

Process on to bring back laundered money

Says chief adviser's office

STAFF CORRESPONDENT

The interim government has started the process to bring back the money laundered abroad and acquire local assets of the people who embezzled money from banks.

The information was shared by the office of the chief adviser of the interim government through a press release issued yesterday.

Bangladesh Bank's financial intelligence unit, criminal investigation department of police, and anti-corruption commission have started recovering the embezzled and laundered money, according to the press release.

The government has already contacted various foreign organisations seeking their assistance regarding the repatriation of the money.

"Some unscrupulous businessmen and other influential persons have in recent years embezzled huge sums of money anonymously and laundered it abroad through rampant corruption and fraud in the banking sector," it said.

The government is also working to determine the exact amount of money and assets laundered and embezzled from the banking sector, it also said, adding that the amount of embezzled money is believed to be over Tk 1 lakh crore.

It said reforms are already underway in banks and financial institutions associated with such corruption.

Besides, initiatives have been taken and the boards of Islami Bank, Social Islami Bank, National Bank, United Commercial Bank, Global Islami Bank, and Union Bank have been reconstituted.

It said reforms will also be initiated in the remaining banks and financial institutions.

The actual information of the embezzled money will be collected through the new management authority and the audit process will start to determine the actual amount of money embezzled from the banks.



PHOTO: PALASH KHAN

People push and shove each other to get close to an OMS truck to buy essentials at subsidized prices in the capital's Mirpur-1 area. They had waited in queue for a long time. The food department yesterday sold OMS rice for Tk 30 a kg and flour for Tk 24 a kg.

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Hasina made accused in 4 more cases

STAFF CORRESPONDENT

Former prime minister Sheikh Hasina has been sued in four more cases over the killings of three people and the attempted murder of another person during the student-led mass uprising.

Three of the cases were filed with Dhaka courts yesterday while another murder case was filed in Bogura two days ago.

Several former ministers, including Awami League General Secretary Obaidul Quader, Asaduzzaman Khan, top police officers and at least three journalists, were among the accused.

With these, Hasina is now facing 75 cases related to the protests, including 63 on murder charges, seven on allegations of crimes against humanity and genocide, three on charges of abduction, and two for other charges.

Hasina and 30 others were sued over the death of grocery shop owner Mizanur Rahman during the quota reform movement in the capital's Banasree on July 19. His father Kamal Hossain filed the murder case with the court of Additional Chief Metropolitan Magistrate Md Tofazzal Hossain who

Hold talks

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movement for the restoration of democracy, Fakhru said that elections are necessary for establishing democracy. "That's why we talk about elections; it is our right."

Fakhru said they should not forget the depoliticisation efforts of the 1/11 regime. "During that time, there were attempts to abolish and eliminate our party. We cannot forget those things."

In response to a question about whether he sees any signs of 1/11 repeating, he said, "No, I do not see such signs. ... Some faces scare us. You have seen it too. We haven't seen them before... suddenly they're coming to the front page of the media... you (media) are propagating their theories and statements. I don't want to name anyone. I think this is not good for a healthy democratic process."

He, however, said BNP is willing to accept a reasonable time and offer full cooperation to the interim government. "We'll continue to do so as long as we believe the government is on the right track."

When asked to explain a logical time for the interim government, the BNP leader stated that it was a matter of discussion.

When his attention was drawn to the lifting of the ban on Jamaat-e-Islami, Fakhru said, "We're not in favour of banning any political party, regardless of which party it is."

He said that the right to form organisations, which the constitution

However, the BNP leader said a party which doesn't believe in the independence of Bangladesh should not be supported.

guarantees for every citizen, should be upheld.

However, the BNP leader said a party which doesn't believe in the independence of Bangladesh should not be supported.

Noting that many cases are now being filed randomly, Fakhru requested the law enforcement agencies to conduct primary verification first before accepting these.

"I think this practice needs to be stopped completely. The way cases are being lodged will not consolidate this mass upsurge," he said, urging his party leaders and activists not to file any case that lack merit.

About the minority issue, Fakhru said many campaigns are being carried out from abroad, especially from India, in a bid to undermine the mass upsurge in Bangladesh. "They want to make some political issues as communal ones, which is unacceptable," he said.

He also said the campaigns are being conducted targeting BNP, which is quite unfair.

"We're observing that some criminals in certain areas are indulging in offences such as occupying and establishing control, and efforts are being made to shift the blame onto the BNP. We would like to make it clear our leaders, activists are not involved in criminal activities," he said.

The BNP leader expressed surprise that leading and renowned newspapers are also reporting news involving the BNP in criminal acts. "I don't think it's justified. One or two individuals may commit misdeeds personally..."

TIB proposes a raft of reforms

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The same person should not hold the positions of the prime minister (head of government), the chief of a political party and the leader of parliament simultaneously.

TIB's recommendations for necessary reforms in the state structure to prevent corruption, and establish democracy, good governance and integrity are categorised into two groups: immediate and strategic areas.

The immediate priorities include ensuring discipline, public safety and administrative normalcy; conducting UN-led investigations into past human rights violations; ensuring proper legal procedures such that the judicial process remains unquestionable; and restoring normal economic activities.

A task force must be formed comprising the Anti-Corruption Commission, the Bangladesh Financial Intelligence Unit (BFIU), the National Board of Revenue (NBR), the Criminal Investigation Department (CID) and the Attorney General's Office to set an exemplary standard of effective accountability for high-level corruption and money laundering.

TIB demanded revealing the true picture of the banking sector following an independent and neutral investigation, and the formation of an "independent bank commission" with skilled specialists for the revival of the banking sector.

Strategic reforms include the introduction of proportional representation in the parliamentary system to ensure the true reflection of the people's verdict in the national parliament.

Additionally, an election-time interim government system should be introduced to ensure free, fair, neutral, and participatory parliamentary polls.

The Speaker should be free from party influence, avoid conflicts of interest and act as the guardian of parliament. They must conduct all parliamentary activities impartially.

The deputy speaker should be elected from the opposition in parliament.

In the absence of both the Speaker and the deputy speaker, members of the opposition parties included in the presidium should be allowed to perform the duties of the Speaker.

TIB also recommended amending Article 70 of the constitution to allow MPs the freedom to criticise their party and vote against it on different matters, including legislation, except for no-confidence motions and the budget.

Among the recommendations for democratic practices, TIB emphasised the need to abolish the monopoly and dynastic rule of a party chief and to determine party leadership through fair elections at all levels.

In the category of the rule of law and human rights, TIB called for immediate separation of the judiciary and specific policies and laws in consultation with the Supreme Court for the appointment of judges to the High Court.

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IMMEDIATE PRIORITIES

- Same person cannot be PM, party chief and leader of parliament at once
- Election-time interim government system
- Speaker to be free from party influence
- Deputy Speaker should be elected from the opposition in parliament
- MPs should be allowed the freedom to criticise their party

TIB also recommended repealing the 16th amendment to the constitution, which gave power to the Jatiya Sangsad to remove judges if allegations of incapability or misconduct against them are proved.

The other recommendations include ensuring accountability and exemplary punishment for multidimensional and unprecedented human rights violations through nationally and internationally acceptable, impartial and independent investigations.

The National Human Rights Commission must be granted the jurisdiction and capacity to investigate all allegations of human rights violations such as extrajudicial killings and enforced disappearances by security forces and law enforcement agencies, and to repeal all laws that violate human rights, including the Special Powers Act.

To prevent irregularities, corruption

and money laundering, TIB called for ensuring the independence and capacity of the ACC and amending the Civil Service Act of 2018, the Money Laundering Prevention Act of 2012 and the Income Tax Act of 2023.

The agencies responsible for curbing and preventing corruption such as the ACC, the BFIU, the NBR, the Office of the Comptroller and Auditor General, the Attorney General's Office, the CID and other institutions concerned must develop professional skills free from party influence.

TIB recommended that no political appointments be made to institutions such as the Election Commission, ACC, Information Commission, NHRC, Office of the Comptroller and Auditor General and Public Service Commission.

An independent working environment must be ensured in these institutions.

The Official Secrecy Act of 1923 and the Cyber Security Act of 2023 must be repealed and measures must be put in place to ensure personal information protection.

Additionally, TIB called for the necessary amendments to the constitution and relevant laws to make the local government system independent, strengthened and effective.

In the electricity, energy, and environment category, TIB proposed a short-, medium-, and long-term time-bound plan to gradually phase out the use of fossil fuels and promote renewable energy.

Supportive policies must be created to increase local and international investment in the renewable energy sector.

Moreover, TIB demanded the abolishment of the "Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act 2010", the removal of capacity charges and the cancellation of all ongoing development projects that are harmful to the environment and biodiversity.

"It is not possible to say how long it will take for the interim government to implement the recommendations made today [yesterday]. That decision lies with them. This government should be given the time it needs to meet the expectations of the people," Iftekharuzzaman said.

The government has been in office for only 20 days and it would not be fair to evaluate them so soon.

"They must fulfil the aspirations of the masses, even as they work amid the ruins," he added.

Govt hunts for \$8b from IMF, other lenders

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The reserves stood at \$20.5 billion on August 21 in line with the IMF's BPM-6 after the new government headed by Nobel laureate Professor Muhammad Yunus had taken charge earlier this month following the downfall of former prime minister Sheikh Hasina's government through a student-led mass uprising.

Inflation remained high last month, with the consumer price index rising by 1.94 basis points to 11.66 percent from the previous month. Food inflation crossed 14 percent in July for the first time in 13 years.

When Hasina fled the country, the Awami League government left \$156 billion in local and foreign loans for the country to carry. These included \$88 billion from domestic sources and the remaining \$68.33 billion was

external debt.

The country is also struggling to deal with a fragile banking sector hit by scams and defaults caused by people with direct or indirect links to the previous government.

The interim government has taken some quick and drastic measures to tackle the situation surrounding finances while bringing reforms to all the sectors as promised by Yunus.

Policy rates against both local and foreign currencies have been increased, while strict measures have been taken for the banking sector which are longtime suggestions from the development partners for providing budget support.

Finance ministry officials said because of the reform measures taken by the interim government, development partners are ready to provide more support.

The long, dark past of UCB

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industry, Akhtaruzzaman, then the chairman of UCB, was arrested in the case but he fled the country after securing bail. He came back to Bangladesh in 1996 when the AL returned to power after 21 years in the political wilderness.

In 1999, members of this influential family along with armed men stormed the bank's headquarters where a board meeting was underway. The directors were abused verbally, assaulted and forced to sign their resignations. Bangladesh Bank then dissolved the entire board. Akhtaruzzaman returned to the bank's board of directors in 2010, a year after the AL was voted to power for the second time.

People familiar with those incidents say the takeover at gunpoint was one of the darkest chapters in Bangladesh's banking industry. It all started in 1991 after Bangladesh Bank removed Akhtaruzzaman from UCB board because of his failure to repay Tk 250 crore in loans that he took in favour of his own company.

Humayun Zahir, a director of the bank, protested when Akhtaruzzaman was reluctant to repay the loan despite being the chairman of the board. This is one of the oldest instances of defaulted loans in Bangladesh, said Sharif Zahir, son of Humayun Zahir.

"When my father protested and asked Babu [Akhtaruzzaman Chowdhury] to return the loan, he targeted my father," said Sharif, currently the managing director of Ananta, a leading garment exporter and business group.

Sharif alleged that the bank was taken over by Akhtaruzzaman along with his nephew and S Alam Group owner Mohammed Saiful Alam, who is also known for banking scandals on his own right.

Sharif was a large shareholder of the bank in 1993, 1995, 2008, 2009, 2010 and 2018, he said without mentioning the exact amount of his family shares with the bank. He also served UCB as the vice-chairman between 2013 and 2015.

However, in 2018, the first-generation private bank was taken over by force again, this time by Saifuzzaman, Sharif said.

The former land minister's family

lost its grip on UCB on Tuesday as BB dissolved the lender's 18-member board.

The dissolved board was heavily dominated by Saifuzzaman's family members, including his sister Roxana Zaman Chowdhury and relatives Anisuzzaman Chowdhury and Asifuzzaman Chowdhury.

Saifuzzaman's wife, Rukhmila Zaman, had been serving as chairman of the bank until August 16, when the bank reconstituted the board on its own accord in an attempt to keep a portion of Saifuzzaman's family onboard, industry insiders say.

Sharif, who is now staying abroad, said he is coming back to Bangladesh in a day or two and plans to hold a meeting with the newly appointed directors to form a board to run the bank.

UCB was established in 1984 mainly by a group of Chattogram-based businesspersons, and was one of the high performing banks in Bangladesh.

Things started to change after the takeover by Saifuzzaman's family, as loan scandals became a norm rather than an exception.

The bank's defaulted loans rose to Tk 2,500 crore in 2023 from Tk 1,792 crore in 2016, although industry insiders say the actual figure is much higher.

In these seven years, the amount of written off loans more than doubled to Tk 2,471 crore from Tk 1,069 crore.

Meanwhile in the UK, Saifuzzaman acquired at least 260 properties, paying at least 134.76 million British pounds or Tk 1,888 crore, according to The Daily Star's calculation based on company filings that are publicly available on UK government websites.

The three-time AL lawmaker also has at least 537 mortgages against properties in the UK, a majority of which are in London.

The Bangladesh Financial Intelligence Unit found that Saifuzzaman and Rukhmila have also amassed huge fortunes in the US and Dubai.

A group of shareholders of the bank recently sent a letter to the central bank, alleging that although Rukhmila was the chairperson of the bank, it was Saifuzzaman who pulled the strings behind it all.