

THE SUBCOMMITTEE ON NATIONAL SECURITY, HOMELAND  
DEFENSE AND FOREIGN OPERATIONS OF THE HOUSE COMMITTEE  
ON OVERSIGHT AND GOVERNMENT REFORM

Investigation into the Facts and Circumstances Surrounding Alleged Corruption and  
Mismanagement at the Dawood National Military Hospital (NMH), Kabul Afghanistan

July 24, 2012

Statement of Gerald N. Carozza, Jr., Colonel, Judge Advocate, U.S. Army (Retired)

Chairman, Ladies & Gentlemen:

My name is Gerald Nicholas Carozza, Jr., Colonel, U.S. Army Retired. I served in Afghanistan at the rank of Colonel as the Chief of Legal Development for the Afghan National Army (ANA) and the Ministry of Defense (MoD) from April 2010 until March 2011. I was the senior legal advisor (trainer) for each entity. During my tour, I was also tasked to be the leader of the Parliamentary Affairs Advisory element for the Ministry of Defense.

I was asked by the DoD if I would be appearing in an official capacity or personal capacity. I am here in my personal capacity to provide my recollections of events in Afghanistan and my personal assessment of those facts. My views are not to be construed as the views of the U.S. Army or the Department of Defense.

I am not here to attack any particular person. I am here out of concern for an institution to which I devoted my life, and risked it - the U.S. Army. I am here out of respect for the role of the legislative branch in raising and funding our Armed Forces. I bore witness to some events that are indicative of a serious problem with some leadership in our Armed Forces with dire consequences to the values and the hard earned reputation our military has reestablished in the decades since the Vietnam War.

Let me say up front, that I don't believe this is about a general who tried to influence Congressional Elections because I think the evidence is clear that after the election, the Commanding General did not want the request to go to the DoD IG at all. What this hearing should be about are attempts to over control the message. It is about some leadership that puts

the best foot forward and relies on the hard built reputation earned by the military to soften any belief that there is a need to see the other foot. It's about teenage honesty - statements made that are themselves true, but without other material information, don't portray a complete and truthful picture to the recipient who wants to know what is really happening on matters of great importance to our nation and its sons and daughters. This is not about American leadership that is callous to the pain and suffering of Afghans, although all should take note of how callous some Afghan generals and colonels and physicians can be when it comes to human suffering of other Afghans - especially when we are arming them to the teeth.

My mission in Afghanistan was among other things to help develop the Afghan National Army's legal branch to promote respect for the rule of law, maintain discipline and work to eradicate corruption within the ANA. I built upon the work of Army JAG officers who preceded me. When I left in March of 2011, the ANA legal branch had a judiciary consisting of 90% trained lawyers under Afghan standards. 80 percent of ANA legal positions were filled. All Corps except the newest 215th in Helmand had court facilities and detention facilities, although the two year old detention facilities in 209th Corps and at Darulaman had to be rebuilt because of shoddy construction - a problem all too common with construction projects in Afghanistan.

The ANA had a legal system in place that could accomplish its mission except for one thing: the respect for the rule of law required by those who held the true power and influence within the Ministry of Defense and the Government of the Islamic Republic of Afghanistan (aka GIROA). President Karzai reserved all decisions on general officer positions to himself and General Wardak, the Minister of Defense, retained all decision making matters on all Colonel positions including legal positions, despite laws on the books to the contrary. Instead of a rule of law, there was a rule of impunity within the MoD. During my tenure and those of my predecessors, only one Afghan general in a general position was prosecuted: Major General Abufazl. He was the MoD IG who brought coalition officers into the Dawood Hospital unannounced to expose the horrifying conditions that bring us all here today. He was prosecuted shortly before I left Afghanistan for losing his pistol.

The U.S. has no legal authority over the Afghan defense officials. The U.S. Gives them money and resources, mostly through the Combined Security and Assistance Command - Afghanistan (CSTC-A) of which General Caldwell was commander, with no strings attached. In 2010, General Caldwell would speak of his "burn rate" of spending 900 million U.S. dollars a month through CSTC-A to the Afghans. When Afghans steal money and resources that originated with the U.S. taxpayers, but were given to the Afghan government, they violate no U.S. law or treaty. When Afghans use military hardware like helicopters purchased with U.S.

taxpayer money for non military missions, they violate no U.S. law. Members of the U.S. Military and law enforcement cannot perform the kinds of intrusive investigations required in criminal cases; e.g.: wiretapping, breaking down doors, seizing records and persons and other evidence. The Afghans have to do so, through GS Legal, the self contained military justice system that oversees all Ministry of Defense personnel, except the Minister of Defense.

When we see signs of theft and pilfering by Afghans, signs that would lead us in the west to open criminal investigations with the power to seize evidence, the Afghans respond to our concerns with a demand that we show them evidence that the Afghans can use in their courts. We can't, because we cannot perform the kind of intrusive and effective investigations required. GS Legal can't conduct effective prosecutorial investigations because the powers that be within MoD won't let them. When the U.S. and Coalition put tremendous pressure on the Afghans, they respond that they have looked into the matter and find no wrongdoing. If we ask to look into their investigation or investigate with them, they cry that their sovereignty is being assaulted and insist that we back off. We do. At that point the only thing we can do is not give them more money and resources, or decide to give them more money and resources if they promise for the umpteenth time to behave. They promise. Then the U.S. gives more resources and money to a "sovereign" government. And so it goes.

I was one of the officers that urged the Command Inspector General (IG) at the NATO Training Mission - Afghanistan (NTM-A) and the Combined Security Transition Command - Afghanistan (CTSC-A) to report to the Department of Defense (DoD) IG the potential fraud waste and abuse occurring at NTM-A/CSTC-A regarding its ineffective support to the ANA's medical system, including the Dawood National Military Hospital. Some have mischaracterized my recommendation for an investigation as one to investigate the ANA Surgeon General and other Afghans. However, my recommendation was for an investigation of the practices of NTM-A/CSTC-A as it related to the funding and other support of the Afghan Army's medical system, not of the Afghans.

There were glowing stories on NTM-A's public relations web site about the progress of the ANA medical system. In early 2010, NTM-A upgraded the status of the ANA Medical system to CM3 from CM4, a rating of that systems capability as NTM-A sought to position the ANA to take over the mission of the Coalition forces. However, throughout 2010, the field would report that military doctors and nurses were not treating Afghan soldiers with medicine and were refusing to report for duty in the south where fighting was most intense and the need for health care providers was greatest. Reports included Afghans performing surgery on Afghan soldiers without morphine in a land that is the world's opium dealer. NATO commanders responsible for

ANA units fighting in the field would complain about the lack of medicine and demand NTM-A supply medicine to the Afghan units. NTM-A continued to procure large quantities of medicine but the complaints from the field continued.

In the July/August time frame of 2010, ANA legal officials were developing an embezzlement case against the ANA's Surgeon General, Major General Yaftali and the Ministry of Defense Director of Finance, Major General Amiri. As set out in my memo dated October 20, 2010 to the NTM-A IG, Colonel Mark Fassl, the number was believed to be up to \$20,000,000.<sup>1</sup> The Chief of ANA GS Legal asked me to have NTM-A provide an official tally of how much pharmaceuticals NTM-A supplied to the ANA. He felt such information would help his prosecutors build their cases against Yaftali and Amiri. Initial numbers provided by the Medical Training Advisory Group (MTAG) were staggering. It appeared from the amount of medical support provided by the Coalition, almost all from the U.S. taxpayers, and the paltry results, that there was a gross leak in the system.<sup>2</sup> The MTAG also provided some historical information that based on my experience investigating embezzlement and kick-back schemes, raised flags about possible fraud waste and abuse on the side of the Coalition. Afghans were also making accusations of coalition fault for the embezzlement and pilfering of ANA medical supplies. Finally, when the NTM-A Command IG, Colonel Mark Fassl, told me that three different arms of CSTC-A (CSTC-A operates as the U.S. Checkbook that funds the ANA) provided three different numbers regarding the amount of medical support provided by the U.S. to the ANA, it seemed appropriate that procurement practices be scrutinized. Working with the NTM-A Command IG on this struggle to find out how much medical support NTM-A/CTSC-A had provided, I gave him a written summary of the problem and the seeds of concern regarding fraud waste and abuse on the side of NMT-A/CSTC-A. A copy of that memo dated October 20, 2010 is enclosed as exhibit A.

Note that I first mentioned to the Commander of NTM-A the issue with the Surgeon General and corruption in general in an e-mail dated August 25, 2010, which e-mail string is enclosed as exhibit B. I believe this e-mail is the one referenced in the September 3, 2011 WSJ article that spawned the committees' investigation, although it was slightly mischaracterized. The WSJ characterized the message as one originating with me and responded to by LTG Caldwell when the opposite was true. The string started with a message from LTG Caldwell to

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<sup>1</sup> Note that subsequently, it became unclear if the number was \$5,000,000 over a four year period or 5,000,000 per year over a four year period. There were translation issues which led me to believe it was \$5,000,000 over the four year period.

<sup>2</sup> Note, that subsequent analyses of the quantities of medicine provided to the ANA indicated that the amount supplied may not have been enough to supply the ANA's needs for ten years but it was certainly more than enough and much more than what was actually getting to the ANA's patients.

me and another advisor in reaction to our comments in the daily report of activity with the Afghan National Army and MoD leadership. We had separately reported on how despondent our Afghan general officers were about the corruption within the MoD and ANA; how it was dooming Afghanistan to failure; and how the Coalition was not doing enough to help stop it. LTG Caldwell sent us a message essentially saying the Afghans had to deal with their corruption and all we could do was encourage them to do the right thing. I then responded to LTG Caldwell with specific instances of corruption that involved allegations against the highest levels of leadership, including the Surgeon General, and how it would require his efforts to compel action against the corruption that is rotting the ANA from within.

The NTM-A Command IG had the traditional IG function of taking complaints and investigating them, which in itself was a full-time job. He was also responsible for advising both the ANA IG and Afghan National Police IG with his staff traveling to four locations each day to train the Afghan IGs. He stated he did not have the capacity or expertise to conduct an investigation of the medical situation but agreed with the need to do so. Having received numerous complaints of corruption bleeding Coalition resources in many other Afghan departments, he thought it prudent to recommend that the command bring in a team at the DoD IG that specialized in medical logistics fraud waste and abuse to investigate the problems with the ANA medical development mission. As fellow advisors, we thought it would be an excellent opportunity to not only have an investigation of our internal procurement and delivery practices, but to demonstrate to the Afghans that we practice what we have been preaching in our advisory roles - transparency and accountability. It also presented an opportunity to have the DoD IG partner with the Ministry of Defense IG to investigate the problems with the ANA's medical logistics. The U.S. recently had started a program of having DoD civilians deploy to Afghanistan to advise their civilian counterparts in the Ministry of Defense and this opportunity seemed to fit the bill in every respect.

The Command IG decided to brief the NTM-A Command Group to alert them to the serious problem and of the need to bring the DoD IG medical logistics team to Kabul. The NTM-A Chief of Staff, Colonel Joseph Buche directed him to the civilian Deputy to the Commander, Dr. Jack Kem, for the briefing. I thought this would be an information briefing to advise the command of the investigation request that was being made. However, COL Fassl told me he wanted to get command buy in so he was going to present it as a decision brief.

On Wednesday, October 27, 2010, the IG presented his briefing to Dr. Kem in the presence of the Command Staff Judge Advocate (Colonel Marian Amrein, U.S. Army), Chief Advisor for Counter Corruption (Captain Steven Andersen, U.S. Coast Guard), the Command

Surgeon and Medical Advisor (Colonel Schuyler Geller, U.S. Air Force) and myself. He opined that a DoD IG investigation into the irregularities of the procurement and delivery of medical supplies to the ANA was essential and that the DoD IG should partner with the Afghans to determine what happened to the supplies once given to the ANA. The Deputy declared this to be a “no brainer” and directed the Command IG to make the request for the DoD IG to send a team.

The Command IG quickly made contact with Ambassador Kenneth P. Moorefield of the DoD IG Special Plans and Operations division requesting that he send a team to NTM-A to conduct an investigation. Then he invited me to sit in on a video conference call the next day with DoD-IG folks in Washington to help them prepare for their trip to Kabul. On Thursday, October 28, 2010, I sat in on the Video Conference with members of NTM-A’s IG section, the MTAG section and members of the DoD-IG in Washington, DC.

Late Friday morning, as I was on my way to an Afghan bazaar, COL Fassl told me that upon Lieutenant General Caldwell’s return to Camp Eggers he was very upset at the decision to bring in the DoD IG. COL Fassl told me that Caldwell commented that this was not good timing coming on the eve of the U.S. Congressional Elections. Later that Friday night, the Deputy Commander for Army Training and Development, then Brigadier General Gary Patton convened a meeting to discuss the request to the DoD IG. The Command IG was not present. At the meeting were BG Patton, Colonel Dale Buckner, Colonel Chuck Hamel (Canadian and advisor to Minister of Defense Rahim Wardak), BG David Neasmith (Canadian), Colonel Schuyler Geller, Captain Steven Andersen (USCG) and me. At the outset of the meeting, BG Patton informed the group that Lieutenant General Caldwell was upset about making the request to DoD-IG so close to the election and we were to consider postponing it until afterwards. No one said another word about the elections at that point. The comment confirmed to me what COL Fassl had said before about Caldwell’s election comment. It was a stunning moment for me.

I have heard that someone is saying that General Patton or Caldwell talked about elections by asking if “second and third order effects” were taken into consideration, the effect on the elections being one of those effects. The words “second and third order effects” were buzz words used often and mean “unintended consequences.” Those words were not used by General Patton when he mentioned the elections. I can’t say whether General Caldwell used those words when he spoke of the elections. I can say that whoever is trying to portray the use of the words and concept of unintended consequences as a mitigating circumstance is trying to cloud the issue with nonsense. Is that person saying that officers in a combat zone when making decisions on the conduct of war are supposed to weigh the effects their decisions may

have on an election back home? I don't recall that point being made when I learned about the Military Decision Making Process. You members of Congress, senior leaders of the military and others can weigh in on the answer to that question and the military war colleges and command and general staff schools will be listening to your answers to that question as they groom our future military leaders. I can tell you firmly and proudly that while I drafted my memo of October 20, 2010 to the IG, I did not think for one second about the consequences that it might have on the election back home.

After General Patton's introductory remarks to the Friday October 29th meeting, the following issues were then discussed: the substance of the problem with our support to the ANA medical system; how to present the facts of the DoD IG visit to Minister Wardak and the Afghans; the preparation of a ghost note from Lieutenant General Caldwell to General Petraeus to explain the problem and the call to the DoD-IG; whether to disclose the problems with the ANA medical system to the State Department for them to consider disclosing the problems to the Government of Japan (Japan was about to make a substantial monetary donation to the ANA's medical system); and whether the request should be changed to a perceived less intrusive assistance visit.

Later in the meeting, General Patton again mentioned the Congressional elections and the possibility of postponing the request until after them. I voiced concern about the inappropriateness of allowing such considerations into the decision making process. I made it clear that I was not at the meeting as a legal advisor to the Command Group and that my comments were not legal advice but simply words grounded in a tradition that military officers should neither make decisions based on politics nor allow an appearance of such. I said that neither he nor General Caldwell want to be before Senator Levin or Senator McCain at a hearing explaining why a decision was delayed until after the election. I also said that the discussion of the elections made no sense because the request was staying within the DoD and would sit dormant over the weekend. By the time it began internal staffing, the election would be over. General Patton said nothing in response and continued with the meeting calling out what he wanted to see accomplished as a result of the discussion.

We concluded the meeting with guidance on how to present the issue to the Afghans and very clear instructions that if this moves forward, it would be a request for DoD IG assistance and not an investigation. Ghost notes were to be prepared from Caldwell to Petraeus and Caldwell to Ambassador Moorefield. General Patton did not say what his recommendation would be regarding postponement of the request. The next day, Saturday, I saw COL Fassl,

who told me that he was ordered to retract the request from the DoD-IG. He said to me “how the hell am I supposed to do that?”

After the U.S. elections of November 2, 2010, a meeting was called in Lieutenant General Caldwell’s office. Although I was not invited to this meeting, its events were relayed to me by three officers who were there and all three descriptions were in sync. Lieutenant General Caldwell screamed at these three officers, waiving his finger at them for trying to bring in the DoD IG. He said “you are all O6s (the pay grade for Colonels and Naval Captains) and should know better. There is nothing wrong in this command that we can’t fix ourselves.” To the great credit and moral courage of these officers, they stood their ground and insisted that bringing in the DoD IG was appropriate and necessary. As a result, Lieutenant General Caldwell directed that Assistant Commanding General for Army Development, then Brigadier General David Neasmith (Canadian), examine the issue and make a recommendation to him on whether the request to DoD IG proceed.

Now, anyone who has made representations to this or any other Congressional committee that the DoD IG request to investigate NTM-A’s support of the ANA medical system originated with Lieutenant General Caldwell and was supported by Lieutenant General Caldwell prior to the elections is presenting a patently false proposition. The idea originated with me and possibly Colonel Geller on an independent track. The evidence is clear to me that General Caldwell had the request withdrawn and postponed until after the election and then, after the election, tried to intimidate his subordinates into a consensus that it need not move forward at all. Re-look at General Caldwell’s October 29, 2010 e-mail to General Petraeus which has been presented to some Congressmen to portray the idea as General Caldwell’s. Knowing that the request was already made, he ordered it withdrawn and days later attempted to be squash it altogether, you will see that October 29 e-mail as a Teenage Honest communication from a subordinate to a superior.

Some have said that General Caldwell was upset because the request to DoD IG was authorized prior to briefing General Wardak, the Afghan Minister of Defense. It seems absurd that a U.S. Command would need to get the permission of General Wardak to call in an investigation of the U.S. Command’s procurement practices and its ineffective support of the Afghan Army. Certainly a briefing that it was happening is appropriate AFTER the fact. This again seems like a smoke screen being thrown up by those seeking to mitigate the effects of some inappropriate conduct by a command group. I can tell you that there were numerous instances of General Wardak proceeding with directives and other initiatives within the ANA that were of huge import and contrary to U.S. desires without giving the Coalition advance or even



post-action notice, despite having two coalition colonels and a civilian advisor at his disposal to facilitate communications. We often learned of AWOL amnesty decrees or directives that effected command and control of the military many days and sometimes weeks after General Wardak distributed them to his staff officers who would later let them leak out to the various Coalition advisors.

After the finger pointing meeting, BG Neasmith tasked Colonel Burba, a recently arrived Colonel with a logistic background, to lead an inquiry into whether the request for a DoD IG visit of any kind should proceed. Several meetings took place, and at times debate was heated. During this process, the Command IG received numerous complaints from members of the U.S. Medical Training Advisory Group (MTAG) of horrid conditions at the Afghan National Military Hospital in Kabul, the “crown jewel” of the ANA medical system. In his capacity as advisor to the Ministry of Defense IG, he began a series of joint inspections of the National Military Hospital with the Afghan IG. What he saw was horrifying. Patients were lying in filth, in some cases starving and with grotesque bed sores. One patient who was on the brink of starving to death, became known to the advisory team as “Patient Zero.” Sadly, despite intense efforts led by the U.S. Medical Advisory Group to save him, Patient Zero died.

The Ministry of Defense IG disclosed that Afghan doctors and nurses would not tend to patients unless the patients were from their clan or they were able to pay gratuities for the care. Most of the doctors and nurses, all officers of the ANA, would only show up to work from 10 AM until about noon and then proceed to their private clinics where their income opportunities were greatest. Keep in mind that these officers were already being paid to serve as full time Army doctors and nurses. Their salaries were almost entirely subsidized by the U.S. taxpayer to a level up to 20 times the \$400 average annual income for an Afghan household. The “leakage” in the ANA medical system went far beyond the pilfering of medical supplies.

After Colonel Burba concluded her meetings, BG Neasmith urged Lieutenant General Caldwell to allow the DoD-IG request to go forward. LTG Caldwell authorized the request to go forward but strictly for “assistance” limited to the issue of bettering the logistic channels for the ANA’s medical supplies. The request would not mention the Auschwitz like conditions at the National Military Hospital.

While the request to DoD-IG made its way forward, NTM-A’s Army Development team began meeting regularly after hours to take short-term steps to provide immediate relief to the suffering Afghan patients at the National Military Hospital. Understand that the duty hours at Camp Eggers were from 8 AM to 8 PM every day of the week except Fridays, when advisors to

the Afghans had a few hours in the morning to themselves because the Afghans would not work on their sabbath or “Juma.” Many Afghans at all levels worked half days. More than once through bleary eyes, someone from the advisory team would comment that the Afghans need to care about making things better more than we do. Still, we knew we were there to accomplish a mission and do all we could to succeed. If the Afghan mission fails, it won’t be because every soldier wearing a Coalition uniform did not give all of his heart and soul, if not life or limb to the effort.

The steps we took to immediately make things better were on several fronts: medical, legal and engineering. From the medical side, the MTAG decided to accelerate the residency phase of the military medical students so they could make rounds and at least provide sanitary conditions for the patients by changing dressings, sheets and providing meals that the doctors and nurses protected by their leadership refused to do. From the engineering and facilities side, parts to repair heating systems were expedited and installed. Another facilities issue was unstable power from Kabul’s grid being unsuitable for the medical equipment. The National Military Hospital had a generator farm capable of 24 hours a day operation to provide clean stable power. However, the fuel for the generators was not secure and was regularly pilfered. U.S. engineers changed the locks on the fuel tanks and placed an order of Coalition supplied fuel for immediate delivery to the National Military Hospital so the generators could begin running 24/7. On the legal side, we prepared a patients’ bill of rights with the Afghan legal and medical folks and a pictorial poster designed to be placed in all areas of all ANA medical facilities to let soldiers and family members know what they were entitled to and how to report abuses.

The Afghan’s counter-measures to our efforts were mind numbing. Many of the medical students failed to show up after they were threatened with violence. Those students who did show up to work with Coalition Advisors and ANA medical trainers found that the doctors and nurses had hidden the patients’ charts. The first shipment of fuel never made it to the National Military Hospital, being stolen by ANA personnel. The Patients’ Bill of Rights posters were found ripped off the walls lying on the ground torn to pieces “to allow for painting of the walls.” With heavy hearts, we wondered if anything could be done when we cared more than they did. Many members of the MTAG team were burned out, deeply disturbed by the inhumanity in which they were immersed. Deeply disheartened, we soldiered on. Eventually fuel got to the hospital and to our surprise, Karzai, who controls all general officer hiring and firing, agreed to allow the transfer of the National Military Hospital Commander and the ANA Surgeon General, although he still was in a paid status while subject to “investigation.” My advisee, who under Afghan law had the theoretical legal power to investigate and prosecute, in reality, was impotent to do anything

about it. The power to stop such prosecutorial investigations clearly lied with the Minister of Defense, although I and others were convinced he did not have the power to let them proceed.

During the tail end of 2010, the status of the ANA medical system was downgraded from CM3 to CM4, meaning it was totally dysfunctional. At the end of my tour, while waiting for my flight home from Kuwait in March of 2011, I had lunch with a Special Forces Colonel who was an advisor to the ANA Ground Forces Commander. He mentioned to me that in 2005 he personally observed the conditions in the National Military Hospital and they were the same then as we discovered them in late 2010 - brutal and atrocious. With conditions not changing from 2005 to 2010, why did the assessment and public relations reporting show improvement though early 2010 when the reality was clearly different? That is the key question to ask on the medical system and every other aspect of the mission to stand up the ANA. And the answers should be followed up with thoughtful questions to make sure the answer is not just the best foot forward. The American People and its leadership in all branches of government should not tolerate Teenage Honesty and personal politics within the U.S. Military. The consequences are too great and the costs are too high.

One Afghan general told me that corruption and its effects on the building of Afghan Security Forces is like the United States trying to fetch water from a well using a bucket that has no bottom. The fundamental cause of the waste of funds with the ANA medical system is a lack of leadership and accountability on the part of the Afghans. These men look like generals, colonels and doctors to us and many speak English well. Many are capable of callous greed and indifference to the well being of fellow humans. The same applies to the Afghan leaders and officers in other sections and units of the Afghan Security Forces. They are not leaders in the sense that we think of officers. They steal their soldiers' pay, medicine, food, fuel, bullets and blankets and sell them on the black market - even to the Taliban who might shoot their undersupplied subordinates. They use U.S. taxpayer supplied vehicles and aircraft to further their own business interests over the well being of their armed forces or nation. The ANA soldiers in turn go AWOL at official rates close to 30% with Afghans having told me the rate was 40% in early 2011. The same generals told me of those who do serve, 70 to 80 percent are constantly stoned on Hash and more are on a snuff laced with a glue like substance. And yet our leadership will tout fragile progress and bring CODELS on dog and pony shows where Afghan men are paraded around in uniforms.

Bing West, Under Secretary of Defense under President Reagan, a combat veteran of the Vietnam War and prolific author, summarized in one paragraph in his book "The Wrong War" the reason why our efforts to build Afghan Security Forces are doomed to fail and result in wasted

billions of dollars: the U.S. ceded sovereignty to a group of men who do not put men capable of military leadership in leadership positions. The U.S. cannot influence the placement of qualified, well motivated leaders. Instead, our leadership attempts to spend over the corruption that drains the bottomless bucket, providing funds and tangible goods without strings attached. Sadly, the blood of our sons and daughters, brothers and sisters, mothers and fathers also flows through that bottomless bucket.

This hearing should not be about whether a General stifled an investigation for Political reasons with a capital "P" favoring Democrats or Republicans with capital "D" or "R." The evidence is clear to me that this was politics with a small p - personal career driven politics. The general did not want bad news to leave his command before the election - or AFTER the election. The general, like too many generals, was too concerned about the message, creating a stifling climate for those who had to deal with the reality. Too many generals view the media and information operations as "battle space." The collateral damage in such battles is to the truth and the WHOLE truth that is critical for a democracy to make informed decisions on one of the most important decisions it can make: whether, when, where and HOW to wage war with our precious blood and treasure.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gerald N. Carozza, Jr.", with a large, stylized flourish at the end.

Gerald N. Carozza, Jr.  
Colonel, Judge Advocate, U.S. Army (Retired)

20 October 2010

Memorandum For COL Mark Fassl

Subject: ANA Surgeon General Yaftali and Allegations of Fraud Waste and Abuse

I am the Senior Legal Advisor to the MOD and ANA Legal directorates. The matter of the Office of the Surgeon General and MG Yaftali first came to my attention on July 31, 2010 when I was having lunch with COL Momen, head of the ANA CID which is part of GS Legal. He told me he had just finished a report recommending that MG Yaftali and MG Amiri, the head of MOD Finance be court-martialed for embezzlement of approximately \$20,000,000.

I met with BG Abdul Karim, the Chief of GS Legal (TJAG) to discuss the matter. He explained that each year, Yaftali had access to \$5,000,000 dollars (US) through a letter of credit type arrangement with an area bank to spend on medical supplies for the ANA. At the end of a fiscal year, he was to reconcile his budget with MOD Finance before the follow on year's budgeted funds were to be released to him. Over a period of four years, MOD Finance would release the follow on year's budget to Yaftali despite the fact that he never reconciled and accounted for his prior year budget. BG Karim said he would like the medical mentors to provide him with information and records regarding the level of medical support provided to ANA/Yaftali to help build his case against him. BG Karim believes that with so much medical support provided directly by CSTC-A, the ANA Surgeon General did not have to spend any funds to support the medical needs of the ANA. COL Geller concurs with this assessment.

After meeting with BG Karim, the CSTC-A Command Surgeon, COL Geller and LCDR Rebecca Gels, his medical accountant, COL Geller produced the attached letter and documents which are on the enclosed CD ROM regarding direct (non-monetary) medical support to the ANA from Calendar Years 2006 to 2010 (Solar Years 1385 to 1389). The letter shows the amount of money spend by CSTC-A on direct medical support provided by NTM-A/CSTC-A in the form of consumable, construction, equipment and services. Of the \$186,722,046.98 (US) spent from 2006 to 2010, \$153,196,047.48 were spent on "consumables," most of which were pharmaceuticals. By law, all pharmaceuticals bought by the U.S. had to be U.S. manufactured pharmaceuticals. All of the pharmaceuticals supplied by CSTC-A, flowed through the National Military Hospital and its warehouse, both of which are controlled by MG Yaftali. This procedure appears to have been at odds with the ANA's logistical systems and requirements. COL Geller stated that he believes a former MPRI employee enabled or encouraged Yaftali to create this alternate medical logistical channel which gave him complete control over the medical supplies.

Since Colonel Geller arrived in February of 2010 (Last month of Solar Year 1388), there have been constant complaints from ANA commanders that troops in the field are not receiving medicine. On 17 October 2010, MG Abufazl, MOD IG told me that he has heard of such complaints for several years. According to Colonel Geller, from 2006 (Solar Year 1385) to the present, CSTC-A has provided enough medicine to supply all of the soldiers of the ANA and all of their family members for a period of 10 years. COL Geller used to be responsible for a dispensary system in the DC area and based his ANA estimate on his knowledge of the throughput of the DC area facility and the population it served. COL Geller said that when the

**Exhibit A**

Subject: ANA Surgeon General Yaftali and Allegations of Fraud Waste and Abuse  
20 October 2010

Afghans and IJC complained vociferously that ANA troops were not getting medicines, CSTC-A's response was to purchase and push more medicine into the system through NMH. Still, to this day, there are complaints that soldiers do not have medicine and have to rely on their family members to buy medicine for them at local bazaars. It appears that the medicine that flowed through the NMH and the warehouse controlled by MG Yaftali to be provided at no cost to the ANA soldiers was diverted. MG Yaftali, at best is incompetent, but more likely is at the heart of a scandal.

Also included with COL Geller's letter are photographs of supply areas showing large supplies of medicines (non-U.S. and often near or past expiration) and equipment. This is while commanders complain that their soldiers are not receiving medicine. The logical question is where was this medicine going when soldiers are being told that the ANA medical system has no medicine for them?

COL Geller opined that the US pharmaceuticals were diverted to Pakistan where they fetch a higher price on the black market than generic or counterfeit medicines that can be purchased there or other countries. Money from either the ANA budget (\$5mm per year) or the black market sales, was used to buy cheap counterfeit or expired medicine. Even this medicine was not provided to ANA patients, but was often used by Yaftali and his network of doctors and their private facilities to sell to ANA patients who were told medicines were not available and had to be bought at bazaars.

COL Geller thinks that an MPRI employee working with CTAG-A may have enabled Yaftali to commit the scam on CSTC-A. There have been reports from several sources that Yaftali's scam profits not only himself, but a network that is headed by former President and warlord Rabani.

COL Gerald N. Carozza, Jr., U.S. Army Reserve, Judge Advocate

## Gerald Carozza

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**From:** Caldwell, William B LTG MIL USA NTM-A/CSTC-A CMD GRP  
**Sent:** Wednesday, August 25, 2010 4:18 PM  
**To:** Carozza, Gerald N COL USA CSTC-A NTM SJA  
**Cc:** Neasmith, David G CAN GEN CSTC-A USFOR-A; Paterson, David J. GBR BG CSTC-A CTAG-A; Patton, Gary S USA BG USA NTM-A CMD GRP; Kem, Jackie D SES CIV USA CSTC-A CMD GRP; Andersen, Steven J CAPT USA USCG CSTC-A SJA; Kawaguchi, Michael S US COL USMC CSTC-A ANA DEV; Amrein, Marian US COL NTM-A CSTC-A; Sylvia, Brett LTC USA CSTC-A/NTM-A; Beam, Ralph R CSM USA CSTC-A CMD GRP; Wehr, Michael C USA COL USA CSTC-A CJ ENG  
**Subject:** RE: MOD/ANA Daily Report (UNCLASSIFIED)

Classification: UNCLASSIFIED  
Caveats: FOUO

Jerry -- we all need to sit down and listen to what you have to say, and discuss the most effective way forward. Will ask BG Patton to take the lead here --

V/r -- WBCIV

William B. Caldwell, IV  
LTG, USA  
Commander, NATO Training Mission-Afghanistan and CG, CSTC-A

More about the Command: [www.NTM-A.com](http://www.NTM-A.com)

NTM-A Facebook: <http://www.facebook.com/pages/NATO-Training-Mission-Afghanistan/267816944552>

"Shohna ba Shohna -- Ooga-pa-Ooga -- Shoulder to Shoulder"

-----Original Message-----

**From:** Carozza, Gerald N COL USA CSTC-A NTM SJA  
**Sent:** Wednesday, August 25, 2010 3:52 PM  
**To:** Caldwell, William B LTG MIL USA NTM-A/CSTC-A CMD GRP  
**Cc:** Neasmith, David G CAN GEN CSTC-A USFOR-A; Paterson, David J. GBR BG CSTC-A CTAG-A; Patton, Gary S USA BG USA NTM-A CMD GRP; Kem, Jackie D SES CIV USA CSTC-A CMD GRP; Andersen, Steven J CAPT USA USCG CSTC-A SJA; Kawaguchi, Michael S US COL USMC CSTC-A ANA DEV; Amrein, Marian US COL NTM-A CSTC-A  
**Subject:** RE: MOD/ANA Daily Report (UNCLASSIFIED)

Classification: UNCLASSIFIED  
Caveats: FOUO

LTG Caldwell

Thank you for your note. Unfortunately, sir, the corruption is so deep and wide within the senior leadership at MOD and ANA I believe any appeal to patriotic or other optimistic motives will be useless until the most senior leadership changes - either the person or the behavior. The culture of impunity at MOD is real, particularly among the senior leadership, and sadly enough I see repeated examples of it every week in our work at MOD and the ANA. These cases are more than allegations; more than gossip and by any standard, in any country, the proper authorities ought to take action. The people at MOD who steal, do so because they know they can do so with impunity. They can be caught red handed by systems put in place and

**Exhibit B**

they will simply deny it and hide safely behind their protectorate. We're well past the stage where we can cajole the honest administration of the Afghan Military.

My advisees are responsible for enforcing the rule of law at MOD & ANA. While soldiers, NCOs and company grade officers are routinely subject to military justice and other disciplinary action, no GOs have been prosecuted in the ANA or MoD in at least that last several years.

You should know, sir, there are two principal reasons for the lack of prosecutions.

(1) The first is Afghan reluctance to accuse or testify. At the Corps level, where on the rare occasion we're able to charge a LTC or COL, the local web of malign actors effectively work to intimidate witnesses and prosecutors with a variety of threats, up to and including murder. At levels above Corps, potential witnesses are intimidated in the same fashion, plus are often discouraged out of fear that the accused will be protected by senior political and senior leadership and then they will receive retribution for making a futile effort. (they will instead talk to CSTC-A looking for help).

(2) Minister Wardak. I know this is controversial, but my advisees, the Chief Uniformed Lawyer and the ANA's Chief law enforcement officer, as well as the Chief Legal Advisor to the Minister tell me they cannot bring prosecutions against corrupt officials at MOD because so many high level officials are in one way or another are perceived to be protected by Minister Wardak. In what we judge to be key cases, we feel we have no other choice but ask Coalition leadership to go to Minister Wardak to convince him to allow administrative and criminal investigations and cases to proceed:

a. The case of the Illiterate AWOL 205th Corps SJA supports the continuing and consistent claims that Minister Wardak protects a network of corrupt actors. Despite repeated requests, Minister Wardak has refused to allow the ANA to remove this officer from his position, let alone court-martial him, which is what he deserves. The Corps Legal Mentors at Camp Hero can testify that he has not reported for duty in over a year and a half, although the Corps Commander regularly signs the SJA's pay voucher. The Corps Commander admitted to me in May in front of a room full of witnesses (the IJC SJA, CSTC-A Anti Corruption Attorney, and me) that the SJA had been AWOL and confirmed that the SJA is illiterate and never should have been appointed, but that he is a close friend of President Karzai. The ANA IG, ANA COGS and ANA VCOGS have confirmed the SJA's lack of education, yet MIN Wardak refuses to allow this man to be removed and court-martialed.

b. The Chief of GS Legal is developing a case against an Appellate Court Judge, who collects pay but does not perform his military duties. Instead he works as a lawyer for Minister Wardak's two sons. BG Karim reported to me that prior efforts to remove the judge have been defeated due to Minister Wardak's personal intervention.

c. The Chief of GS Legal is also developing a case against the Surgeon General that involves a \$20 million (US) theft from MOD and pilfering \$153 million (US) worth of medical supplies that CSTC-A had delivered to the Office of Surgeon General (OTSG) over a 5 year period. The Chief of GS Legal commented that \$153 million should be enough medical supplies to last the ANA ten years. The CSTC-A medical advisor countered that it should have been enough to supply the ANA and all of their families for ten years. This case is being further developed and the ANA TJAG has requested some financial information from CSTC-A to build its file against the OTSG.

(3) There is currently a criminal case being developed against the newly promoted LTG Murat Ali. His former staff reported that 209th Corps operational funds had been stolen. BG Karim conducted a preliminary investigation and determined that LTG Murat Ali had, without authority, taken \$8,000 from the Corps' operational fund prior to departing for Kabul to become the new Ground Forces Commander. This is the same officer who was under investigation for beating a staff officer so badly, that the victim was urinating blood. LTG Ali also



denied the victim/officer medical care, instead sending him to the Corps detention facility. The investigation lost steam when Ali's was selected for promotion. This matter now lies with GEN Karimi awaiting his decision on whether to refer this to a prosecutor for formal investigation and court-martial

There are other serious cases in the works involving other senior leaders of the MOD and ANA. They are not sufficiently developed to discuss right now but are still being developed by GS Legal.

Sir, you can see why so many Afghan Officers complain to their advisors bemoaning the lawlessness at MOD, yet are reluctant to pour themselves into a grinder that is controlled at the top.

In the near future, when all of the ducks are in a row, we will be seeking a high level difficult KLE to ask MIN Wardak to do the right thing: allow prosecution to move forward on these cases without obstruction or retribution. The ANA TJAG will be looking for a commitment from the Coalition to support him when he is ready to present the matters for prosecution. We will of course, thoroughly brief you and whoever is designated to have the KLE, if the KLE is to happen at all.

Thank you for your time.

Sincerely

Jerry Carozza

Gerald N. Carozza, Jr.  
Colonel, Judge Advocate, U.S. Army  
Chief, ANA/MoD Legal Development & Legislative Affairs NTM-A/CSTC-A Camp Eggers, Afghanistan  
APO AE 09356 DSN 318-237-1062 Cell 070-633-4660 NIPR gerald.n.carozza@afghan.swa.army.mil  
SIPR gerald.n.carozza@afghan.swa.army.smil.mil  
"Shohna ba Shohna -- Shoulder to Shoulder"  
www.ntm-a.com

-----Original Message-----

From: Caldwell, William B LTG MIL USA NTM-A/CSTC-A CMD GRP  
Sent: Monday, August 23, 2010 11:09 PM  
To: Gillette, John M DOD CIV MODH Sr Advisor; Carozza, Gerald N COL USA CSTC-A NTM SJA  
Cc: Neasmith, David G CAN GEN CSTC-A USFOR-A; Beare, Stuart MG MIL CAN NTM-A DCOM-P;  
Paterson, David J. GBR BG CSTC-A CTAG-A; Sylvia, Brett LTC USA CSTC-A/NTM-A; Hornyak, Albert L USA LCDR USN CSTC-A CMD GRP; Baus, Eric A MAJ USA MIL NTM-A/CSTC-A CMD GRP; Patton, Gary S USA BG USA NTM-A CMD GRP; Stroud, Shawn A LTC USA ARMY CSTC-A CMD GRP; Kem, Jackie D SES CIV USA CSTC-A CMD GRP; Andersen, Steven J CAPT USA USCG CSTC-A SJA  
Subject: MOD/ANA Daily Report (UNCLASSIFIED)

Classification: UNCLASSIFIED

Caveats: FOUO

John / Gerald -- thanks for the update today. Seems like both MG Hotak and MG Nooristani have similar concerns about corruption in the system. Please let them know that we share their frustration, but that all of us, them included, must do their part to root corruption out of their ranks.....we're not going to be able to solve this for them. Keep encouraging them to do the right thing.....even when it's not the popular thing to do, it's what good leaders do.

V/r -- WBCIV

William B. Caldwell, IV  
LTG, USA  
Commander, NATO Training Mission-Afghanistan and CG, CSTC-A

More about the Command: [www.NTM-A.com](http://www.NTM-A.com)

NTM-A Facebook: <http://www.facebook.com/pages/NATO-Training-Mission-Afghanistan/267816944552>

"Shohna ba Shohna -- Ooga-pa-Ooga -- Shoulder to Shoulder"

Classification: UNCLASSIFIED  
Caveats: FOUO

Classification: UNCLASSIFIED  
Caveats: FOUO

Classification: UNCLASSIFIED  
Caveats: FOUO

## BIOGRAPHICAL SUMMARY

AS OF 1 APRIL 2012

**CAROZZA, GERALD NICHOLAS JR., XXX-XX-1346**

Colonel, Judge Advocate, USAR

Date and Place of Birth: 8 July 1960, Bronx, NY

Mandatory Removal Date: 1 January 2016

Home Address: 108 Winterberry Drive  
Milford, PA 18337  
(570) 409-8841

Civilian Occupation: Assistant Vice President, Bond Claims, Selective Insurance Company of America, Branchville, New Jersey since July, 2000

Enlisted Service: None.

Source and Date of Commission:  
Direct, 9 December 1985

Total Years of Commissioned Service  
Over 26 years

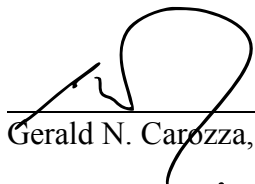
Total Years of Service:  
Over 26 Years

### Military Education

- ❑ Judge Advocate General School, Basic (1986, Resident), Contract Attorney Course, Fiscal Law Course, Law of War Workshop, Advanced (1992, Correspondence) and SJA Course (2006 & 2007, Resident)
- ❑ Airborne School (1987)
- ❑ JFK Special Warfare Center & School - Civil Affairs School Advanced Course (Correspondence and Resident 1994)
- ❑ SHAPE NATO School – CIMIC & Civil Emergency Planning Course (1996, Resident)
- ❑ Cadet Command Instructor's Course (1998, Resident - Commandant's List)
- ❑ United States Army Command and General Staff College (2002, Corresp & Resident)

### Educational Degrees:

Boston University, BA Degree, Economics and Mathematics with minor in Computer Science;  
Villanova University, JD, Law Degree.

  
Gerald N. Carozza, Jr.

**CAROZZA, GERALD NICHOLAS JR., XXX-XX-1346**

Decorations, Service Medals and Badges

- Defense Meritorious Service Medal
- Army Meritorious Service Medal with one oak leaf cluster
- Joint Service Commendation Medal
- Army Commendation Medal with two oak leaf clusters
- Army Achievement with three oak leaf clusters
- National Defense Medal
- Army Reserve Achievement Medal with two oak leaf clusters
- Afghanistan Campaign Medal
- Armed Forces Reserve Medal
- Army Service Ribbon
- Reserve Overseas Training Ribbon
- NATO Non-Article 5 Medal
- Parachutist Badge (Airborne)

Chronological List of Appointments:

<u>Rank</u>	<u>Component</u>	<u>Date</u>
1 LT	Army Reserve	9 DEC 1985
CPT	Army reserve	1 AUG 1986
MAJ	Army Reserve	8 DEC 1994
LTC	Army Reserve	1 FEB 2002
COL	Army Reserve	7 FEB 2006

Chronological List of Duty Assignments:

<b>ACTIVE DUTY</b>	<b>From</b>	<b>To</b>
Student, Judge Advocate General's School Charlottesville, Virginia. ....	JAN 86	MAR 86
Legal Assistance Officer, U.S. Army Garrison Fort Ritchie, Maryland. ....	APR 86	OCT 87
Administrative Law and Trial Counsel, 7th Signal Cmd Fort Ritchie, Maryland. ....	OCT 87	MAR 88
Civil Affairs LNO, 10 <sup>th</sup> Special Forces Group (A) SFOB, Boeblingen, Germany. ....	OCT 94	NOV 94
Chief, Afghan National Army Legal Development & Ministry of Defense Parliamentary Affairs, NATO Training Mission – Afghanistan, Camp Eggers, Afghanistan. ....	APR 10	MAR 11
<b>US ARMY RESERVE - Not on Active Duty</b>	<b>From</b>	<b>To</b>
Defense Counsel, 157th JAG Detachment (CM-DEF) Naval Air Station, Willow Grove, PA. ....	APR 88	DEC 91

**CAROZZA, GERALD NICHOLAS JR., XXX-XX-1346**

Command Judge Advocate, 404th Civil Affairs Company Trenton, New Jersey . . . . .	JAN 92	OCT 92
Battalion S-3, 404th Civil Affairs Battalion (FID/UW) Fort Dix, New Jersey . . . . .	NOV 92	OCT 94
International Law Officer A Det (GS), 404 Civil Affairs Battalion (FID/UW) Fort Dix, New Jersey . . . . .	NOV 94	AUG 98
Assistant Professor of Military Science Pioneer Battalion, Villanova & Widener Universities ROTC Bde (Prov), 80 <sup>th</sup> DIV (IT). . . . .	AUG 98	AUG 00
Senior Legal Opinions Officer 7 <sup>th</sup> Legal Support Organization (MOB) Albany, New York . . . . .	SEP 00	NOV 01
Team Chief, Team 5 (NJ/PA) 7 <sup>th</sup> Legal Support Organization (MOB) Albany, New York . . . . .	NOV 01	NOV 02
Command Judge Advocate 358 <sup>th</sup> Civil Affairs Brigade Norristown, Pennsylvania . . . . .	NOV 02	MAR 03
Deputy Commander 7 <sup>th</sup> Legal Support Organization (MOB) Albany, New York . . . . .	MAR 03	FEB 06
Staff Judge Advocate 6015 <sup>th</sup> Garrison Support Unit (Attached to Legal Command (P) as G7 effective OCT 2006) Forest Park, Illinois . . . . .	FEB 06	APR 07
Staff Judge Advocate 99 <sup>th</sup> Regional Support Command (Attached to LC (P) as G7 thru MAY 2008; Deployed to Afghanistan, April 2010) Fort Dix, New Jersey . . . . .	MAY 07	MAY 10

**CAROZZA, GERALD NICHOLAS JR., XXX-XX-1346**

Addendum

Civilian Occupation

Assistant Vice President, Surety & Fidelity Bond Claims Manager  
Selective Insurance Company of America, Branchville, New Jersey 2000 to Present

NATURE, SCOPE AND EXTENT OF RESPONSIBILITIES

- Manage all employee theft, contract and commercial surety claim functions performed in Bond Unit according to company bond claim policies, practices, procedures and delegated authority.
- Provide legal advice to underwriters regarding contractual provisions, bond provisions and federal and local law as they affect the company's obligations under the bonds, applicable regulations and its rights under indemnity agreements, collateral agreements and equitable subrogation.
- Draft and oversee drafting of contracts between the company and completion contractors, owner and general contractor claimants and other parties as necessary and prudent to mitigate losses and maximize opportunities for recovery.
- Protect the company's position from tax, labor and other regulatory liability when taking over projects as completing surety or completing through a controlled contractor.
- Evaluate affirmative claims of professional negligence against accountants, architects and engineers in claims involving complex construction projects.
- Oversee retention and direction of consultants and attorneys used in mitigating, resolving or litigating when necessary, complex claim and recovery matters, including proceedings in bankruptcy.
- Oversee collection and subrogation efforts on bond losses.
- Coordinate with Special Investigations Unit on matters involving suspected fraud.

Publications:

- "The Insured's Duty to Cooperate," Commercial Crime Policy (Second Edition), ABA Publishing, 2005
- "A Primer on the Tucker Act" presented at the Surety Claims Institute, June 2008.
- "Public Official Bonds," Law of Commercial Bonds (Second Edition), ABA Publishing, 2012

Memberships and Affiliations:

- Member of the New Jersey and Pennsylvania Bar (Inactive 7/2010 to 7/2011), AV Peer Review Rated in Martindale Hubbell
- Fidelity & Surety Law Committee of TIPS (American Bar Association), Vice Chair 2005 to 2010
- Board Member, American Red Cross – Sussex County Chapter, 2008-2010
- Licensed Claim Adjuster in CT, DE, NC, SC & KY

**Committee on Oversight and Government Reform  
Witness Disclosure Requirement – “Truth in Testimony”  
Required by House Rule XI, Clause 2(g)(5)**

Name:

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1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2009. Include the source and amount of each grant or contract.

NONE

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2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

NONE. I am testifying in my personal capacity as a witness to events in Afghanistan while serving in the U.S. Army.

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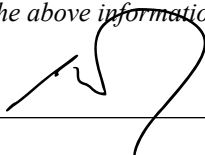
3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2009, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

N/A

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*I certify that the above information is true and correct.*

Signature:



Date: July 23, 2012

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