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SUBJECT: VISAS DONKEY CORRUPTION 212(F) (RAHMAN, TARIQUE)

REF: A. STATE 81854

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Classified By: Ambassador James F. Moriarty for reasons 1.4(b) and (d)

1. (C) SUMMARY: The Embassy is seeking a security advisory opinion under section 212(f) of the Immigration and Nationality Act, Presidential Proclamation 7750, suspending the entry into the United States of Tarique Rahman (aka Tarique), born on November 20, 1967 in Bangladesh. The Embassy believes Tarique is guilty of egregious political corruption that has had a serious adverse effect on U.S. national interests mentioned in Section 4 of the proclamation, namely the stability of democratic institutions



and U.S. foreign assistance goals. The Embassy is not seeking to apply a 212(f) finding to Tarique Rahaman's wife, Dr. Zubaida Rahman, to their daughter, Zaima Rahman, or to his mother Begum Khaleda Zia, a former Prime Minister of Bangladesh. The following provides the information requested in Ref A.

BACKGROUND

2. (C) Bangladesh is a developing nation in which systemic corruption has permeated all aspects of public life. Through 2006, the nation topped Transparency International's ranking of the world's most corrupt governments four years in a row. The current Caretaker Government, which assumed power in January 2007 after months of political unrest, pledged to root out corruption and rid the nation of the kleptocratic scourge that has so long plagued this poverty-stricken nation. In fact, corruption has lowered Bangladesh's growth rate by two percent per year, according to experts.

3. (C) While the Caretaker Government's efforts have met with some success, the deep politicization of public administration remains a persistent problem. Cynicism about the Government's willingness or ability to hold corrupt leaders accountable remains high. Concerns about corruption continue to create a vacuum of trust that limits private sector investment and undermines public confidence in a democratic future.

TARIQUE RAHMAN

4. (C) Tarique Rahman, the notorious and widely feared son of former Prime Minister Khaleda Zia, was released on bail from prison on September 3. He departed Bangladesh to seek medical treatment in the UK on September 11. Having served as the Senior Joint Secretary General of the Bangladesh Nationalist Party, Tarique is an extremely high profile political figure. Notorious for flagrantly and frequently demanding bribes in connection with government procurement actions and appointments to political office, Tarique is a symbol of kleptocratic government and violent politics in Bangladesh. His release occurred despite multiple pending cases against him on charges of, inter alia, corruption, extortion, bribery, embezzlement and tax evasion. With deep political ties that reach the highest court in the land, Tarique managed to manipulate the judicial process and overcome a concerted effort by the Caretaker Government to



block his bail. We believe Tarique has several passports, including a new one in which the UK issued him a visa in September. Another passport contains a five year multiple-entry B1/B2 visa (issued May 11, 2005). We suspect that passport is being held by the government.

5. (C) The Anti-Corruption Commission (ACC), a body empowered by the current interim government to investigate, charge, and prosecute high profile malefactors, has levelled serious charges against Tarique. Tarique reportedly has accumulated hundreds of millions of dollars in illicit wealth. There are multiple extortion cases pending against him, founded on the testimony of numerous prominent business owners who he victimized and exploited. In one case, Tarique allegedly threatened Al Amin Construction owner Amin Ahmed with closure of the company unless he received a payment of 150,000 USD. Other local business leaders, including Mohammad Aftab Uddin Khan of Reza Construction, Ltd, Mir Zahir Hossian of Mir Akhter Hossain Ltd., and Harun Ferdousi have each filed accusations detailing a systematic pattern of extortion on a multi-million dollar scale. The ACC has also filed charges of concealing ill-gotten wealth, and the National Board of Revenue has brought tax evasion charges against Tarique. (Note: The Bangladeshi legal system is a testimony-based system and not an evidence-based system. It is standard practice for testimonial records to be used as the primary source of information for prosecutions. End Note)

6. (C) Tarique's corrupt activities were not limited to extortion of local companies. The ACC has also uncovered evidence in several bribery cases involving both foreign and local firms and individuals:

A. Siemens: According to a witness who funneled bribes from Siemens to Tarique and his brother Koko, Tarique received a bribe of approximately two percent on all Siemens deals in Bangladesh (paid in US dollars). This case is currently being pursued by DOJ Asset Forfeiture (POC: Deputy Chief Linda Samuels) and by the FBI (POC: Debra Laprevotte).

B. Harbin Company: ACC sources report that the Harbin Company, a Chinese construction company, paid 750,000 USD to Tarique to open a plant. According to the ACC, one of Tarique's cronies received the bribe and transported it to Singapore for deposit with Citibank.

C. Monem Construction: An ACC investigator advised Embassy officials that Monem Construction paid a bribe worth 450,000 USD to Tarique to secure contracts.

D. Kabir Murder Case: The ACC has evidence that Tarique accepted a 210 million taka (3.1 million USD) bribe to thwart the prosecution of a murder case against Sanvir Sobhan. Sanvir is the son of the chairman of the Bashundura Group,



one of the nation's most prominent industrial conglomerates. Sanvir was accused in the killing of Humayun Kabir, a Bashundura Group director. An investigation by the ACC confirmed Tarique had solicited the payment, promising to clear Sanvir of all charges.

7. (C) Beyond bribery and extortion, the ACC reports Tarique also became involved in an elaborate and lucrative embezzlement scheme. With the help of several accomplices, Tarique succeeded in looting 20 million taka (300,000 USD) from the Zia Orphanage Trust fund. According to an ACC source, Tarique, who is a co-signer on the trust fund account, used funds from the trust for a land purchase in his hometown. He also provided signed checks drawn from the orphanage fund accounts to BNP party members for their 2006 election campaigns.

8. (C) Tarique's corrupt practices have had deleterious effects on the U.S. interests specified in the Proclamation. His antics have weakened public confidence in government and eroded the stability of democratic institutions. Tarique's well-established reputation for flouting the rule of law directly threatens U.S. financial assistance goals directed toward reforming legal codes, strengthening good governance and halting judicial abuses. The bribery, embezzlement, and culture of corruption that Tarique has helped create and maintain in Bangladesh has directly and irreparably undermined U.S. businesses, resulting in many lost opportunities. His theft of millions of dollars in public money has undermined political stability in this moderate, Muslim-majority nation and subverted U.S. attempts to foster a stable democratic government, a key objective in this strategically important region.

9. (C) Tarique's flagrant corruption has also seriously threatened specific U.S. Mission goals. Embassy Dhaka has three key priorities for Bangladesh: democratization, development, and denial of space to terrorists. Tarique's audaciously corrupt activities jeopardize all three. His history of embezzlement, extortion, and interference in the judicial process undermines the rule of law and threatens to upend the U.S. goal of a stable, democratic Bangladesh. The climate of corrupt business practices and bribe solicitation that Tarique fostered derailed U.S. efforts to promote economic development by discouraging much needed foreign investment and complicating the international operations of U.S. companies. Finally, his flagrant disregard for the rule of law has provided potent ground for terrorists to gain a foothold in Bangladesh while also exacerbating poverty and weakening democratic institutions. In short, much of what is wrong in Bangladesh can be blamed on Tarique and his cronies.

10. (C) Applying a 212(f) finding to Tarique Rahman supports the US's strong stand against corruption in Bangladesh.

Embassy recommends that Tarique Rahman be found subject to Presidential Proclamation 7750 for participating in public official corruption as defined by Section 1, Paragraph (c) of the Proclamation.

Moriarty

