

SIGAR

Special Inspector General for
Afghanistan Reconstruction

OFFICE OF SPECIAL PROJECTS

Hamid Karzai International Airport: Despite
Improvements, Controls to Detect Cash Smuggling
Still Need Strengthening



January 2021

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Office of the Special Inspector General
for Afghanistan Reconstruction

January 14, 2021

The Honorable Michael Pompeo
Secretary of State

The Honorable Pete Gaynor
Acting Secretary of Homeland Security

The Honorable Ross Wilson
Chargé d'Affaires, U.S. Embassy Kabul, Afghanistan

Since the collapse of the Taliban regime in 2001, cash smuggling out of Afghanistan's international air and land ports has been a concern for the Afghan government, the United States, and the international community. A 2011 Congressional Research Service study estimated that up to \$4.5 billion was smuggled out of the country in a single year.¹ According to a 2015 study by Integrity Watch Afghanistan, 65 percent of all cash leaving Afghanistan was "illegally earned, transferred" or used.² A significant portion of that cash is tied to the opium trade, of which Afghanistan produced 84 percent of the world's supply from 2015 to 2020.³ Up to 85 percent of this poppy production occurs in areas controlled or influenced by the Taliban, and the drug trade finances as much as half of the group's activities in Afghanistan.⁴

To track serial numbers of cash going in and out of Afghanistan's busiest airport, the U.S. government installed cash counting machines at the Hamid Karzai International Airport in 2011. The following year, SIGAR reported that customs officials rarely used the machines, and did not record and send serial number data to the proper Afghan authorities.⁵ SIGAR also reported that senior government officials and other individuals with political influence, designated by the president's office as very important persons (VIP), were exempted from the customs process.

SIGAR initiated this follow-up review to (1) determine whether customs officials are using the cash counting machines to help Afghan officials and their international partners track the serial numbers of cash leaving Afghanistan, and (2) evaluate the controls in place at the airport to prevent cash, bearer-negotiable instruments (BNI) (such as cashier's checks or bonds), precious and semiprecious stones, artifacts, and gold from being smuggled out of the country.

SIGAR found that customs officials are not regularly using the cash counting machines to track cash leaving Afghanistan; in fact, the machines were still not connected to the Internet, nearly a decade after the U.S. government installed them.

¹ Kenneth Katzman, *Afghanistan: Politics Elections, and Government Performance*, Congressional Research Service, November 30, 2012, p. 48.

² Integrity Watch Afghanistan, *Curbing Illicit Financial Flows in Afghanistan: Money Laundering, Terrorist Financing, and Hawala*, December 1, 2015, pp. 3 and 8.

³ UNODC, *World Drug Report 2020*, (United Nations, Sales No. E.20.XI.6), June 2020, p. 9.

⁴ UN Office on Drugs and Crime, *World Drug Report 2017*, p. 4 and 34.

⁵ SIGAR, *Anti-Corruption Measures: Persistent Problems Exist in Monitoring Bulk Cash Flows at Kabul International Airport*, SIGAR-13-1-SP, December 11, 2012.



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SIGAR found that the security and screening procedures for non-VIP passengers have improved.⁶ Non-VIP passengers go through an extensive screening process including five checkpoints, managed by four different Afghan government entities and a private security company. The government has posted its anti-money laundering law requirements at the entrance to the boarding area and outside the customs office in the Non-VIP terminal to inform passengers leaving Afghanistan that they must submit forms at the customs office to declare possession of more than \$10,000 in cash, bearer-negotiable instruments, precious and semiprecious stones, and gold, and cannot take more than \$20,000 in cash or bearer-negotiable instruments out of the country. Customs officials provide passengers declaration forms to declare cash or bearer-negotiable instruments in excess of \$10,000.

VIP passengers are transported directly to the VIP terminal where their luggage is scanned, but there are no signs showing cash export limitations, no declaration forms provided to passengers, and no cash counting machines. VVIP passengers arriving at the VIP terminal are not screened and can be transported directly to the plane for boarding.

As directed by the U.S. Congress, SIGAR regularly evaluates the implementation of Afghanistan's anti-corruption strategy and suggests matters for consideration to the Afghan government.⁷ To improve screening procedures and prevent cash smuggling out of Hamid Karzai International Airport, we suggest that the Afghan government:

1. Fully integrate cash counting machines with functioning internet capability-- into the normal customs process both at the non-VIP and VIP terminals to better ensure that all declared and detected currency is counted, and serial numbers captured, for use by the Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA) and its international partners.⁸
2. Strengthen controls at the VIP terminal by requiring all VIP and VVIP passengers to fill out customs declaration forms, and having airport staff count any cash declared and send serial numbers to FinTRACA.

We provided a draft copy of this report to the Department of Homeland Security (DHS) and Department of State (DOS) for comments on December 21, 2020, and the Afghan government for comments on December 22, 2020. DHS provided technical comments for incorporation in the report on January 8, 2021, which we incorporated as appropriate. The Department of State informed SIGAR on January 8, 2021 that it does not have any technical comments. As of the publication of this report, the Afghan government did not provide any comment on the report nor on the matters for its consideration. If the Afghan government provides comments at a later date, we will update the report to include those comments.

⁶ The Afghan government categorizes passengers in four groups: standard (non-VIP), very important person (VIP), commercially important persons (CIP), and very very important person (VVIP). Passengers face different check-in and customs processes depending on their classification.

⁷ See, e.g., 164 Cong. Rec. H2851 (daily ed. Mar. 22, 2018) (explanatory statement of the Consolidated Appropriations Act, 2018).

⁸ FinTRACA is the country's financial intelligence unit within the central bank (Da Afghanistan Bank).



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We conducted our work in Washington, D.C. and Kabul, Afghanistan from December 2019 through January 2021, under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended; and in accordance with the Council of Inspectors General on Integrity and Efficiency (CIGIE) *Quality Standards for Inspection and Evaluation*. Should you or your staff have any questions about this project, please contact Mr. Benjamin Piccolo, Director of Special Projects, at (703) 545-2192 or benjamin.j.piccolo.civ@mail.mil.

Sincerely,

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

In 2011, the U.S. Department of Homeland Security (DHS) funded and installed cash counting machines in the airport to record the serial numbers of currency leaving the country in an overall effort of preventing illegal cash flow out of the airport. The machines are capable of counting up to 900 bills a minute and can scan, record, and transmit the serial numbers of U.S. dollars (USD), euros (EUR), and Saudi riyals (SAR) via the Internet to Afghan law enforcement and its international partners.

A year after installation of the machines, SIGAR conducted a review and found that Afghan customs officials rarely used the machines and stored them in a side room that lacked appropriate security.⁹ Furthermore, the machines were never connected to the Internet, making it impossible to record and send serial number data to the Afghan authorities. Additionally, senior Afghan government officials and people with political influence were exempted from key parts of the customs process aimed at detecting and preventing cash smuggling.

This report is a follow-up to that review.¹⁰ The objectives of this report are to (1) determine whether customs officials are using the cash counting machines to help Afghan officials and international partners track the serial numbers of cash leaving Afghanistan, and (2) evaluate the controls in place at the airport to prevent cash, bearer-negotiable instruments (such as cashier's checks or bonds), precious and semiprecious stones, artifacts, and gold from being smuggled out of the country.

We worked with an Afghan civil society organization to inspect the customs facilities at the airport. The inspection included onsite observations of customs areas to include inspection of the cash counting machines and their operability. We interviewed Afghan customs officials present during the inspection to understand the procedures they followed in the main passenger terminal and the very important person (VIP) terminal. SIGAR also reviewed Afghanistan's anti-money laundering laws, annual reports on financial activities and prevention of cash smuggling at the airport, and a presidential directive governing airport check-ins and security procedures. We also reviewed reports prepared by international as well as intergovernmental organizations on efforts by and challenges facing Afghanistan, to evaluate the adequacy of and their compliance with controls designed to prevent cash smuggling at the airport.

BACKGROUND

In 2011, the International Monetary Fund (IMF), using the methodology adopted by the Financial Action Task Force (FATF)¹¹ in its report on Afghanistan, made recommendations to the Afghan government to improve its standing among countries attempting to counter terrorism financing and money laundering.¹² The IMF recommendations included advising the Afghan government to empower the Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA) to disseminate financial information to Afghan investigative authorities, publish annual reports on trends in terrorist financing, and expand its information collection from financial institutions other than banks, such as money exchange dealers and micro-finance institutions. The IMF report also emphasized the need to address these recommendations by codifying them into Afghanistan's Anti-Money Laundering Law. These actions would codify FinTRACA's authority and signify the Afghan Government's commitment to combat money laundering and illicit cash flows.

⁹ SIGAR, *Anti-Corruption Measures: Persistent Problems Exist in Monitoring Bulk Cash Flows at Kabul International Airport*, SIGAR-13-1-SP, December 11, 2012.

¹⁰ This review only covers procedures for commercial flights out of the airport and does not explore the possible use of private, military, or charter aircrafts.

¹¹ The Financial Action Task Force is an intergovernmental body that establishes international standards for combating money laundering, terrorism financing, and the proliferation of weapons of mass destruction.

¹² International Monetary Fund, "Islamic Republic of Afghanistan: Detailed Assessment Report on Anti-Money Laundering and Combating the Financing of Terrorism," IMF Country Report No. 11/317, November 2011.

The Afghan government amended its anti-money laundering law accordingly in March 2015. Accompanying regulations now require anyone leaving or entering Afghanistan to declare possession of more than \$10,000 in cash, bearer-negotiable instruments, precious stones, and gold, and prohibits anyone from taking more than \$20,000 in cash or bearer-negotiable instruments out of Afghanistan.¹³ There is no limit to bringing cash or bearer-negotiable instruments into the country.

In 2011, the U.S. government purchased and installed cash counting machines at the airport to help the Afghan government enforce limits on the export of currency out of Afghanistan, and assist intelligence agencies in tracking funds involved with financing illicit activities, such as funding insurgent groups, terrorist organizations, and drug traffickers, by scanning the serial numbers and electronically transmitting the numbers to FinTRACA for analysis. FinTRACA could then use the serial numbers to flag any bills that had previously been connected to financing illicit activities or money laundering efforts. The machines were installed at a cost of over \$100,000 to the U.S. taxpayer.

Passengers traveling through Hamid Karzai International Airport fall into four categories: (1) non-VIP (representing the vast majority of all passengers), (2) VIP, (3) VVIP and (4) commercially important person (CIP).¹⁴ Airport officials provided SIGAR a copy of the document that outlined customs and security processes for individuals traveling as VIPs/VVIPs from the airport. The document – prepared by the Afghan president’s chief of staff and signed by the president himself – also contained an annex with names of individuals, authorities and families of political elites designated as VIPs and VVIPs. The list did not include names of the CIPs, but had instructions for the Afghan Ministry of Foreign Affairs to provide an updated list of the CIPs to the president’s chief of staff and the border police at the airport on a monthly basis. CIP passengers receive the same customs and security treatment as VIP passengers.

Non-VIP passengers pass through five checkpoints, managed by four different Afghan government entities, and a private security company.¹⁵ Staff at six additional inspection sites review passengers’ travel documents, and cross-reference their information against a government watch list.

Alternate customs processes apply to passengers designated as a VIP, CIP, or VVIP. VIP and CIP passengers go directly to a separate VIP terminal that is not equipped with a customs section, declarations forms, or cash counting machines (or any signs outlining declarations requirements). There, VIP/CIP passengers are screened once using a metal detector and luggage screener. VVIP passengers are not screened, and their vehicles can take them and their luggage directly to their plane on the tarmac. See Appendix II for a description and flowchart depicting the processes.

CASH COUNTING MACHINES ARE NOT USED REGULARLY AT NON-VIP TERMINAL AND NONE ARE STATIONED AT VIP TERMINAL

We found that the cash counting machines had been installed, but are not in regular use or connected to the Internet. Two were in the non-VIP passengers’ departure area, and a third was near the non-VIP passengers’ arrival entrance. There were no cash counting machines in the VIP terminal. One of the Afghan officials present during our inspection said there have been a few instances of VIP/VVIPs transporting large amounts of

¹³ Government of the Islamic Republic of Afghanistan, “The Regulation Governing the Reporting and Control of Physical Transfers of Currency, Bearer Negotiable Instruments, Gold, Other Precious Metals or Precious Stones through the Borders of Islamic Republic of Afghanistan,” March 4, 2015, Chapter I, Article 5.

¹⁴ For an annual fee of \$5,000, a business owner can obtain the Commercially Important Person (CIP) status to use the VIP passenger’s lounge and receive VIP treatment during the check-in, screening, and customs process. The program is administrated by the Afghan Ministry of Foreign Affairs (MOFA).

¹⁵ In the context of this report, the term “checkpoint” refers to a stage in the screening process where a passenger, their luggage, or their vehicle are searched for prohibited items or indications of illegal activity. Other stages in the screening process involve reviewing passenger’s travel documents and cross-referencing their identity against a no-fly list. These stages that do not involve the attempted detection of prohibited items or involvement in illicit activities will be referred to as “inspection sites.”

cash out of the country, but “it rarely happens... as they are high officials and prestigious businessmen,” implying that they do not engage in cash smuggling. However in August 2020, staff in the customs office reported to SIGAR that a member of Parliament in the VIP terminal tried to smuggle around 200,000 Euros (approximate value of \$238,000) in cash out of the airport.

Inspectors confirmed that the cash-counting machine in the passenger arrival entrance works. However, they could not test the two machines in the departure area because airport customs staff there did not know how to operate them. Therefore, the only working cash counting machine is in the arrival entrance, instead of the departure area where strict cash controls are most needed to prevent cash smuggling.

Inspectors also observed that the machines appeared to have been put in the locations for the purpose of our site visit. For example, the two machines in the departure area were next to only one electrical power outlet, which meant that only one machine could be used at a time. Photos one and two depict the provided cash-counting machines. Photo 1 shows the machine at the arrival area for international passengers, and Photo 2 highlights dust build-up in the machines, indicating probable lack of use.

Photo 1 - Cash Counting Machine in Arrival Entrance



Source: SIGAR, February 17, 2020

Photo 2 - Dust Build-Up in Cash Counting Machine



Source: SIGAR, February 17, 2020

In addition, FinTRACA cannot use the machines to track currency suspected of being laundered, because they are not connected to the Internet. FinTRACA officials said the Afghan Central Bank is in the process of launching an electronic serial number tracking system. However, it will only track the serial numbers of U.S. dollars entering the market through the Afghan Central bank or private commercial banks within Afghanistan, not currency detected or declared at the airports.

CONTROLS TO PREVENT CASH SMUGGLING AT NON-VIP PASSENGER TERMINAL IMPROVED, BUT CONTROLS AT VIP TERMINAL ARE VERY WEAK

Despite the problems we identified with the positioning and operation of the cash counting machines, the Afghan government has strengthened other controls at the airport for non-VIP passengers. For example, they (1) instituted export limits on cash and bearer-negotiable instruments leaving Afghanistan, (2) established

declaration forms and require passengers to fill out declaration forms if they are taking more than \$10,000 out of the country, and (3) screen passengers multiple times to ensure passengers are complying with the anti-money Laundering law requirement. However, procedures for declaring cash and bearer-negotiable instruments taken out of the country at the VIP terminal were not implemented.

Screening Procedures for Non-VIP Passengers Have Improved

The Afghan government's current regulations restricting cash exports have been in place since March 2015. Afghan customs officials have established declaration and export limit thresholds for individuals (\$10,000 and \$20,000 respectively), and advertise threshold limits on billboards throughout the airport, as inspectors noticed during site visit.¹⁶ The airport has also created serialized declaration forms to help track individual cash declarations.

The numerous security checkpoints where officials screen passengers and luggage underscore the Afghan government's efforts to prevent the smuggling of cash, bearer-negotiable instruments, precious and semiprecious stones, and gold out of the country. During our inspection, airport officials showed how both physical inspections (by the airport security personnel) and electronic detection methods (scanning machines) directly led to finding items passengers were attempting to smuggle. In August 2020, staff in the customs office reported two smuggling incidents in which three passengers in the non-VIP terminal tried to smuggle 18 kg of gold (worth nearly \$670,000), and a member of Parliament in the VIP/VVIP terminal tried to smuggle around \$235,000 (200,000 Euros) out of the airport. These seizures are depicted in photos 3 and 4.

Photo 3 - Cash Seized Following the Detection of a Smuggling Attempt by an Afghan Member of Parliament Through the VIP Passenger Terminal



Source: Afghan Ministry of Finance, September 6, 2020.

Photo 4 - 1/3 of the Gold Three Passengers were Attempting to Smuggle out of the Country Through the non-VIP Terminal



Source: Afghan Ministry of Finance, September 6, 2020.

Issues Still Affect Anti-Cash Smuggling Measures for Non-VIP Passengers

Despite improvements in the passenger and luggage screening processes, some critical security gaps remain. For example, customs officials do not have the ability to determine the validity of the documents passengers use to support claims that they legally possess large sums of cash. During the customs process, passengers suspected of attempting to export more than \$10,000 may be required to show proof, such as a business

¹⁶ Government of the Islamic Republic of Afghanistan, "The Regulation Governing the Reporting and Control of Physical Transfers of Currency, Bearer Negotiable Instruments, Gold, Other Precious Metals or Precious Stones through the Borders of Islamic Republic of Afghanistan," March 4, 2015, Chapter I, Article 5.

license, that they legally possess the currency. However, officials said there is no registry or system to confirm the validity of a commercial license that passengers present to customs officials.

Inspectors also found that the Afghan Border Police (ABP) did not follow established procedures for handling seized assets. According to airport officials, any seized cash, bearer-negotiable instruments, gold, or artifacts are supposed to be stored within the vault in the airport customs office for a short period of time, before being transferred to the Afghan Central Bank, pending a final court ruling. The court may decide to confiscate funds suspected of financing illicit activities or return them to the passenger, minus a 15 percent penalty for not declaring cash exports.

The inspectors found that the safe used to hold seized items was filled with gold, smartphones, and [artifacts] that had been stored in the customs office for an extended period. Additionally, customs policy requires that representatives from three different departments must sign for seized cash, yet inspectors found that some items had not been signed for by any official.

According to FinTRACA, customs officials stopped nine passengers suspected of smuggling cash through HKIA in 2018 and 2019. The investigations for only two have been completed, and in both cases, the courts decided to return the funds minus the 15 percent penalty.

Screening Procedures at the VIP Terminal Need Strengthening

The principal difference between the screening processes for non-VIP and VIP/VVIP passengers is the level of screening and scrutiny. A non-VIP passenger goes through five checkpoints and six inspection sites, while a VIP/CIP passenger is screened only once and VVIPs are not screened at all. Vehicles transport a VIP passenger directly to the VIP terminal, bypassing the first four checkpoints/inspection sites. The VIP terminal also lacks most of the additional stages in the security process that a traveler in the non-VIP passenger terminal must clear prior to boarding. VVIP passengers bypass all security procedures, and their vehicles are cleared to drop them directly near their planes on the tarmac.

Additionally, the VIP terminal does not have a customs office, cash counting machines, or customs declaration forms. Inspectors found no signs or notices to passengers outlining the cash declaration requirements, nor thresholds or export limits. The official accompanying the inspectors stated that if a VIP/VVIP carries more than \$10,000 (but below the \$20,000 export limit), their staff would take the money to the non-VIP terminal, have the money counted, and then bring a declaration form to the VIP/VVIP to fill out. We could not confirm whether customs procedures and declarations thresholds are enforced at the VIP terminal.

CONCLUSION

Despite efforts by the Afghan government to reduce the flow of cash out of the country's busiest international airport, significant control weaknesses continue to exist. The cash counting machines, which were funded by the U.S. government, are not being used for the purposes intended. The only cash counting machine confirmed to be working is in the arrival entrance, instead of the departure area where strict cash controls are most needed to help prevent cash smuggling. Furthermore, the machines lack connectivity to the Internet, preventing Afghan investigative authorities from tracking currency suspected of being laundered. The absence of fully functional and strategically positioned cash counting machines, and declaration forms in the VIP section along with the limited screening of VIP passengers – who are most likely to have large amounts of cash – severely limits the Afghan government's ability to fully implement its anti-money laundering laws at the airport.

MATTERS FOR CONSIDERATION BY THE AFGHAN GOVERNMENT

To improve screening procedures at Hamid Karzai International Airport, SIGAR suggests the Afghan government consider taking the following two actions:

1. Fully integrate cash counting machines with functioning Internet capability into the normal customs process both at the non-VIP and VIP terminals to better ensure that all declared and detected currency is counted, and serial numbers captured, for use by FinTRACA and its international partners.
2. Strengthen controls at the VIP terminal by requiring all VIP and VVIP passengers to fill out customs declaration forms, and have airport staff count any cash declared and send serial numbers to FinTRACA.

AFGHAN GOVERNMENT AND U.S. AGENCY COMMENTS

The Department of Homeland Security provided technical comments for incorporation in the report on January 8, 2021, which we incorporated as appropriate. The Department of State informed SIGAR on January 8, 2021 that it does not have any technical comments. As of the publication of this report, the Afghan government did not provide any comment on the report nor on the matters for its consideration. If the Afghan government provides comments at a later date, we will update the report to include those comments.

APPENDIX I - EXAMPLE OF A CUSTOMS DECLARATION FORM (ENGLISH)

**Islamic Republic of Afghanistan – Da Afghanistan Bank
Currency & Negotiable Bearer Instruments Declaration Form**

*** In accordance to the Cash Courier Regulations of Afghanistan, It is prohibited for any person to leave or enter the Islamic Republic of Afghanistan in possession of currency, bearer negotiable instruments, gold, other precious metals or precious stones which are of a value exceeding \$20000 US Dollars or its equivalents in other currencies. In additions, any person who leaves or enters the Islamic Republic of Afghanistan in possession of currency, bearer negotiable instruments, gold, other precious metals or precious stones which are of a value exceeding \$10000 US Dollars or its equivalents in other currencies must complete this Declaration form and submit that to the Custom’s Officer. Custom Officer will prevent the transfer of an amount exceeding \$10000 US Dollars or its equivalent in other currencies by a person who has completed the age of (15) and is under the age of 18 even if it is declared. Any Authorized Officer or person who deliberately assists or advise another person for the purpose of avoidance of Customs procedures, or facilitates the transportation of illegal money or any amount beyond the /threshold set forth in the regulation with undertaking the responsibility of the transportation of money which belongs to other persons, shall be suspected of commission of money laundering offense and will be prosecute.**

1. Personal Information

Surname: _____ Given Name: _____ Gender: Male Female

Date Of Birth: Month Day Year

Address: _____

2. Travel Document Details

Passport No: _____ Issuing Country: _____

3. Are you entering or leaving Afghanistan with cash, bearer negotiable instruments, gold, other precious metals or precious stones with value exceeding \$10,000 US Dollars or its equivalents in other currencies ? Yes No

Gold, Other Precious Metals Or Precious Stones		Cash & Bearer Negotiable Instruments	
Quantity	Value	Amount	Currency

4. Origin _____

5. Intended use _____

6. Are you the owner? Yes (go to part 9) No, the owner is a: Legal Entity Natural Person

7. Legal Entity Name _____ Address: _____

8. Natural Person Name _____ Address: _____

9. Travel Details

Outgoing Passengers	Incoming Passengers
Flight No	Flight No
Vehicle No	Vehicle No
Final Destination	Traveling From
Date of Departure	Date of Arrival

I declare that all above details are correct. I am aware that false, inaccurate or incomplete declaration is liable to penalties, detention or confiscation of the cash by the competent authorities.

10. Official Use Only

Date: Month Day Year Signature: _____

Border Code: _____ Officer Name & Signature: _____

Source: FinTRACA, Government of the Islamic Republic of Afghanistan

APPENDIX II – SCREENING PROCESS FOR NON-VIP PASSENGER VERSUS VIP/VVIP

The screening process at the main terminal (non-VIP terminal) begins when a passenger's vehicle arrives at the airport, where the vehicle is searched using a vehicle scanner and search dogs, and the Afghan Border Police (ABP) conduct a physical inspection of the passenger. The checkpoint is also equipped with a baggage-scanning machine to screen the luggage; however, an airport official told SIGAR inspectors that, "Most of the time the machine is not working because there is no maintenance contract."

At the second checkpoint, ABP physically search passengers and their luggage and inspect the interior of vehicles. The next step is an inspection site where the ABP check passengers' tickets and passports, and separate domestic and international passengers. International passengers go to a third checkpoint, where ABP screen their luggage a third time.

After passing through these four stages, passengers enter the international departures terminal. Here travelers pass through the fourth checkpoint in the process where a security company screens passengers and their luggage again, and representatives of the airport's Customs Office, the National Directorate of Security (NDS), and the ABP process them.¹⁷ Passengers are presented with a declaration form and are required to declare any funds in excess of \$10,000. Passengers who declare between \$10,000 and \$20,000 and are not suspected of being involved in illegal activity must submit a currency and negotiable bearer instruments declaration (CNBID) form to the customs office to register the amount they are exporting. (See Appendix I for an example of this form). Similarly, if a passenger is not suspected of illegal activity but has more than \$20,000, they could return the amount that exceeds the limit to a relative before boarding, while declaring the remainder in a CNBID form. Subsequent screenings within this checkpoint by customs officers inside the terminal inspect passengers and their baggage for drugs or weapons that may have made it through prior checkpoints, and at this point officers also attempt to identify signs of cash/ bearer-negotiable instruments smuggling (such as the presence of large amounts of cash or gold).

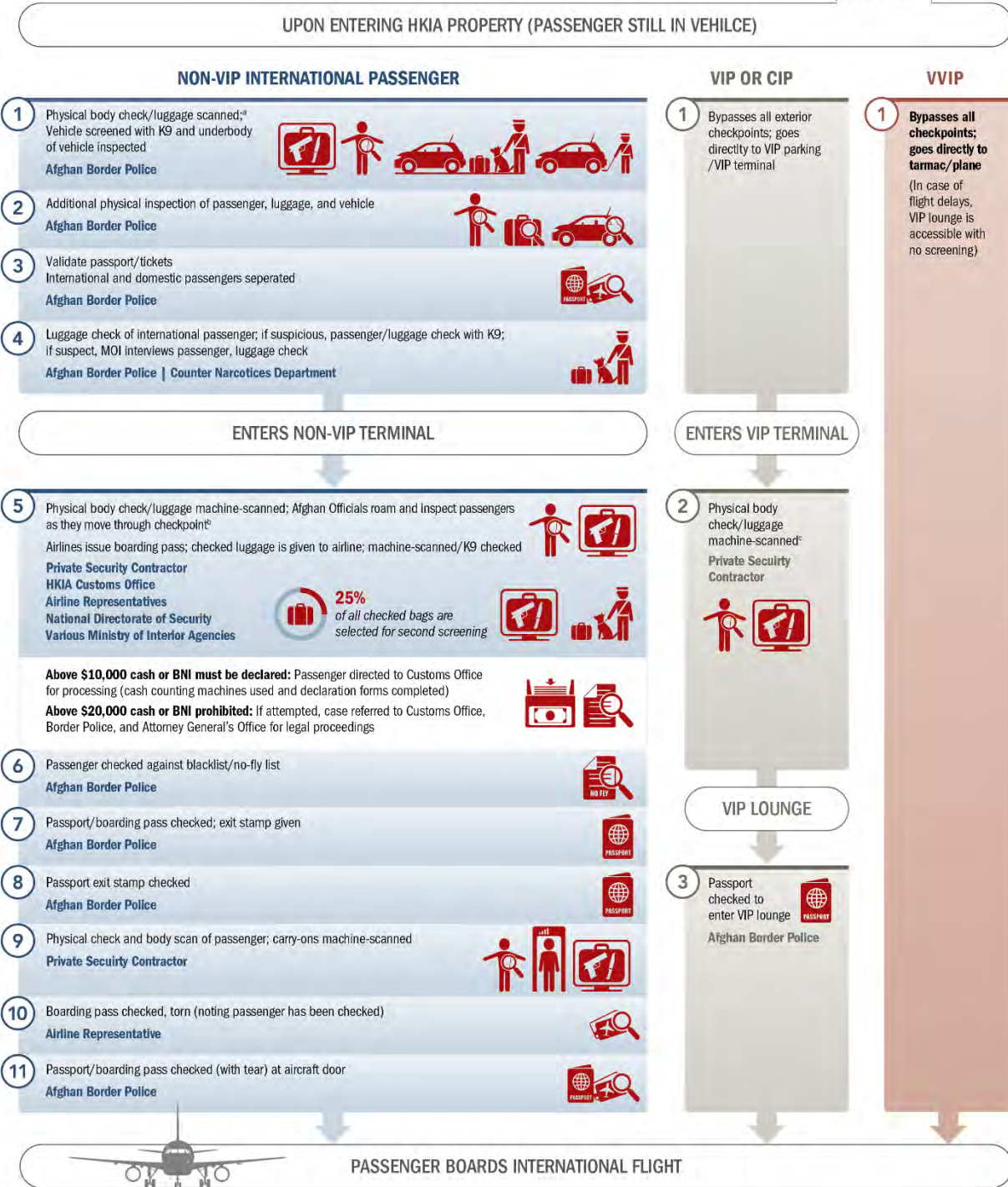
A sign outside the customs office advises passengers of the \$10,000 declaration threshold and the \$20,000 limit on exporting cash and/or similarly valuable items out of Afghanistan. Once a passenger is referred to the customs office, staff use the cash counting machines to count the currency in question. Passengers may be required to show proof, such as a business license, that they legally possess or own the currency. If at any time a passenger is suspected of being involved in illicit activities, they are referred to the ABP.

Once the declarations are complete, all passengers move on through five more inspection sites, and a fifth and final screening checkpoint, The ABP will check each passenger against no-fly/blacklists, and then immigration officers inspect their travel documents. After being cleared to fly, each passenger and their carry-on items are checked one more time by the security contractor using scanning machines, and their boarding passes and passports are checked by both airline representatives and the ABP before finally being allowed to board an international flight.

The VIP passengers go directly to the VIP terminal where their luggage is screened. VVIP passengers are not screened and go directly to their planes on the tarmac.

¹⁷ The NDS is Afghanistan's intelligence and security service.

Figure 1: Depiction of HKIA Screening Procedures for Non-VIP, VIP/CIP, and VVIP Passengers



^a Customs Office officials told SIGAR that luggage X-ray machines are often inoperable, citing lack of maintenance.

^b Agencies include the Afghan Border Police, Major Crimes Task Force, Intelligence Police, Directorate 34 (National Directorate of Security), Counter Narcotics Unit of the Attorney General's Office, Ministry of Public Health, and the Plant Protection and Quarantine Directorate (Ministry of Agriculture Irrigation & Livestock).

^c Checked luggage is given to airline and screened under the same inspection process as standard passenger's checked luggage.

Source: Ministry of Finance, Government of the Islamic Republic of Afghanistan

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SIGAR's Mission

The mission of the Special Inspector General for Afghanistan Reconstruction (SIGAR) is to enhance oversight of programs for the reconstruction of Afghanistan by conducting independent and objective audits, inspections, and investigations on the use of taxpayer dollars and related funds. SIGAR works to provide accurate and balanced information, evaluations, analysis, and recommendations to help the U.S. Congress, U.S. agencies, and other decision-makers to make informed oversight, policy, and funding decisions to:

- improve effectiveness of the overall reconstruction strategy and its component programs;
- improve management and accountability over funds administered by U.S. and Afghan agencies and their contractors;
- improve contracting and contract management processes;
- prevent fraud, waste, and abuse; and
- advance U.S. interests in reconstructing Afghanistan.

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