

## Plug the avenues of money laundering

### USD 5.9 billion laundered in 2015

GLOBAL Financial Integrity (GFI) brought out a report recently that provides country-level estimates of the illicit flows of money into and out of 148 developing and emerging countries and is based on International Monetary Fund (IMF) data. The latest GFI index in its report tells us that in 2015 Bangladesh has experienced a siphoning out of USD 5.9 billion through trade misinvoicing. According to the report, "trade misinvoicing remains an obstacle to achieving sustainable and equitable growth in the developing world" and Bangladesh is one of the top 30 countries in terms of illicit financial flows (IFFs).

Money laundering remains a major pain in countries like ours as it has everything to do with tax evasion and smuggling of monies across transnational borders with no oversight. These illegal activities are a major threat to the country's economic development as the government finds it increasingly difficult to deliver sustainable growth in the face of diminishing resources for economic activities like building infrastructure. To put things in perspective, we could have built nearly two Padma bridges with the money siphoned off!

The government must strengthen its anti-money laundering regulations and we are told that the central bank is working on a policy titled "National Strategy for Preventing Money Laundering and Combating Financing Terrorism 2018-2020". The plan looks good on paper, but the strategy paper will take till 2020 to prepare. We would like to impress upon the concerned ministry and relevant departments that the quicker we formulate the plan, the sooner it will provide a roadmap to combat IFFs. There are also serious implications in a world of unknown financial inflows which could potentially be used to destabilise the country. The cost of delayed action is running into billions of dollars and Bangladesh is being flagged yearly by reports like the GFI index, which hardly inspires confidence in the policymakers' efforts to curb illicit financial flows not just outward, but also inwards.

## An innocent man languishing in jail!

### Compensate him and punish those responsible

WE are shocked to learn that an innocent man has been languishing in jail for the last three years in cases filed by the ACC while the real accused is roaming free. According to news reports, the real accused was Abu Salek who misappropriated around Tk 18 crore from Sonali Bank between 2010 and 2011. But unfortunately, the anti-graft watchdog had framed charges against Jaha Alam, a jute mill worker, after identifying him as Abu Salek. Although the man claimed before the ACC that they were mistaken, his words were not taken seriously.

What we don't understand is how the bank officials identified Jaha Alam as Abu Salek as the picture given in the bank's form was not Jaha Alam's. Thus the questions that naturally arise are: What is the standard procedure of verifying one's identity according to our law? Did the authorities maintain that procedure while identifying the accused? If not, what could be the possible reasons behind this? Was this a mistake or was it a deliberate attempt to save the actual accused who has been in hiding?

It took three long years for the ACC to realise their mistake and by the time it submitted to the court to exempt Jaha Alam from prosecution, precious three years of his life had already been lost. His poor family has become penniless bearing the expenses of the cases. Those responsible for the sufferings of Jaha Alam and his family should be identified and brought to justice since what happened to him is a crime. Also, the victim of this outrageous negligence should be compensated adequately.

## LETTERS TO THE EDITOR

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### Rampura in a mess

In Rampura, local people are suffering because of the area's narrow footpaths. Small and medium-sized traders have occupied footpaths and set up makeshift shops. Many shop-owners, too, extend their enterprise onto the footpaths. In the process, pedestrians are going through severe inconvenience.

The authorities must take serious steps to dismantle these shops after rehabilitating the vendors. Otherwise, it will be impossible for us, the residents, to navigate through streets.

Rashidul Islam, By e-mail

### Kuldip Nayar awarded Padma Bhushan

Although he has already passed away, Kuldip Nayar's writing skill still mesmerises me. The way he could express complex issues was really impressive. He possessed a truly secular mind. He struggled for free journalism, liberty and human rights. When he was imprisoned during the emergency of 1976-77, his readers were shocked.

After five months of his demise, he has been posthumously honoured with India's third highest civilian award, the Padma Bhushan, on the eve of the country's Republic Day. We applaud the Indian government for recognising him.

Mobarak Ali, Gopibagh, Dhaka

# Bangladesh descends in corruption ranking

## Zero tolerance—what next?



TRANSPARENCY International (TI) released its Corruption Perception Index (CPI) 2018 on January 29, 2019. Bangladesh has scored 26 out of 100, two points lower than the 28 in 2017. The slide is worse in terms of ranking. Bangladesh has been ranked in the 149th position from the top among 180 countries, which is six steps lower than the 143rd in 2017.

Among the eight South Asian countries Bangladesh continues to be the second worst after Afghanistan. In the Asia-Pacific region, we are the fourth lowest among 31 countries, better than only Cambodia, Afghanistan and North Korea.

Bhutan has performed best in South Asia, scoring 68 and ranking 25th from top in the global list, followed by India ranked 78th scoring 41, Sri Lanka 89th scoring 38, Pakistan 117th with 33, Maldives and Nepal jointly 124th with 31, and Afghanistan 172nd with 16. Scores of all South Asian countries other than Bhutan are below the global average of 43, meaning that corruption remains a key regional challenge. Globally, Somalia, with 10 points, holds the lowest position for the 12th successive time.

The CPI is produced by the TI Secretariat in Berlin, based on a methodology designed by experts from Department of Statistics and Political Science of Columbia University; Methodology Institute, London School of Economics and Political Science; Charles University, Prague; and Hertie School of Governance, German Institute for Economic Research.

Produced since 1995, CPI relies on thirteen international surveys that provide comparison of countries by perceived prevalence of corruption. Information used in the CPI relates to corruption in the public sector, particularly bribery, diversion of public funds, use of public office for private gain, nepotism, excessive bureaucratic burden and state capture. The government's capacity to control corruption is also considered.

Data for Bangladesh came from the Economist Intelligence Unit Country Risk Assessment, World Economic Forum Executive Opinion Survey, Bertelsmann Foundation Transformation Index, Global Insight Country Risk Ratings, Political Risk Services International Country Risk Guide, World Bank Country

Policy and Institutional Assessment, World Justice Project Rule of Law Index, and Varieties of Democracy project. The data period was November 2016 to September 2018. No nationally conducted research or surveys like those by TIB are used in CPI.

The best performer is Denmark, having scored 88, followed by New Zealand with 87. In the third place, scoring 85, are jointly Finland, Singapore, Sweden and Switzerland. Norway is in number 7 with a score of 84 followed by the Netherlands with 82, Canada and Luxembourg with 81, and Germany and the UK with 80. Singapore, Hong Kong (76) and Japan (73) are the only Asian countries in the top twenty.

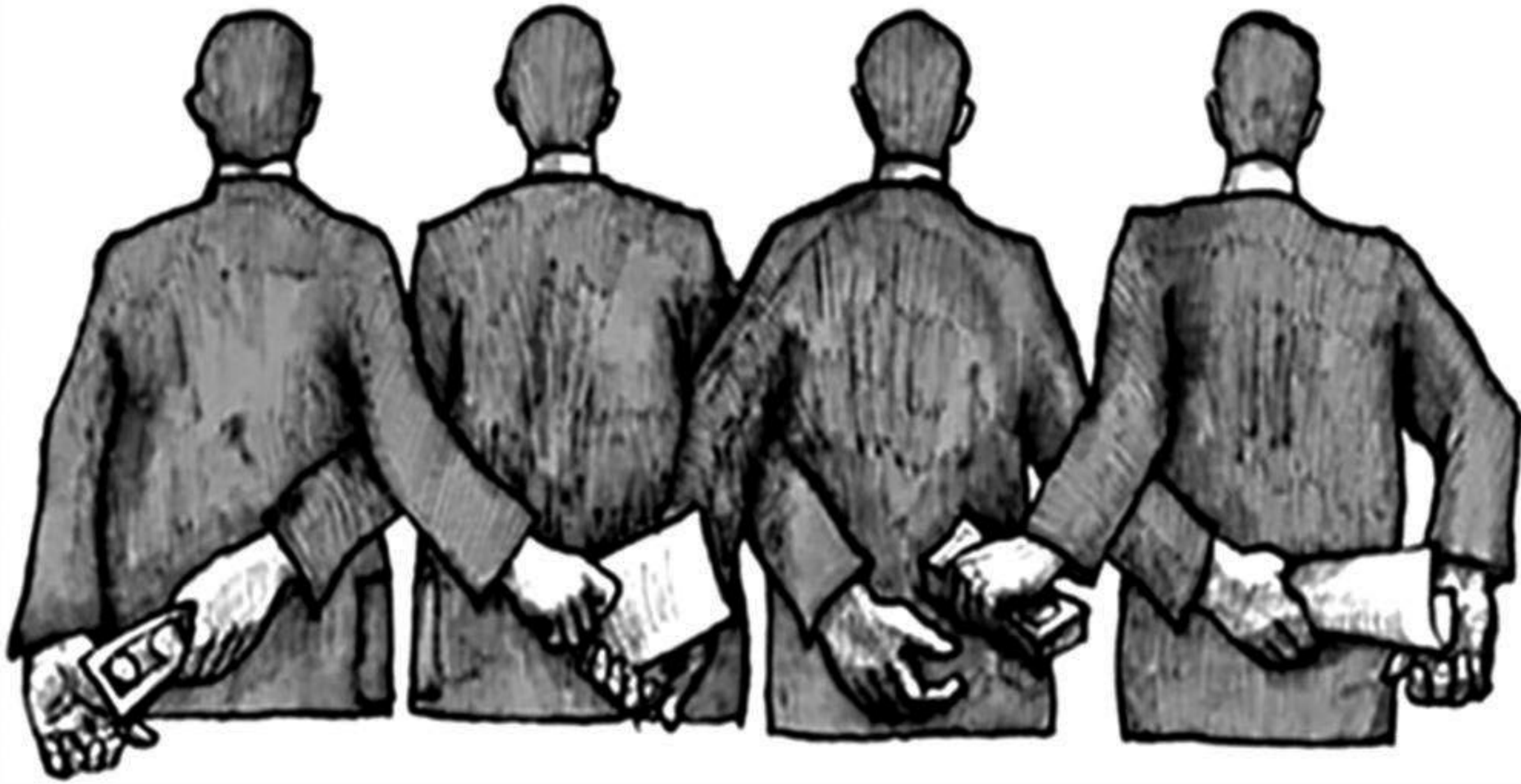
No country has scored 100 percent,

Accountability is the key to zero tolerance against corruption—this is easier pledged than practised, especially in a context where conventional processes and institutions of checks and balances are absent. The overall political and governance space now rests on one party.

Accountable governance will therefore depend on an unlikely paradigm shift in political culture whereby being in or near power will be no longer treated as a mandate for self-enrichment. Is it possible that the corrupt, especially the powerful, will no longer enjoy impunity? Can corruption be indeed treated as a punishable offence for all irrespective of identity and status—political or otherwise?

services cease to be a way of life? Can illicit financial outflow be arrested and those involved brought to justice? Can it be expected that the unconstitutional provision of legalising black money will be discontinued right from the forthcoming budget?

In her speech to the nation on January 25, the prime minister stressed the importance of people's involvement and media's supportive role in fighting corruption. This reflects Article 13 of the UN Convention against Corruption, which obliges the government to create a conducive environment for participation of civil society, NGOs, media and citizens at large in anti-corruption movement. If the PM's statement is to yield practical value,



hence no country is free from corruption. As many as 124 (69 percent) countries have scored below 50; 107 countries (59 percent) have scored less than the global average. Score has declined in 73 (41 percent) countries including high-performers like New Zealand, Norway, Canada, Germany, the UK, and Hong Kong.

Bangladesh was in the lowest position during 2001-2005. It has since escaped the threshold of the lowest scores and rankings though there is no scope of complacency. Given the prime minister's pledge of zero tolerance against corruption during the launch of her party's election manifesto, which she has since been regularly insisting upon, expectations have risen that openings to perform better may be in offing.

Can the Anti-Corruption Commission take the PM's declaration as a mandate to overcome its inhibitions against acting independently and bring the corrupt to justice without fear or favour? Will it help their confidence that when it comes to corruption control they are no subordinates to the government; rather they are authorised to hold government functionaries to account?

Can it be expected that grabbers of land, forest, river and water bodies, loan-defaulters and other swindlers in the banking sector will no longer enjoy political patronage, high positions and impunity? Will bribery continue to be treated as "speed money" and encouraged "within certain limits" as it was by former ministers? Will unauthorised payments for public

restrictions on the space for media and civil society, especially freedom of speech and opinion, indispensable for disclosure, reporting and voice raising, must be removed. Drastic and comprehensive amendment of the Digital Security Act is therefore indispensable.

Above all, what is needed for zero tolerance to yield concrete result is a comprehensive, target-oriented National Anti-Corruption Strategy developed by engaging relevant experts and stakeholders, and for it to be strictly enforced and independently monitored in the short-, medium- and long-term.

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## Mueller investigation and Trump's turbulent new year

ZIAUS SHAMS CHOWDHURY

FOR the last couple of years or so, the special counsel Robert Mueller's investigation of the possible collusion between Russia and the Trump campaign to influence the 2016 US Presidential Election has been in steady media limelight. Never before had any US Presidential Election been suspected of being targeted by any foreign government. Although Mueller has been extremely circumspect, and carefully avoided media, some commentators think that he may have found a lot. President Trump is reportedly very worried. Those who have followed this issue must be watching with an intoxicated interest what will surface once the investigation concludes. It is in order here to briefly recapitulate some key aspects of the Mueller investigation.

Attorney General Jeff Sessions (who resigned recently), a one-time close associate of Trump, recused himself from supervising the investigation after his dubious meeting with the Russian ambassador during the campaign became known. His Deputy Rod Rosenstein appointed Robert Mueller as Special Counsel. Mueller was a former FBI director with a reputation for competence and a bipartisan respect for his integrity. Interestingly, he is a Republican. As a Princeton graduate, his academic background is formidable. A highly decorated Marine Corps officer, he served in Vietnam. His career was mostly spent in the Justice Department, where he supervised major prosecutions. George W Bush appointed him FBI director. His performance won such acclaim that the Senate unanimously extended his 10-year term by two years in 2011.

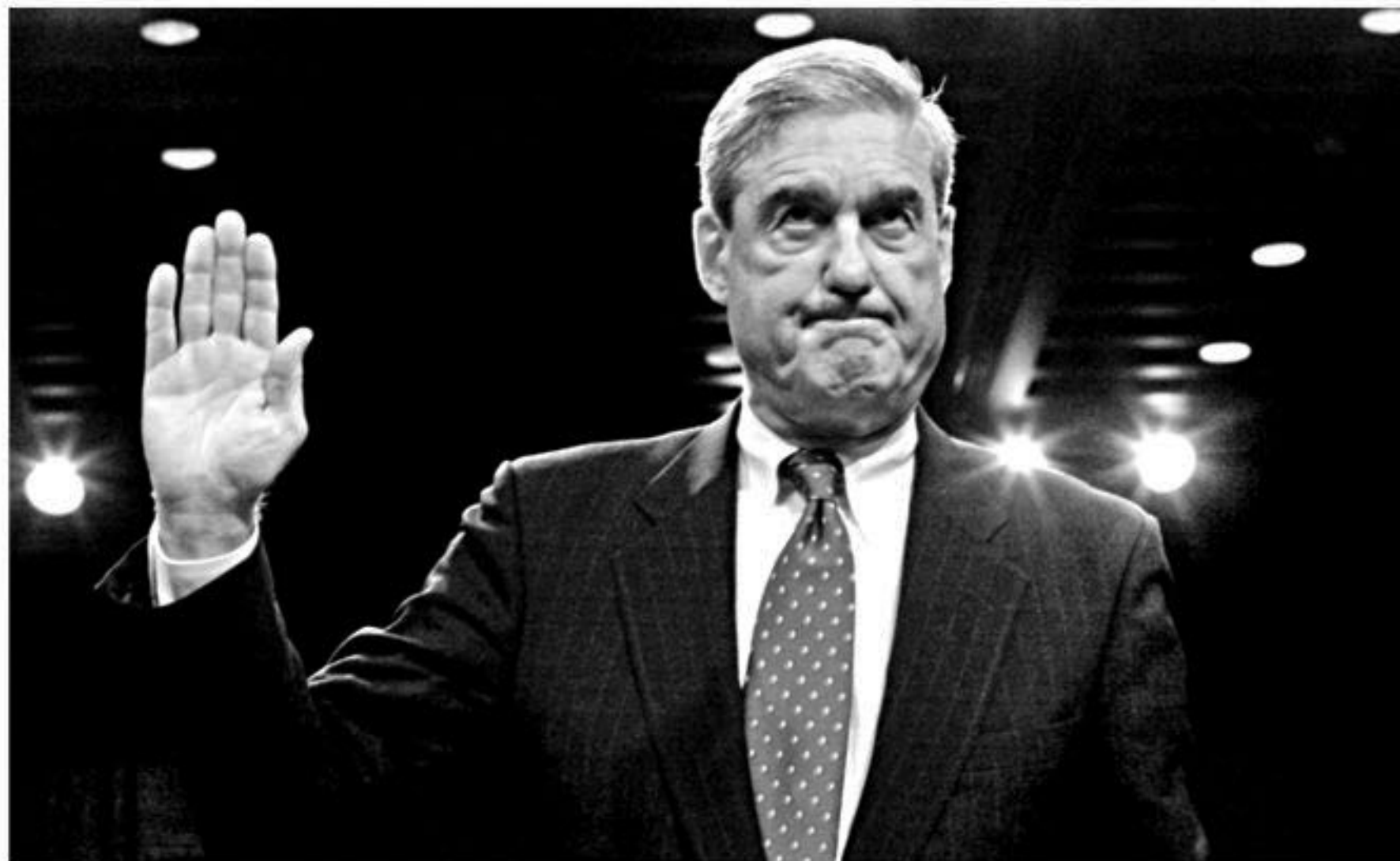
While continuing to conduct the investigation, Mueller was flawlessly circumspect, and refrained from making public statements. His mandate was to investigate any link or coordination between the Russian government and the Trump campaign. He enjoyed a lot of independence, more than Ken Star who acted as Special Counsel during Bill Clinton's impeachment.

Mueller proceeded with great efficiency and resolution. On at least a

couple of occasions, his action produced shock and awe. On July 26, 2017, the FBI with a search warrant raided the Alexandria home of Paul Manafort, former Trump campaign chairman. The raid was conducted on strong evidence of financial criminality (Manafort was a highly-paid foreign consultant), and brought up a trove of incriminating papers on his financial wrong doings. Considering Manafort's closeness with Trump, the incumbent President, it was a daring act and a sign that Mueller meant business. Trump expressed unhappiness. Indeed he has several times called the Mueller probe a witch-hunt. Mueller has indicted 32 people and three Russian firms. Notable among those indicted are Paul Manafort, Trump's long-term

National Committee to facilitate social media influence.

On January 25, at 6 in the early morning, the FBI arrested Roger Stone, a long-term Trump associate from his Fort Lauderdale house. Stone was connected with the Trump campaign all along. He informed Trump that Wikileaks had information that would be damaging to Hillary Clinton's campaign. As CNN footage showed, his arrest was in the cover of darkness. FBI operatives were in protective gear as if ready to confront any violent resistance. Noted legal analyst of CNN Jeffrey Toobin observed that the scene was "very shocking". Toobin also said that Stone had an aggressive track record and had taunted the Mueller investigation. According to the



Robert S. Mueller III sworn in to testify before the Senate Judiciary Committee in Washington on Sept. 17, 2008.

PHOTO: MOLLY RILEY/REUTERS

business partner and Rick Gates, hid Deputy Campaign Chief on charges of conspiracy against the US, witness tampering, conspiracy to obstruct justice, and obstruction of justice. Michael Flynn, National Security adviser on charges of making false statements to the Special Counsel. President Trump's long-term friends and allies Michael Cohen and Roger Stone were indicted on charges of making false statements to the Special Counsel's office. Gru, the Russian Intelligence Directorate, was indicted on charges of hacking of Democratic

Washington Post, the arrest of Stone raises a fundamentally important question: Did Trump or those who assisted his campaign seek the help of an adversarial nation, Russia, to win the election?

The Mueller investigation appears to be taking on an ominous aspect for Trump at a time when things are going badly on other fronts. After initially showing a hard-line posture on his demand for 5.7 billion dollars for his Mexican wall pledged during the campaign, and shutting down the government for the longest period in US

history, he capitulated ignominiously and reopened the government without getting any concession from the House Democrats. The new year has so far been quite bereft of much cheer.

One thing that seems to be above any debate is that Trump's handling of his business interest with Russia has been inept. If he had any Presidential ambition early on, he ought to have been discreet. His interest in building a Trump Tower in Moscow may have left him exposed to exploitation by the Russians. In media, there has been recurrent discussion on why he has been always chary of saying anything critical of Putin. The meeting of Paul Manafort and Trump's son-in-law Jared Kushner with some Russians, notably the lawyer Natalia Veselnitskaya, in Trump Tower in New York was fodder for all kinds of damaging speculation. The Russian connection has become an albatross on his neck.

An inescapable question is if so many of his close associates have been indicted, how seriously is he compromised? Trump has been a businessman. His trust with politics started with the 2016 Presidential Election he won. Looking at political issues through the lens of a businessman, it would seem now, has frequently got him into messy situations.

After his advent to the White House, his method has been to push his executive authority to limits few Presidents tried before. He has done this ruthlessly, until his method failed to work. Over the government shut down, he miscalculated and had to cave in. He got no concession from the Democratic controlled Congress. The Speaker Nancy Pelosi gave him a humiliating lesson on his limits of power. He dismissed Comey, but it only compounded his problem. Initially, he threatened to get Mueller fired but found that the Justice Department will not oblige him. And he has now discovered that after midterm take-over of the Congress by the Democrats, his presidency is going to be a rough ride.

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