



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

NEWS RELEASE

**MEC Identifies Deficiencies that Create Opportunities for
Corruption within Afghanistan Telecommunications Regulation
Authority and the Afghan Red Crescent Society**

KABUL, Afghanistan, May 6, 2014 – As the independent voice monitoring national and international anti-corruption efforts in Afghanistan, MEC has undertaken a review of the Afghanistan Telecommunications Regulation Authority (ATRA) and the Afghan Red Crescent Society governance and accountability structures. The review resulted in the identification of several vulnerabilities to corruption and recommendations to increase transparency and enhance oversight.

According to MEC's findings, there are discrepancies between the profits being reported by telecommunications companies to tax authorities and those reported to ATRA in audited financial statements. This raises concerns that corrupt practices are being undertaken to allow reduced tax payments. Other concerns relate to the independence of ATRA, employee appointment procedures, and regulatory gaps in the governance of ATRA and the Telecom Development Fund.

MEC recommends that the telecommunication companies' tax returns be reviewed against audited financial statements to identify potential fraud, amended hiring practices, and a forensic review and increased regulation of the Telecom Development Fund and ATRA's Committee and Board.

Relating to the Afghan Red Crescent Society, MEC identified gaps in financial management, and the oversight of programs that open the door to corruption. MEC recommends the implementation of proper monitoring and evaluation for all projects, the adoption of a financial and accounting policy and a financial audit by the Supreme Audit Office.

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

MEC's review has identified a lack of governance and oversight that lead to concerns about corruption being allowed to take place. As the independent voice monitoring national and international anti-corruption efforts in Afghanistan, MEC asks ATRA and the Afghan Red Crescent Society to address vulnerabilities to corruption within their organizations to ensure transparency and accountable management of public funds.

MEC will monitor the effective implementation of its recommendations to ensure that vulnerabilities to corruption are addressed accordingly.

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