



# **SIGAR** | SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

## **Special Inspector General for Afghanistan Reconstruction** Office of Public Affairs

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### **U.S. Treasury Department Sanctions Two Former Afghan Government Officials for Transnational Corruption Following Nomination by Special Inspector General for Afghanistan Reconstruction**

The U.S. Treasury Department today sanctioned two former Afghan government officials for widespread involvement in international corruption, following their nomination by the Special Inspector General for Afghanistan Reconstruction (SIGAR) under the Global Magnitsky Human Rights Accountability Act.

Mir Rahman Rahmani and his son, Ajmal Rahmani, were sanctioned by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) for corruption that included theft of fuel intended for the prior Afghan government's security forces.

"Fuel is liquid gold in a war zone, and nowhere was this more evident than in Afghanistan, where it was subject to theft, diversion, and sale on the black market," said Special Inspector General John F. Sopko. "No commodity was more valuable or consequential — every gallon stolen was one less gallon for American, NATO and Afghan forces, and only made the Taliban stronger. That's why fuel theft was such a major focus of SIGAR investigations."

The Rahmanis' involvement in fuel theft and other crimes was extensive, and included: artificially inflating the price of fuel contracts to deliver fuel to the Afghan National Defense and Security Forces; fraudulently importing and selling tax-free fuel owed on their contracts; bribing their way into seats in the Afghan Parliament, where they used their positions to perpetuate their corrupt system.

"The Rahmanis case shows how fuel crimes enabled a corruption enterprise on a grand scale," said Sopko. "Those fuel crimes provided the Rahmanis the capital to bribe their way to high office, and to construct an international network of financial holdings. I am proud of SIGAR's investigators, whose dogged work exposed this corruption, and I'm grateful to Treasury's Office of Foreign Assets Control for their partnership with SIGAR in this matter."

The Global Magnitsky Human Rights Accountability Act targets individuals and entities that perpetrate significant human rights abuses and corruption globally.

The State Department concurrently designated the Rahmanis, and their immediate family members, under Section 7031(c) of the annual Department of State, Foreign Operations, and Related Programs Appropriations Act for involvement in significant corruption as a public official.

The Rahmanis used hidden control of multiple companies to artificially inflate fuel contract prices by fraudulently submitting contract bids from numerous companies to conceal their involvement. Their schemes involved bid rigging and eliminating competition on contracts funded by U.S. taxpayers.

In one 2014 example, several families involved in the fuel business, including the Rahmanis, colluded to inflate the price of fuel on U.S.-funded contracts by more than \$200 million and eliminate competitor bids.

Representatives for Rahmani fuel companies repeatedly gave cash to Afghan customs officials in what were seen as bribes for excess “maffinamas,” or letters allowing them to import a limited amount of goods tax-free. Fraudulent use of these letters by the Rahmanis is estimated to have potentially deprived the Afghan government of millions of dollars in tax revenue.

The Rahmanis also under-delivered on their companies’ fuel contracts, enhancing their corrupt fuel profits. One of their companies – Secure Movement Logistics (SML) – bribed Afghan National Army (ANA) personnel to hide their non-delivery of fuel, allowing at least 11 million liters of fuel to go undelivered for less than a year.

Additionally, before the October 2018 parliamentary elections, Ajmal Rahmani gave money and gifts to potential voters in exchange for their support, with promises of more compensation after the election. To ensure his election, he also paid \$1.6 million to some members of the Afghan Independent Election Commission, in exchange for inflating the results by thousands of votes.

Mir Rahman Rahmani paid millions of dollars to several members of the Afghan Parliament in 2018 to secure their votes for his bid for speaker of Parliament.

The Rahmanis’ underlying corrupt activities occurred in Afghanistan, but they continue to maintain an international corrupt network.

The U.S. Treasury Department is designating 41 entities, under the Global Magnitsky Human Rights Accountability Act, for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, Ajmal Rahmani:

- 21 German companies: Ozean Immobilien Projektentwicklung Verwaltungs- GmbH, Ozean Immobilien Management GmbH & Co. KG, Ozean Immobilien Projektentwicklung GmbH & Co. KG, Pyramaxia Immojekt GmbH & Co. KG, Pyramaxia Real Estate Development GmbH & Co. KG, Pyramaxia Real Estate GmbH & Co. KG, Ozean Group GmbH, Ozean Baustoffe GmbH & Co. KG, Ozean Horizont Baumaschinen & Bauequipment GmbH & Co. KG, Ozean Horizont Bauwerke GmbH, Ozean Horizont Erdarbeiten GmbH & Co. KG, Ozean Horizont Objektplanung GmbH & Co. KG, Ozean Horizont Projektentwicklungs GmbH & Co. KG, Ozean Horizont Spezialtiefbau GmbH & Co. KG, RG Immojekt GmbH & Co. KG, RG Real Estate Development GmbH & Co. KG, RG Real Estate GmbH & Co. KG, NAI Energy Europe GmbH & Co. KG, NAI Energy Europe Verwaltungs GmbH, NAI Europe Energy GmbH & Co. KG, and NAI Management GmbH;
- Eight Cypriot companies: Pyramaxia Limited, RG Holdings Limited, NAI Logistics Limited, Buoyant Holdings Limited, Ocean Europe CY Limited, D.C.H. Dream Creators Holdings LTD, Riseonic Holdings LTD, and ZEM Holdings LTD;
- Six Emirati companies: RG Group FZE, The Fern Limited, Ascent Holdings LTD, Orbit International FZE, Ocean Estate Company Limited, and Rahmani Group International JLT;
- Two Afghan companies: Fidelis Logistic and Supply Services and Secure Movement Logistics Services;

- Two Austrian companies: Ocean Estate GmbH and Ocean Properties GmbH;
- One Dutch company: NAI Logistics B.V.;
- One Bulgarian company: Lego Investments EOOD

Two German companies are being designated, under the Global Magnitsky Act, for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, Ocean Properties GmbH:

- Ozean Development Real Estate GmbH & Co. KG and Ozean Real Estate GmbH & Co. KG.

Finally, a Dutch company is being designated under the Global Magnitsky Act for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, RZ Group FZE:

- AlphaOne Pharmaceutical B.V.

Today's sanctions mean all property and interests in property of the Rahmanis that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons.

In addition, financial institutions and other persons that engage in certain transactions or activities with the sanctioned entities and individuals may expose themselves to sanctions or be subject to an enforcement action. The prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any designated person, or the receipt of any contribution or provision of funds, goods, or services from any such person.

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