



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

**Vulnerability to Corruption Assessment (VCA) of the  
Electronic National Identification Cards Authority in the  
Ministry of Interior Affairs**

**Kabul**

**October 2015**

## **ABBREVIATIONS AND ACRONYMS**

ENIDCS	Electronic National ID Cards System
EU	European Union
GTR	Grand Technology Resources
ID Card	Identification Card
IOM	International Organization for Migration
MEC	Independent Joint Anti-Corruption Monitoring and Evaluation Committee
MOCIT	Ministry of Communications and Information Technology
MOF	Ministry of Finance
MOI	Ministry of Interior Affairs
PD	Presidential Decree
USAID	United States Agency for International Development
VCA	Vulnerability to Corruption Assessment

## **1. Executive Summary**

MEC examined the legal framework, administration, employee-recruitment process, major contracts, procedures, and practical mechanisms of the electronic national-identification cards (E-Tazkira) process. Among the problems MEC identified were a lack of written procedures for recruitment; a tendency to ignore the Civil Service Law in the recruitment process; a lack of oversight; and the interference in the process by powerful individuals from the government, parliament, and elsewhere—all of which have created corruption vulnerabilities and facilitated the improper hiring of approximately 70% of the authority's staff. The incorrect interpretation of procurement laws and snap decisions by the government leadership to kick off the distribution of e-tazkiras have led to some contracts being processed individually, which introduces the potential for corruption. Moreover, some technical contracts require a professional audit, which lies beyond the scope of this report.

## **2. Background**

The Ministry of Communications and Information Technology (MOCIT) began work on the E-Tazkira project in February 2009. The project is jointly funded by the Afghan government, the European Union (EU), and the United States (via the U.S. Agency for International Development). The total funds required for full implementation is about \$222 million, with \$101 million required to provide the project's electronic equipment and to set up the system. The rest of the approximately \$121 million is for the distribution of the cards and other administrative costs. To date, the Ministry of Finance (MOF) has allocated \$5 million to this project through the annual national budget. As of September 2015, the Afghan government has spent approximately \$64.5 million on this project. Of this, \$7.5 million was spent on MOI salaries and \$57 million was spent by MOCIT to establish the system.

Political and ethnic challenges and corruption have had extraordinarily negative effects on the implementation process, resulting in significant delays. The Afghan leadership has been promising to commence the distribution process for three years, and multiple Presidential Decrees and decisions of the Council of Ministers have been issued in furtherance of this goal, but, ultimately, distribution was stopped by the President's verbal orders.

Corruption concerns related to employee recruitment have led parliamentarians, civil-society leaders, and others, to express their reservations about the enterprise. Consequently, the President asked MEC and the High Office of Oversight (HOO) to investigate the recruitment process and major contracts in order to identify administrative corruption in this project. This is the first VCA carried out jointly with HOO and at the request of the President. A joint MEC-HOO delegation met with MOI and MOCIT officials to define the scope of the project and collect information on recruitment and contracting processes. MEC also examined the legal framework and distribution mechanisms associated with the project after identifying initial corruption vulnerabilities.

## **3. Methodology**

To complete this report and identify corruption vulnerabilities associated with this project, the VCA team:

- reviewed project documents and the Supreme Audit Office's reports on MOI;

- interviewed officials working on the project, including finance, procurement, human resources, operational, technical, and administrative staffers;
- met with senior MOCIT procurement officials and employees of the Orange Group, which is charged with enhancing public awareness of the project;
- visited and inspected the project's headquarters;
- interviewed five unsuccessful applicants who applied to work on the project;
- held consultative meetings with program stakeholders and beneficiaries; and
- reviewed case studies from other countries that have implemented similar projects.

#### **4. Legal framework of the E-Tazkira Process**

In relation to the legal framework of the E-Tazkira distribution process, the following laws and regulations are relevant:

- the Constitution;
- Council of Ministers Resolution #37;
- the Population Registration Law;
- the Bill on Citizens' Identity Registration;
- Presidential Decree (PD) 45 of July 26, 2012; and
- PD 6677 of January 23, 2013.

The last clause of Article 14 of the Constitution obliges the government to prepare a special law for citizenship, stating: "Matters relating to citizenship and asylum are regulated by law." On that basis, the Afghan government re-examined the Population Registration Law (PRL) in accordance with the requirements of the Constitution and the principle of electronic governance, and approved and endorsed it on December 20, 2014 (published in the Official Gazette (1154)).

##### **4.1. Population Registration law**

The main objectives of this law are:

1. To regulate matters relating to the registration of the population;
2. To collect data on the population; and
3. To report on the rate of fertility, mortality, marriage, and divorce of citizens.

Article 19 stipulates: "An unidentified person who refers to the agencies of population registration to obtain a national ID card (E-Tazkira), is given the national ID card after the certification and assurance of two ID card holders and approval of the Afghan National Directorate of Security (NDS) and completion of the registration form." Hence, obtaining a national ID card requires two distinct steps—certification by two Afghans and approval of the NDS. This process is vulnerable to corruption because a foreigner could simply entice two Afghan citizens to certify him and take this false certification to the NDS.

Article 34 lists the following instances that are crimes under the PRL, but these ten instances are not clearly explained and do not provide for a way to prevent a foreigner from obtaining a national-identification card.

1. Apply repetitively for an E-Tazkira with different identity information;
2. Provide wrong information regarding birth, death, marriage or divorce;
3. Forge the E-Tazkira;
4. Misuse the E-Tazkira for own or others' interest;
5. Lose or burn the E-Tazkira intentionally;

6. Recruit a person who does not own identity card;
7. Intentionally break or damage the E-Tazkira;
8. Reveal information related to Afghan citizens illegally;
9. Hack the E-Tazkira electronic system;
10. Fill the wrong information in individual or family application forms;

However, there is no clarification mentioned above on how to “receive or confirm identity card[s] for non-Afghan citizens.”

#### **4.2. Absence of mechanism to process complaints**

Legal documents and relevant findings show that in the E-Tazkira project there is no mechanism to process complaints. This can pave the way for corruption.

#### **4.3. Bill for registering citizens’ identity**

According to Article 23 of the PRL, local representatives or village leaders are obliged to cooperate with electronic-identification card offices. Article 2 of the bill for registering citizens certifies representatives of the regions to vouch for the identity of persons residing in their area of responsibility. In this case, the second step to obtain a legitimate Tazkira is the certification by a representative of the region. The opportunity for these representatives to engage in administrative corruption is undeniable, thus rendering this step in the process vulnerable to corruption.

#### **4.4. Presidential Decree 6677**

Taking into account that the distribution of the E-Tazkira is a project of national significance, and to establish better coordination between relevant government institutions at the central and provincial levels, and based on Council of Ministers resolutions, the following are approved: *“The appointment of personnel required for the project is conducted through open competition subject to transparency, merit, and patriotism of individuals<sup>1</sup>.”*

This decree shows that transparency must be observed in the process of recruitment and people should be hired through a free and competitive process. However, in practice, this order is regularly violated. Documents, evidence, and interviews indicate that only 33% of employees of the national-identification card agency were employed after going through a competitive process, with the others hired via non-transparent and illegal methods.

#### **4.5. Presidential Decree 45**

PD 45 states that: “High-ranking officials and government staff must avoid interfering, recommending, and mediating in the process of recruiting cadres.” MEC, however, found that this Decree has been violated by Members of Parliament (MPs), MOI officials, and other prominent figures. Evidence shows that one such notable person facilitated the hiring of 70 people to work on the E-Tazkira project<sup>2</sup>.

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<sup>1</sup> PD 6677 dated 23 Jan 2013.

<sup>2</sup> Based on statements by the HR Directorate of the E-Tazkira and documentation received by the VCA Team.

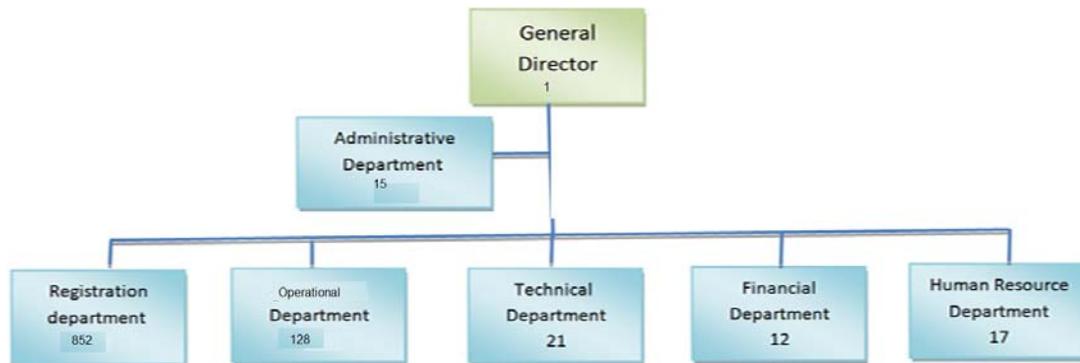
## 5. Organizational Structure and Human Resources of the E-Tazkira Authority

### 5.1. The E-Tazkira Authority Legal Basis

The E-Tazkira Authority was established in 2011 as a sub-entity to the MOI based on the Council of Ministers resolution #37 as a development project to establish policies, strategies and necessary mechanisms. The distribution of e-tazkiras is the main responsibility of the E-Tazkira Authority. Technical and salary-related expenses were covered by the EU and USAID via IOM and a part of the salaries is paid via the government development budget.

### 5.2. Organizational Structure

The organizational structure of the E-Tazkira Authority is composed of a general director and five sub-departments (human resources, technical, financial, operational, and registration). Out of 1,046 personnel, 194 work for the central department and 852 for the various sub-departments. The chart below shows the overall organizational structure and the number of personnel in each of the departments and sub-departments.



### 5.3. Recruitment

The E-Tazkira project did not follow any specific procedures for recruitment, nor did it follow the relevant law. Therefore, the main vulnerability to corruption lies in the illegal recruitment process because influential individuals can easily place their preferred candidates in sensitive positions.

Recruitment of multiple family members of high-level MOI officials and MPs occurred regularly. Documents obtained from the HR department show that several 12<sup>th</sup> grade graduates have been placed in technical and professional positions without passing the competitive process.

The documents reviewed by MEC show that recruitment generally proceeded in one of the three ways described below:

#### 5.3.1. Competitive Recruitment

After the issuance of PD 6677, the E-Tazkira Authority conducted a competitive recruitment process for the first time. Posts were publically announced and 321 people were selected out of about 5,000 applicants who took the test. However, several interviewees stated that the process was not completely corruption free, but admitted it was far better than the other two ways personnel were hired.

### **5.3.2. Recruitment Before Taking the Test**

According to documents analyzed by MEC, 519 personnel were recruited on direct orders from the E-Tazkira Authority and a former MOI minister. After these people began working, officials conducted a symbolic “examination” to give the impression of legitimacy to their hiring and then simply declared them to be permanent employees. Officials involved in this questionable practice justified it based on the supposed urgent need for these personnel and the improper influence of senior officials. Not surprisingly, most personnel hired in this dubious fashion had connections to MPs, MOI senior staff, or other powerful parties. For example, three children of one Member of the Upper House were hired in this way.

### **5.3.3. Recruitment Without a Test on Orders from MOI Officials**

Documents obtained by MEC show that 28 staffers were recruited directly by an order from the Minister of Interior or his senior deputies without passing the written test or interview – a process that obviously violated the aforementioned Presidential Decrees. Moreover, the officials in charge of the entire E-Tazkira Authority were hand-picked by former President Karzai and his associates without any formal vetting.

### **5.4. Recruitment Vulnerabilities**

The absence of recruitment procedures and the circumvention of the relevant laws paved the way for corrupt actors to take advantage of the hiring process for their own personal interests. Furthermore, the lack of a performance audit of the recruitment process, the absence of a monitoring system, and corrupt leadership, combined to create massive corruption vulnerabilities that were only enhanced by a general culture of nepotism and impunity.

## **6. Actual Procedures**

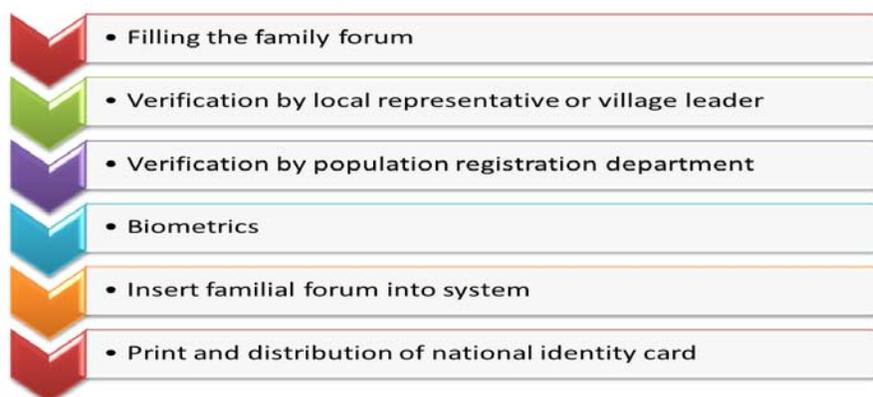
Despite the fact that the distribution of e-tazkiras has not begun, the distribution plan seems to be rational and well organized. The work plan outlining the distribution process includes the following procedures and processes:

- Archive Regulations
- Registration and Distribution of Electronic-ID Cards
- Quality Control Regulations
- Coding Regulations
- Regulation for Management of Registration Departments
- Coordination and Communication Management Regulation
- Planning and Programming Regulations
- Data Collection Regulations
- Distribution of Electronic-ID Cards for Citizens
- Registration Regulation (Biometric and Retina Scans)
- Online-service Regulations
- Registration and Field Staff Regulations
- Individual and Family Instruction Regulations

The work plan also explains how the cards will be physically distributed to Afghan citizens. While these regulations and processes have merit, whatever flaws they have will only be exposed once the distribution process commences.

## 6.1. Electronic identification card distribution process

To obtain an e-tazkira, a person must follow the six-step process outlined below.



## 6.2. Immunity system in transferring the data

Findings show that data immunity in the IT system has been supported by Public Key Infrastructure (PKI). These certificates are available for the MOCIT, which means that all the data being input and output are being encrypted. The PKI certificates are provided by the Entrust Company in Canada, and the technology being used by the E-Tazkira Authority is the same as the technology used by the United States justice sector.

## 7. Contracts

In this assessment, three contracts were evaluated pursuant to the President’s directive: a \$101 million contract with Grand Technology Resources (GTR), a \$500,000 contract with the Orange Group, and a contract for employee recruitment and the purchasing of equipment with the International Organization for Migration (IOM).

### 7.1. MOCIT Contract with GTR<sup>3</sup>

MOCIT undertook the initiative and leadership of the e-tazkira process, including the procurement of the electronic ID card project contracts. The main contract was signed through MOCIT with GTR and was worth about \$101 million. This contract mainly covered the set-up of the system and procurement of the equipment and software required for the project. The investigation team tried to review contract documents and assess their value in terms of cost and economic effectiveness. However, due to the more technical aspects of the contract, the team could not assess this contract properly. Additionally, the IT deputy of MOCIT didn’t provide all the necessary specifications of the IT equipment contracted with GTR. For this reason, the team suggests that the contract should be examined by a professional team of IT experts from an independent third party organization.

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<sup>3</sup> Grand Technology Resources (GTR) is an Afghan and multinational company in the field of information and communication technologies (ICT) established by Mr. Mirwais Alizai in 2006.

## **7.2. MOI Contract with the Orange Group**

MOI recently awarded a \$500,000 contract to the Orange Group for a public-awareness campaign. Deliverables include billboards, advertisements, and television and radio programming.

MEC's review of the documentation associated with this contract show it to be a single-source procurement decision. Further, the fact that no other bids were considered caused the Special Commission on Procurement to initially reject this contract, but, absent explanation, they later reversed their decision in late December 2013. MEC also found that essential documents were missing from the contract file, including the key document justifying a single-source procurement decision.

In an interview with an Orange Group consultant, he stated that political problems caused this project to be postponed (it was supposed to be completed in three months, but has instead dragged on for three years), resulting in significant financial losses for the firm.

## **7.3. MOI Memorandum of Understanding with the IOM**

The MOI and IOM signed a memorandum of understanding (MOU) on September 1, 2014 that detailed IOM's support to the MOI in the areas of staff recruitment and procurement for the E-Tazkira project. Based on this MOU, the IOM has the duty to conduct transparent and competitive recruitments and hire qualified individuals for the E-Tazkira Authority. As of the release of this report, however, the IOM has not been involved in the recruitment process for the Authority. According to the IOM, this is due to the fact that all Authority staff were recruited by the MOI prior to the signing of the IOM's contract with the donors.

The IOM is also responsible for conducting transparent procurements for the Authority that reflect current market prices for goods. Procurement documents provided to MEC show that 22 types of goods have been purchased by the IOM for the Authority.

In an attachment to a letter sent by the Administrative Office of the President to MEC and the HOO in June 2015, a whistleblower claimed that about 60% of the value of the aforementioned purchased goods had been embezzled and that computers (Dell Inspiron 3521 cpu, Intel i7) were purchased for \$1,400 each. The procurement documents, however, showed that the IOM had in fact purchased them for \$980 each. Based on a survey conducted by MEC in August 2015, the market prices for the same computer models were roughly 10-20% lower than the price paid by the IOM in September 2014.

The E-Tazkira Authority's lack of attention to the implementation of procurement laws, rules, and regulations exposed the project to corruption. Other factors creating corruption vulnerabilities included the lack of effective monitoring over the procurement process and the absence of decisive decisions by the Afghan government regarding the issuance of e-tazkiras.

## **8. Conclusion and Recommendations**

Our assessment indicates that the E-Tazkira Authority is plagued by nepotism, discrimination, political interference and ethnic conflicts. Staff recruitment practices were highly flawed and the willful misinterpretation of, or disregard for, procurement rules, resulted in financial corruption. The authority, however, appears to have established a workable procedure, though unverified, for distributing the new cards to Afghan citizens.

To address the deficiencies identified in this report, MEC recommends that:

1. the administrative structure and HR procedures of the E-Tazkira Authority be reformed by introducing a transparent, competitive, and merit-based hiring process; and
2. An independent audit should be conducted of the GTR contract.

## 9. Resources

- Constitution of Afghanistan, published in 2003 official Gazette of MOJ
- Population Registration law, published on December 20, 2014 in the official Gazette of MOJ no. 1154
- Presidential Decree, no 6677, Date 23 Jan 2013
- Presidential Decree, no 45, Date 26 Jul 2012
- Ministers Council Regulation, no 37, Date 19 Dec 2011
- Info related to E-Tazkira contract in Bangladesh, website [www.nidw.gov.bd](http://www.nidw.gov.bd)
- Regulation of Archive
- Bill for registering citizens' identity
- Regulation of registration and distribution of National ID card
- Quality control procedure
- Coding procedure
- Registration centers management procedure
- Communication and coordination department working procedure
- Archiving procedure
- Planning procedure
- Data collection procedure
- National ID card distribution procedure for citizens
- Registration procedure(biometrics and iris)
- National ID card system online services procedure
- Local staff and registration procedure
- Guideline for the filling of family and individual forms
- How the National ID cards will be distributed? (Guideline)
- Recruitment procedure, approved by MOI, Date 6 Jul 2015
- Procurement law, published in 29 Jul 2008, official Gazette of MOJ no 957
- Contract and Human resource documents
- Review of the projects and MOI internal Audit documents
- Interviews with project authorities, procurement and finance directorates, Human resource directorate, technical and operational directorate, registration directorate, 10 technical and administrative employees of the process, 5 candidates who were failed in recruitment exam, deputy minister of information technology of MOCIT, procurement directorate of MOCIT, and Orange Group consulting company
- Direct observation from actual practices of the process
- Holding consultation meeting with representative from relevant directorates and beneficiaries including IOM.
- Electronic National Identification Card Inspection Report by The Joint Commission of MEC/HOO