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ISOA RELEASES REPORT ON UNFAIR AFGHAN TAXES HITTING USG CONTRACTORS RESULTING IN SERIOUS IMPACT ON NATIONAL SECURITY

WASHINGTON, DC (Nov 28, 2017) – The International Stability Operations Association (ISOA) today released its report on the growing problem of unfair taxation of US contractors in Afghanistan, an issue that has grown to include threats to yank business licenses, refusals to renew visas, freeze bank accounts, seize passports and even imprison contractors who are unable to pay.

“Our members who support the brave men and women at the Departments of Defense and State who provide stability in fragile environments, such as Afghanistan, are facing the real possibility that they may no longer be able to carry out their duties, thus leaving our partners scrambling to fill the hole they leave behind,” Howie Lind, ISOA President and Executive Director, said.

“Our original research in this paper exposes this growing threat, and clearly lays out how we have reached this point. The failure to address this issue has led to threats to our members of physical harm as well as financial retribution. Our report shows how Afghanistan is just one example, and that this illegal taxation problem is creeping into other countries, including Iraq and some African nations.”

Armed with this report, Lind and ISOA board members have begun to meet personally with Members of Congress, top Department of Defense (DoD) and Department of State (DOS) acquisition and policy officials, and Afghanistan’s Ambassador to the United States. Drafts of this report were distributed during those meetings.

The report states: “Caught between the two governments, the affected DoD contractors are being sanctioned by a series of knock-on effects: non-renewal of business licenses, non-renewal or issuance of visas, freezing of bank accounts, no-fly listing, freezing of company bank accounts, and other constraints on the liberty of DoD Contractor personnel. With Afghan business licensure and visas now a requirement for continued and future DoD contracting work, the temptation to simply pay these unfair levies is great. The payment of such improper taxation and penalties, in turn, facilitates and rewards the systemic poor behavior of GIROA and, specifically the Ministry of Finance, as tax officials sit atop a pyramidal shake-down structure.”

The ISOA report, titled “Taxation of US Government Contractors in Afghanistan: The Case for a New, Congressionally Mandated Model in Total Force Relations With Host Nation Government,” can be found on the ISOA website: stability-operations.org/report. The Executive Summary is free and available to the public, while the full report is a members-only benefit. Members can also stay in touch on this and other related issues via our weekly newsletter. **Media can reach out to us for a copy of the full report.**

ISOA continues to be the only association exclusively representing the stability operations sector – those companies and organizations whose work lays the foundation for long-term stability and growth in the world’s most fragile, unstable places. We serve the implementing community, providing member services focused on contracting, partnerships, regulatory and legal developments, research initiatives, policy movement, and whatever else our members deem important. We exist to serve our membership. ##