

# افغانستان آزاد – آزاد افغانستان

AA-AA

چو کشور نپاشد تن من مباد بدین بوم و بر زنده یک تن مباد  
همه سر به سر تن به کشتن دهیم از آن به که کشور به دشمن دهیم

[www.afgazad.com](http://www.afgazad.com)

[afgazad@gmail.com](mailto:afgazad@gmail.com)

European Languages

زبان های اروپایی

The Independent

## Afghan elite 'plundered \$900m' from leading bank

Business is on brink of collapse after its funds were treated 'like personal accounts'

By Julius Cavendish in Kabul

2/1/2011

A coterie of well-connected Afghan businessmen and [politicians](#) may have plundered as much as \$900m from the country's biggest commercial bank, three times the amount of earlier estimates, and the equivalent of about 7 per cent of Afghanistan's total [gross domestic product](#).

Kabul Bank's funds were treated like personal accounts, it is claimed by several well-known members of Afghan society. Mahmoud Karzai, a brother of the Afghan President and prominent [shareholder](#) in Kabul Bank, told The New York Times that the bank's former chairman lent himself about \$98m (£62m) to buy one of Afghanistan's airlines, and then used deposits to subsidise the carrier in an attempt to drive rivals out of business. Yet so difficult has the hunt for the missing millions become that the very same man, Sherkhan Farnood, had been brought in to help trace the missing [cash](#).

Officials say the value of questionable outstanding [loans](#) written by the bank is far greater than originally thought – and auditors poring over the lender's books think up to \$800m is potentially unrecoverable.

The crisis is so severe – with fears that a run on the embattled Kabul [Bank](#) could lead to its collapse – that Afghanistan's central bank chief, Abdul Qadir Fitrat, was forced yesterday to

deny reports that the embattled lender was close to failure. He claimed the sums at stake were smaller than reported and that auditors had been able to account for all but \$100m lent to members of Afghanistan's elite.

The case is acutely embarrassing both for President Hamid Karzai, whose tenure has seen Afghanistan turn into a mafia state, and the Obama administration, which has adopted a policy of ignoring institutionalised corruption after several bitter diplomatic spats with Mr Karzai got it nowhere.

In an account of goings-on at Kabul Bank that is devastating in its detail, the New Yorker magazine records how "Kabul Bank's largesse included members of parliament and almost anyone whose silence would allow bank executives to embark on a spree of buying, lending and looting.

"In addition, some former and current Afghan officials say, Kabul Bank became an unofficial arm of the Karzai government, bribing parliamentarians in order to secure votes for its legislative agenda," it reports.

"Dozens of Afghan leaders and businessmen... collectively, accepted tens of millions of dollars in gifts and bribes – some sources say as much as a hundred million dollars – from executives at Kabul Bank."

The story is a startling illustration of an adage popular with diplomats in Kabul, which goes: "It's not that the system is corrupt; it's that corruption is the system."

In one reported incident, the bank's former chief executive, Khalil Ferozi, is alleged to have told President Karzai that he wanted to contribute to his re-election campaign and was pointed by the Afghan leader in the direction of his Finance Minister and campaign treasurer Omar Zakhilwal. Within days Kabul Bank employees delivered \$200,000 in cash to Mr Zakhilwal and more was on the way. "Two guys, one case," he said. But "you will never ever find a record of a gift from them of any value, not even a dollar."

In another episode, Mr Ferozi bragged to a former Afghan cabinet minister that members of the government were on his payroll. "None of the ministers have the guts to speak against us," he is reported to have said. "They are ours."

American investigators say many of Mr Karzai's closest advisers, some with regulatory responsibilities over the Afghan financial system, are implicated in the scandal.

Some are viewed by Western donors as the most accomplished members of Mr Karzai's cabinet, like Farouk Wardak, the Education Minister, or Haneef Atmar, the former interior minister.

"Atmar appeared at one point to be receiving \$3m a month," the New Yorker reported, noting that Kabul Bank had won the contract to pay government salaries to the police – who came under Mr Atmar's aegis – after paying a bribe worth perhaps \$75m.

It's a meticulous account of the workings of kleptocracy, but from a Western perspective perhaps the most terrifying part of the tale is the motive. The businessmen, politicians and officials – the cream of Afghan society – are milking Afghanistan for all they can. Why? Because they don't believe their country has a future.