
International News

Afghanistan

Afghan lawmakers accuse a governor of graft

An Afghan parliamentary commission called for the governor of Ghazni Province, Usman Usmani, an ally of President Hamid Karzai, to be suspended from office until a corruption investigation can be carried out. This will be a test for Mr. Karzai's government, which has been criticised as weak and undermined by corruption. In Ghazni, 80 miles southwest of Kabul, provincial council members have been refusing to work for almost two months to protest what they describe as the governor's involvement in corruption.

Afghanistan

Afghan villagers fight corruption

To help build Afghans' capacity in dealing with corruption by local councils (*shuras*), the Aga Khan Development Network (AKDN) has promoted social audits – meetings that scrutinize the books of the village council – in hundreds of villages. The villagers select a "social audit committee", made up of those whom the community deems the most honest and industrious. AKDN then trains the committee on how to inspect the *shuras*' financial transactions. Committee members follow the money trail, tracking down receipts, interviewing labourers, and grilling *shura* members. Their efforts culminate in a village-wide assembly where committee members present their findings, then invite members of the community to ask questions of the *shura* or levy allegations. The assembly closes after the village votes on whether they are satisfied with the *shura*'s dealings.

Albania

World Bank project suspended

A World Bank project to develop the coast of Albania was suspended following a finding by a bank-appointed panel that the project was linked to the wrongful demolition of 16 homes in the coastal town of Jale, Albania. Mr Zoellick, president of the World Bank, described the bank's behaviour over the project as "appalling". Investigations have allegedly uncovered incompetence, mismanagement, and obfuscation. According to a report on the matter by the bank's general counsel, the bank has no clear procedure to fix responsibility for the accuracy of project appraisals.

Albania

Ex-minister charged with abuse of power

Former Albanian Minister of Labour, Kosta Barka, has been indicted on charges of abuse of power, related to the alleged mishandling of public funds for Albanian children caught in family vendettas. Barka is the third minister of the centre-right government of Prime Minister Sali Berisha, indicted on abuse of power related charges. Minister of Foreign Affairs Lulzim Basha was indicted in November on charges of abuse of power and breaking tendering rules on the Albania-Kosovo highway, accused of causing taxpayers losses of €230 million.

Argentina

Menem charged with fraud

Former Argentine President Carlos Menem was charged with fraud in relation to the granting of a contract to a local unit of the French defence electronics firm Thales during the 1990s. Prosecutors are investigating whether the French company paid bribes to members of Menem's 1989-1999 administration to win a contract to regulate Argentine broadcast frequencies. The Thales unit's contract was cancelled by Argentina's former President Nestor Kirchner, who said the firm had failed to make promised investments. Thales has denied any wrongdoing.

Australia

Former premier Brian Burke to be tried for corruption

Former West Australian premier Brian Burke has been committed to stand trial on corruption charges of giving false or misleading evidence to a Corruption and Crime Commission hearing and one charge of disclosing official secrets. The charges arise from lobbying carried out by Mr Burke in relation to a proposed development at Smiths Beach, south of Perth, land rezoning at Whitby, in Perth's southeast, and around the pearling industry in the state's north. The former director-general of the Department of Industry and Resources, Gary Stokes, is charged with the same offence. Mr Burke says he will vigorously defend all the charges.

Austria

Austrian lobbyist held over alleged BAE bribes

An Austrian count and lobbyist for the British arms company BAE was arrested, making him the first of the company's global network of agents to be held in custody in five years of bribery investigations by international authorities. He is being questioned in connection with a 13 million euro payment allegedly made to him by BAE, for whom he had been a consultant for 16 years. He is suspected of taking bribes in relation to a number of weapons deals. The Austrian investigation relates to lease agreements from 2003 and 2004. Hungary renewed a lease for 14 Gripen planes and the Czech government agreed to lease 14 planes over 10 years. BAE marketed the planes, which are produced by the Swedish company Saab, in which BAE has a 21% stake. Documents which have emerged in the case allegedly link BAE to secret payments made to an intermediary company called Valurex, in Switzerland. BAE, Europe's biggest arms manufacturer, declined to comment on the arrest.

Bangladesh

Son of former prime minister charged with corruption

Arafat "Koko" Rahman, the son of former Prime Minister Khaleda Zia and a prominent businessman, was formally charged with laundering nearly \$2 million in kickbacks, including \$180,000 allegedly received from Siemens Corporation, the German electronics giant. The charges against Arafat Rahman are the first involving foreign bribery and could result in a jail sentence of seven years if he is found guilty.

Bangladesh
Anti-corruption chief resigns

Hasan Mashud Chowdhury resigned from his post as chief of Bangladesh's Anti-Corruption Commission (ACC). Anti-corruption campaigners say this is likely to damage the country's efforts to address widespread graft, and may discourage investors. Retired Lieutenant-General Hasan Mashud Chowdhury took up the post two years ago under a military-backed interim government. In a crackdown against alleged corrupt politicians and businessmen, it detained around 200 people, many of them prominent figures, including for a time former prime ministers Sheikh Hasina and Begum Khaleda Zia. Both denied any wrongdoing. Chowdhury stepped down, citing personal reasons and saying the ACC perhaps needed new leadership "under the changed circumstances". A new government led by Hasina took power this year following parliamentary elections in December.

Bangladesh
Graft charges dropped against Bangladeshi PM

Two of several corruption charges against Bangladeshi Prime Minister Sheikh Hasina are to be dropped after state prosecutors said they were filed for political reasons. Hasina, who was sworn in on January 6, was detained for a year by the previous army-backed government, which conducted a crackdown on graft against mainly political leaders during its two years in power. She was released as part of a deal with the outgoing authorities so that she could contest the vote. About 50 cases against other politicians will also be dropped. Hasina still faces eight other charges, including several more counts of graft and one count of murder relating to the 2006 deaths of supporters of opposition political parties in violent street protests. Prosecutors have said that the remaining charges, along with about 800 against other top politicians, would be reviewed and dropped if found to be politically motivated.

Bosnia
Corruption investigations involving Bosnian Serb leader

Investigators are looking into expenditure for the US\$145 million new government complex in Banja Luka as part of a probe into allegations that Bosnian Serb leader Milorad Dodik and 14 of his aides engaged in widespread fraud, embezzlement and abuse of power in relation to construction and fitting out of the government complex. Allegations include rigged bids and fraudulently inflated bills and contract payments. Dodik has dismissed the report, contending his political enemies are trying to smear him.

Bulgaria
EU to unfreeze 150 mln euros in Bulgaria aid

The European Commission is reportedly to unfreeze approx. 150 million euros in aid for Bulgaria which had been suspended due to corruption in the new EU member state. The executive Commission froze the funds last July after it judged that Bulgaria had made poor progress on fighting corruption since joining the European Union in 2007. The unfrozen money comes from a pre-accession fund to build roads and clean up the environment. Funds from a technical assistance programme for acceding countries and for agriculture remain suspended.

Burundi
Anti-graft activist murdered

Ernest Manirumva, an anti-corruption activist was murdered in a knife attack in Burundi. He was the deputy chairman of a Burundi corruption watchdog known as OLUCOME. It is suspected that his murder is linked to the organisation's activities. OLUCOME, often

critical of Burundi authorities, targets allegations of bribery in government and business. Its latest report said 24 billion Burundi francs were lost in 2008 through corruption or unfair tendering processes, in which state officials are allegedly implicated. The organisation says it has investigated thousands of corruption and embezzlement cases, which have cost Burundians 236 billion francs over the past five years. The Burundi government has accepted an offer from U.S. FBI agents to help investigate the murder.

Colombia
Radio reporter murdered

Veteran Colombian radio journalist José Everardo Aguilar, known for his harsh criticism of local corruption, was gunned down inside his home in southwestern Cauca province. The Committee to Protect Journalists called on Colombian authorities to investigate Aguilar's killing and bring all those responsible to justice. It is reported that President Álvaro Uribe Vélez announced a reward for anyone with information on Aguilar's murder.

Czech Republic
Corruption concerns over environmental tender

The interim Czech government is going ahead with a tender for the biggest environmental clean-up operation in the country's history – removing environmental damage inflicted during decades of communist rule. The tender is worth 115 billion crowns (c. US\$ 5.7 billion). But experts as well as anti-corruption organisations criticise both the estimated costs and the decision to include all removal projects in one tender. Some experts argue that the removal should cost considerably less – some 40 billion crowns (c. US\$ 2 billion). Six companies entered the tender, and three of them have made it into the second round. The results of the tender may be announced by the end of October.

Dubai
Prosecutors indict several for bribery, fraud

Dubai's public prosecution has indicted several businessmen and former bank executives on charges of bribery and fraud, alleging that they defrauded Dubai Islamic Bank of more than 1.84 billion U.A.E. dirhams (US\$501 million) through forged invoices and fake deals between 2004 and 2007. Former DIB employees are accused of receiving a total of US\$1.7 million in alleged bribes to facilitate the financing of the deals. Two British businessmen, a Turkish businessman, and two Pakistani nationals are amongst those indicted. Dubai prosecutors have also charged Mohammed bin Kharbash, a former minister of state for finance and industry, with allegedly aiding Zack Shahin, ex-chief executive of Deyaar Development, to embezzle the real estate company's funds and receiving bribes. Another 10 people are also charged in connection with the Deyaar probe, including Saad Abdul Razak, former chief executive of Dubai Islamic Bank.

East Africa
Police bribery tops list of non-tariff barriers to trade

In February 2009, a survey by the East African Business Council (EABC) showed that truck drivers that use the regional roads pay in excess of nine million dollars each year as bribes to pass through customs and police checkpoints. It was believed that this could indicate that contraband goods are transported from the port of Mombasa and that overweight trucks use the regional roads. The report is a setback to the ongoing negotiations between the five East African Community member states for the formation of a common market that will open up the borders for free flow of goods, capital and labour.

Finland**Police probe Croatia defence deal bribery allegations**

Police in Finland are investigating corruption allegations involving the sale of arms by Finnish defence company Patria to the Croatian government. The defence firm has been at the centre of separate probes for almost a year as police investigated whether it bribed officials to win contracts in Egypt and Slovenia. A number of people have been arrested during the investigation and the Finnish police have cooperated with officials in other countries such as Slovenia and Austria. The Finnish state owns 73% of Patria, while the European Aeronautic Defence and Space Co. has a 27% stake.

**France/Congo Republic/Eq Guinea/Gabon
African leaders' French assets under scrutiny**

Transparency International France, a French anti-corruption group, and a citizen of Gabon have launched legal action in Paris against the presidents of three oil-producing African countries, targeting assets they or their close relatives own in France. A French financial police investigation in 2007 showed that the leaders of Gabon, Congo Republic and Equatorial Guinea and their families owned properties and luxury cars worth tens of millions of euros, as well as dozens of bank accounts. Transparency International France says these assets are worth more than their owners officially earn. The Paris magistrate hearing the case and who is independent from government has decided to open the formal investigation into whether the presidents of the three countries used embezzled public funds to buy luxury homes and cars. The Gabonese citizen, Gregory Ngbwa Mintsa, had requested to be a co-plaintiff with Transparency on the basis that as a taxpayer he was a victim of corruption, but the magistrate rejected the argument so he will not be party to the case. This is the first time a judicial inquiry has been opened concerning suspected embezzlement by sitting presidents. The presidents deny any wrongdoing.

Germany**Airbus and Deutsche Bahn admit to spying on staff**

As part of its governance procedures, Airbus ordered checks on all staff working in Germany from 2005 to 2007 to see if workers' bank account numbers matched those of suppliers. No wrongdoing was found. However, it added that it would not do anything like this again. Staff were immediately informed of the matter.

Earlier, Deutsche Bahn's chief executive Hartmut Mehdorn handed in his resignation after details emerged of an investigation the firm had led into corruption. Deutsche Bahn monitored tens of thousands of staff e-mails over many years also to check whether they were being critical of the company's policies. Mr Mehdorn said he had not been aware of the spying but expressed regret over what had happened.

Germany**German truck maker hit by bribery allegations**

Prosecutors in Germany have opened a corruption investigation into truck making giant MAN which is suspected of paying millions in bribes to sell and lease its vehicles. Investigators searched the company's offices, its truck and bus divisions as well as three private homes. MAN, which has Volkswagen as its dominant shareholder, said it was fully cooperating with the prosecutors. Prosecutors said the top management at MAN had not been implicated in the allegations, which arose after a tip-off from tax authorities. MAN has offered an amnesty for employees willing to come forward with information regarding alleged illegal commissions paid.

Greece**Senior Greek officials convicted in bribe scandal**

A senior Greek official and two accomplices were found guilty of blackmail and bribery, the first verdicts handed down in connection with several major scandals shaking the government. A court sentenced the former director of Greece's competition watchdog, a customs official and a merchant to 5-1/2 years jail, suspended, and fined each of them 10,000 euros for demanding bribes from a dairy company. The three have appealed against the verdict.

Guatemala**UN commission to probe Guatemala lawyer murder**

An international United Nations-backed commission is to investigate the murder of a lawyer in Guatemala, Rodrigo Rosenberg, who had apparently recorded a video prior to his death warning that he might be murdered and that President Alvaro Colom would be responsible for ordering the assassination. Mr Rosenberg was the legal representative of a well-known businessman who was also murdered this year, together with his daughter. On the tape, the lawyer said his client had been targeted because he intended to reveal government corruption. President Colom has denied any involvement in Mr Rosenberg's murder. He has decided to engage the help of the International Commission against Impunity in Guatemala, the UN body established two years ago to probe high-level corruption in the country.

Hong Kong**Former top official arrested for corruption**

Hong Kong's Independent Commission Against Corruption (ICAC) arrested 20 people, including a former senior directorate government officer, for alleged corruption over the tendering and administration of public works contracts. Those arrested included five staff employed by the Highways Department and five senior executives at three construction companies. The Highways Department employees released confidential information regarding government tenders and issued "excessive work orders" to the companies involved. It is reported that Tsao Tak-kiang, 62, who retired as the director of Civil Engineering and Development in 2005 after 36 years in the government, is the senior official in question. Tsao is allegedly the most senior former or serving official arrested by the ICAC since it was established in 1974.

Hong Kong**HK police raid Citic Pacific in fraud probe**

Police launched an investigation into alleged false statements and fraud at Citic Pacific, the Hong Kong arm of China's largest conglomerate. Under a search warrant, the company and its directors were required to provide information relating to foreign exchange contracts entered into in 2007 and 2008 and announcements made by the company from July 2007 to March 2009. Shortly after the search warrant was executed, Larry Yung, one of Hong Kong's most prominent businessmen, resigned as chairman of Citic Pacific. Mr Yung's long-serving managing director, Henry Fan, also quit. Five months earlier, Citic Pacific first revealed that it faced billions of dollars of losses on foreign exchange contracts. Both Mr. Yung and Mr. Fan said that the foreign exchange contracts were entered into without their knowledge or approval. In March 2009, the group reported its first-ever annual loss. Mr Yung, 67, and Mr Fan, 60, founded Citic Pacific in 1990 and turned it into one of Hong Kong's most important Chinese conglomerates, with businesses spanning steel, aviation and property. Mr Yung has strong political ties to China. Rong Yiren, Mr Yung's late father, was China's vice-president and founded the Citic Group – controlled by the country's State Council – in 1979.

Indonesia**Suharto v. Time Inc: Libel judgment reversed**

Indonesia's Supreme Court reversed a libel judgment won by the late Suharto's family against Time Inc. Asia in 2007. The case centered on Time's 1999 cover story, "Suharto Inc.," which examined how the family allegedly used political influence to extract wealth from public and private sector enterprises. The Supreme Court ruled Time's reporting was in the public interest. The Suhartos did not dispute the bulk of Time's article. Instead, Suharto v. Time Inc. Asia focused on relatively trivial points such as the magazine's cover illustration. The only serious claims involved Time's assertions that Suharto had possessed a Swiss bank account and evaded taxation. Time quoted its sources and sought comment from Suharto before publishing the article. Two courts found in Time's favor before the plaintiffs appealed to the Supreme Court in 2007 and won a one trillion rupiah (US\$107 million) judgment. One of the judges, a former general, was appointed to the bench by Suharto and had a conflict of interest. Time appealed, and the recent judgment was given by a different set of Supreme Court judges.

Indonesia**Head of KPK investigated for murder**

Antasari Azhar, the chairman of Indonesia's Corruption Eradication Commission (KPK) is being investigated in connection with the murder of the head of a state-owned pharmaceutical company. Since taking his position 17 months ago, the former prosecutor has developed a reputation for fearless probity. Mr Antasari has acknowledged knowing the dead executive but denied any involvement in the murder. The scandal appears to be unconnected to KPK business. The KPK has suspended Mr Antasari. President Susilo Bambang Yudhoyono has distanced himself from Mr Antasari, saying the law must take its course.

Indonesia**Former PGN official faces 20 years imprisonment for graft**

Prosecutors have charged former general manager of state company PT Perusahaan Gas Negara (PGN) Trijono under articles of the 1999 Anti Corruption Law for allegedly receiving bribes from the company's suppliers between 2003 and 2006 in relation to the company's gas installation projects in East Java. If convicted, he may face up to 20 years imprisonment.

Iraq**Iraqi report on corruption cites prosecutors' barriers**

The Commission on Public Integrity, Iraq's main anticorruption watchdog, issued a report illustrating the extent of corruption in Iraq. It maintains that the real problem is the difficulty of prosecuting people for corruption, which is so widespread that it has become one of the main obstacles to stability and progress in Iraq. Among the barriers are laws that give ministers the right to pardon offenders, as well as partisan and sectarian interference, pressure, infighting, vendettas, blackmail and death threats. "The reason for the massive corruption in Iraq is the belief by the corrupt that they are shielded from prosecution by the protection afforded to them by their political parties and sects," said Rahim al-Okaili, the commissioner of the anticorruption group.

Italy**Mafia has moved into Italy quake area**

The head of parliament's anti-Mafia commission stated that organized crime syndicates have moved into the central Italian region devastated by a quake and are looking to profit from the reconstruction of the area. He called for a strong task force to guard

against the risk of Mafia-related rebuilding corruption, and said he was putting together a group of experts to help local authorities deal with any such infiltration.

Italy**Mafia link to Sicily wind farms probed**

Anti-Mafia magistrates in Sicily have opened an investigation into the wind power sector where local officials, entrepreneurs and crime gangs are suspected of collusion in the construction of lucrative wind farms before their eventual sale to multinational companies. Italian and EU subsidies for the building of wind farms and the world's highest guaranteed rates, €180 (\$240, £160) per kwh, for the electricity they produce have turned southern Italy into a highly attractive market exploited by organised crime.

Ivory Coast**Ivory Coast granted \$3 billion debt relief from IMF**

Ivory Coast qualified for US\$3 billion in debt relief under an International Monetary Fund program on condition that it improves governance, fosters transparency in public finance and debt management, accelerates reforms in the energy and cocoa/coffee sectors, and strengthens social programs. Ivory Coast is the world's largest producer of cocoa, the main ingredient in chocolate. A government investigation into alleged corruption in the cocoa industry last year resulted in the arrest of senior executives of five cocoa agencies. The IMF said in a statement in January that a "large" share of public expenditure in Ivory Coast has allegedly been executed outside regular budget procedures, while some oil revenue has stayed off-budget.

Kenya**Kenya says typing error could have inflated budget**

Kenya's Finance Minister Uhuru Kenyatta said a typing error could have added an extra US\$120 million to a supplementary budget, in a row that has led to a parliamentary investigation. Independent anti-graft watchdog Mars Group and some legislators have alleged Kenyatta inflated figures when he sought extra funds for the 2008/09 fiscal year. Parliament Speaker Kenneth Marende has asked the house committee on finance to investigate the matter.

Malawi**Ex-Malawi leader on theft charges**

Ex-Malawian President Bakili Muluzi has appeared in court accused of stealing US\$11m (£7.7m) in donor money. The 66-year-old was arrested earlier after turning himself in to the Anti-Corruption Bureau in Blantyre. Mr Muluzi, who denies any wrongdoing, is to stand in a presidential election in May. The authorities denied claims that the case is politically motivated. Mr Muluzi, who ruled the southern African nation from 1994 to 2004, was first arrested over the allegations in 2006 but the then-director of public prosecutions threw out the charges.

Nigeria**Nigeria panel begins probe into KBR bribery case**

A special committee of top-level Nigerian government officials began to interview individuals involved in a \$180 million bribery scheme involving Kellogg Brown Root, the former engineering subsidiary of Halliburton. KBR pleaded guilty in February to charges it paid multi-million dollar bribes to high-ranking Nigerian officials between 1994 and 2004 to secure \$6 billion in contracts for a KBR joint venture to build and expand Nigeria's Bonny Island liquefied natural gas terminal. The period covered by the charges fall under the administration of former military rulers Sani Abacha,

Abdulsalami Abubakar and Olusegun Obasanjo. Nigeria earlier this month asked the United States for the names of Nigerian officials accused of taking the bribes stating that it would prosecute any of its citizens suspected of involvement in the affair.

Russia

State firm heads told to declare incomes

President Dmitry Medvedev has signed decrees expanding the number of officials who will have to declare their incomes and property. The decrees are part of Medvedev's anti-corruption campaign. In addition to state officials, heads of notoriously nontransparent state corporations will be obliged to declare the incomes and property owned by them and their family members, excluding adult children. The declarations would be checked by the personnel departments of the respective state bodies on a random basis. The checks will only consider the accuracy of the information in the declarations, while the sources of income and the origin of the property owned by the officials will not be questioned.

South Africa

Zuma corruption charges dropped

South Africa prosecutors dropped corruption charges against Jacob Zuma, who has since been elected President of South Africa. The chief prosecutor said phone-tap evidence suggested political interference in the investigation. The main opposition Democratic Alliance, led by Hellen Zille, said it would apply for a judicial review of the decision. Opposition Inkatha Freedom Party leader Mangosuthu Buthelezi told the BBC: "If the charges are just dropped when there is no trial it seems to me the stink of what they accused him of will not go away." Mr Zuma has always denied the corruption claims.

South Africa

Ex-Interpol head trial postponed

The trial of suspended police chief and ex-Interpol head Jackie Selebi was postponed by a South African court until October. He is accused of accepting bribes worth 1.2m rand (\$133,000) from Glenn Agliotti, a convicted drug smuggler accused of playing a role in the 2005 murder of a mining tycoon. The NPA has alleged that Agliotti paid bribes and gave gifts to the police commissioner in exchange for turning a blind eye to drugs trafficking. Mr. Selebi has denied the charges and says there has been a conspiracy to remove him from his job in a row over the disbandment of the Scorpions, an anti-crime unit. He was a close ally of Thabo Mbeki, who stood down as president last year. Earlier last year, Mr Selebi was placed on leave and forced to resign as head of Interpol after authorities announced that he would be charged.

South Korea

Death of a leader

Former president of South Korea, Roh Moo-hyun, committed suicide following investigations of corruption allegations against him, his aides and members of his family. Following his death, the justice ministry announced that it would stop the investigation into Mr Roh and his family. Mr. Roh was suspected of soliciting \$6 million in bribes from a shoemaking magnate that were allegedly paid to his wife and son. Corruption scandals have haunted every South Korean president. The children of Kim Dae-jung and Kim Young-sam went to jail for graft. Former presidents Chun Doo-hwan and Roh Tae-woo went to prison after it was found they had solicited hundreds of millions of dollars from the country's biggest business groups.

South Korea

Korean officers convicted of bribery in Iraq

Three South Korean military officers have been convicted of leading an extortion and bribery scheme in a reconstruction program in northern Iraq that was financed with over \$70 million of US taxpayer moneys. A fourth officer, a colonel who served as the head of all reconstruction efforts for the Korean Army received a military reprimand for failure to perform his duties properly. A senior American official said that the inquiry was widening to include the possible involvement of Kurdish-American translators and Kurdish government officials.

South Sudan

Anti-corruption commission established

The semi-autonomous government of South Sudan has passed a long-awaited law to give an independent Anti-Corruption Commission, set up in 2006, powers to look into hundreds of complaints of corruption in the oil-rich region.

Taiwan

Former Taiwan president indicted on new charges

Former Taiwanese President Chen Shui-bian was indicted on new graft charges as his high-profile corruption trial continued into its second month. Prosecutors allege that the former leader and wife Wu Shu-chen took 290 million New Taiwan dollars (\$8.8 million) in bribes from 2002 to 2005 from a local banker, in exchange for Chen Shui-bian's help in Chinatrust's plan to merge with another bank and in persuading the government to acquire a piece of land from his bank. Chen Shui-bian, 58, is already standing trial on charges of embezzling NT\$104 million (\$3.15 million) from a special presidential fund, receiving bribes worth at least US\$9 million in connection with a government land deal, and laundering part of the funds by wiring the money to Swiss bank accounts. He faces life in prison if convicted. The corruption probe has also ensnared his son, daughter-in-law and several aides and associates. He has repeatedly denied the charges against him, saying he is being persecuted by successor Ma Ying-jeou for his anti-China views.

Taiwan

General indicted on bribery charges

Taiwan has indicted a retired lieutenant general and 11 other people on charges of bribery and blackmail in one of the island's worst military scandals. Prosecutors sought a jail term of 22 years for former lieutenant general Yuan Hsiao-lung, former deputy chief of the logistics command, on charges of accepting bribes, blackmail and leaking secrets. Yuan is accused of trying to get promotion through bribing his superiors using middleman Lin Chih-chung, who headed a group of businessmen also indicted for illegally winning military contracts after bribing military officers to obtain inside information on the tenders. In a related ongoing case, three colonels were indicted in January in a court martial on charges of accepting bribes paid for by Lin. Military prosecutors sought a life sentence for Colonel Yang Tung-shan for allegedly taking NT\$8.1 million in bribes from bidders for military contracts, 51 years for Colonel Chung Yung-hsiang for accepting NT\$2.15 million in bribes, and 12 years for Colonel Wang Tsung-teh.

Thailand**Thai PM urges Thaksin to return home to face charges**

Thai Prime Minister Abhisit Vejjajiva called on ousted premier Thaksin Shinawatra to return home to face corruption charges, but ruled out the possibility of granting him amnesty. The premier said his government would consider granting amnesty to members of the opposition parties as part of the reconciliation process to restore order for his country, but stressed that Thaksin would not be among them. "We are talking about amnesty for what would be political violations. We are not interested in granting amnesty for criminal offences," he said. "(Thaksin)'s been convicted. He's violated the law. He must accept responsibilities."

USA**Obama to change contract awarding**

President Obama has ordered his administration to do away with no-bid contracts that have cost billions and led to corruption investigations, and to inject competition into government contracting. A review of 95 military projects by the Government Accountability Office, the nonpartisan auditing arm of Congress, found that they exceeded the budgeted amounts by \$295 billion over the course of several years. The Justice Department has made bribery and other fraud charges against dozens of people in a sweeping investigation of contract and procurement abuse. The fraudulent spending, officials said, was prevalent in the Iraq and Afghanistan wars, with billions of dollars being spent with little oversight. More than 100 federal investigations are under way into suspected contract fraud related to those wars. The presidential memorandum did not call for an immediate end to sole-source contracts given to companies like Halliburton, an administration official said, but would create guidelines by September that would "drastically reduce" those agreements.

USA**US Senator's convictions overturned**

A US federal judge threw out a senator's conviction for corruption and ordered an investigation into prosecutors on the case. Ted Stevens, senator for the state of Alaska, was convicted in October of lying on a senate disclosure form to hide \$250,000 in gifts and home renovations from an oil executive and friends. However Judge Emmet Sullivan scrapped the seven counts of conviction after condemning the US justice department for its "shocking" misconduct. He also appointed Henry Schuelke, a Washington-based lawyer, to begin criminal contempt proceedings against the six-member prosecution team based on its failures and "potential obstruction of justice". Stevens, the Republican Party's longest serving senator, lost his senate seat in last year's November elections.

USA**Bank aid programs are seen as open to fraud**

A report issued by the special inspector general assigned to monitor the US bailout program warned that the Treasury Department's plans to rescue troubled banks — partnerships between the government and private investors, backed by the Federal Reserve — are inherently vulnerable to fraud and should not be started without stronger safeguards. The report also warned that the Treasury's \$700 billion Troubled Asset Relief Program has evolved into a \$3 trillion effort of "unprecedented scope, scale and complexity" and comes with too little oversight and too little information about what companies are doing with the taxpayer money they are getting. The report was particularly critical of the Treasury Department's refusal to demand detailed information from banks and other financial institutions about what they are doing with the money they receive.

USA**U.S. companies fear more regulation**

A survey by Deloitte, an audit and consulting firm, showed that U.S. businesses expect that a greater focus on transparency and accountability in government spending of bailout and stimulus money will result in more regulations. The Obama administration is seeking to increase transparency on the part of recipients of government bailout funds. Troubled financial institutions have taken hundreds of billions of dollars of aid in the current credit crisis. Transparency has been a concern among U.S. lawmakers who are seeking more disclosure of how banks and other institutions have spent money they received money under the Treasury Department's Troubled Asset Relief Program. About 80 percent of those surveyed said they were not familiar with the False Claims Act, which protects whistleblowers who tell the government about activities to defraud the government at their companies.

USA**US seeks to extradite Briton in Nigerian bribery case**

US prosecutors launched extradition proceedings in the UK against a British citizen alleged to be the key figure in a bribery scandal relating to contracts for the construction of liquefied natural gas facilities on Bonny Island, Nigeria. After more than five years of investigations covering half a dozen countries, a London solicitor, Jeffrey Tesler, has been arrested at the behest of US authorities and accused of being in breach of the US Foreign Corrupt Practices Act, by acting as the intermediary who conveyed \$180m in bribes to Nigerian politicians, including one of the country's presidents. If the extradition bid succeeds, he will face trial and possible jail in Texas. Mr Tesler denies any wrongdoing. A US arrest warrant has been issued for a second Briton, a former company executive, Wojciech Chodan, also accused of breaching the Foreign Corrupt Practices Act.

USA**Shell warns of US probe into corruption claims**

Royal Dutch Shell, the Anglo-Dutch oil and gas giant, warned shareholders about an ongoing investigation by US authorities over allegations that bribes were paid to Nigerian customs officials on behalf of the company. The investigation concerns potential violations of the US Foreign Corrupt Practices Act. The group said it was conducting its own inquiry into the allegations and is also co-operating with the US investigation. The probe was first revealed by Shell in its 2007 annual filing to the SEC, which revealed a Department of Justice query about Shell's use of the freight forwarding firm Panalpina, and potential violations of the US Foreign Corrupt Practices Act. Shell has since warned it could be fined or face additional costs.

Zambia**Former president in court for graft**

Frederick Chiluba, who ruled Zambia between 1991 and 2001, appeared in court to defend charges of corruption and theft of US\$500,000 of public money. The former president was arrested and charged with corruption in 2003, but the case has dragged due to his poor health and legal technicalities raised by his lawyers. Three senior officials who served under Chiluba have been jailed for five years each in separate cases for their role in corruption and theft of public funds. Zambia's late president Levy Mwanawasa, who succeeded Chiluba, made the fight against corruption a priority and sacked several high-ranking politicians over graft. Mwanawasa had been hand-picked by Chiluba to succeed him, but turned against his political mentor. Mwanawasa died following a stroke last year, and his deputy Rupiah Banda was elected to ride out his term.

Africa Why Foreign Aid Is Hurting Africa

Dambisa Moyo, author of "Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa" argues that evidence overwhelmingly demonstrates that aid to Africa has made the poor poorer, and growth slower. She states that aid is an unmitigated political, economic and humanitarian disaster, claiming that the most obvious criticism of aid is its links to rampant corruption where aid ends up supporting "bloated bureaucracies in the form of the poor-country governments and donor-funded non-governmental organisations" and where international donors were apparently turning a blind eye to the fact that aid money was inadvertently fueling graft.

International Global Integrity Report 2008

In March 2009, Global Integrity, a US based NGO, published "The Global Integrity Report", which is a tool for understanding governance and anti-corruption mechanisms at the national level. An Integrity Indicators scorecard assesses the existence, effectiveness, and citizen access to key governance and anti-corruption mechanisms through more than 300 actionable indicators. It examines issues such as transparency of the public procurement process, media freedom, asset disclosure requirements, and conflicts of interest regulations.

International Report faults World Bank's anti-fraud methods

An internal report published in October 2008 by the World Bank's Independent Evaluation Group stated that the World Bank's fraud-detection procedures in its main aid program to poor countries were a "material weakness". This constitutes the lowest possible rating for fraud-detection procedures in the International Development Association, the \$40 billion aid program which gives grants and interest-free loans to the world's 78 poorest countries. Since October, the report has been the subject of lengthy discussions between World Bank management and the independent evaluation unit over whether the single designation of "material weakness," the lowest of four ratings, was justified. None of the program's other marks were as low; six other areas were labeled "significant deficiencies." The report concluded that the World Bank "has until recently had few if any specific tools" to directly address fraud and corruption "at all stages in the lending cycle". An advisory panel that backed the "material weakness" designation wrote that fraud and corruption issues "involve a considerable reputation risk, involving at least a potential loss of confidence by various stakeholders." The bank's management pressed to get the fraud-and-corruption designation improved by a notch to "significant deficiency." It argued that the evaluation group didn't take into account steps it had taken over the past year to improve its controls.

U.K. News

Bribery Law

The Ministry of Justice published the draft Bribery Bill on 25th March 2009. It states that the aims of the Bill are:

- To provide a more effective legal framework to combat bribery in the public or private sectors
- To provide clearer compliance with international obligations
- To replace the fragmented and complex offences under common law and the Prevention of Corruption Acts 1889-1916
- To simplify legislation covering two general offences: offering, promising or giving of an advantage, and requesting, agreeing to receive or accepting an advantage
- To create a discrete offence of bribery of a foreign public official
- To create an offence of negligent failure by commercial organisations to prevent bribery
- To support high ethical standards in UK businesses
- To tackle the threat that bribery poses to economic progress and development around the world.

The draft bill builds on the proposals in the Law Commission report 'Reforming Bribery', published on 20 November 2008. A parliamentary joint committee will consider the draft Bill and report on it by 21st July 2009. During the inquiry, hearings will be held and written evidence received.

MPs' expenses – Authorities to consider starting criminal investigations

Over a number of weeks, the "Daily Telegraph", a UK newspaper, has published details of the expenses claims of UK Members of Parliament (MPs). According to parliamentary rules, MPs may recoup expenses that are incurred "wholly, exclusively and necessarily" in pursuit of their parliamentary duties. Whilst many MPs have complied with the rules, it appears that some MPs have not. As a result of these disclosures, some MPs have stated that they will not stand at the next election. Some have been suspended from their party. Some have repaid the amounts claimed. Party leaders have apologised for the misuse of public money. The Speaker of the House of Commons, Michael Martin has resigned, the first Speaker to do so in three hundred years. There has been public outcry at the expense abuse, with calls for criminal prosecution. The relevant prosecution authorities (the Crown Prosecution Service and the Metropolitan Police Service) have issued a statement that a panel will be convened in order to decide whether criminal investigations should be started.

Forum News

Forum submission on Bribery Bill

The Forum made a written submission on the Bribery Bill to the Parliamentary Joint Committee which is scrutinising the Bill, and to the Ministry of Justice. The Co-ordinator of the Forum's Bribery Law Working Group will represent the Forum before the Parliamentary Committee on 2nd June. His oral evidence will be based on the Forum's written submission. The Forum's written submission is a public document and will be published shortly on the Forum's web-site.

EBRD addresses Forum

In April 2009, the European Bank of Reconstruction and Development was invited to address and discuss corruption issues with the Forum. Judith Shenker, Deputy Compliance Officer for EBRD, gave a presentation on how EBRD identifies and mitigates corruption risks. Rohan Schaap, Senior Investigator for EBRD, talked about corrupt practices in EBRD's countries of operation and EBRD's enforcement procedures.

Nineteenth Meeting of the Forum

The nineteenth meeting of the Forum was held on 16th April 2009. The activities of the working groups and other relevant issues were reviewed, and future actions were agreed.

Forum Information

What is the U.K. Anti-Corruption Forum?

The U.K. Anti-Corruption Forum is an alliance of U.K. business associations, professional institutions, civil society organisations and companies with interests in the domestic and international infrastructure, construction and engineering sectors. The purpose of the Forum is to promote industry-led actions which can help to eliminate corruption. The members of the Forum believe that corruption can only be eliminated if governments, banks, business and professional associations, and companies working in these sectors co-operate in the development and implementation of effective anti-corruption actions.

Membership of the UK Anti-Corruption Forum

For information on how to join the Forum, either visit the website or contact the Co-ordinator (see addresses below).

Information on the UK Anti-Corruption Forum

For information on the Forum, either visit the website:

www.anticorruptionforum.org.uk

Or contact Neill Stansbury, Forum Co-ordinator, at

coordinator@anticorruptionforum.org.uk

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The next edition is due in August 2009.