

# The import scandal

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price checking on commodities in consultation with the overseas banks of the suppliers," former NBR chief and Tax Ombudsman Khairuzzaman Chowdhury told The Daily Star.

Had the L/C opening banks strictly followed the Bangladesh Bank's guidelines for foreign exchange transactions properly, the practices of under-invoicing to dodge customs duty and over-invoicing to do money laundering would have gone down dramatically, he said.

Related officials of all banks should check pricing on commodities including the credit rating of overseas suppliers, but the abundance of irregularities only shows banks are not strictly following the guidelines of the central bank, he observed.

Chairman of Krishi Bank Khondkar Ibrahim Khaled, also a former deputy governor of the Bangladesh Bank, thinks banks are supposed not to be a partner in money laundering. But he said, "Banks are responsible to compare commodity prices on L/C with those in the market. If there is significant difference between declared prices and market prices, then responsibilities lie with banks concerned."

But the ultimate responsibility to turn all these resources into strength against irregularities boils down to NBR, which is also blamed for not ensuring strict PSI rules for qualification of companies.

Thanks to political interference and syndicated lobbying, some crucial provisions in the PSI rules were allegedly relaxed or made tough on several occasions in an effort to influence qualification of some companies with poor records.

The Internal Resources Division is responsible for the PSI rules, secretary of which is also chairman of NBR.

However, some NBR top shots stopped short of accepting their failure in having effective measures to combat the corruption flourished around imports. They watched how devils in NBR and customs join hands with the corruption network to plunder the economy by manoeuvring the PSI system, which was introduced in 2000 against a backdrop of widespread corruption by a strong band of customs staff.

"Corruption has assumed an institutional shape in the Chittagong Port Authority and the Customs... The rule of law and accountability have been almost non-existent here," laments a recent follow-up study by Transparency International Bangladesh on Chittagong port, through which 80 percent of the country's import-export takes place.

Instances of open bribery and PSI irregularities have declined to some extent and the speed at which containers are handled has increased sharply following the taskforce clampdown last year on Chittagong port. However business people still claim bribes have to be paid in at least 30 spots for releasing a consignment from the customs and the port.

"Transaction of bribery are still continuing through agents outside the port and customs offices," states the TIB report, adding that "The credibility and performance of the PSI organisation have been put in question due to detection of large numbers of false declarations from among the on-the-spot checks carried out on only 5-6 percent of items."

The customs wing of NBR randomly checks only 10 percent of the PSI-inspected consignments. This is done manually and without any help from modern equipment, let alone sophisticated scanners being used at a majority of ports in the world.

"You can easily guess what a corruption network can do manipulating just a portion of the remaining 90 percent unchecked consignments, bribing people in right places," said a taskforce member involved with a mission to get the Ctg port back on track.

The age-old corruption in the sector is deep-rooted and enjoys the blessings of influential people in government and politics, a reality that discourages even the most honest and efficient NBR officials from acting against the syndicate or their corrupt colleagues. Despite years of abuse, the most of punishments handed out so far to corrupt NBR staff are transfers or suspensions.

The blatant display of grafts put NBR and customs in a very embarrassing situation, with a few corrupt officials dominating the PSI matters under different regional banners like Barisal, Comilla, North Bengal and Sylhet groups. Tasked with managing crucial taxmen, some PSI officials used their home district connections to engineer groupings in NBR.

Some PSI companies know well how to play this game in Bangladesh. On a certain day of every month, the corrupt officials in NBR and customs used to receive envelopes from employees of some PSI companies filled with takas usually amounting to between 50,000 and one lakh, confided PSI bigwigs, wishing not to be named. The envelopes ensured the smooth passage of wrongly declared or invoiced imports.

Retired NBR bigwigs are as valuable as ones still in service, and some PSI companies waste no time hiring them as high-salaried consultants to hold clouts in government machinery.

The Anti-Corruption

# Hearing starts

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Chaklader and Justice Md Emdadul Haque Azad felt embarrassed to hear the petition.

Counsel for the petitioner Advocate Khondker Mahbub Uddin Ahmed told the bench that Khaleida Zia did not commit any corruption in her dealings with Niko regarding gas exploration and extraction.

The government made an agreement with Niko for making the abandoned gas fields of Chhatrak, Feni and Kamia commercially viable. The then prime minister Khaleida Zia approved the deal after completion of all the processes by committees and persons concerned, but she did not sign the deal, he said.

Quoting the first information report (FIR) of the case, the court said that former law minister Moudud Ahmed was a legal adviser to Niko and that's why the former prime minister had approved the deal prioritising barrister Moudud's opinion.

On December 9 last year, the ACC filed the case with Tejoa Police Station against the BNP chairperson and several others on charge of abuse of power in awarding a gas exploration and extraction deal to Canadian company Niko.

On May 5, the ACC pressed charges against Khaleida and 10 others in the case.

Former law minister Moudud Ahmed and former state minister for energy AKM Mosharruf Hossain are among the other charge-sheeted accused.

On May 18, Khaleida Zia filed the petition with the HC.

# Women

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planning to recruit a few from amidst the prisoners when they leave the jail.

Shushila herself had no idea that she could avail such an opportunity while behind the bars. She was among the first to sign up when the training was announced two weeks ago.

Papiya quoted Shushila as saying that though she is serving time for breaking the law, she now thinks of leaving the jail with dignity when the time comes.

Jail officials say that Shushila, Morjina and a few others are offering their services to fellow inmates at present.

Deputy Inspector General of Prisons Maj Shamsul Haider Siddiqui told The Daily Star that these courses are part of the reforms introduced recently in the jail.

"We want to turn the jail into a correction centre by gradually changing the idea about punishment," he said.

There are over 10,000 inmates Dhaka Central Jail, out of which 550 are women. The prison authorities are engaging them in different skills as repairing television, radios and fans. Many train as carpenters too.

"The step to engage prisoners in different jobs, helps to correct them," he said, adding that when these prisoners eventually get out of jail they will no longer consider themselves criminals.

Also at present, the DIG said, prisoners earn a good amount of money with their work, which they save as endowment.

The success of the beauty training has encouraged the jail authorities to plan introducing the training in other prisons of the country.

The country's 69 jails, including the two special jails set on the Jatiya Sangsad Bhaban premises for Sheikh Hasina and Khaleida Zia, at present accommodates 90,000 prisoners.

# Deployment

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Once the rules are made, members of the army, police and other regular law enforcement agencies engaged in election duties would be empowered to arrest anybody without warrant to ensure peace and law and order in polling stations or within 400 yards of polling stations on the polling day.

Besides, members of law enforcement agency will be empowered to compel contesting candidates to abide by the code of conduct in carrying out election campaigns.

Officials at the EC Secretariat said the same provisions on deployment of armed forces would be incorporated in the rules for conducting polls to zila, upazila and union parishes.

At present, the EC can ask the government to engage the armed forces only in parliamentary election duties.

The armed forces engaged in parliamentary election duties are authorised to arrest anybody without warrant for violation of electoral laws and for illegal activities.

The defence forces were provided with powers, like that of the police force, by including them in the definition of the law enforcement agency in 2001.

In the absence of specific laws, the EC cannot insist on deployment of the armed forces in local government elections.

In 2003, the EC asked the government to deploy army in union parishad elections to help maintain law and order, but the government refused to do so, triggering an unpleasant situation.

The government defended its stance saying the EC could not ask for army deployment in union parishad elections since there was no law to this effect.

The EC would now be in a position to ask the government, if it feels necessary, to deploy armed forces in elections to any tiers of local government, EC sources explained.

Earlier, the government deployed army only in elections to city corporations in 2002 to help the civil administration maintain law and order. But the army personnel did not have powers to arrest anyone without warrant on grounds of illegal activities.

# Barapukuria graft

**FROM PAGE 1**  
Additional Chief Metropolitan Magistrate Golam Rabbani passed the order in favour of the ACC after ACC Deputy Director Monirul Haque submitted a petition for showing Bhuiyan, Shamsul and Nizami arrested in the coalmine corruption case and interrogating them at the jail gate.

On May 13, detained former premier Khaleida Zia, former commerce minister Altaf Hossain Chowdhury, former health minister Khandaker Mosharruf Hossain and former state minister for energy AKM Mosharruf Hossain were shown arrested in the same case and the ACC was given permission to interrogate them at the gates of their respective jails.

Bhuiyan and Shamsul were sent to jail Sunday after they appeared before the Metropolitan Sessions Judge's Court, Dhaka in connection with the Gatco corruption case.

Nizami was arrested at his Moghbazar home the same day and sent to jail after being produced before the Court of Chief Metropolitan Magistrate the following day.

On February 26, ACC Assistant Director Shamsul Alam filed the coalmine corruption case against Khaleida Zia and 15 others including 10 former ministers of BNP and Jamaat in connection with illegally awarding Barapukuria coalmine operation contract to a Chinese company.

In the case filed with Shabbag Police Station, the 16 have been accused of causing a loss of over Tk 158.71 crore to the public exchequer by awarding the contract for production, management and maintenance to the company abusing their power.

The accused former ministers of BNP are M Saifur Rahman, Abdul Mannan Bhuiyan, Khandaker Mosharruf Hossain, M Shamsul Islam, MK Anwar, barrister Aminul Haque, Altaf Hossain Chowdhury, and AKM Mosharruf Hossain.

Ali Ahsan Mohammad Mojahid and Nizami are the accused ex-ministers of Jamaat.

The others charged with the offence are former acting secretary to energy and mineral resources Nazrul Islam, former Petrobangla chairman SR Osman, former Petrobangla director Mainul Ahsan, former managing director

of Barapukuria Coal Mining Company Ltd (BCMCL) Sirajul Islam and Hosaf Group Chairman Moazzem Hossain.

Of the former ministers, nine were members of the cabinet purchase committee.

The complainant said the offence took place between June 2, 2003 and June 4, 2005 at the energy and mineral resources department.

**RASHID SENT TO JAIL**  
Judge Mohammad Azizul Haque ordered to send Rashid Uddin to jail rejecting his bail prayer for Rashid along with his lawyers appeared before the court and sought bail in the Gatco corruption case.

The petitioners submitted two petitions--the lawyers for Rashid's bail and the other for providing him with division in jail.

The prosecution opposed the bail petition and said the accused would be provided status in jail as per law.

On May 15, the same court issued arrest warrants against top BNP leaders Saifur Rahman, Mannan Bhuiyan, MK Anwar, Shamsul Islam and Amir Kharsu Mahmud Chowdhury and Jamaat Ameer Motiur Rahman Nizami and six others in the Gatco corruption case.

The court also directed the jail authorities to produce before it today Khaleida, her son Koko and 14 others who are now in jail.

Of the accused, eight have been absconding since the case was filed.

The ACC pressed charges against Khaleida, Koko and 22 others in the Gatco corruption case on May 13. It filed the case against Khaleida, Koko and 11 others with Tejoa police on September 2 last year in connection with corruption in awarding Gatco the container handling job at depots in Dhaka and Chittagong.

# Niko corruption

**FROM PAGE 1**  
The authorities concerned to publish an advertisement in two national Bangla dailies asking the six absconding accused to appear before the court by yesterday. But the six accused did not turn themselves in to the court.

The same court on May 14 directed the jail authorities to produce Sheikh Hasina and two other detained accused before it yesterday in connection with the case. But, only detained former state minister for energy Prof Rafiqul Islam was produced before the court yesterday.

The Anti-Corruption Commission (ACC) pressed charges against Hasina and eight others on May 7 for awarding a gas exploration and extraction deal to Canadian company Niko Resources through corruption and abuse of power.

The six absconding accused are former principal secretary to the Prime Minister's Office Dr SM Samad, former energy secretary M Akmal Hossain, former Petrobangla chairman Mosharruf Hossain, and Vice-President (South Asia) of Niko Resources Bangladesh Ltd Kashed Sharif, former secretary of External Resources Division Dr AKM Moshirur Rahman and former director of Petrobangla (mines and mineral and operation) Sayed Anwarul Haque.

The ACC filed the case with the Tejoa Police Station against seven people including Hasina on December 9 last year.

# Emergency

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when asked how the election would be fair if the state of emergency prevails during the election.

"We look forward to the process (lifting emergency) and hopefully as soon as possible," added Barks-Ruggles, who was accompanied by US ambassador James FMoriarty.

The US deputy assistant secretary said the entire election process should be free, fair, transparent and credible that includes having active free media and active free civility.

Barks-Ruggles said she discussed the electoral preparations, processes of voter registration and crosschecking of the draft list and election observations that all lead to holding a transparent election.

"We're happy that all the process and preparations are going on and going well," she said.

# Obama

**FROM PAGE 16**  
distinct from the nearly 800 superdelegates, party leaders and elected officials who are free to vote for any candidate and hold the balance of power at the Democratic national convention this August in Denver.

Hillary won at least 54 delegates in the two states and Obama won at least 39, according to an analysis of election returns by the Associated Press. All the Kentucky delegates were awarded, but there were still 10 to be allocated in Oregon.

He had 1,956 delegates overall. He had 2,026 needed for the nomination to face off against Republican John McCain in the November election. Hillary had 1,776 in their marathon race that has shattered voter turnout records in state after state.

# Polls in 5 cities

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work on voter registration and national identity cards as chief guest in sadarpazila of the district.

Presided over by Deputy Commissioner Syed Mizanur Rahman, the function was attended by Police Superintendent Abdul Baten and deputy commander of local army camp Maj Zayed.

In reply to a question, the CEC mentioned that the government has requested the EC to hold local-body polls before the national elections. "And we'll hold the elections accordingly," he said.

He said that EC had declared in its roadmap that local-body elections and Union Parishad elections would be held before and after the general elections respectively. "I don't know why so much controversies then."

Asked if the re-demarcation of constituencies could further delay the stalled general elections, the CEC said, "There's no reason for it, because the Election Commission has received complaints about only five re-demarcated constituencies out of 133 ones, and complaints about four have been accepted."

About the EC's invitation letter to BNP leader Khandaker Delwar Hossain, Huda said the government and the EC are separate organisations. "We didn't issue the letter after consultation with the government," he added.

# US envoy

**FROM PAGE 1**  
the caretaker government's reform initiatives.

The caretaker government should not prolong its stay because it does not have the popular mandate and the country must return to democracy to fulfil its economic potential, Moriarty said.

The US would not want to see Bangladesh replicate Pakistan's time under President General Pervez Musharraf, who had initially accomplished a number of projects and enjoyed popularity but eventually fell out with the people and was forced out, he said.

"We do not want to see that sort of development in Bangladesh," he said.

Foreign direct investment or local investment would not be available without democracy and political stability, Moriarty said, identifying corruption as the biggest and main "enemy of democracy".

Emphasising the need for a national consensus to stamp out corruption, he said, "Corruption misplaces the benefits of development efforts, benefiting those who are least in need. When terrorists lose the support of the population, corruption allows them to purchase additional support. Corruption is a cancer eating away at the vital organs of the nation."

Moriarty cited a study that found that corruption accounts for a loss of two-three percent of GDP or \$2 billion to Bangladesh each year.

He advised ensuring independence of all public institutions in order to stop the loss of public money.

"The government and businesses colluded in capturing public procurement projects and the money went to the pockets of politicians and businessmen instead of developing railroads," Moriarty said.

The other parties invited are Jatiya Party (JP), Jamaat-e-Islami, Islami Oikya Jote (IOJ), Unity for Political Reforms, Islami Shashantantra Andolon, Khelafat Andolon (Hafezshujur), Khelafat Majlis of Shaikhul Hadith, Bangladesh Kalyan Party, Progressive Democratic Party Gono Forum, Samyabadi Dal and Krishak Samik Janata League. The government also invited the dissident faction of the BNP.

The invitation letters had said the chief adviser's address would give directives about the agenda of the dialogue, but many parties considered this as a "pre-condition" set by the government.

"It is essential to formulate a national charter through consensus among the government, political parties and representatives of people from all walks of life. A proper and sustainable election infrastructure will be put in place through this charter," Fakhruddin said in his

# Defaulted

**FROM PAGE 1**  
Echoing Ibrahim Khaled's views, chief executive officer of a private commercial bank told The Daily Star that commercial banks rescheduled large amounts of classified loans in December last year in a relaxed manner. Those loans have become defaulted again in the first three months of this year, he added.

Of the government-run banks, increase in defaulted loans was Tk 293 crore in Sonali Bank, Tk 7 crore in Janata Bank, Tk 109 crore in Agrani Bank and Tk 12 crore in Rupali Bank.

"We are facing a lot of legal complexities in recovering the loans," said a top official of Sonali Bank.

Defaulted loans in most of the private commercial banks also increased in the first quarter of this year.

"We are taking measures to reduce the volume of our bank's classified loans, and hope the total figure will reduce in June," said a senior official of a private bank.

Of the Tk 1,81,234 crore outstanding bank loans, the volume of classified loans was Tk 23,838 crore or 13.13 percent on March 30 this year, compared to Tk 22,624 crore or 13.23 percent on December 31, 2007, the sources said.

Classified loans in state-owned banks stood at Tk 14,212 crore or 30.09 percent of outstanding loans on March 30, which was Tk 13,791 crore or 29.27 percent on December 31 last year.

Defaulted loans in private banks rose to Tk 5,746 crore or 5.42 percent of outstanding loans on March 30, compared to Tk 4,921 crore or 5.01 percent in December last year.

The amount of defaulted loans in foreign commercial banks was Tk 227 crore or 1.54 percent of outstanding loans in March this year against Tk 194 crore or 1.43 percent in December last year.

# Govt talks with parties

**FROM PAGE 1**  
the release of the chiefs of BNP and Jamaat.

The talks are starting amid growing uncertainty with the two major political parties--Awami League (AL) and BNP--still sceptical about taking part in the dialogue without their party chiefs now in jail.

The two parties are yet to submit the lists of their delegates although their participation is important for the success of the dialogue where Chief Adviser Fakhruddin Ahmed will lead a panel of advisers.

Workers' Party of Bangladesh and Bikalpadhara Bangladesh are the two invited parties on the first day of the much-awaited event.

The talks will commence at 10:00am with Workers' Party while Bikalpadhara will sit in the dialogue at 4:00pm. Each session will last for two hours.

Bikalpadhara chief Prof AQM Badruddoza Chowdhury and Workers' Party President Rashed Khan Menon will lead their sides to the talks.

The dialogue with Jatiya Samajtantrik Dal (JSD) was also scheduled for today but the Chief Adviser's Office shifted it to 3:00pm Sunday due to "unavoidable" circumstances, said party President Hasanul Haqim.

The talks with the Communist Party of Bangladesh and Liberal Democratic Party (LDP) are scheduled for May 26.

The government has, meanwhile, expressed optimism about the success of the dialogue.

"I believe the dialogue will bring a good result for all," the chief adviser told journalists at his office yesterday, adding that if all try together, the pre-election dialogue will be successful.

Talking to The Daily Star last night, Menon said they would place an 11-point proposal, including ensuring Hasina's presence in the dialogue and complete lifting of emergency and the conditions on indoor politics.

Workers' Party will oppose the idea of formulating the national charter. "We do not need the charter as the country's constitution is the guideline to run the country," Menon said.

He said his party would also discuss the issues of trying the war criminals and barring them from taking part in the election, soaring prices of commodities, growing unemployment and some other crises facing the country.

A free, fair and credible election will be the main agenda of Bikalpadhara at the dialogue.

The party's Secretary General Maj (ret'd) MA Mannan said they would also propose complete withdrawal of the state of emergency and all restrictions on indoor politics.

About the proposed national charter, he said the matter is not clear to them. "We will not do anything contrary to our national interests," he said.

Leaders of the two parties have meanwhile emphasised the need for participation of all the political parties in the dialogue to make it successful.

The chief adviser's Press Secretary Syed Fahim Munaim told The Daily Star last night that there would be separate briefings after the talks with each party.

Today's briefings will be held at 12:00 noon and 6:00pm. "One representative from each party will be present at the briefing," Fahim said.

He said 17 out of 19 political parties have so far submitted their lists of participants in the dialogue, which, he said, would continue until the end of next month.

Following the chief adviser's address to the nation, the government last week invited the 19 political parties to the dialogue.

The other parties invited are Jatiya Party (JP), Jamaat-e-Islami, Islami Oikya Jote (IOJ), Unity for Political Reforms, Islami Shashantantra Andolon, Khelafat Andolon (Hafezshujur), Khelafat Majlis of Shaikhul Hadith, Bangladesh Kalyan Party, Progressive Democratic Party Gono Forum, Samyabadi Dal and Krishak Samik Janata League. The government also invited the dissident faction of the BNP.

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# BDR

**FROM PAGE 16**  
It said Sathira is a smuggling prone area. A section of people use to foment such incident when the border guards intensify anti-smuggling operation.

The BDR press release however assured of investigation into the incident and taking action against the persons responsible.

He allegedly used a car worth Tk 40 lakh of the bank, which otherwise used to be reserved for the bank's chairman or managing director.

Bakir as the Sonali Bank CBA president recruited around 200 employees since 2001, allegedly in exchange for Tk 50,000 to Tk 1 lakh in bribe from each of them.

Bakir, who was born in Jugania village under Kalia upazila of Narail on November 28, 1957, earned his secondary school certificate from Bagudanga High School in 1973, and the higher secondary certificate from Gopalganj Government College in 1975. He got involved in politics during his college days.

He joined Sonali Bank as a clerk in 1977, and earned his bachelor's degree (pass course) from Jagannath University College in 1979 while working.

Bakir joined Sonali Bank Trade Union as a general member in 1984.

He stressed the need for an agreement among the organisations to shun negative and destructive politics. "Hartal, blockade and violent demonstrations must come to an end once and for all," he said.

Fakhruddin said a consensus should be reached before the election also on making parliament effective and added that a proposal to that end has already been discussed. "It must be ensured that no one rejects the election results and boycotts parliament," he said, expressing hope that the dialogue would attach due importance to the issue.

He also said a qualitative change in politics is a must. "We will have to understand these significant issues and work out solutions through the dialogue."

# CBA don Bakir

**FROM PAGE 1**  
From 1984 to three years imprisonment for abetting her husband in amassing wealth worth about Tk 1.52 crore illegally.

The court also fined Bakir Tk 10 lakh in default of which he will have to serve an additional year in jail, while his wife was fined Tk 1 lakh, in default of which she will have to spend six more months in jail.

The special court directed the authorities to confiscate the entire volume of Bakir's illegal wealth.

The verdict was pronounced after examining statements of 40 witnesses.

ACC Assistant Director Jahangir Alam filed the case with Motijheel police station on May 30 last year, and the court framed charges against the couple on December 17 of the same year.

**BAKIR'S PROFILE**  
Bakir raked in the illegal wealth during the rule of the immediate past BNP-Jamaat-led four-party alliance government, using his trade union clout backed by BNP.

The man, whose name was on ACC's first list of corrupt persons, had joined Sonali Bank as a clerk in 1977. At the time of his arrest he was a deputy accountant with a salary of Tk 7,500 a month.

Through his wholesale corruption he and his wife became millionaires enjoying a large number of properties including a six-storey building in Malibagh of the capital, and a market in his home village in Narail.

His wife owns the stylish building in Malibagh.

Bak