



**Independent Joint Anti-Corruption  
Monitoring & Evaluation Committee**

**NEWS RELEASE**

**Writing Off the Unpaid Electricity Bills of Government Entities and  
Influential Individuals Contributes to Corruption  
in the Electricity Sector**

**KABUL, Afghanistan, September 17, 2014** – MEC has learned that, from October 2009 to March 2012, 1,889,105,190 Afghanis of billed amounts for electricity services by Da Afghanistan Breshna Sherkat (DABS) have not been paid and will be written off its balance sheet.

From October 2009 to March 2012, DABS collected only 247,891,631 Afghanis, which demonstrates alarming weaknesses in DABS debt-collection procedures. Moreover, it also suggests that well-connected individuals and powerful institutions received special treatment that is simply unavailable to the average Afghan citizen. MEC is alarmed at this apparent preferential treatment of elites and urges DABS to reform its internal processes.

Writing off debts due to influence from outside actors, or for any other reason, opens the door to corruption and results in the loss of significant amounts of money. Therefore, MEC requests that DABS make concerted efforts to obtain these payments.

As a result of its examination of this issue, the Committee recommends that:

- DABS should take affirmative actions to collect unpaid debts, including the setting of strict deadlines and the investigation of allegations of petty corruption among its staff.
- DABS should develop and implement an annual procurement plan.
- DABS should develop transparent record-keeping procedures, especially relating to procurement and collection issues.
- DABS should develop stricter internal-control mechanisms and take accurate stock of its inventory.
- SAO should conduct a forensic audit of DABS covering the period from 2009-2014.

MEC's current Chairman, Mr. Yasin Osmani, stated:

DABS requires the cooperation of all customers. The government and private customers of DABS should act responsibly and their electricity bills should be paid on time in accordance with the law.

Since the company's overall receivables covers millions of dollars, the collection of the aforementioned amount requires a comprehensive procedure and an exact mechanism. If the Board of Directors does not have the approval to authorize such mechanisms and procedures, it is expected that the supreme presidential authority shall give the authority to DABS to implement them. It is expected that the Afghan Parliament, which is responsible for the monitoring and performance of DABS, monitor the policies designed to improve collections of the receivables. MEC requests that DABS take serious steps towards the collection of receivables and does not allow illegal decisions to lead to widespread corruption.

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