

## POSCO chairman, vice-chairman indicted over corruption scandal

### Allegation against ROK president's son

AFP, Seoul

South Korean prosecutors on Friday indicted the chairman of the world's largest steelmaker, POSCO, over a corruption scandal involving a son of President Kim Dae-Jung, officials said.

Yoo Sang-Boo is accused of forcing POSCO units and contractors to buy shares in a scandal-linked lottery firm at inflated prices, prosecutors said.

indicted today and is soon to stand trial," a Seoul district prosecution official told AFP.

Prosecutors also indicted POSCO vice president Kim Yong-Woon for his role in the illegal transaction which it suspects was made under pressure from President Kim's youngest son, Kim Hong-Gul, he said.

The move coincided with the first hearing at a Seoul court for Hong-Gul who has already been indicted for corruption and tax evasion.

Hong-Gul is accused of taking cash and shares worth 3.69 billion won (300 million dollars) from businesses, including sports lottery firm Tiger Pools International (TPI), in return for helping them win government bids.

Prosecutors said Yoo had met Kim Hong-Gul and TPI officials before POSCO subsidiaries or contractors last year bought 200,000 TPI shares for seven billion won, way above the market price.

The indictment, however, had

little affect on Yoo, according to his company.

"Chairman Yoo is just indicted, not found guilty. He is carrying out his work as usual," a POSCO spokesman told AFP.

Financial watchdogs decided Thursday to file a complaint against Yoo, accusing him of violating the law on fair trade with the stock purchase.

## Answers elusive in WorldCom fraud, spotlight on auditors

AFP, Washington

Government and corporate leaders struggled Thursday to get to the bottom of the unprecedented fraud at WorldCom, which has put the spotlight again on the accounting industry and the system of supervision of corporations.

US Treasury Secretary Paul O'Neill called the scandal "mind-boggling" and urged prosecution "to the fullest extent of the law" following disclosure of nearly four billion dollars in wrongly booked expenses, likely the largest in US corporate history.

"I think it's not possible for (the accounting fraud) to be done by one individual," O'Neill told ABC television.

"The scope of what they've done at WorldCom requires complicity of quite a few people, I think, because the numbers are so huge and the accounting technique they use is so fundamental that it's just mind boggling."

## WorldCom officials ordered to appear in Congress

### Investigation into fraud widens

AFP, Washington

A congressional panel moved Thursday to subpoena WorldCom executives to testify on the telecom firm's accounting problems as the probe widened into what is shaping up as a blockbuster corporate scandal.

The House Financial Services Committee said it is also issuing a subpoena to Jack Grubman, the former telecom analyst at Salomon Smith Barney with close ties to the industry. The panel intends to hold a hearing July 8.

Committee Chairman Michael Oxley said the panel would subpoena former chief executive Bernie Ebbers, current president and chief executive John Sidgmore, sacked chief financial officer Scott Sullivan.

"Sadly, the news brings us yet another incident of accounting overreach," Oxley said. "These alleged short-term gains created by the executives are going to cause long-term pain for the WorldCom

families."

The hearing will look further into accounting problems in the telecommunications sector, and their effects on employees, retirees, and investors, a committee statement said.

"The WorldCom news dramatically underscores the need for legislative and regulatory reform," Oxley said.

"Problems with accounting in telecommunications are, unfortunately, damaging a key growth sector of the economy that is already facing other, steep challenges."

Meanwhile, government and corporate leaders tried to get to the bottom of the 3.8 billion dollar accounting misstatement that has been labeled fraud by the Securities and Exchange Commission.

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Meanwhile, analysts said the gimmicks used at WorldCom were so simple they should have been caught by auditors at Arthur Andersen -- the same firm that audited Enron and which has been convicted on criminal charges of obstruction of justice in that case.

"Unlike Enron, which was complicated, this is so basic that I teach it in the second week of my class," said Roman Weil, professor of accounting at the University of Chicago.

## Islami Bank chairman re-elected

Shah Abdul Hannan has been re-elected chairman of the Board of Directors of Islami Bank Bangladesh Limited, says a press release.

Yousif Abdullah Al-Rajhi of Al-Rajhi Company for Industry & Trade of KSA and Mir Quasem Ali of Ibn Sina Trust have been re-elected Vice Chairmen.

The election was held at a meeting of the Board of Directors of the bank held in the city recently.

Presided over by Shah Abdul Hannan, chairman of the bank, the meeting was attended by local and foreign directors.

The Recruitment and Administrative Committee of the bank was reconstituted with Mir Quasem Ali as Chairman and the Executive Committee was reconstituted with A N M A Zaher as chairman.

Other members of the Executive Committee are Mohammad Mosharrif Hossain, MP, Engr. Md. Eskander Ali Khan, Engr. Mustafa Anwar, Nazir Ahmed, Yousif Abdullah-Al-Rajhi, representative of Al-Rajhi Company for Industry & Trade of KSA, Professor Korkut Ozal, representative of Islamic Development Bank (IDB), Jeddah, Engr. Mohammad Fouad Al-Khateeb, KSA, Abdullah Abol Fatih, representative of Bahrain Islamic Bank, and Abdur Raquib, Executive President (non-voting member).



PHOTO: IBBL

A meeting of the Board of Directors of Islami Bank Bangladesh Limited was held in the city recently with Shah Abdul Hannan, chairman of the bank, in the chair.

## SIA chief calls upon govts to get out of aviation

AFP, Singapore

Singapore Airlines (SIA) chairman Koh Boon Hwee appealed Friday for governments to get out of aviation, paving the way for fewer but stronger airlines operating as global giants.

His outlook for the industry was a direct challenge to the Singapore government which owns 56.7 per cent of SIA.

Koh said the airline wanted "liberalisation of the archaic ownership and control rules" which riddle

the industry and saw the September 11 terrorist attacks in the United States and the resulting aviation slump as a catalyst for change.

The economic fallout from the horrific attacks involving hijacked aircraft should "galvanise key governments around the world into supporting greater aviation industry liberalisation," he said in a keynote speech to the Asia Pacific Aviation Media Association.

Koh described ownership constraints as "a straitjacket over the industry's development ... an anach-

ronism from an era when flag carriers' fleets were considered part of a state's strategic inventory.

"Today, there is no more reason for governments to have a say in the way airlines operate, other than in the area of safety, than there is for them to have a say in how computers are manufactured or how hotel chains are owned."

Pressed afterwards on whether he wanted the Singapore government to sell off its stake in SIA, Koh did not answer directly, but did not rule out the possibility.

## Agrani Trading opens new office premises

A new office premises of Agrani Trading Corporation Ltd has opened.

The Deputy Managing Director of British American Tobacco Bangladesh (BATB), Golam Mainuddin inaugurated the office at a function in the city on Thursday, says a press release.

Agrani Trading Corporation Ltd has been the distributor of BATB for more than 28 years.

In the new 4-storied office building at 105/A, Kazi Office Lane in Mogbazar, the previous Mogbazar and Shantinagar offices have been relocated with highly advanced storage and security facilities.

Lutful H Choudhury, head of Trade Marketing, Allan King, Head of Finance, QM Shahed, Head of Human Resources of BATB, Saidul Islam Minu, GS of BAT labour union, and other high officials of BATB, labour union members and a number of distributors were present on the occasion.



PHOTO: AGRANI TRADING

Photo shows opening ceremony of the new office premises of Agrani Trading Corporation Ltd at Moghbazar in the city on Thursday.

## STOCK