



CIA “Ghost Money” to Afghan Regime Yields Phantom Returns

Americans are well aware of their monthly bills. But what they probably *didn't* know — until now — is that every month they are also, via taxes, contributing to a slush fund for Afghan president Hamid Karzai. That, in a nutshell, is the story the *New York Times* broke on April 28.



“For more than a decade,” [reported the Times](#), “wads of American dollars packed into suitcases, backpacks and, on occasion, plastic shopping bags have been dropped off every month or so at the offices of Afghanistan’s president — courtesy of the Central Intelligence Agency.”

“We called it ‘ghost money,’” Khalil Roman, Karzai’s deputy chief of staff from 2002 to 2005, told the paper. “It came in secret, and it left in secret.”

According to current and former Afghan and American officials, most speaking on condition of anonymity, U.S. taxpayers have thus far forked over “tens of millions of dollars” to Karzai’s office, where his National Security Council disburses the cash with no American oversight whatsoever, said the *Times*.

The council’s administrative chief, Mohammed Zia Salehi, was arrested in 2010 for his role in smuggling cash to the Taliban and trading in opium. Karzai quickly secured his release, and the CIA persuaded the Obama administration to stop hounding Karzai about corruption. Afterward, Salehi began telling colleagues that he was “an enemy of the FBI, and a hero to the CIA.”

That, the *Times* observed, “succinctly summed up America’s conflicting priorities” in Afghanistan. On the one hand, Washington claims to want an effective, honest government in Kabul. On the other hand, the CIA, through its cash payments, is fueling corruption — “The biggest source of corruption in Afghanistan was the United States,” one American official told the *Times* — and getting no return on its investment.

The CIA gives Karzai dollars “to maintain access to Mr. Karzai and his inner circle and to guarantee the agency’s influence at the presidential palace,” according to the *Times*. Much of that money then “goes to paying off warlords and politicians, many of whom have ties to the drug trade and, in some cases, the Taliban.” One warlord reportedly gets as much as \$100,000 a month from the palace. This practice, the paper explained, “has greased the wheels of the same patronage networks that American diplomats and law enforcement agents have struggled unsuccessfully to dismantle, leaving the government in the grips of what are basically organized crime syndicates.”

Buying the loyalty of warlords is just one of “a slew of off-the-books expenses, like paying off lawmakers or underwriting delicate diplomatic trips or informal negotiations,” for which the CIA’s money is used, the *Times* wrote. Afghan officials told the Gray Lady that “a number of senior officials on the Afghan



Written by [Michael Tennant](#) on April 30, 2013

National Security Council are also individually on the agency's payroll." Some of the money, the *Times* maintained, "probably ends up in the pockets of the Karzai aides who handle it," though the paper averred that "there is no evidence that Mr. Karzai has personally taken any of the money." (The Karzai family, however, is still doing quite well for itself via on-the-books U.S. aid, as the *Times* [reported](#) in 2010.)

And what does the CIA have to show for its extravagance with taxpayer dollars? Other than a larger budget deficit, not much. The CIA's cash is supposed to give the United States influence over Karzai. But, argued *Wired's* [Spencer Ackerman](#): "Perversely, the money removes U.S. leverage over Karzai: the Afghan president is free to demand an end to U.S. night raids and air strikes or to denounce America or to claim that the Taliban kill Afghan civilians at America's behest. If the secret money keeps flowing and the U.S. goes along with his reelection, Karzai is free to pursue *his* agenda, not Washington's, defeating the purpose of the payments while undermining the *public* aspects of U.S. policy in Afghanistan." (Emphasis in original.)

Indeed, so certain of Washington's commitment was Karzai that for several years he took equally large sums of money from neighboring Iran. (This, Ackerman pointed out, is considered "disruptive foreign meddling" in Washington, while similar cash infusions from the CIA are simply "an insurance policy to entrench U.S. influence in" Afghanistan.) When the payments were exposed in 2010, Karzai admitted that he had taken them and thanked the Iranians for the cash.

Likewise, the day after the *Times* reported the CIA's payments to his office, Karzai [acknowledged](#) that the story was also true, though he claimed the money received was "not a big amount." The presidential palace then issued a statement expressing its gratitude to the Americans for the money.

The Obama administration, for its part, has chosen to [remain mum](#) on the subject. At least one Republican lawmaker, however, sees no reason to keep silent now that Karzai has confessed.

"I thought we were trying to clean up waste, fraud and abuse in Afghanistan," Rep. Jason Chaffetz (R-Utah), chairman of the House Subcommittee on National Security, Homeland Defense and Foreign Operations, told the *Times*. "We have no credibility on this issue when we're complicit ourselves. I'm sure it was more than a few hundreds [sic] dollars."

This was only to be expected. "Just as foreign aid distorts a local economy and prompts corruption, so too does attempting to purchase a foreign leader," Ackerman observed. It may be able to "paper over deeper dysfunctions for a time," he wrote, "but over the long term, it ends up leaving the client in a stronger position than the patron, since the patron is rarely willing to walk away from the messy foreign entanglement that prompted the payout in the first place."

All of which demonstrates once more the wisdom of the Founders' counsel to avoid such entanglements in the first place. In fact, had Americans chosen to hold their government to the standards set by the founding generation, many of which were codified in the Constitution, they would not now be bankrolling a regime half a world away. There would have been no U.S. troops in Afghanistan absent a declaration of war, and there would be no funneling of taxpayer money to the Afghan government. Instead, taxpayers are shelling out big bucks every month to keep a corrupt leader in power and watch helplessly as he bites the hand that feeds him, secure in the knowledge that the next meal is already on its way.



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