanistan from 2014 until its fall in August 2021. Ghani's salary was roughly \$150,000 a year; a typical Afghan civil servant earned \$2,400. As the Taliban closed in on Kabul, he fled the country by helicopter with a small group of advisors, surprising the Biden White House, which had expected him to stay and lead the fight.

Rumors that Ghani left with more than \$169 million in cash from public coffers were later debunked by SIGAR, but questions remain about Ghani's considerable personal wealth and use of discretionary funds from Afghanistan's budget. Today, the former president resides in the United Arab Emirates, where he established a temporary headquarters in the luxury suite of a 5-star hotel, according to the [Wall Street Journal](#).

In the autumn of 2020, as word of the money-smuggling investigation spread through the highest levels of Ghani's government, the investigator began to receive anonymous threats. Some of the phone numbers began with several zeroes, indicating that the calls came from inside the presidential palace. "You are touching something very serious," one of the callers said. The investigator told Insider that they were followed and that on one occasion, a man accosted them in a coffee shop and tried to convince them to get in their vehicle.

As the investigator continued to gather evidence, the threats became more extreme. "If you keep doing this, we're going to take you out," said one anonymous caller.

Two of the investigator's sources, who had lodged complaints about corruption, disappeared.

Insider could not independently verify the investigator's account of being threatened and harassed.

After Ghani's government imploded, the investigator decided to leave the country with their family. They emphasized to Insider that, Ghani's inaction notwithstanding, there were many people inside the old government who wanted things to change. "It isn't just me," they said. "A lot of people were doing the right thing. They were keeping track of the corruption, filing complaints, and helping me gather more evidence. If there were not many people with integrity, we wouldn't have known about what was happening."

Sarah Chayes, a former special adviser to the Joint Chiefs of Staff on Afghanistan and author of *Thieves of State: Why Corruption Threatens Global Security*, told Insider that corruption issues within the Afghan government extended both beyond and before President Ghani. "Yes, Ghani knew there was significant corruption within the executive branch," she said. "And yes, he did little to curtail it. But he had a lot on his plate. He ended up spending most of his time managing the military situation.... And taking a longer view, the US owned the country for 20 years. Though people were ringing alarm bells for years — saying the mission would fail if corruption was ignored — Washington refused to take meaningful action."

Those in Ghani's inner circle appear to have prospered during their time in power. In June, the Wall Street Journal reported that the former president's ministers have been snapping up rental properties in California and villas in the UAE, where the bulk of the smuggled money was headed. The UAE is also the home of Ghani and Noor, the former provincial governor with alleged ties to the Hairatan smuggling ring.

Mattathias Schwartz and Edris Lutfi

featured image: How corrupt was the US-backed government of Afghanistan? Who was involved and who knew about it? An official investigation into a massive smuggling ring reveals a troubling picture. iStock; Rebecca Zisser/Insider

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