

U.S. Pays \$18 Million in Protection Money Each Year to the Enemy in Afghanistan

The following article was published in The Guardian, a British publication, on Thursday, January 7, 2010.

We will begin with several excerpts from this astounding article and the accompanying legal document. The facts which are disclosed are only known to a few in America (and that's astounding too!). These facts reveal the implications of this fabulous protection money payout of \$1,500,000 each month by the U.S. Army to the army that is trying to destroy it,—with kickbacks to relatives very close to President Karzai himself:

Each tendering party has been awarded transit contracts with a value of up to US\$360 million for a period of two years. NCL has so far, nearly half way through the first year, performed contracts to the value of US\$18.5 million. . .

"It's a big part of their income," one of the top Afghan government security officials admits. In fact, US military officials in Kabul estimate that a minimum of 10% of the Pentagon's logistics contracts—hundreds of millions of dollars—consists of payments to insurgents. . .

At first the contract, for "host nation trucking," was large but not gargantuan. But over the summer, citing the coming "surge" and a new doctrine, "money as a weapons system," the US military expanded the contract 600% for NCL and the five other companies. The contract documentation warns of dire consequences if more is not spent: "Service members will not get the food, water, equipment and ammunition they require."

Each of the military's six trucking contracts was bumped up to \$360m [\$360,000,000], or a total of nearly \$2.2bn [\$2.2 billion]. Put it in this perspective: This single two-year effort to hire Afghan trucks and truckers was worth 10% of the annual Afghan gross domestic product. NCL, the firm run by the defence minister's well-connected son, had struck pure contracting gold. . .

One of the big problems for the companies that ship US military supplies across the country is that they are banned from arming themselves with any weapon heavier than a rifle. That makes them ineffective for battling Taliban attacks on a convoy. In-

surgers are "shooting the drivers from 3,000 ft away" with Kalashnikovs, a trucking company executive in Kabul told me. "They are using RPGs [rocket-propelled grenades] that will blow up an up-armed vehicle. So the security companies are tied up. Because of the rules, security companies can only carry AK-47s, and that's just a joke. I carry an AK—and that's just to shoot myself if I have to!" . .

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As a military official in Kabul explained contracting in Afghanistan overall, "We understand that across the board, 10%-20% goes to the insurgents.

Legal Statement: This piece is the subject of a legal complaint from lawyers acting on behalf of NCL Holdings and its principal, Hamed Wardak.

The lawyers for Hamed Wardak and NCL Holdings, Mishcon de Reya, say: NCL and Mr Wardak learned of the contracting opportunities for the provision of trucking services in Afghanistan from the "fedbizopps" website, which is hosted by the US Government and open to all, with all of the stringencies required in such an exercise. NCL competed for the contract according to the advertised criteria and were awarded it on the merits of its tender in a fair and open exercise. Neither NCL nor Mr Wardak were the recipients of the contract because of Mr Wardak's connections in Afghanistan. The contracts were not awarded unfairly. **Although each tendering party has been awarded transit contracts with a value of up to US\$360 million for a period of two years, NCL has so far, nearly half way through the first year, performed contacts to the value of US\$18.5 million.**

Here now is this article:

How the US Army Protects its Trucks—by Paying the Taliban: Insurance, Security, or Extortion [subhead:] The US is spending millions of dollars in Afghanistan to ensure its supply convoys get through—and it's the Taliban who prof-

its. The Guardian, January 7, 2010.

On 29 October 2001, while the Taliban's rule over Afghanistan was under assault, the regime's ambassador in Islamabad in neighbouring Pakistan gave a chaotic press conference in front of several dozen reporters sitting on the grass. On the Taliban diplomat's right sat his interpreter, Ahmad Rateb Popal, a man with an imposing presence. Like the ambassador, Popal wore a black turban, and he had a huge bushy beard. He had a black patch over his right eye socket, a prosthetic left arm and a deformed right hand, the result of injuries from an explosive mishap during an old operation against the Soviets in Kabul.

But Popal was more than just a former mujahideen. In 1988, a year before the Soviets fled Afghanistan, Popal had been charged in the United States with conspiring to import more than a kilo of heroin. Court records show he was released from prison in 1998.

Flash forward to 2009, and Afghanistan is ruled by Popal's cousin, President Hamid Karzai. Popal has cut his huge beard down to a neatly trimmed one and has become an immensely wealthy businessman, along with his brother Rashid Popal, who pleaded guilty to a heroin charge in 1996 in Brooklyn in a separate case.

The Popal brothers control the huge Watan Group in Afghanistan, a consortium engaged in telecommunications, logistics and, most important, security. Watan Risk Management, the Popals' private military arm, is one of the few dozen private security companies in Afghanistan [its senior personnel are ex-British army, many of them from Special Services]. One of Watan's enterprises, key to the war effort, is protecting convoys of Afghan trucks heading from Kabul to Kandahar, carrying American supplies.

Welcome to the wartime contracting bazaar in Afghanistan. It is a virtual carnival of improbable characters and shady connections with former CIA officials and exmilitary officers joining hands with former Taliban and mujahideen to collect US government funds in the name of the war effort.

In this grotesque carnival, the US military's contractors are forced to pay suspected insurgents to protect American supply routes. It is an accepted fact of the military logistics operation in Afghanistan that the US government funds the very forces American troops are fighting. And it is a deadly irony, because these funds add up to a huge amount of money for the Taliban.

"It's a big part of their income," one of the top Afghan government security officials admits. In fact, US military officials in Kabul estimate that a minimum of 10% of the Pentagon's logistics contracts—hundreds of millions of dollars—consists of payments to insurgents.

Understanding how this situation came to pass requires untangling two threads. The first is the complex web of connections that determines who wins and who

loses in Afghan business. And a good place to pick up this thread is a small firm awarded a US military logistics contract worth hundreds of millions of dollars: NCL Holdings.

Like the Popals' Watan Risk, NCL is a licensed security company in Afghanistan. What NCL Holdings is most notable for in Kabul contracting circles, though, is the identity of its chief principal, Hamed Wardak. He is the young American son of Afghan's current defence minister, General Rahim Wardak, who was a leader of the mujahideen against the Soviets.

Earlier this year, the firm, with no apparent trucking experience, was named as one of the six companies that would handle all the US trucking in Afghanistan, bringing supplies to the web of bases and remote outposts scattered across the country.

Striking contracting gold—

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Host nation trucking does, indeed, keep the US military efforts alive in Afghanistan. "We supply everything the army needs to survive here," one American trucking executive told me. "We bring them their toilet paper, their water, their fuel, their guns, their vehicles."

The epicentre is Bagram air base, just an hour north of Kabul, from where virtually everything in Afghanistan is trucked to the outer reaches of what the army calls "the battlespace"—that is, the entire country. Parked near Entry Control Point 3, the trucks line up, shifting gears and sending up clouds of dust as they prepare for their various missions across the country.

The real secret to trucking in Afghanistan is security on the perilous roads, controlled by warlords, tribal militias, insurgents and Taliban commanders. The American executive I talked to was fairly specific about it: "The army is basically paying the Taliban not to shoot at them. It is Department of Defense money."

That is something everyone seems to agree on. Mike Hanna is the project manager for a trucking company called Afghan American Army Services. The company, which still operates in Afghanistan, had been

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trucking for the United States for years but lost out in the host nation trucking contract that NCL won. Hanna explained the security realities quite simply: “You are paying the people in the local areas—some are warlords, some are politicians in the police force—to move your trucks through.”

Hanna explained that the prices charged are different depending on the route. “We’re basically being extorted. Where you don’t pay, you’re going to get attacked. We just have our field guys go down there, and they pay off who they need to.”

Sometimes, he says, the fee is high, and sometimes it is low. “Moving 10 trucks, it is probably \$800 per truck to move through an area. It’s based on a number of trucks and what you’re carrying. If you have fuel trucks, they are going to charge you more. If you have dry trucks, they’re not going to charge you as much. If you are carrying Mraps [mine-resistant ambush-protected vehicles] or Humvees, they are going to charge you more.”

Hanna says it is just a necessary evil. “If you tell me not to pay these insurgents in this area, the chances of my trucks getting attacked increase exponentially.”

The private security industry in Afghanistan has developed quite differently from the private military model seen in Iraq, where firms such as Blackwater were arms of the US government. The industry in Kabul is far more dog-eat-dog. “Every warlord has his security company” is the way one executive explained it to me.

The heart of the matter is that insurgents are getting paid for safe passage because there are few other ways to bring goods to the combat outposts and forward operating bases where soldiers need them. By definition, many outposts are situated in hostile terrain, in the southern parts of Afghanistan. The security firms don’t really protect convoys of US military goods here because they simply can’t; they need the Taliban’s co-operation.

One of the big problems for the companies that ship US military supplies across the country is that they are banned from arming themselves with any weapon heavier than a rifle. That makes them ineffective for battling Taliban attacks on a convoy. Insurgents are “shooting the drivers from 3,000 ft away” with Kalashnikovs, a trucking company executive in Kabul told me. “They are using RPGs [rocket-propelled grenades] that will blow up an up-armed vehicle. So the security companies are tied up. Because of the rules, security companies can only carry AK-47s, and that’s just a joke. I carry an AK—and that’s just to shoot myself if I have to!”

The rules are there for a good reason: to guard against devastating collateral damage by private security forces. Still, as Hanna points out, “An AK-47

versus a rocket-propelled grenade—you are going to lose.”

That said, at least one of the host nation trucking companies has tried to do battle instead of paying off insurgents and warlords. It is a US-owned firm called Four Horsemen International (FHI). Instead of payments, it tried to fight off attackers. FHI, like many other firms, refused to talk publicly; but insiders in the security industry say that FHI’s convoys are attacked on virtually every mission.

Watan’s secret weapon—

For the most part, the security firms do as they must to survive. A veteran American manager in Afghanistan who has worked there as both a soldier and a private security contractor in the field told me, “What we are doing is paying warlords associated with the Taliban, because none of our security elements are able to deal with the threat.”

He is an army veteran with years of Special Forces experience, and he is not happy about what is being done. He says that, at a minimum, American military forces should try to learn more about who is getting paid off. “Most escorting is done by the Taliban,” an Afghan private security official told me. He is a Pashto and former mujahideen commander who has his finger on the pulse of the military situation and the security industry. And he works with one of the trucking companies carrying US supplies. “Now the government is so weak,” he added, “everyone is paying the Taliban.”

To Afghan trucking officials, this is barely even something to worry about. One woman I met was an extraordinary entrepreneur who had built up a trucking business in this male-dominated field. She told me the security company she had hired dealt directly with Taliban leaders in the south. Paying the Taliban leaders meant they would send along an escort to ensure that no other insurgents would attack. In fact, she said, they just needed two armed Taliban vehicles. “Two Taliban is enough,” she told me. “One in the front and one in the back.” She shrugged. “You cannot work otherwise. Otherwise it is not possible.”

Which leads us back to the case of Watan Risk, the firm run by the Popals, the Karzai family relatives and former drug dealers. Watan is known to control one key stretch of road that all the truckers use: the strategic route to Kandahar, called Highway 1. Think of it as the road to the war—to the south and to the west. If the army wants to get supplies down to Helmand, for example, the trucks must make their way through Kandahar.

Watan Risk, according to seven different security and trucking company officials, is the sole provider of security along this route. The reason is simple: Watan has a deal with the local warlord who controls the road.

Watan’s secret weapon to protect American sup-

plies heading through Kandahar is a man named Commander Ruhullah. Said to be a handsome man in his 40s, Ruhullah has an oddly high-pitched voice. He wears traditional salwar kameez and a Rolex watch. He rarely, if ever, associates with westerners. He commands a large group of irregular fighters with no known government affiliation; and his name, security officials tell me, inspires obedience or fear in villages along the road.

According to witnesses, Ruhullah works like this: He waits until there are hundreds of trucks ready to convoy south down the highway. Then he gets his men together, setting them up in 4x4s and pickups. Witnesses say he does not limit his arsenal to AK-47s but uses any weapons he can get. His chief weapon is his reputation. And for that, Ruhullah is paid royally, collecting a fee for each truck that passes through his corridor. The American trucking official told me that Ruhullah “charges \$1,500 per truck to go to Kandahar. Just 300km [300 kilometers or 186.4 miles].”

Security, extortion or insurance?—

It is hard to pinpoint what this is, exactly—security, extortion or a form of “insurance.” Then there is the question, does Ruhullah have ties to the Taliban? That is impossible to know. As an American private security veteran familiar with the route says, “He works both sides . . . whatever is most profitable. He’s the main commander. He’s got to be involved with the Taliban. How much, no one knows.”

Even NCL, the company owned by Hamed Wardak, is reputed to pay. Two sources with direct knowledge tell me that NCL sends its portion of US logistics goods in Watan and Commander Ruhullah’s convoys. **Sources say NCL is billed \$500,000 a month for Watan’s services. To underline the point, NCL, operating on a \$360m contract from the US military and owned by the Afghan defence minister’s son, is apparently paying millions a year from those funds to a company owned by President Karzai’s cousins, for protection.**

Cleaning up what looks like cronyism may be easier than the next step: shutting down the money pipeline from Department of Defense contracts to potential insurgents. Two years ago, a top Afghan security official told me, Afghanistan’s intelligence service, the National Directorate of Security (NDS), alerted the American military to the problem. The NDS is a well-run service, trusted by the international forces. The NDS delivered what I’m told are “very detailed” reports to the Americans explaining how the Taliban are profiting from protecting convoys of US supplies. The Afghan intelligence service even of-

fered a solution: What if the US was to take the tens of millions paid to security contractors and instead set up a dedicated and professional convoy support unit to guard its logistics lines? The suggestion went nowhere.

The bizarre fact is that the practice of buying the Taliban’s protection is not a secret. I asked Colonel David Haight, who commands the Third Brigade of the 10th Mountain Division, about it. After all, part of Highway 1 runs through his area of operations. What did he think about security companies paying off insurgents?

“The American soldier in me is repulsed by it,” he said in an interview in his office at forward operating base Shank in Logar Province. “But I know that it is what it is: essentially paying the enemy, saying, ‘Hey, don’t hassle me.’ I don’t like it, but it is what it is.”

As a military official in Kabul explained contracting in Afghanistan overall, “We understand that across the board, 10%-20% goes to the insurgents. My intel [intelligence] guy would say it is closer to 10%. Generally, it is happening in logistics.”

In a statement about host nation trucking, the US army’s chief public affairs officer in Afghanistan, Colonel Wayne Shanks, says international forces are “aware of allegations that procurement funds may find their way into the hands of insurgent groups; but we do not directly support or condone this activity, if it is occurring.” He adds that, in spite of oversight, “the relationships between contractors and their subcontractors, as well as between subcontractors and others in their operational communities, are not entirely transparent.”

In any case, the main issue is not that the US military is turning a blind eye to the problem. Many officials acknowledge what is going on while also expressing a deep disquiet about the situation. The trouble is that—as with so much in Afghanistan—the United States doesn’t seem to know how to fix it.

That concludes this remarkable report from a foreign journal which contains facts unknown to most Americans. In addition to that fact, the Taliban is making millions by extorting farmers who grow poppy seeds. Afghanistan produces 90% of the opium in the world (USA Today, March 31, 2009). In addition, in 2009, more than half of the citizens of Afghanistan had to pay bribes to government officials (BBC, January 19, 2006). Is it not time that we bring our men home? The Afghan War will otherwise continue getting nowhere for decades. —vf