Grameen Bank on Joy's letter

circulated by email, Joy has identified himself as an

Television uncovered documents revealing massive financial improprieties at Grameen Bank under Muhammad Yunus. Approximately \$100 million in donor funds to Grameen Bank were transferred out of Grameen Bank to a private corporation, Grameen Kalyan set up by Yunus," Joy said.

"The government of Norway raised this as a major concern and as a compromise \$30 million was returned. The remaining approximately \$70 million was never returned. All correspondence in this regard was from Yunus himself," he said.

"Just as international lobbying and media is being used in this recent incident, no doubt Yunus lobbied the Norwegian government as well. However, their explanation left millions of dollars unaccounted for."

Joy said this became a major issue in Bangladesh and the government was forced to form an independent committee to investigate. "Yunus personally gave a press statement (no questions were allowed) where he announced that he undertook these transfers to avoid taxes, which constitutes tax eva-

"However, this makes no sense since Grameen was at the time a non-profit and paid no taxes. What is clear is that this transfer is completely illegal and constitutes a criminal offence of 'conversion' under Bangladesh law.' "Further investigation

incovered other fraud, improprieties and illegal activity at Grameen Bank underYunus.' Joy said, between 1998 and

2002 all microloan borrowers were forced to pay an additional amount labelled "forced savings" which they were supposed to be paid back. "However, this money was never returned to the borrowers, who are among the poorest of society! This is fraud and theft.'

He alleged that donor funds were used to invest in a variety of private-for-profit ventures, all without approval from either the donors or the government, which owns 25 percent of Grameen Bank.

"In several cases, the equity in these private ventures was held not by Grameen Bank, but by Yunus and his family members

Over a dozen AL MPs spoke

at the meeting at

Gonobhaban, official resi-

dence of the premier, and

half of them expressed dis-

pleasure at the "poor" per-

formance of some ministers

Later, in a separate meet-

ing at the same venue, some

leaders of AL-led grand

alliance components cen-

sured AL for undermining

them and for the party's "go-

They warned that if this

continues the alliance will

face "serious disaster" in the

next general elections, said

In response, Sheikh

Hasina, also chief of AL-led

grand alliance, requested

them not to do or say any-

thing that may harm the

alliance and benefit the

Since the beginning of the

journey of AL-led govern-

ment on January 6, 2009, the

party lawmakers for the first

time at ALPP meeting spoke

against ministers and state

ministers over poor perfor-

Sheikh Hasina had left

most of her senior party

colleagues out of the cabinet

and had some surprise picks

to run several important

and many of its members

cannot deliver on the grand

alliance's electoral pledges.

They cannot fulfil the expec-

"The council of ministers

and state ministers.

alone" policy.

meeting sources.

opposition.

mance.

ministries.

FROM PAGE 1

personally. This is completely illegal and constitutes embezzlement," Joy claimed.

He said loans were made by Grameen Bank to some of these corporations, which is completely illegal since Grameen Bank is not a regular bank. "It is lending donor funds and is only allowed to loan to microcredit borrow-

Joy also claimed Grameen charges up to 30 percent interest rate on loans and up to an additional 10 percent in "forced savings" to the poorest sections of society. "Their collection methods are draconian and collection officers who fail to collect payment have the uncollected amounts deducted from their

"There are many documented cases which constitute abuse and the criminal offence of 'molestation' under Bangladesh law," Joy wrote in the letter.

He claimed the government, not Yunus, founded Grameen Bank. "Contrary to the popular perception, Yunus did not found Grameen Bank. The government of Bangladesh did. Initially the government owned 65 percent of Grameen Bank, which was whittled down over the years by Yunus. The government still owns 25 percent of Grameen Bank and retains the right to veto management appointees. Joy said there is little evi-

dence that showed a link between microcredit and reduction of poor people. "Despite the hype, there is no evidence that microcredit has in fact reduced the rolls of the poor in Bangladesh. Grameen Bank has been in the microcredit business for 30 years, yet Bangladesh remains one of the poorest countries in the world." "Furthermore, the private

sector investments made using Grameen Bank money have become quite profitable. Grameen Phone is by far the largest telecommunications operator in Bangladesh with a subscriber base of 28 million, annual revenue of over \$1 billion and profits of several hundred million dollars per year. Grameen Bank owns 35 percent equity in Grameen Phone, so why do they have to charge such high interest rates to the poor?"

Yunus step down quietly from

state ministers cannot keep

up with her due to their

the government revive the

Warrant of Precedence, 1972

which honoured MPs by

giving their status above civil

increase of allocations for

local development and inclu-

sion of at least 10 educational

institutions in their constitu-

encies under monthly pay-

ment order (MPO) in the

results in the municipality

elections, a number of AL

MPs observed that the party-

backed candidates did not

perform well due to lack

coordination within the

party. They stressed the need

for strengthening the grass-

did not say anything in

response to the lawmakers'

the meeting, Hasina urged

the lawmakers to increase

their involvement in local

development and attend

at the quorum crisis in the

parliament. "All the 179 fresh

MPs in the grand alliance

must join parliament regu-

larly if they want to contest

in the next parliamentary

elections under AL banner,"

said a meeting source quot-

the House, told her party

deputies that the parliament

may pass the constitution

amendment bill in this ses-

her government's various

development activities and

said the lawmakers should

activities in their respective

The premier described

Hasina, also the leader of

ing the premier as saying.

She expressed discontent

allegations.

parliament.

Sheikh Hasina, however,

In her opening speech at

Citing the unexpected

current fiscal year.

They also demanded

and military bureaucrats.

They also demanded that

sluggish performance.

the post of managing director of Grameen Bank. He refused and has engaged in an international lobbying campaign accusing our government and in particular, Prime Minister Sheikh Hasina of engaging in political retribution.'

"Nothing could be further from the truth. Yunus has no political stature in Bangladesh. During the brief military regime from 2007-08, under a state of emergency with all political activity banned and most political leaders behind bars, even with the help of the military he was unable to put together a political party and garner any public support. Politically he is a non-entity in Bangladesh and no threat to any political leader," Joy said.

GRAMEEN BANK'S REPLY Grameen Bank responded to

each issue in Joy's letter. It referred to one of his allegations that "approximately \$100 million in donor funds were transferred out of Grameen Bank to a private corporation, Grameen Kalyan set up by Yunus". The microlender insisted that Grameen Kalyan is not a private corporation set up by ProfYunus.

"Grameen Kalyan was created by the board of directors of Grameen Bank [Board Decision 42.8, dated April 25, 1996 for the benefit of Grameen borrowers and employees [90 percent of whom come from low income families]," Grameen said.

"Empowered by a board decision and executing an agreement between Grameen Bank and Grameen Kalyan, an endowment to the extent of around Tk 3,917 million was created by simultaneous notional 'transfer' of fund Grameen Kalyan was never given the control and possession of the funds," the microlender said.

Grameen said Joy's claim that the government was "forced" to create an "independent investigation comassociated companies.

According to Grameen, Joy's claim about tax exemption does not take into account the tax exemption practice prevailing at that time. "There are perfectly legal ways to minimise tax liabilities. They do not constitute 'evasion'," it said.

The claim that "Grameen was, at the time, non-profit and paid no taxes" is simply

She urged MPs to high-

light the development activ-

ities by participating in the

ongoing discussion on

thanks-giving motion on the

essary, she would request

the Speaker to allocate more

Opposition Leader Khaleda

Zia for terming the incum-

bent government "illegal".

"If the present government

is illegal, her being the oppo-

sition leader is also illegal.

But she did not resign, rather

has been enjoying all the

financial benefits for the

Zia not to be disrespectful

towards people's verdict by

calling the present govern-

ment and the last election

Minister Syed Ashraful Islam,

State Minister for

Environment and Forest

Hasan Mahmud, and AL

lawmakers Atiur Rahman

Atik, Monowar Hossain

Chowdhury, Kamal Ahmed

Majumder, Ashraf Ali Khan

Khasru, Sirajul Akbar, Matiur

Rahman, Majaharul Haque

Pradhan spoke at the ALPP

After the ALPP conference,

another meeting of lawmak-

ers of AL and its grand alli-

ance components Jatiya

Party (JP), Workers Party and

Jatiya Samajtantrik Dal

(JSD) was held with Hasina

HM Ershad expressed frus-

tration over poor evaluation

Rabbi Chowdhury and

Mojibar Rahman said they

had never felt such humilia-

tion in their long political

careers, said sources present

In the meeting JP chief

JP lawmakers TIM Fazle

meeting, among others.

MEET WITH

in the chair.

of his party leaders.

COMPONENTS

LGRD and Cooperatives

She requested Khaleda

post," Hasina said.

illegal.

time for the discussion.

The premier said, if nec-

She also criticised

president's address.

not true, the microfinance institution insisted. "Grameen Bank was never a non-profit organisation. Following the expiry of Grameen Bank's tax-exempt status on December 31, 1996, it did not receive notice of taxexempt status until 2000, when the government retro-

1997 onwards," it said. Grameen brushed aside Joy's claim that from 1998 to 2002, "forced savings" were taken in members' names and not returned to them.

actively issued tax-exempt

status to Grameen Bank from

"From the beginning of Grameen Bank's operation, members have been required to maintain a savings account containing five percent of their loan disbursement amount in order to provide for their emergency needs," Grameen said.

"This money is credited to the borrowers' savings account, which is an interest bearing account and Grameen Bank has been giving 8.5 percent interest for the savings. The borrowers are enjoying the benefit of their savings at their convenience and are allowed to withdraw the entire savings without leaving any balance in their accounts. There is no question of not returning the money to the account holders," Grameen added.

According to Grameen, the allegation of using donors' funds for private ventures without approval from either the donors or the Grameen Bank is completely false and baseless. "There had never been any single incident of using Grameen Bank fund for private venture with or without approval of the Grameen Bank," it said.

Grameen also refuted a claim that it had charged a high interest rate. "Grameen Bank charges the lowest interest rate in Bangladesh for microcredit," the microfinance organisation

Joy's letter, according to 'Friends of Grameen', has exposed the very dynamics behind the attacks on Yunus and Grameen Bank.

On March 15, a full bench of Supreme Court will hear an appeal filed by the Nobel laureate against a High Court verdict that upheld a central bank order removing him from the organisation he founded three decades ago.

(Read full text of Joy's letter and Grameen's blow-by-blow response on www.thedaily star.net)

Abed, Yunus

FROM PAGE 1 improve the lives of girls and women around the world.

Founder of Grameen Bank and Nobel laureate Di Muhammad Yunus and Sir Fazle Hasan Abed, founder and chairperson of Brac, were included in the list prepared by US-based global advocacy organisation Women Deliver, said a press release.

The list of hundred individuals, the 'intrepid and results driven people', was released to mark the 100th International Women's Day, it said. The honorees are derived

from the fields of health human rights, politics, economics, education, journal ism, and philanthropy, and represent a great diversity of geographic and cultural backgrounds.

The list includes, among others from six continents, Nobel laureate Economist Prof Amartya Sen (India) Co-chair of Bill and Melinda Gates Foundation Melinda Gates (USA), US Secretary of State Hillary Clinton (USA) UN Secretary-General Ban Ki-Moon (South Korea) Queen Rania Al-Abdullah (Jordan), Nobel Laureate Human Rights activist Shirin Ebadi (Iran) and journalist Christian Amanpour (UK) the release added.

SC seeks

FROM PAGE 20

nominate five scholars and give their names to the court by March 21. The apex court said the

Islamic scholars can submi written statements on fatwa or appear before the court to give statement on the issue. The SC gave the order

while hearing an appeal against a High Court verdict that declared fatwa illegal. Abdur Razzak, counsel for

the appellant, told the court that fatwa is a fundamental right of Islamic scholars. "Fatwa is an institution

and indispensable to Islamic jurisprudence," he said However, anyone found guilty of abusing fatwa can be punished in line with the law the lawyer added. On January 1, 2001, the HO

declared illegal all punishments imposed in the name of fatwa after a hearing on a suo moto ruling of the HC. The court issued the ruling following a newspaper report on hilla marriage (marriage with a third person).

Mufti Mohammad Toyeeb and Abul Kalam Azad challenged the verdict at the SC the same year. Attorney Genera

Mahbubey Alam said he will place arguments on behalf the state.

Meanwhile, Islami Andolon Bangladesh (IAB) and Bangladesh Kaum Madrasa Chhatra Parishad demanded cancellation of the HC verdict and the women policy, which they say go against the spirit of the holy Quran.

The IAB staged demonstrations across the country to press home its demand.

Came for job

and Printing Factory Ltd at Shyampur in the capital. He died in the blaze along with seven others early yesterday.

"As I have no job, I came to Dhaka yesterday [Wednesday] morning and stayed the night with my cousin at Shyampur. Aziz talked to me last night over the phone and asked if he could meet me this morning [Thursday] at the factory, said 30-year-old Ibrahim adding, "But as I was getting ready to meet him I got the news he is no more.

"Now I prepare to take my brother's body home."

Ayesha Begum, Ibrahim and Aziz's cousin, said, "Aziz was only around 12 when he came to my home. He had worked at different factories as a helping hand for seven to eight years. He got the job told The Daily Star over the in the factory a year ago."

"Since he got the job, he had been staying at the factory but he would come over often," she said. "He grew up before my own eyes, but I could hardly identify

his body."

their sleep.

Nayan, 15, son of Siddiq accused. Hossain of Kishoreganj, also died in the fire. He had come

Dania.

to visit his brother-in-law Ferdous, a survivor of the fire. Twins Habil Ahmed and their residence at the city's Kabil Ahmed also died in

19,000 to fly in within week Dubai-London return flights

FROM PAGE 20

with the arrival of Bangladeshi nationals early yesterday, the repatriation of all the 3,000 Bangladeshis from Greece was completed.

city

However, the 11 people, who along with 49 Bangladeshis jumped from a ship in Crete Island, are still missing. The bodies of three Bangladeshis who died at Hania Port in Greece also arrived here yesterday. Of the three corpses, two

were handed over to their relatives at Hazrat Shahjalal International Airport while the other was kept at Dhaka Medical College Hospital (DMCH) morgue as its identity could not be confirmed, said Tajul Islam Shaheen, an official of Bengal Tiger Overseas Ltd, the local agent of Daewoo Engineering and Construction Company.

The body of Jahangir Afrad, who died of heart attack on reaching the Egyptian border from Libya, could not be sent from Matrou Airport of Egypt as per schedule since the pilot of the aircraft unloaded the coffin for safety reasons. The body is now at

Matrou Hospital under the International Organization for Migration (IOM) care and will be flown back to Bangladesh in a first available chartered flight that is equipped for carrying a dead IOM says that they can

bring 4,000 passengers per day but the Hazrat Shahjalal International Airport does not have the capacity of such repatriation and that is why it is getting delayed a few days, Quayes said. Speaking at the briefing,

Civil Aviation and Tourism Ministry Secretary Shafiq Alam Mehedi said Biman's Dhaka-Jeddah and Dhakawill be re-routed to Alexandria to bring back the Bangladeshis from Egypt.

Two DC-10 aircraft and three Airbuses will be carrying the stranded Bangladeshis. Each DC-10 has the capacity of 314 passengers while the Airbus has 221. "The five flights will be

able to carry 1,200 to 1,300

Bangladeshis in a week,"

the Civil Aviation secretary

said. The foreign secretary in his speech hoped that the government would arrange permission from the Egyptian authority to allow Biman fly over Egypt within a couple of days.

Quayes said those passengers, who have already given booking to the Biman's return flights to Dhaka from the destinations of Jeddah, Dubai and London, will be transferred to other airlines so that these flights could repatriate maximum Bangladeshis from Alexandria in Egypt. Civil Aviation Secretary

Shafiq Alam Mehedi said the expatriates' welfare ministry will bear the operating cost of the Biman flights and the national carrier will run on 'noprofit no-loss basis'. The foreign secretary said as of yesterday, there

are 3,027 Bangladeshis at the border point of Al Salloum in Egypt while around 15,000 in Rasjdir border in Tunisia. Five flights are scheduled

to carry 1,447 Bangladeshis from Djerba Airport in Tunisia to Dhaka yesterday. South Korea's Hanil Company will repatriate 154 Bangladeshi workers in the first of its arranged commercial flight from the Tunis Airport, Quayes said.

The Italian government will provide two flights for the repatriation. Of the two flights, one has already arrived in Dhaka and the flights in total will repatriate 288 Bangladeshis, he

Replying to a question, Quayes said the number of Bangladeshis from Libya to Egypt and Tunisia has drastically reduced and it is estimated that more than 30,000 Bangladeshis are still residing in Libya.

On another question, he reiterated that the government still has no plan for full scale evacuation of all Bangladeshis from Libya. "We still do not see the

necessity of air lifting all our nationals from Libya, but we have made preparations and examined whatever is necessary," he added. GERMAN GOVT

SUPPORTS REFUGEES The German government,

in cooperation with international relief organisations, will examine all options to help trapped Bangladeshi citizens in North Africa, said a press release of German Embassy here yesterday.

It said Germany has so far committed 2.8 million euros, which is mainly used to provide humanitarian assistance to refugees along the Libyan-Tunisian border area and to support the return of Bangladeshi and other workers from Asia to their respective countries.

Germany is working closely together with the United Nations High Commissioner for Refugees (UNHCR), the German government disaster relief organisation THW, the International Committee of the Red Cross, and the IOM.

Dyeing factory fire kills 8 Goodknight Mosquito Coil chemical evidence for testing

A major disaster was averted as the brave workers of the factory were able to prevent the fire from spreading to the floors below and douse the Witnesses said a huge

plume of black smoke was coming out of the rooms around 4:20am and the victims got trapped inside their Hannan, a mechanic of the factory, said he along with

towards the shed but found the door to the roof locked. They broke the door lock and later made a big hole in a wall of a room to pour water

some workers rushed

They had very little water from the reservoir tank but they were able to douse the fire around 5:00am before the fire engines even reached the

However, they found all eight people, who were sleeping in a room, dead.

Deputy Commissioner of Dhaka Metropolitan Police Gazi Mozammel Huq of Wari zone said they are preparing to file a case against the owners of the factory in connection with having no fire extinguishing equipment. They said they have collected

as well. DC Mohibul said the shed

was built illegally and a portion of the shed was used for storing dyeing chemicals, putting the lives of the people who work at the factory at The two owners, Mizanur

Rahman and Joynul Abedin, of the factory could not be found after the fire. The bodies were sent to

Mitford Hospital morgue where Executive Magistrate Mohammad Kamruzzaman said they were handing over the bodies to the families without autopsies as per the families' wish. He said the district admin-

istration gave each victim's family Tk 10,000 for burial purpose. In the last one year, 155

people died in separate chemical-related fire incidents in the capital. On June 3 last year, 123

people, mostly women and children, died and scores were hurt in a deadly blaze, which originated from a chemical store in the densely populated Nimtoli of Old On December 26, 10 peo-

ple were killed in a fire at

and Spray warehouse at Khilkhet in the capital.

On October 6, at least 11 workers were burnt to death and four others suffered injuries at a chemical factory in the capital's Dakkhin (South) Jatrabari. THE FACTORY

The large four-storey factory

building had a narrow entrance only through which over 250 workers and employees went in and out. Even though the building was large, there were no emergency or fire exits.

It ran 24 hours a day in two

The five-room shed was at one end of the roof while the other end had a water tank. Three of the rooms were

used by workers who stayed there. Two were for storing dyeing chemical cans.

Around 100 cans of dye and chemicals were found.

Factory workers said the security guards used to keep the lone entrance and exit to the building under lock and

Preferring anonymity some workers said if the door to the roof was left open, the rescuers could have saved

Cop jailed

FROM PAGE 20 Momtaj Ali alias Jamai Momtaj-- were given the death penalty and another one Mohammad Shaheen a life sentence for abduction and murder of the boy, Tanjirul Islam Mishel.

Judge AKM Mostafa Dewan of the First Special Tribunal for Prevention of Women and Children Repression handed down the verdict in presence of then Shyampur police OC Mohammad Jahangir Alam, Momtaj and Shaheen.

Hanif and Sohel went into hiding after getting bail from the trial court. Advocate Abdul Kayum

Khan appeared for the state while Mohammad Borhan Uddin defended the

Mishel, 14, son of Saiful Islam and a student of class-IV of Dania Sunrise Kindergarten, was abducted on July 5, 2003 near OC for his negligence in

Following the abduction, the victim's father filed a general diary (GD) with Shyampur Police Station appealing to the then OC to rescue his son.

In the GD, he mentioned that the abductors were demanding Tk 3 lakh ran som for his son's release. Police recovered

Mishel's decomposed body 17 days after the abduction from a ditch at Rasulbagh in the capital. Criminal Investigation

Department the same year on December 30 submitted charge sheets against Jahangir Alam and four abductors. Judge Shahed Noor Uddin of the Speedy Trial

Tribunal-1 on May 13, 2004 framed charges against four excluding the OC. But following a writ petition filed by the victim's family, the High Court directed the trial court to frame charges against the

rescuing the boy.

Ershad

FROM PAGE 20

residence Gano Bhaban yesterday, the day after he lamented joining the alliance. All lawmakers of Jatiya

Party including Rawshan Ershad, Anisul Islam Mahmud, Rashed Khan Menon of Workers Party, Hasanul Haque Inu and Mainuddin Khan Badal of JSD and most lawmakers of Awami League (AL) joined the lunch hosted by the premier.

Ershad at a public meeting in Comilla on Wednesday was highly critical of the government for its failure to resolve the acute crisis of water, gas, electricity when the people are suffering from rocketing price of essentials. Pervasive corruption, rape, secret killing, extortion, terrorism and tenderbaji are the go of the

Noting with surprise alliance sources told UNB that Ershad has taken a U-turn in less than 24 hours. He lauded the performance of the government and vowed to remain in the grand alliance. Ershad was rather critical of those talking against the grand alliance and the government.

the meeting. a lawmaker.

Another lawmaker comoversee the development plained to the prime minister that some ministers and

tations of the people who voted for the grand alliance," a ruling AL lawmaker told "We now feel that it would be better if we be their [ministers and state ministers'] personal assistants or secretaries rather than MPs," said

FROM PAGE 20 adviser to the prime minister.

"Last year Norwegian

Joy also said the government had tried to retain the respect of Yunus. "Given his stature as a Nobel Prize winner, the government of Bangladesh requested that

mittee" was highly misleading, as the government appointed a "review committee" to look into the operations of Grameen and its

Ministers criticised over poor record

at the meeting. JSD lawmaker Mayeen Uddin Khan Badal said the consequence will be very critical, if the grand alliance

tations. In response, the premier said her government had tough time in the last two years. She assured the grand

together in the coming days. Beginning around noon,

for over four hours. 10 accused of Babu murder

Natore

Natore jail yesterday. A defence counsel submitted the bail order, issued by a High Court bench on Tuesday, to the chief judicial

now," Mahua Noor Kochi,

mobile phone. She also alleged the

procession with lethal weapons at Bonpara bazar, killing Babu and injuring 20 others, including four journalists.

Babu's wife filed a murder case against 47 people on the following day.

fails to meet people's expec-

alliance leaders of working

the two meetings went on

freed on bail OUR CORRESPONDENT,

Ten accused in Boraigram upazila chairman Sanaullah Noor Babu murder case were freed on bail from

magistrate (CJM) of Natore. After receiving the bail order from the CJM, the jail authorities freed them. "I feel very insecure as most of the accused are free

wife of the slain BNP leader

accused of threatening her as she has been preparing for the upcoming municipality election in Bonpara. Criminals on October 8 last year attacked a BNP