



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

NEWS RELEASE

Kabul Bank Special Tribunal judgment falls short and will not facilitate the recovery of stolen money

KABUL, Afghanistan, March 5, 2013 – The Special Tribunal of the Supreme Court issued its judgment in the indictment for the Kabul Bank fraud earlier today. Officials from the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) were in attendance to observe the proceedings.

While MEC respects the independence of the Special Tribunal, there are several alarming developments resulting from the judgment.

Of greatest concern are the sentences handed down to the ex-Chief Executive Officer and ex-Chairman of Kabul Bank who were both given five-year prison terms and who were ordered to pay back the \$530 million and \$278 million that they were respectively assigned responsibility for taking. However, the jail terms are relatively light given the extent of the fraud and sentences handed down to others who appear to have had little or no involvement in the fraud.

The Tribunal also did not register a conviction for money laundering, which would have brought an order for the confiscation of millions of dollars being held in off-shore bank accounts.

Drago Kos, the Chair of MEC, stated:

Today was a disappointment for the resolution of issues resulting from the Kabul Bank fraud. International standards require sanctions that are proportionate, dissuasive, and effective. We feel that this is lacking in the judgment issued today. Even worse for the Afghan people, this judgment fails to take advantage of provisions in the *Anti-Money Laundering Law* that would facilitate recovery of the missing money.

In one potentially positive note, the Tribunal indicated that there are 29 individuals who have been identified for investigation for their suspected involvement in Kabul Bank related crimes. This is consistent with MEC's recommendation from the report of the public inquiry into the Kabul Bank crisis, which states that the Attorney General's Office should consider initiating criminal investigations of a larger group of people. That being said, MEC has received information that indicates that further criminal investigations are not proceeding as quickly as desired.

MEC will be reporting on the overall progress in the implementation of its recommendations in the coming days.

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