



**SIGAR**

Office of the Special Inspector General  
for Afghanistan Reconstruction

January 10, 2020

The Honorable John Cornyn  
Chairman  
Caucus on International Narcotics Control  
United States Senate

The Honorable Dianne Feinstein  
Co-Chairman  
Caucus on International Narcotics Control  
United States Senate

The Honorable Charles E. Grassley  
Member  
Caucus on International Narcotics Control  
United States Senate

Dear Chairman Cornyn, Co-Chairman Feinstein, and Senator Grassley:

On September 17, 2018, the Senate Caucus on International Narcotics Control requested that SIGAR conduct a review of the U.S. government's current counternarcotics efforts in Afghanistan, including counter threat finance (CTF) activities directed at the Afghan terrorist and insurgent narcotics trade. Our audit to respond to the caucus's full request is ongoing. However, as part of that review, the caucus asked us to determine and report on the status of the Department of State (State)-led interagency 2012 *U.S. Counternarcotics Strategy for Afghanistan* and State's revision of, or plans to revise, this strategy.<sup>1</sup>

We are writing to inform you that State has not revised, and has no plans to revise, the 2012 *U.S. Counternarcotics Strategy for Afghanistan*. We have also faced difficulties obtaining information related to the U.S. government's CTF strategies and activities in Afghanistan due to the National Security Council's (NSC) lack of cooperation.

In December 2019, we provided a draft of this letter to State for its review. We then met with relevant stakeholders at State to discuss the department's comments, and made updates to the letter, where appropriate.

State issued the *U.S. Counternarcotics Strategy for Afghanistan* in 2012, which outlined two major goals: (1) build the Afghan government's ability to be a self-sufficient force in reducing the drug trade, stabilizing the region, and improving the security situation; and (2) further weaken the link between insurgents and narcotics, specially targeting the funds insurgents receive from the Afghan narcotics industry. As you know, in December 2014, the Caucus recommended that "...all U.S. agencies carrying out counternarcotics work in Afghanistan should produce a long-term, coordinated counternarcotics strategy that recognizes the limitations of a smaller

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<sup>1</sup> State officials told us the counternarcotics strategy is an interagency document, produced through interagency coordination and approval with State as the lead for developing the strategy. The interagency included the White House's Office of National Drug Control Policy, the Departments of Defense, Justice, Treasury, and State, the Drug Enforcement Administration, and the U.S. Agency for International Development.

U.S. footprint in Afghanistan, clearly outlines future counternarcotics goals, and includes metrics to measure progress.”<sup>2</sup>

State has repeatedly reported to us that State and other interagency stakeholders were working to revise the counternarcotics strategy for Afghanistan. For example, as we reported in our June 2018 lessons learned report on counternarcotics, State said it was revising the strategy to deny the Taliban drug revenue to pressure them to participate in peace negotiations and to maintain focus on building and improving Afghan counternarcotics capabilities and capacity.<sup>3</sup> To help synchronize efforts across the entirety of the mission there, we echoed your 2014 recommendation to State, and called on the department to finalize a revised counternarcotics strategy for Afghanistan.<sup>4</sup>

### **State Has Not Revised, and Has No Plans to Revise, the 2012 U.S. Counternarcotics Strategy for Afghanistan**

Based on our interviews with officials from State’s Bureaus of International Narcotics and Law Enforcement Affairs (INL) and South and Central Asian Affairs (SCA), and our review of available documents, we determined that State has not revised, and has no plans to revise, the 2012 *U.S. Counternarcotics Strategy for Afghanistan*. State officials told us that the department now follows the Trump administration’s August 2017 *Strategy in Afghanistan and South Asia* (hereafter, South Asia Strategy).<sup>5</sup> The officials also stated that the South Asia Strategy serves as overall guidance for U.S. strategic priorities in Afghanistan and, specifically, counternarcotics efforts.<sup>6</sup>

Senior INL and SCA officials said the decision to forego a revision of the 2012 *U.S. Counternarcotics Strategy in Afghanistan* resulted from the change in administrations following the November 2016 U.S. presidential election. In June 2019, SCA officials told us that SCA decided in December 2016 to halt efforts to revise the 2012 strategy in order to give the new administration time to review policy options for Afghanistan. SCA officials added that due to the change in administrations, December 2016 was “not the right time” to introduce a new counternarcotics strategy for Afghanistan, and that State “needed to see what the new priorities for Afghanistan would be.” When we asked if it was normal for State to delay revisions to strategies during presidential transitions, SCA officials said that it was “instinctive” for the department to pause and assess priorities when administrations change.

Then in February 2017, according to State officials, the NSC led a “strategic review” of U.S. efforts in Afghanistan. According to State, the new administration began an interagency process in mid-2017 to develop a new comprehensive strategy for Afghanistan and the region, which ultimately resulted in President Trump’s announcement of the South Asia Strategy in August 2017. The overall goal is now to implement the South Asia Strategy and its conditions-based approach to enable progress toward peace and reconciliation in order to end the war. SCA officials told us that as a result of this new strategy, State identified political settlement with the

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<sup>2</sup> United States Senate, *Future U.S. Counternarcotics Efforts in Afghanistan: A Report by the United States Senate Caucus on International Narcotics Control*, December 2014.

<sup>3</sup> SIGAR, *Counternarcotics: Lessons from the U.S. Experience in Afghanistan*, SIGAR-18-52-LL, June 2018, p.57.

<sup>4</sup> SIGAR, *Counternarcotics*, SIGAR-18-52-LL.

<sup>5</sup> White House, “Remarks by President Trump on the Strategy in Afghanistan and South Asia,” August 21, 2017.

<sup>6</sup> According to State officials, the “U.S. Counter-Taliban Finance Strategy” and the Executive Order on Transnational Organized Crime also provide guidance to counternarcotics efforts and actions in Afghanistan. White House, *Executive Order 13773-Enforcing Federal Law With Respect to Transnational Criminal Organizations and Preventing International Trafficking*, February 9, 2017.

Taliban as the priority in Afghanistan, and started aligning INL activities towards this new priority and away from revising State's 2012 counternarcotics strategy.<sup>7</sup>

We reviewed the South Asia Strategy and found that it does not prioritize counternarcotics efforts or provide any goals, objectives, methods, or tactics related to countering narcotics in Afghanistan. In fact, the South Asia Strategy that State officials said guides counternarcotics efforts in Afghanistan does not mention narcotics.

Although State officials told us that State halted efforts to update the 2012 counternarcotics strategy in late 2016, responses from State to our requests for information in 2018 indicated that at least as of June 2018, State was still working to coordinate and update the interagency *U.S. Counternarcotics Strategy in Afghanistan*.<sup>8</sup> State's response at the time emphasized that:

The Counternarcotics Strategy has not been finalized this quarter. It is still undergoing interagency coordination. In its draft form, the strategy seeks to deny the Taliban much needed drug revenue as a means of pressuring the Taliban to participate in peace negotiations. The draft strategy also continues to focus on building and improving Afghan CN [counternarcotic] capabilities and capacity. INL programs support the South Asia Strategy by contributing to the revenue denial mission and addressing the myriad of factors and symptoms of Afghan opiates. All of which drive instability that is detrimental to an Afghan-led peace process.<sup>9</sup>

It is unclear when or why State once again decided to begin revising the *U.S. Counternarcotics Strategy in Afghanistan* after it purportedly halted such efforts in December 2016; additionally, none of the State officials we interviewed told us who made the decision to reinitiate an update. State officials did not provide any e-mails, cables, or other documents that described a decision process or definitive decision. Moreover, State again reversed course at some point between June and September 2018, and reported to us in September 2018 that the department was no longer pursuing a revision to the counternarcotics strategy.<sup>10</sup>

In commenting on a draft of this letter in December 2019, State officials told us that State's June 2018 responses to SIGAR were incorrect and "sent in error," and that State did not conduct any work on a revised strategy in 2018.<sup>11</sup> INL and SCA officials offered conflicting views on who in State made the final decision not to revise the counternarcotics strategy for Afghanistan. In April 2019, INL told us that SCA ultimately decided not to revise the strategy. In June 2019, SCA officials told us the final decision to forego revising the counternarcotics strategy was a NSC-coordinated interagency decision. However, INL and SCA provided no documentary evidence of a final decision.

According to a senior State official, U.S. counternarcotics activities have continued despite the lack of an updated strategy, and "the existing [2012] strategy remained in effect" until the South Asia Strategy was finalized in August 2017.<sup>12</sup> While acknowledging that State has not been fully successful in the counternarcotics mission in Afghanistan, multiple senior SCA officials said the priority is a shift toward reaching

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<sup>7</sup> SCA's September 2018 *Integrated Country Strategy for Afghanistan* provides further evidence of State's overall adoption of the South Asia Strategy. The country strategy includes mission goals to support specific pillars of the South Asia Strategy.

<sup>8</sup> State, Response to SIGAR data request for the July 2018 Quarterly Report to Congress, June 25, 2018.

<sup>9</sup> State, Response to SIGAR data request for the July 2018 Quarterly Report to Congress, June 25, 2018.

<sup>10</sup> State, Response to SIGAR data request for the October 2018 Quarterly Report to Congress, Sept 21, 2018.

<sup>11</sup> Both of State's responses in March (from SCA) and June (from INL) 2018 to SIGAR requests for information on the status of the counternarcotics strategy stated, "The Counternarcotics Strategy has not been finalized this quarter. It is still undergoing interagency coordination. In its draft form, the strategy seeks to deny the Taliban much needed drug revenue as a means of pressuring the Taliban to participate in peace negotiations. The draft strategy also continues to focus on building and improving Afghan CN capabilities and capacity." In December 2019, State officials told us that the June 2018 response was sent in error. Based on State's comments in December 2019 that State did not work on the strategy in 2018, it appears that the March 2018 responses were also sent in error. However, State did not directly address its March 2018 response.

<sup>12</sup> State Official, SIGAR interview, September 3, 2019.

a political settlement with the Taliban, rather than, for example, updating the counternarcotics strategy.<sup>13</sup> In commenting on a draft of this letter in December 2019, State officials added that, “a political settlement could significantly improve the effectiveness of counternarcotics efforts by improving security and increasing access to areas under Taliban control where a large portion of narcotics production occurs.”

State and interagency stakeholders have not implemented your caucus’s and SIGAR’s recommendations to develop an updated, whole-of-government counternarcotics strategy for Afghanistan. Although INL told us in April 2019, that it is a best practice to have a stand-alone counternarcotics strategy for Afghanistan, State does not require one.<sup>14</sup> SCA and INL officials emphasized that there is no legal or policy requirement to have a counternarcotics strategy.<sup>15</sup> SIGAR maintains that it is critical for the U.S. government to have a counternarcotics strategy that clearly defines goals, objectives, methods, and tactics related to countering narcotics in Afghanistan so U.S. policymakers can focus limited government resources on those counternarcotics programs that directly contribute to wider U.S. strategic goals.

### **The NSC Has Not Provided Requested Documents or Made Officials Available for Interview**

We are also writing to advise you of ongoing challenges in obtaining relevant and necessary documentation to respond to your full request. Specifically, officials from the Departments of Justice, State, and Treasury have all told us there is a classified version of the South Asia Strategy and the Counter-Taliban Finance Strategy, and that these strategies guide U.S. CTF efforts in Afghanistan, including efforts directed at the Afghan terrorist and insurgent narcotics trade. However, to date, all of these agencies have declined to provide a copy of the classified strategies or have referred us to the NSC to obtain these documents.

In response to our requests, the NSC stated that the Counter-Taliban Finance Strategy is not available for review, is a draft, and is a “pre-decisional framework which the President has not approved.”<sup>16</sup> NSC stated that we could view a Department of Defense (DOD) copy of the classified version of the South Asia strategy “in camera” at DOD.<sup>17</sup> However, according to DOD’s Office of the Under Secretary of Defense for Policy, DOD is not aware such a document exists. The NSC also declined our requests to interview any of its personnel responsible for coordinating and implementing these strategies.

Officials from these U.S. agencies told us the NSC-led Counter-Taliban Finance Strategy is an important document to defining and implementing CTF activities against the Taliban and other insurgent groups in Afghanistan. This is a critical document for us to review to understand the United States’ whole-of-government approach to tackling the Taliban’s and other insurgent groups’ drug revenue and thereby fully respond to the Caucus’s request.

I am submitting this letter pursuant to my authority under Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. We conducted this work in accordance with generally accepted government auditing standards. Those standards and policies require that we plan and perform the audit to

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<sup>13</sup> While State asserted that counternarcotics activities have continued, we reported in June 2018 that from 2013 to 2016, drug production continued at or near the highest levels ever consistently seen in Afghanistan, and a 2017 UN survey indicated poppy cultivation had reached a new record high of 328,000 hectares. SIGAR, Counternarcotics, SIGAR-18-52-LL, p. xxi.

<sup>14</sup> In December 2019, State officials added that INL has never had a department or bureau-only counternarcotics strategy in Afghanistan and clarified the strategy would be a stand-alone interagency strategy.

<sup>15</sup> State’s 18 FAM 301.2, *Department of State Strategic Planning*, dated February 22, 2018, requires State to produce a Joint Strategic Plan, bureau and mission strategies, and integrated country strategies. In addition, functional bureaus, such as INL, have a requirement to produce a bureau strategy. However, there is no requirement that State produce “functional” or topical strategies, such as the *U.S. Counternarcotics Strategy for Afghanistan*.

<sup>16</sup> National Security Council, e-mail correspondence with SIGAR, August 29, 2019.

<sup>17</sup> The document review would be conducted in private, at DOD’s offices. NSC was not willing to provide a copy of the document.

obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

If you have any questions or concerns, please feel free to contact me directly, or your staff may contact my Assistant Inspector General for Audits and Inspections, Matthew Dove, at 703-545-2222, or [matthew.d.dove.civ@mail.mil](mailto:matthew.d.dove.civ@mail.mil), or my Director of Congressional Relations and Government Affairs, Robert Lawrence, at (703)-545-6752, or [robert.b.lawrence14.civ@mail.mil](mailto:robert.b.lawrence14.civ@mail.mil).

Sincerely,

A handwritten signature in black ink, appearing to read 'John F. Sopko', with a long horizontal flourish extending to the right.

John F. Sopko  
Special Inspector General  
for Afghanistan Reconstruction