

Senate Caucus on International Narcotics Control

Hearing on “Future U.S. Counternarcotics Efforts in Afghanistan”

January 15, 2014

Questions for the Record from

Senators Dianne Feinstein and Charles Grassley

SIGAR Responses to Caucus Recommendations

1. Increased Cooperation with Russia

***Caucus Recommendation:** In close collaboration with the Afghan government, the U.S. and Russian governments should lead an effort to encourage additional countries to support counternarcotics programs in Afghanistan. For example, Afghanistan, the United States, and Russia could jointly chair an international donors conference to create a blueprint for future international support for counternarcotics in Afghanistan. While there are many areas of disagreement in the U.S. – Russia bilateral relationship, counternarcotics is an area where our governments will be able to work together towards shared goals.*

SIGAR Response: While SIGAR’s mission is oversight of U.S. funded reconstruction programs in Afghanistan and not to conduct foreign policy, international cooperation could help combat the drug trade in Afghanistan. Narcotics cultivation and production in Afghanistan is not only a problem for the United States; it is a regional and global problem. At the same time, an international donor conference to address counternarcotics may be premature until the United States has developed its own comprehensive, whole-of-government counternarcotics strategy for post-2014 Afghanistan. Such a strategy would guide U.S. collaboration and coordination with other countries. Later this year, the international donor community will meet to discuss progress made on the Tokyo Mutual Accountability Framework, which outlines steps the Afghan government must take to ensure continued international development assistance after 2014. This conference could also be an opportunity to collaborate with the Afghan government and the international community on counternarcotics efforts in post-2014 Afghanistan.

2. Greater Focus on Central Asian Transit Countries

Caucus Recommendation: Given the limits that will exist in operating within Afghanistan post-2014, the United States, Russia, and other partners should focus resources on enhancing the capacity of Central Asian counternarcotics forces to better indict heroin leaving Afghanistan.

SIGAR Response: While SIGAR's knowledge of counternarcotics forces outside Afghanistan is limited, regional cooperation could enhance U.S. counternarcotics efforts after 2014. With that said, regional cooperation by the United States on counternarcotics will likely be more effective if it is guided by a post-2014 interagency strategy to address the narcotics trade in Afghanistan.

3. Alternative Development/Food Zone Programs

Caucus Recommendation: We support the replication of the food zone program in additional Afghan provinces. Poppy production cannot be eliminated without providing farmers with viable, alternative sources of income. But, crop substitution cannot be seen as the only answer. U.S. funding for food zone programs must focus more intensively on non-farm income, including micro-loans for individuals starting small businesses and support for manufacturing options.

SIGAR Response: This year, SIGAR will initiate a comprehensive audit of the U.S. counternarcotics effort in Afghanistan that will take a close look at alternative livelihood programs, including the Helmand Food Zone. Analysts in Afghanistan have told SIGAR that the Helmand Food Zone provides an interesting case study. They said there was a significant decrease in opium production in Helmand Province between 2008 and 2011. However, experts who have studied the role of opium production in rural Afghanistan have also told SIGAR that the Helmand Food Zone program benefitted from the robust presence of U.S. and Coalition forces in Helmand province during the same time period. Unfortunately, since the Helmand Food Zone ended in 2011, Helmand has again become the epicenter of poppy cultivation and production in Afghanistan. SIGAR intends to gain a better understanding of the effectiveness of the Helmand Food Zone Program as it conducts its comprehensive audit of U.S. counternarcotics efforts in Afghanistan.

4. Continued Support for Drug Enforcement Administration Vetted Units

Caucus Recommendation: Within existing budget constraints, U.S. funding in Afghanistan should support the DEA in continuing to train and support Afghan vetted

units. These units are essential in targeting terrorist financing earned through the drug trade.

SIGAR Response: The Drug Enforcement Agency (DEA) has played an important role in training and mentoring units of the Counternarcotics Police of Afghanistan (CNPA), developing critical intelligence on counternarcotics, and spearheading interdiction operations. These DEA-mentored CNPA units have had some success. According to the DEA, the CNPA led nearly 2,500 operations during the first nine months of 2013. These operations, conducted with DEA and military support, resulted in nearly 2,300 arrests, 55 drug labs destroyed, and over 121 metric tons of drugs seized. SIGAR is concerned that the law enforcement drawdown in Afghanistan will adversely affect DEA operations, including its important role of mentoring and training the CNPA. The DEA has already cuts its presence in Afghanistan by nearly 50 percent. Reliable sources have told SIGAR that the State Department and the DEA are negotiating further reductions.

In addition, the DEA is losing operational support as the U.S. military draws down in Afghanistan. As a result, the DEA will have little ability to extend its operations beyond Kabul. Since DEA has augmented CNPA capabilities throughout Afghanistan, the pullback could have a serious negative impact on the CNPA's ability to do its job and the DEA's ability to train their personnel. SIGAR is concerned that the transition process for U.S. counternarcotics efforts in Afghanistan is being driven by an effort to fit counternarcotics missions to personnel number allocations rather than a thoughtful analysis of programs and priorities—including what works and does not work.

Recognizing the significance of the CNPA to U.S. counternarcotics efforts, SIGAR recently initiated a new audit that will assess U.S. efforts to develop and strengthen the provincial units of the CNPA. In addition, SIGAR will soon initiate a comprehensive audit to evaluate the effectiveness of U.S. counternarcotics efforts in Afghanistan, which includes initiatives to train and mentor CNPA units.

5. Comprehensive Counternarcotics Strategy

Caucus Recommendation: *Under the leadership of the White House and the National Security Council, all U.S. agencies carrying out counternarcotics work in Afghanistan should produce a long-term, post-troop drawdown counternarcotics strategy mapping out future U.S. efforts. Such a strategy should clearly outline future counternarcotics goals while recognizing the limitations of a smaller U.S. footprint in Afghanistan. It should also include metrics to measure progress against these goals.*

In addition, because of the drug trade's significant impact on so many facets of U.S. efforts in Afghanistan, all U.S. assistance should incorporate a counternarcotics

assessment. This review should consider how assistance programs and initiatives will impact or can contribute to counterdrug efforts in Afghanistan, thereby incorporating counternarcotics efforts into the larger development strategy. The Afghan Ministry of Finance has a so-called “Donor Financial Review Approval Process.” The Afghan government could use this process to measure the impact of any foreign assistance on counternarcotics goals.

SIGAR Response: SIGAR has been a strong proponent of comprehensive, whole-of-government planning on issues of extreme importance in Afghanistan, such as anti-corruption and counternarcotics. The development and implementation of such strategies demonstrate that a particular issue is a priority to the U.S. government. SIGAR is very concerned that counternarcotics efforts in Afghanistan are no longer a high priority to the United States. For example, the new *U.S. Civil-Military Strategic Framework for Afghanistan*, which articulates the “vision for pursuing U.S. national goals in Afghanistan,” barely mentions counternarcotics. For the first time since the U.S. government began outlining its reconstruction goals, this strategy did not mention counternarcotics as a cross-cutting focus area. In addition, the latest Department of Defense *Report on Progress toward Security and Stability in Afghanistan* states that as the drawdown continues “drug-nexus targets have a lower priority.”

SIGAR is particularly concerned that, as the U.S. embassy “right sizes,” U.S. law enforcement components, such as the DEA and U.S. Immigration and Customs Enforcement, are losing critical manpower at precisely the time when poppy cultivation and drug trafficking are expanding. A government-wide counternarcotics strategy would provide the most comprehensive guidance possible to both highlight the importance of the counternarcotics effort in Afghanistan and to facilitate coordination among the agencies responsible for the strategy’s execution.

6. Targeting Heroin Processing Labs over Crop Eradication

Caucus Recommendation: *As the U.S. military footprint in Afghanistan decreases, U.S. counternarcotics efforts should increasingly focus on targeting heroin processing laboratories. These laboratories represent a natural chokepoint in the drug trade and offer the best opportunity to seize narcotics and target drug kingpins. As interdiction efforts elsewhere have shown to be more cost-effective than crop eradication and funding for counterdrug programs faces additional constraints, the most cost-effective strategies should be employed.*

SIGAR Response: This issue falls outside of SIGAR’s area of expertise. As such, SIGAR defers to U.S. law enforcement agencies operating in Afghanistan on whether this strategy would be an effective use of counternarcotics resources. As mentioned previously, SIGAR will soon initiate a comprehensive audit to evaluate the effectiveness of U.S. counternarcotics efforts in Afghanistan.

7. Stop Purchase of Special Mission Wing Aircraft

***Caucus Recommendation:** The Department of Defense should halt further aircraft purchase and deliver to the Special Mission Wing. At the least, there should be no further purchases or deliver of aircraft until the Special Mission Wing has incorporated the recommendations in the SIGAR audit and it has the personnel to operate and maintain these aircraft. Air mobility is an important part of drug interdiction efforts in Afghanistan, but without proper personnel, the Special Mission Wing will not provide this capability. If the Department of Defense chooses to move forward with these aircraft, delivery should be contingent on proving that the Afghans are capable of operating these aircraft.*

SIGAR Response: SIGAR’s June 2013 audit report, “Afghan Special Mission Wing: DOD Moving Forward with \$771.8 Million Purchase of Aircraft that the Afghans Cannot Operate or Maintain,” recommended that DoD suspend the acquisition and delivery of 48 new aircraft, including 18 fixed-wing aircraft and 30 helicopters, for the Special Mission Wing (SMW) until a memorandum of understanding (MoU) was signed between the Afghan ministries of Interior and Defense. DoD did not concur with this recommendation. As a result, DoD is moving ahead with the purchase and delivery of the aircraft. While the ministries signed the MoU in August 2013, research SIGAR conducted in late 2013 leaves us concerned that the MoU does not fully address the problems regarding coordination and cooperation between the ministries.

SIGAR also recommend in its June 2013 audit report that DoD set clear personnel, maintenance, and logistics support milestones for the SMW and tie the acquisition and delivery of the new aircraft to successful completion of the milestones. DoD concurred with this recommendation but, as of late 2013, had yet to establish milestones. In the meantime, DoD is proceeding with the purchase and delivery of the new aircraft. Other information provided to SIGAR by DoD in late 2013 shows little progress has been made since SIGAR issued its audit report last year. For example, the audit reported that the SMW had flown 25 missions between May 1, 2012, and October 14, 2012, including 14 counternarcotics missions, 1 counterterrorism mission, and 10 Ministry of Interior

missions. While the number of missions has increased, the vast majority are support missions, rather than counternarcotics and counterterrorism missions.

While SIGAR would like to provide an update on the personnel numbers and capabilities of the SMW, DoD has classified information that was previously available to SIGAR in unclassified format during our audit. SIGAR is prepared to brief this information to Caucus staff in a classified setting on Capitol Hill, if requested.

8. Maintain the Afghan Threat Finance Cell

***Caucus Recommendation:** The Afghan Threat Finance Cell should continue to operate, even in a reduced capacity. The information provided by the Afghan Threat Finance Cell is essential in targeting drug kingpin and terrorist financing activities.*

SIGAR Response: “Following the money” is critical to U.S. counternarcotics efforts and the Afghanistan Threat Finance Cell (ATFC) has given the U.S. the capability to disrupt the financial networks used by the insurgency and narcotics traffickers. SIGAR works closely with the ATFC and has an investigative analyst detailed to its staff. However, the law enforcement drawdown is affecting interagency task forces like the ATFC, which is composed of specialists from DEA and DoD. Over the last year, the ATFC has gone from having over 50 personnel to about 30. Only a few of the remaining staff are law enforcement agents and subject matter experts. These reductions have significantly impaired the ATFC’s counter-treat finance capabilities during this critical transition period.

A number of current and former ATFC members have told SIGAR that it would be extremely challenging to revitalize this task force that has been so critical in combating narcotics trafficking. Given the seriousness problem of illicit finance and corruption, which both enable the narcotics trade in Afghanistan, the United States must maintain the key capabilities of the ATFC.

SIGAR has increased its focus on illicit finance because we have found that networks that move money derived from the narcotics trade are also moving funds gained through fraud, theft, and corruption. SIGAR recently hired two former senior staff from ATFC—one from the DEA and another from the Treasury Department—to augment the agency’s efforts to follow the money.