

# \$19 Billion of Afghanistan Nation-Building Went to Fraud and Waste

The War in Afghanistan has dragged on for 19 years and counting. In addition to the thousands of American soldiers who have died, the conflict has come at a staggering cost of more than \$1 trillion, which is roughly \$3,000 per U.S. taxpayer. While one can reasonably question the validity of *all* of this expenditure, a [new report](#) makes it clear that much of this money has been wasted by any objective definition.

An intra-government watchdog assigned to review Afghanistan reconstruction efforts just [concluded](#) that \$19 billion in taxpayers dollars went to “waste, fraud, and abuse.” It examined just less than half of the total money Congress has appropriated for nation-building in Afghanistan. Of the spending the inspector general reviewed, 30 percent, aka \$19 billion, was lost to waste from 2009 to 2019.

Oh, and the total figure lost to waste is likely more than double as much, were all the spending to be reviewed.

This latest report found 209 instances of waste. For example, it examined a program where the U.S. government was paying to provide books to Afghan schools. A dismal 25 percent of schools said the books were delivered in unusable condition. In another abysmal instance, the State Department funded construction of an entire sports stadium, but the inspector general found that the stadium sits unused because it was built improperly.

The report also identified more than 30 new instances of fraud.

“Investigators found that individuals were fraudulently

selling U.S. Embassy-Kabul meal cards," the report reads. "The theft had been going on for 5 years, and the Department of State lost between \$50,000 and \$80,000 monthly for a total of a \$3 million loss."

A big chunk of the money was lost to neglect and abuse rather than directly malicious activity. Examples include mismanagement and extravagant spending of funds.

"Inspection of the \$5.2 million Kang Border Patrol headquarters compound, completed in February 2013, found that compound has never been used and is not being maintained despite being allocated maintenance funds," one example reads.

"In another instance, [we] found \$1.6 million worth of equipment spent for a water-filtration system at the Afghan National Army's Camp Commando facility that failed after only two months and is no longer operational," the report says in another glaring instance of abuse.

Overall, the report concludes that "Endemic corruption, widespread insecurity, and lack of accountability over on-budget assistance continue to make any investments made in Afghanistan vulnerable to waste, fraud, and abuse."

The immediate reaction here is indignation. Why are we even spending U.S. taxpayer money to build stadiums and utilities in another country in the first place? And why is so much of it being so woefully wasted and abused?

Some of this, as the inspector general notes, does have to do with the unique dysfunction of the situation on the ground in Afghanistan. But in reality, all forms of government spending are subject to this kind of mismanagement.

Why?

It's simple: People are inherently more responsible when they're spending their own money. When government officials

are spending other peoples' money, they have much less incentive to be frugal and discerning.

Famed free-market economist Milton Friedman [explained](#) this principle adeptly.

"There are four ways in which you can spend money," he said. "You can spend your own money on yourself. When you do that, why then you really watch out what you're doing, and you try to get the most for your money."

"Then you can spend your own money on somebody else," he went on. "For example, I buy a birthday present for someone. Well, then I'm not so careful about the content of the present, but I'm very careful about the cost."

"Then, I can spend somebody else's money on myself," the economist said. "And if I spend somebody else's money on myself, then I'm sure going to have a good lunch!"

"Finally, I can spend somebody else's money on somebody else," Friedman concluded. "And if I spend somebody else's money on somebody else, I'm not concerned about how much it is, and I'm not concerned about what I get. And that's government."

So, while taxpayers are right to be outraged by the endemic waste and fraud plaguing our ongoing interventions in Afghanistan, we'd be foolish to think that other government programs are any more responsible with our money.

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