

Khaleda cancels trip

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that apart from the amount taken from his firm as salaries, Koko took Tk 2 lakh on May 1, 2003, Tk 6 lakh on August 10, 2004, Tk 3 lakh on October 31, 2005, and Tk 2 lakh on January 9, 2006 from him.

"We will take actions after proper investigation," Obaidul Haque, the officer-in-charge of Gulshan police told reporters last night.

Mahbub Morshed, the second officer of the police station told The Daily Star, "Abu Jayed An Rabbi filed an extortion case against Coco."

Although former prime minister Khaleda Zia was scheduled to leave the country for Singapore for treatment along with six members of her family and house staff, she once again abruptly cancelled her trip last night after hearing about the case being filed against her youngest son.

Meanwhile, Speaker Barrister Jamiruddin Sirkar met the former premier in her cantonment residence last night while the military police check-post at the entrance of the cantonment barred relatives of Khaleda from entering the area.

Sources said, earlier the joint forces released Coco on April 16 following his arrest on conditions that he would not receive any phone call and would not try to contact anybody outside the cantonment residence, promises that he failed to keep.

Although Khaleda Zia agreed to leave the country after Coco had been released but her son's alleged renegeing on the promises prompted the government authorities to slap a ban on any foreign trip by Coco.

According to the sources, Khaleda Zia was supposed to leave the country last night along with Coco, his wife Sharmila Rahman, their daughters Zafira and Zahia and a domestic help at 10:30pm last night on a Singapore Airlines flight.

But, BNP leader Emran Saleh Prince told The Daily Star at 8:18pm yesterday, "We don't know anything yet."

Sources said Khaleda was interested to go to Singapore not only for treatment but also to ensure a safe passage for her son Coco out of the country, as many allegations are being raised against him.

The government now has some reservations about letting Coco leave the country while Khaleda Zia do not want to leave the country without him as she fears he will also meet the fate of his brother Tarique Rahman, if he continues to stay in the country.

Although BNP leaders officially said Khaleda will return to the country soon along with her family members, surprisingly Coco's daughters received transfer certificates from their school, the sources said adding that both the kids has been absent from the school since last month.

Tight security was visible at Zia International Airport last night again in anticipation of the former premier's arrival there to board a flight to Singapore. The authorities assembled a huge number of RAB, police, BDR, and armed police personnel. The law enforcers were restricting the entrance of people on the approach road to the airport.

According to the sources, Khaleda and Coco did not contact

Khelafat leader

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early yesterday.

Habibur was arrested on charge of having links with the militant groups and he was shown arrested under the emergency power rules, a police official said.

After his arrest at 1:10am, the law enforcers took him to the Sylhet Kotwali Police Station where officials quizzed him.

At about 1:00pm yesterday, Kotwali police produced Habibur before the Sylhet Sadar cognizance magistrate's court, wherefrom he was sent to the jail lock-up.

In 1994, 'Sabaha Sanik Parishad' run by Habibur announced Tk 50,000 bounty on the head of writer Taslima Nasrin.

On October 13 that year, the man with several hundred people put blockade in front of the deputy commissioner's office to press for hanging Taslima.

Habibur once told about his experience of joining training programmes in Afghanistan.

However, after the emergence of militant groups like JMB, he started denying his links with and support for Afghan wars.

Moulana Habibur Rahman, who is also the principal of Jameya Madania Islamia at Kazirbazar, used his students against Asfar Uddin, a lessee of the adjacent Kazirbazar cattle market, to 'extend' the madrasa in 2005.

Habibur also grabbed some valuable lands of the LGED at the city's Bagbari in 1992 for setting up a Nurani Madrasa. However, the district administration freed the government lands shortly afterwards.

Habibur Rahman, who was an ally of the BNP-led alliance government, later shifted his political line and managed nomination of the Awami League-led combine for Sylhet-6 constituency (Golapganj and Beanibazar upazilas) ahead of the election scheduled for January (later cancelled).

The matter fuelled agitation among the rank and file in the AL-led combine.

any doctor in Singapore yet, they did not even seek any appointment with any doctor although BNP Joint Secretary General Nazrul Islam Khan on Tuesday said both of them would go to Singapore for treatment.

BNP sources said only party leaders got the permission to see the party chief off and some of Coco's in-laws also tried to get the same permission.

BNP leaders said Khaleda Zia had always been determined not to leave the country but she changed her mind after her youngest son Arafat Rahman had been picked up by the joint forces during an early morning raid on April 16.

Sources said according to Khaleda Zia's travel plan she and her family would stay in a hotel in Singapore for the first few days and later she would move to a former BNP minister's house there. If not, she would stay in former finance minister Saifur Rahman's youngest son Babu's house. Babu is a close friend of Coco and also a son-in-law of former minister Chowdhury Kamal Uddin Yusuf.

Khaleda's brother Shameem Iskandar's brother-in-law Shahed has a house there and the former premier could also stay there if she wanted, the sources said.

In absence of Khaleda Zia house-keeper Yunus had the permission to stay there although BNP had already urged the government to ensure security for the former premier's cantonment residence as her elder daughter-in-law Dr Zobaida Rahman and her daughter Zaima would stay there.

Although the party sources said Zobaida Rahman would move to her mother's Dhanmond residence soon as she had been asked by the authorities not to stay in the cantonment residence in absence of Khaleda, although Zobaida reportedly wants to stay in her mother-in-law's residence.

The house was allotted to late president Ziaur Rahman when he was the deputy chief of army staff soon after the independence. He continued to live there as the army chief, and also as the chief martial law administrator, and then as the president of the country.

After his assassination in 1981, the erstwhile Justice Sattar government gave the house to late Ziaur Rahman's family at a nominal price. Since then, Khaleda and her family have been living there. Khaleda Zia became the prime minister thrice but never moved from the house.

The BNP chairperson postponed her suddenly scheduled departure to Singapore once earlier on Monday although preparations had been underway to board her on a flight to that night.

On Tuesday BNP Joint Secretary General Nazrul Islam Khan formally announced that his party chairperson along with some of her family members would soon go to Singapore for treatment and will return by the end of the month.

The party at the same day also notified the government officially of the matter through a letter, seeking permission for the presence of its 15 leaders at the airport to see off the former premier who is also their party chairperson, and urging to ensure security for her cantonment residence during her stay abroad.

41 Iraqis killed

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not measure the numbers killed and wounded in the attacks.

Military officials have said that since the security crackdown in the Baghdad region began more than 12 weeks ago, Sunni insurgents have hit back with powerful, and extremely deadly, car bombs that often cause more casualties than the types of attacks used previously.

The car bomb attack occurred about 7:45 p.m. Tuesday in the village of Abu Saydah in the volatile Diyala province, local police said, giving the casualty toll. The wounded were taken to hospitals in nearby Bagdadiyah and the main Shia district of Sadr City in Baghdad.

Hospital officials and victims said it appeared chlorine gas was used in the attack as many of the wounded were having difficulty breathing and had their sight affected. But officials at the provincial police's joint coordination centre denied that toxic gas was involved.

One man had a white cloth across his eyes as he lay in his hospital bed; others were bandaged from head to toe.

Abu Saydah is a mainly Shia village about 25 miles northeast of the Sunni insurgent stronghold of Baqouba, the capital of the province that has seen a recent spike in violence largely blamed on militants who fled Baghdad ahead of a US-Iraq security crackdown.

Kadhim Hussein, a 45-year-old farmer who was taken to the Imam Ali hospital in Sadr City, claimed the hospitals in Baqouba would only accept Sunnis.

"My eyes became puffy due to the chlorine gas that was packed in the car bomb," he said, adding he also had difficulties breathing. "Also I had many pieces of shrapnel in my chest and right shoulder."

A hospital official said the facility had received three bodies and 11 of those wounded who all showed symptoms of chlorine poisoning. The official spoke in condition of anonymity because he wasn't authorized to speak to the media.

Diyala province, with its mixed Shia and Sunni Muslim population has been the scene of frequent violence of a sectarian nature as well as attacks by anti-US insurgents.

RPCL faces Tk 200cr claim

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August 2005 to avoid arrest for sabotaging the Mymensingh plant, and prepare to claim Tk 200 crore penalty. Another case accusing Reza of subversive activities is now under trial in a Mymensingh court.

Under the directive of the government, the RPCL is however preparing itself to fight AZ Rezaul Haq, better known as Captain Reza, in the court. Now running with a new management with a mandate to clean its massive irregularities, the RPCL has appealed against the lower court verdict earlier and also filed a case against the international arbitration verdict locally.

"We shall legally fight the claim of LIPPS," said MD of RPCL Md Nazmul Hossain Chowdhury. "The RPCL has badly suffered from financial chaos which we are trying to overcome now. We hope that if we can successfully complete the 3rd phase of Mymensingh plant, RPCL will become a financially healthy organisation in the next few years."

Highly placed sources said internal investigations are underway to gather evidence against the past managing directors and directors of the RPCL who had dubiously cooperated with Captain Reza in signing totally unnecessary Operation and Maintenance (O&M) contracts with highly damaging terms against projects that did not exist or did not come in to operation.

That these contracts undermined the RPCL's interest are revealed through the fact that while the LIPPS was being paid Tk 27 crore in 2004 for O&M of the two 70 megawatt Mymensingh plant units, the same job is now being done by the RPCL at an annual cost of only Tk 5.73 crore. Had the LIPPS continued to serve, the authorities would have paid it Tk 27.64 crore in 2006.

Illegally using his Hawa Bhaban clout and financial influences on the past RPCL board as well as the power ministry, Captain Reza had also made two irrelevant contracts "effective" years ahead of actual delivery of any service.

The Daily Star had been reporting on a nexus involving Captain Reza for many years but failed to draw the government's attention till 2005. The Asian Development Bank and German KfW had been major financiers of RPCL's works, and they have categorically identified Captain Reza as the source of irregularities.

His influence on the RPCL was so strong that the company refused an audit by the German govern-

ment in a German-funded power project, which ultimately resulted in cancellation of a 40 million euro German grant in 2004.

On April 4, 2004, the ADB in a letter to the RPCL said, "AZ Rezaul Haq, Managing Director of ... LIPPS... and local representative of Lahmayer International, GmbH remains present in meetings of the Board of Directors of RPCL, and his presence had influenced decisions of the Board... It is unethical to allow a representative of contractor/consultant to be present... in the board of directors of a company."

Earlier in February 2004, KfW had made similar remarks that a representative of the LIPPS influences all board decisions of the RPCL.

IRRELEVANT CONTRACTS

The RPCL board, which was controlled by Captain Reza, had awarded three O&M contracts by 2005 to the LIPPS on the basis of unsolicited negotiations. The first one was signed in 1999 for Mymensingh 70 mw unit 1 and 2 for a 15-year term, and it gave a lot of scope for the LIPPS to charge excess bills on various pretexts. The terms were otherwise friendly to the RPCL.

But in 2004, when this contract was still effective, the RPCL managing director without approval of its board signed a second O&M contract for 22 years for Mymensingh 1 and 2 units and the upcoming unit 3. The ADB, a major financier of the RPCL, raised serious objections but those were ignored.

The MD also did not consult any lawyer or legal adviser before signing this contract on the basis of unsolicited negotiation.

This contract incorporated new clauses that would penalise the RPCL if the contract is terminated, and imposed a number of risks on the RPCL. The earlier contract gave no provision for compensation for contract termination due to contractor's faults. It even replaced Bangladesh law (as in the past O&M contract) with English law.

One clause dictated that the RPCL will withdraw all its shares from the LIPPS when this O&M contract will become effective.

Soon afterwards, Reza took Tk 34 lakh as mobilisation fee to make this contract effective.

"An O&M contract is supposed to be signed two years after a power plant is launched. In this case, the third phase plant being built by German Siemens company will come into commercial operation in August this year. For the next two years, Siemens will operate it. After

that in August 2009, we will have an O&M operator. Then how can the RPCL sign an O&M contract with LIPPS in 2004, that too covering the previous O&M operation which is still under another contract," asks a high official of the RPCL.

After signing this deal, Reza again influenced the RPCL chief to sign another contract for Dhaka North 450 mw Power Plant (DNPP) in 2005. Till now, there is no trace of this project but the contract was made effective as many of the top RPCL officials and some Rural Electrification Board (REB) officials were allegedly on his payroll.

The operation contract for the non-existent DNPP is supposed to give him Tk 25.20 crore each year for 22 years from 2005-06, and he had taken Tk 32 lakh in 2005 to make the contract effective.

CONFLICTS WITH THE GOVERNMENT

As a friend of Giasuddin Al Mamun, now in detention, Captain Reza had enjoyed unusual support from the alliance government in converting the RPCL into his personal property and obtained absurd contracts against future projects undermining the national interest.

But conflicts emerged when Reza tried to unilaterally take over the government's 35 percent share in the LIPPS in April 2005. Earlier, he had secretly obtained 65 percent share from German Lahmayer.

The conflicts intensified into a final showdown on August 4, 2005 on a different pretext when hundreds of police personnel along with high officials raided Mymensingh plant, and LIPPS officials were refusing their entry. Finally, LIPPS officials damaged and shut down the two 70 mw units of the plant and fled the spot.

On August 5, 2005, the government filed cases with the Mymensingh Kotwali Police Station against Captain Reza as managing director of LIPPS and his accomplices. Charges were framed against them under various clauses of the Special Powers Act and Bangladesh Penal Code.

The charges include hindering government works, plundering power plant equipment, illegal gathering of more than five people at the power plant site, sabotaging the power plant and committing subversion. The maximum penalty for these charges is capital punishment.

Within one month, the government cancelled the contract with the LIPPS for "abandoning" the power plant.

On instruction from the prime minister, RPCL officials re-started

the power plant next day -- on August 5 -- after some emergency repairs. This action was later used against the government in the Singapore arbitration council.

ARBITRATION

With these flawed contracts, Reza won an arbitration in the Singapore International Arbitration Council (SIAC) in late 2006 accusing the government of unlawfully terminating contract with LIPPS.

According to a well-placed source, there was no RPCL representative at the arbitration and Reza engaged some people to pretend as RPCL representative at the SIAC. The SIAC imposed a Tk 200 crore penalty on the government.

The SIAC said that the contract was terminated on the ground that LIPPS had abandoned the power plant in August 4, 2005. As per the contract, the plant should remain shut for five days to be termed "abandoned". But in reality the plant was restarted on August 5 -- one day after the shutdown and therefore it was not abandoned, and termination of contract was illegal.

RPCL sources said Captain Reza is not authorised to file the arbitration as he did not legally own LIPPS. Therefore, fighting this SIAC arbitration is pointless.

The LIPPS was formed in 1999 with 35 percent share belonging to the RPCL, which is under the Rural Electrification Board (REB), and the remaining to Lahmayer International of Germany, locally represented by Captain Reza. But Reza had acquired all the German shares without board approval or government's knowledge and acquired the RPCL shares in 2005 using his influence on the RPCL MD. At the SIAC, Reza showed that procurement of the shares was signed by the relevant authorities and therefore, the SIAC upheld his ownership.

Upon receiving the SIAC verdict in October last year, the RPCL consulted Attorney General Mohammad Ali. Ali said the RPCL was not required to go to Singapore to appeal against this verdict and this can be done in Dhaka.

Accordingly, the RPCL filed an appeal arguing that the LIPPS had filed the arbitration case illegally as Captain Reza was not authorised to file it. Sources said this RPCL case will be automatically activated when Reza would formally claim demurrage.

Sources close to Reza said he is preparing to formally make his claim.

Money whitening

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pay 0.7 percent of their Gross National Product (GNP) as aid to the under-developed nations, but the amount of aid has been reduced day by day, Aziz said.

"On the other hand, by adopting global trading system we are losing our most traditional revenue sources. So, we have no alternative to expanding our domestic revenue income," he said, adding that this requires imposing taxes on the non-tax sectors.

Aziz warned, "If we fail to expand our tax net, budget deficit will be widening, which could result in inflation."

The budget for the next fiscal year will be formulated keeping all these things in mind, he said, adding that budget is not the only tool in the economy to meet demands--industry policy, monetary policy, export and import policy are the other major tools to help economic activities.

On various demands of the country's businessmen, this finance adviser said, "We will consider your proposals, but at the same time you should say what you will give the nation in return."

In his welcome note, NBR Chairman Badiur Rahman said the remaining tax discrimination in different sectors will be reduced in the next budget.

Both the finance adviser and the NBR chairman put emphasis on the behaviour of the tax officials.

Aziz urged the tax officials to minimise their discretionary power while Badiur urged them to be well behaved with the taxpayers.

FBCCI President Mir Nasir Hossain also spoke at the meeting.

Mainul

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a road map for the elections in two months.

"I am not saying that we do not need their cooperation. They are free to come to us and directly talk about how we can hold better elections, form a better government and eliminate corruption," the law adviser said.

It is up to the foreigners how they realise the problems of Bangladesh, he said.

Regarding the concern expressed by British High Commissioner Anwar Choudhury over the arrest of the British citizens in Sylhet on Monday, Mainul said the arrest was made on the basis of specific allegations.

"We had information that they came from London and held secret meetings... And we should take such activities into account," he said.

"We are very much engaged with electoral issues, corruption cases and many other agenda. That is why we have to be careful if any new problem arises," Mainul said.

The ban on indoor politics will be withdrawn 'in time', he said without specifying the time.

Give roadmap

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elections, originally scheduled for January 22, 2007, have been postponed until the end of 2008 at the latest," they said.

Signatories to the letter include three current presidential candidates including former first lady Hillary Clinton, five former presidential candidates, one former vice presidential candidate and 10 members of the Senate Foreign Relations Committee.

The letter said, "We also want to express our strong concern over the ongoing state of emergency and the slow progress towards free and fair elections in Bangladesh."

It went on, "We are troubled that the indoor ban on political activity was not lifted, as planned, on May 8... We look forward to the resumption of safe, outdoor political action. Freedom of assembly, like freedom of the press, is essential to any democracy."

Meanwhile, Fakhruddin met President Iajuddin Ahmed yesterday and informed him that the government is working for holding parliamentary election by 2008. He also apprised the president of various activities of the government and the recently held 14th Saarc Summit in India.

The senators supported political, electoral and institutional reforms in Bangladesh. Applauding efforts in Bangladesh for address corruption, they said it is a major impediment to economic development and poverty alleviation.

"We believe it is critically important that any anti-corruption campaign be implemented in conjunction with Bangladesh law and international standards. Due process and respect for human rights should be fundamental components of the effort," the letter said.

"We are particularly concerned about custodial deaths in the course of the anti-corruption campaign and -- it is vital that such deaths, and all custodial abuses, be prevented."

The senators said, "As friends and supporters of Bangladesh, we believe that the timely improvement of political conditions is in the national interest of both countries."

Ten of the signatories are Democrats (D), four are Republicans (R) and the other is an independent senator.

The signatories are Joseph Biden (D), a presidential candidate in 1988 and 2008 and present chairman of the Senate Foreign Relations Committee; Richard Lugar (R), 1996 republican presidential candidate, ranking member of Senate Foreign Relations Committee and a former chairman of the same committee; John Kerry (D), 2004 Democratic presidential nominee, chairman Senate Foreign Relations Subcommittee Near East and South and Central Asian Affairs; Norm Coleman (R), ranking member Senate Foreign Relations Subcommittee -- Near East and South and Central Asian Affairs; Hillary Clinton (D), 2008 US presidential candidate, former first lady of the United States 1992-2000; Edward Kennedy (D), 1980 presidential candidate; Barbara Boxer (D), Chairwoman Senate Foreign Relations Subcommittee East Asian and Pacific Affairs; Chris Dodd (D), 2008 presidential candi-

date; Russell Feingold (D), member senate foreign relations near East and South and Central Asian Affairs Subcommittee; Joe Lieberman (independent), 2004 presidential candidate, 2000 democratic vice presidential nominee; Frank Lautenberg (D), member Senate Appropriations Committee; Charles Schumer (D), chairman Democratic Senatorial campaign committee; John Sununu (R), member of the Senate Foreign Relations Near East and South and Central Asian Affairs Subcommittee; Robert Menendez (D), chairman Senate Foreign Relations Subcommittee on International Development and Foreign Assistance Economic Affairs and International Environmental Protection; and Johnny Isakson (R), member of the Senate Foreign Relations Committee.

Hearing

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The DAG then moved to another HC bench on Tuesday praying for a hearing of the petition again, and this bench asked to include the matter on yesterday's cause list.

The DAG also prayed for an early schedule for the hearing prompting the court to ask him to explain the urgency. The court also reminded him that only a few working days are left before the SC vacation.

The DAG argued that the matter is old. The court replied that it treats cases filed between 1992 and 1997 as old matters and hear those before the vacation while others are left for after the vacation.

Meanwhile, counsel for Hasina, Barrister Rokonuddin Mahmud, said in his submission that the case against Hasina should be heard separately from the cases against the other accused in connection with the same incident, as she was not named in the first information report. He said Hasina was implicated in the charge sheet only.

The investigation officer (IO) of the case submitted the charge sheet to the court on October 14, 2002 accusing former premier Hasina, former state minister for power and energy Prof Rafiqul Islam, former state minister Syed Abul Hossain and manager of Sako International KM Islam of being involved in corruption in the process of setting up Meghnaghat power plant.

The trial was initiated in a metropolitan special court on October 17, 2002.

Earlier, Gulam Mostafa, a director of the now defunct Bureau of Anti-corruption (Bac), had filed the case with Kamma police Station on December 11, 2001, accusing Prof Rafiqul Islam of misappropriating Tk 17.89 crore during the process of installing the power plant. But later in the charge sheet Hasina, Abul Hossain and KM Islam were also accused.

The other three accused had also filed separate petitions in 2003 for quashing the case against them.

Following Abul Hossain's petition, a HC bench ordered hearings of all the four petitions for quashing the case a few years ago.

Yesterday the four petitions were brought back on the cause list and the court decided to hear all of them together after the SC vacation.

Wolfowitz begs

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options," an opening interpreted by the US media as a sign of his imminent departure.

According to a hearing transcript released by his lawyer, Wolfowitz, 63, answered allegations he had put his "personal interests" above the ones, risking the very mission of the development lender.

The World Bank chief refuted point by point a scathing report by a bank investigatory panel published Monday concluding he had breached bank ethics rules in arranging a lucrative pay-and-promotion package and transfer to the State Department for his companion and fellow bank employee, Shaha Riza.

"I have said I am not without fault in the matter," Wolfowitz told the executive directors.

"I implore each of you to be fair in making your decision, because your decision will not only affect my life, it will affect how this institution is viewed in the United States and the world," he said.

The month-old scandal has riven the 185-country bank -- most European members are calling for Wolfowitz's resignation -- and threatens to undermine the bank's ability to fulfil its mission to combat poverty.

"I fear that the way this recent inquiry is handled has the potential to do greater long-term damage to the institution than the alleged underlying ethics issue that was, in point of fact, put to rest over a year ago," he said.

The former US deputy defence secretary, an architect of the Iraq war nominated to head the World Bank by President George W. Bush's administration, acknowledged he had relied too much on advisers he had brought in with him when he became bank president in June 2005.

He pledged to change his management style "to regain the trust of the staff," whose association had called for his resignation after the scandal surfaced in the US media.

"If you want to have a discussion about my leadership, my management style and the policies I support, let's do it," he said. "That's fair. That's legitimate. But let's get past this conflict-of-interest matter."

Wolfowitz also reaffirmed that the salary increases and promo-

tions he arranged for Riza were part of a "reasonable" agreement to resolve a "difficult set of circumstances" in the conflict of interest regarding his supervisory role in their relationship.

He asked the board to acknowledge that mistakes were made on all sides, including by the bank's ethics committee.

Shortly after Wolfowitz took the helm of the bank in June 2005, Riza, who worked as a bank communications specialist, was transferred to the State Department and received a generous pay increase while still on the bank's payroll.

"You still have the opportunity to avoid long-term damage by resolving this matter in a fair and equitable way that recognizes that we all tried to do the right thing, however imperfectly we went about it," he told the board.

"My conduct with respect to Ms. Riza's external placement does not justify taking any action against me or warrant a finding that you lack confidence in my leadership," he said, implying the board should not vote to remove him from office.

The White House earlier reiterated its support for Wolfowitz, but opened the door for whatever action the World Bank board might take.