

How leak came to be

USA TODAY, Berlin

It started with an email in early 2015: "Hello, this is John Doe. Interested in data?"

"We are very interested," replied a journalist in Munich.

The exchange resulted in internal documents from Mossack Fonseca — a Panama law firm that creates anonymous offshore companies around the world — being sent to staff at the Süddeutsche Zeitung, a large German daily. The newspaper had been involved in tax-haven investigations before.

The newspaper received about 2.6 terabytes (2,600 gigabytes) worth of information detailing how leaders, celebrities and athletes from around the globe acquired shell companies that can enable owners to cover up their dealings, and hide money.

The newspaper, which described in an article how it acquired the trove of documents, said the source of the material wanted no financial compensation. The source asked only for encryption and other security measures: "There are a couple of conditions. My life is in danger. We will only chat over encrypted files. No meetings, ever. The choice of stories is up to you."

Asked why the source was leaking the documents, the reply was: "I want to make these crimes public."

"He said that they must be stopped," the newspaper's Bastian Obermayer, who was involved in the project, said in a video. "It's rotten business they are doing."

After receiving the data, the newspaper's staff — realizing the 11.5 million documents would be too much to take on for one newspaper, brought it to the Washington, D.C.-based International Consortium of Investigative Journalists (ICIJ).

The ICIJ had helped coordinate on other projects on tax havens and tax evasion involving the newspaper known as Offshore Leaks, Lux Leaks and Swiss Leaks.

In one case two years ago, a whistleblower sold internal Mossack Fonseca data to German authorities. That data was much older and smaller in scope, the newspaper said. It addressed a few hundred offshore companies and led investigators to search the homes and offices of about 100 people.

In the end, major German banks including Commerzbank and Hypovereinsbank paid millions of euros in fines. Since then, other countries have also acquired data from the initial smaller leak, among them the United States, the United Kingdom and Iceland.

Still, the Panama Papers is the largest project by far for the newspaper. It involved around 400 journalists from more than 100 media organizations in over 80 countries, some of whom worked on the earlier tax haven stories, according to the newspaper.

The documents are primarily comprised of emails, pdf files, photo files and excerpts of an internal Mossack Fonseca database. It covers a period spanning from the 1970s to December 2015, according to the ICIJ.

"The sheer number of people we found in the data is becoming clear to us — dictators, Japanese mafia, Sicilian mafia, Russia mafia, weapons dealers, drug dealers, pedophiles," the newspaper's Frederik Obermaier, who also worked on the project, said in the video.

"You start to feel a little nervous when you realize that this one leak is going to expose them all, and that it all started at the Süddeutsche Zeitung."



People demonstrate against Iceland's Prime Minister Sigmundur Gunnlaugsson in Reykjavik, Iceland yesterday after a leak of documents by so-called Panama Papers stoked anger over his wife owning a tax haven-based company with large claims on the country's collapsed banks.

PHOTO: REUTERS

4 killed in clash

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Police said the administration imposed a ban on gathering (section 144) at Hajipara School field in Gondamara union around 3:00pm yesterday after two rival groups announced that they would hold rallies at the same venue in the afternoon -- one in support of installation of a power plant by S Alam Group and the other against it.

On information that the two rival groups took position at the spot for holding rallies, a team of 25 to 30 policemen went to the spot around 3:30pm, said ASP of Satkania Circe AKM Emran Bhuiyan, who was at the spot during the clash.

"As soon as police reached the field, several hundred people opposing installation of a power plant attacked police with brickbats and locally made weapons, and then opened fire. Police retreated, but the locals again swooped on them, prompting the law enforcers to fire shots at the mob in self-defence," said Emran.

He said 11 police personnel, including the officer-in-charge of Banshkhali Police Station, were "wounded by stray bullets" during the clash.

However, Md Jamir Hossain Kader, a witness to the incident, claimed the protesters were unarmed, and no shots were fired on police.

"When the unarmed people tried to hold a rally, police turned up there and fired shots without any provocation, causing casualties."

Later, an infuriated mob tried to block the road when police were leaving the spot but there was no attack on police, he added.

Arif Ullah, chairman of Gondamara union parishad, told The Daily Star that tension was prevailing in the area for the last one month over setting up of a power plant by S Alam Group.

"Around three days ago, some people from S Alam Group visited the spot. As they were inspecting the site, they came under attack from villagers who opposed the plant's installation. A case was filed with Banshkhali Police Station over the incident, and six to seven people were arrested early today," he added.

The opposing group led by ex-union parishad chairman and BNP leader Liakat Ali decided to hold a rally to protest yesterday's arrest and also plant's installation, while Awami League men led by local AL unit president Shamshul Alam Master announced a plan to hold a counter-rally in support of setting up the plant, he said.

Giving his account of the clash, Arif said that at one stage, locals hurled brickbats at police, but he didn't know whether locals opened fire on the law enforcers.

Talking to The Daily Star last night, Deputy Commissioner of Chittagong Mesbah Uddin said a one-member

committee comprising Additional District Magistrate Mominur Rashid was formed to investigate the incident.

It was asked to submit a report within a week, he added.

ASP Habibur said a case would soon be filed over the incident.

Meanwhile, BNP Chairperson Khaleda Zia slammed the government for "the killing of five people in a police attack" in Chittagong.

In a statement, she demanded that the government form a judicial probe body to identify the culprits and give them exemplary punishment.

Despite repeated attempts, The Daily Star couldn't reach Mohammed Saiful Alam, chairman and managing director of S Alam Group, for comments.

On condition of anonymity, a senior official of the group said, "This issue concerns the police. They imposed section 144... We have nothing to say about it."

In December 2013, S Alam Group, one of the fastest growing local companies, struck an agreement with SEPCO3 Electric Power Construction Corporation of China to set up a coal-fired power plant in Banshkhali.

On February 16 this year, the government signed power purchase agreements with two private joint ventures led by S Alam Group to buy electricity at Tk 6.61 per kilowatt-hour from two projects with power generation capacity of 1,224MW.

SS Power-I Ltd and SS Power-II Ltd -- both joint ventures of S Alam Group -- and SEPCO3 Electric Power and HTG of China will set up the power plant by November 2019.

The project will require an investment of \$2.4 billion of which \$1.75 billion will come from Chinese lenders. The plant is being implemented on a 600-acre site.

Star editor

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Prajanma League Hasibul Islam filed the defamation suits on February 13.

The cases are among the 83 lawsuits filed against the editor in 56 districts since February 9. The cases include 17 pleas for bringing sedition charges against him.

Mahfuz Anam has so far secured bail in 10 cases from lower courts.

The case spree began after the editor at a TV talk show on February 3 made an introspective comment about a lapse in his editorial judgment in publishing some reports, based on information given by the Taskforce Interrogation Cell during the 2007-08 caretaker government rule, without being able to verify those independently.

The cases have drawn condemnation from local and foreign journalists and their unions as well as human rights bodies.

Billionaire

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branch identified the mistake before the closing of the day and rectified it by informing the head office about the matter, the bank authorities said in a statement issued yesterday.

Such transactions took place twice in the past, which involved only Tk 2,000. The amounts were automatically returned, said Farid Ahmed, manager of the Patuakhali main branch.

The Baghabari Ghat branch itself has only Tk 30 crore in deposit and so thousands of crores could never be materialised by the flawed order.

No transaction took place through Sohag's account on the day, according to the Janata Bank's statement.

Sohag who has been driving an auto-rickshaw in the district for five years opened a savings account with the bank on June 23 last year with an initial deposit of Tk 1,000. Later, he cashed a cheque of Tk 3,520 that he received from an insurance company.

The money has already been withdrawn. The auto-rickshaw driver has not carried out any transaction through the account recently.

Sohag, 35, the account-holder, said he did not know about the matter. He opened the account just to get money against cheques issued by the insurance company in his name.

"I didn't give the account number to anybody or no one sent money to my account."

Although Sohag did not get hold of the money, the incident became a talk of the coastal town.

Janata, the third largest bank in the country in terms of network expansion, has a deposit base of Tk 56,000 crore, half of which is owned by the government. The deposit at the main branch of Patuakhali is Tk 40 crore.

Muezzin killed inside mosque

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first floor of the mosque.

Before offering the Fazr prayers, he was looking for the muezzin and found the body of Belal lying on the stairs between the first and the second floors, Tajul said.

The basement and ground floor of the mosque houses 30 wholesale clothes shops.

On information, Belal's son Md Yeasin, a madrasa student who lives in Gandaria, came to the spot. He later filed a murder case with Kotwali Police Station against unknown people.

He said during the last Ramadan some unknown criminals entered the room of his father on the second floor and beat him up. They also took away his mobile phone and some money.

A general diary (GD) was filed with Kotwali Police Station at the time.

After the incident, Belal wanted to leave the job and go to his village

home, but he changed his mind following an assurance from the mosque committee.

Asked if he suspected militant links with the killing of his father or whether his father was the target of any extremist groups, Yeasin replied in the negative.

Mofizuddin Ahmed, deputy commissioner of Dhaka Metropolitan Police in Lalbagh division, told this correspondent that police were yet to find any clue about the killing.

Apart from police, other agencies are also working to find clues. A CID team visited the spot and collected evidence.

Mofizuddin said the imam and junior muezzin Mosharrif Hossain were picked up for interrogation.

The DMP official said though Belal worked as the muezzin, he used to handle some cash to meet the expenses of the mosque. He said they were investigating whether there was any

Lawyers whose firm is at the centre of global controversy

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The ICIJ says that Mossack is a German immigrant whose father sought a new life in Panama for his family after serving in Hitler's Waffen-SS during World War II. The elder Mossack also offered to spy for the US government on "former Nazis turned Communist or unconverted Nazis cloaking themselves as Communists," after the war, according to US intelligence files obtained by the ICIJ.

Jurgen Mossack studied at the Santa Maria La Antigua University School of Law in Panama.

Fonseca is an award-winning novelist who has worked in recent years as an adviser to Panama's president, it said.

The consortium said from its base in Panama City, the company has created and established anonymous companies in Panama, the British Virgin Islands and other financial havens.

"The law firm has worked closely with big banks and big law firms in places like The Netherlands, Mexico, the United States and Switzerland, helping clients move money or slash their tax bills, the secret records show," the ICIJ said.

"An ICIJ analysis of the leaked files found that more than 500 banks, their subsidiaries and branches have worked with Mossack Fonseca since the 1970s to help clients manage offshore companies."

The company was formed in 1977 by Jurgen Mossack and Ramón Fonseca, and specialises in commercial law, trust services, investor advisory and international structures. Its website says it can help reduce costs, incorporate and manage Private Interest Foundations, conduct business in any country and carry out transactions in any chosen currency.

In a boast that may seem ironic given the massive leak of documents, its website says offices are supported by "secure, state-of-the-art technology that is upgraded continually".

Cops bust 'militants'

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Commissioner Hayatuddin Chowdhury conducted a drive there and recovered four foreign-made pistols, 40 bullets, six magazines, a huge number of detonators, mobile phones, and a motorcycle.

Later, the grenades were detonated at a desolate place near the house.

"The evidence we have collected suggest that the house was being used as a JMB den and militants were planning to carry out subversive activities," Md Asaduzzaman, superintendent of police in Bogra, told The Daily Star.

The grenades and explosives seized from the house were similar to those recovered from different militant dens earlier, the SP added.

However, police were yet to confirm the identities of the deceased. One of them died on the spot while the other died at Shaheed Ziaur Rahman Medical College Hospital in the district later. Both were aged between 35 and 40.

Owner of the house Mahbubur Rahman, who lives in Dhaka, rented out the house six months ago to one Mizanur Rahman who introduced himself as a CNG-run auto-rickshaw driver from Naogaon.

SP Asaduzzaman said, "Police are

trying to know the identities of the tenants and the deceased."

"We are trying to locate him [Mizanur] by tracking his mobile phone," he added.

Yesterday, the bomb disposal team entered the house through the back door as the front door was locked. Marks of blood were all over the floor of one room. Another room of the house was used as store, police said.

Locals said Mizanur, his wife and daughter left for Naogaon on Friday.

On Sunday night, neighbours rushed to the house after hearing a bang, and saw the two men lying in a pool of blood. They informed the police immediately.

Contacted, Monirul Islam, chief of the Counter Terrorism and Transnational Crime unit, said the house was the den of a JMB faction, which had also used a flat in the capital's Mirpur as their den.

On December 24 last year, detectives in a 15-hour raid at the Mirpur house seized 16 improvised grenades, other ingredients, including gel explosives enough to make over 200 bombs and grenades, and a suicide vest.

Three suspected JMB members were arrested during the raid.

Govt to cut fuel prices

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The decision about the next two phases would be made after assessing the impact of the first price cut, he said.

The decision to implement the price drop in three phases was made at a meeting at the Prime Minister's Office on Sunday.

The price reduction in the later two phases might come after discussions with stakeholders in the transport sector, officials said.

The cut in the three phases might see the prices of octane, petrol, and diesel going down by Tk 20 a litre.

On Thursday, the government cut the price of furnace oil by more than 30 percent to Tk 42 a litre with immediate effect.

The prices of diesel and kerosene now stand at Tk 68 a litre, octane Tk 99, and petrol at Tk 96.

However, it costs the government

about Tk 30 to produce a litre of furnace oil, and about Tk 55, Tk 50 and Tk 38 for octane, petrol, and diesel after buying oil from the international market.

This is helping state-run Bangladesh Petroleum Corporation (BPC) to make huge profits.

In fact, the BPC has been making profit since mid-2014 when petroleum prices started falling.

But the government was reluctant in adjusting the prices to allow the BPC to repay its loans and recoup the losses it had incurred between fiscal years 1999-2000 and 2014-15.

The state agency has already repaid its loans.

Bangladesh consumes 35 lakh tonnes of diesel, 15 lakh tonnes of furnace oil, and about four lakh tonnes of petrol and octane a year.

Tk 300cr fine proposed

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function of the fingerprint once it matches with the National Identity Card information preserved in the national database under the Election Commission and that there was no scope of harassment of citizens or misuse of the fingerprints for any other purpose.

The carriers have no mechanism to preserve the fingerprints of the subscribers, said Tarana, adding that people's confusion would be gone through this.

She told the meeting that as per the telecommunication act, carriers cannot use or release personal data of users. If any carrier violated the act,

there is a provision for a Tk-300-crore fine, she noted.

Talking to reporters at her ministry office later on, Tarana said Prime Minister Sheikh Hasina herself would re-register her mobile SIM card through biometric process by April 30. Through this people would be assured that their fingerprints have not been preserved afresh, she said.

The SIM cards, not re-registered by April 30, would be disconnected and a text message would be sent to it, she said, adding that the subscribers would be able to register their SIM cards later on.

She, however, did not mention any specific timeframe for this.