

# THE Nation.

## Fueling the Afghan War

by ARAM ROSTON

April 21, 2010

*This article appeared in the May 10, 2010 edition of The Nation.*

*Research support for this article was provided by the Investigative Fund at The Nation Institute.*

In Napoleon Bonaparte's day an army may have marched on its belly, as the French emperor famously quipped, but the modern-day American military campaign in Afghanistan needs not just food but also fuel. Diesel for the MRAPs and Humvees, aviation fuel for the planes and helicopters--that's the fodder for the military surge under way in Afghanistan. Fuel is precious there--they call it liquid gold--and the effort to keep it flowing has created an array of bizarre monopolies, strange alliances and allegations of corruption entangling the US government.

This is the story of two interlinked and secretive offshore companies run by a former Army intelligence officer. The firms run a specialized monopoly of massive proportions. Their niche: supplying aviation fuel for US military operations in Afghanistan--enough to fill two Olympic-size swimming pools each and every day of the year.

The companies' names are Red Star Enterprises and Mina Corp. In Afghanistan, Red Star Enterprises has a sole source contract worth more than \$1 billion, won without competition, to deliver fuel to Bagram Air Base, that central hub of the war effort. *The Nation* has obtained an unusual "**memorandum of agreement**" between Red Star and the US military authorities, giving the firm exclusive ownership of a fuel pipeline that feeds directly into the base.

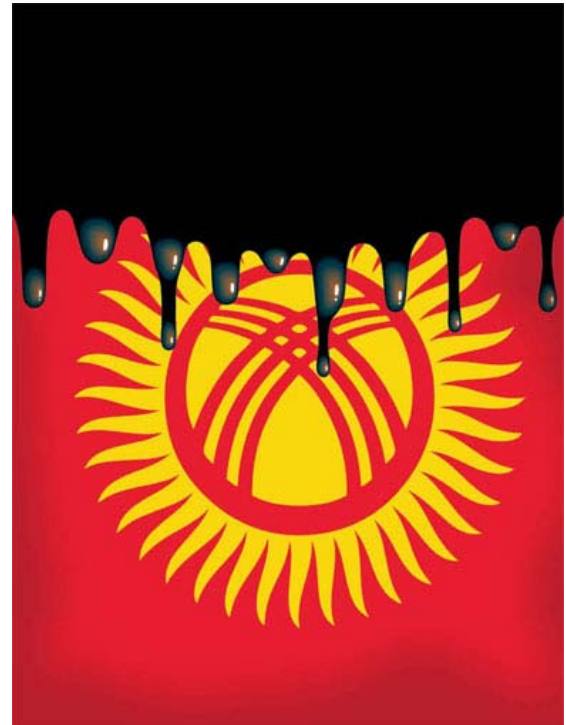
Similarly, in nearby Kyrgyzstan, a staging ground for the Afghan war, Mina has another sole source contract, awarded without any announcement, to provide fuel to a huge and controversial base. The contract has been at the center of corruption and kickback allegations, and the companies have been accused of enriching the families of two successive heads of state, both of whom presided over kleptocratic and repressive regimes--an arrangement that fostered great resentment in the country. Violence exploded on the streets in early April, leaving eighty protesters dead, and President Kurmanbek Bakiyev was forced to flee. The new, provisional government sees Red Star and Mina in a very specific light. The chief of staff, Edil Baisalov, tells *The Nation* that the firms have served as "an indirect way for the Pentagon to bribe the ruling families of Kyrgyzstan." (These allegations were the subject of a Congressional hearing on April 22, convened by the House Subcommittee on National Security and Foreign Affairs.)

Baisalov's charge is a serious one but not new, nor as outlandish as it may seem, although the companies deny it. The eight-year saga of high-stakes contracts and secretive deals raises serious questions about how the Afghan campaign has been run, not only by the Bush administration but also under President Barack Obama. Sole source contracts have continued under the current administration, and if the Kyrgyz authorities are correct, the Pentagon contractors are still doing what they did under Bush. After all, the thirst for oil and fuel can only grow as President Obama's Afghan surge ramps up.

The man in charge of Red Star's and Mina's operations is a good-natured retired Army lieutenant colonel named Chuck Squires, now 56 years old. A lanky and broad-shouldered fellow with a good sense of humor, he has a graduate degree in Russian studies from Harvard. Before 9/11, he was the defense attaché at the US Embassy in Bishkek, Kyrgyzstan. Back then, when he was still in the military, the Republic of Kyrgyzstan was just another impoverished and mountainous ex-Soviet republic, with a per capita income a little higher than that of Cambodia. It was just one pawn in the Great Game between Russia and the United States, and it was not easily accessible, bordered by Tajikistan, Uzbekistan and Kazakhstan on the south, west and north, respectively, and by China on the east. Nor was it strategically important, although its huge inland lake did serve as a testing site for advanced Russian torpedoes.

Squires, who did not respond to requests for comment for this article, had left Bishkek by September 11, 2001. One source says he was gone from the military by then too, but his experience there would serve him well in the private sector in the future.

That is because shortly after 9/11, Kyrgyzstan agreed to host a US air base. At the time, Kyrgyzstan's president was Askar Akayev, who



AVENGING ANGELS

presented himself as an innovative reformer and economist. The United States did not pay much for the base rights, although this was a source of controversy within the country and a matter of concern for the State Department. At the time, Donald Rumsfeld's Pentagon was holding sway over Colin Powell's State Department. The Defense Department insisted it was in charge of all negotiations, and the State Department's input wasn't wanted. "You stay out of it" is how a former State Department official remembers the Pentagon's tone.

The Manas base, dubbed the Ganci base, after a firefighter killed on 9/11, was like the FedEx hub through which the US military flies material and people to Afghanistan from around the world. The base hosts tankers and other planes, and operates as a transfer facility for troops.

Red Star Enterprises and Mina Corp. soon appeared on the scene like mysterious strangers. They had a rather ethereal, offshore quality and some intriguing connections. For example, Red Star had the same London address and phone number as *Iraq Today*, a purportedly independent and short-lived newspaper launched in the wake of the invasion of Iraq. The paper had been set up by a former journalist who worked with Mina Corp.--which, of course, was connected to Red Star.

Over the years neither Red Star nor Mina seems to have even bothered to put up a website. They both have offices in London, but they are both incorporated on the island of Gibraltar, a British territory off Spain with impenetrable secrecy laws for corporations. Various private investigators have been unable to determine who really owns them.

Though Red Star had no apparent track record, it was hired by the Pentagon to supply the base's massive fuel needs. Red Star's director of operations: the now retired Lieutenant Colonel Squires. Squires returned to Bishkek as a civilian, coordinating Red Star's contract work. The Pentagon's Defense Energy Support Center hired Red Star to supply its fuel. It was a huge contract, totaling \$240 million over three years.

Even if the Kyrgyz government wasn't getting paid much for the base, the Akayev family was reaping tens of millions. It was heavily involved in business at the airport, running the two companies that operated as Red Star's subcontractors. One of them was run by Akayev's son, and the other by his son-in-law, and from 2002 to 2005 Red Star, operating on its US government contract, paid the firms about \$120 million.

It may have just been business, but the way Kyrgyz investigators later saw it, Red Star, the prime contractor, was the cut out for funneling funds to the Akayev family.

---

#### **About Aram Roston**

Aram Roston is an investigative journalist and the author of *The Man Who Pushed America to War: The Extraordinary Life, Adventures, and Obsessions of Ahmad Chalabi* (Nation Books). [more...](#)

---

Copyright © 2009 The Nation

[Cancel](#)