

# Jamaat syndicate embezzling money from Islami Bank

Nayan Aditya, Ekattor TV, 14 January 2023

The Jamaat-Shibir syndicate (Bangladesh Jamaat-e-Islami and its student wing Bangladesh Islami Chhatrashibir) has embezzled billions of Takas from the Islami Bank, since its inception through various shell companies. Even after the new board of directors took charge in 2017, the embezzling did not stop. One such shell company is Nabil Group. Loans worth billions of Takas were sanctioned to its employees, starting from peons, by creating shell companies in their name.

An investigation conducted by Ekattor TV found out that, a loan of about Tk 4 billion was sanctioned to a shop manager. However, the Managing Director of Nabil group claimed that he was unaware of all this.

Sultan Ahmed the owner and manager of the motorbike showroom Sultan Associates, recently took a loan of Tk 3.8 billion from Islami Bank. Documents from Islami Bank support this, but in reality, Sultan works in the shop for Tk 20,000. He does not have a company and was dumbfounded when he heard about the bank loan.

We met Sultan at the showroom. We showed him his ID and asked whether it was his. Sultan replied, 'Yes'.

When asked, whether he was aware of a loan approved against his name, he replied, 'No'. We then told him about the loaned amount, which was Tk 3.8 billion.

In reply, he said, 'No. I do not have a business or a loan! I am also amused that how can such a loan be on my name.'

Sultan did not have any clue about how this might have happened.

He said, 'I have no idea how it happened! I am working here for a long time, since 2014.'

A newly constructed building on Rajshahi's Station Road was listed as the office address of Sultan's company, which received the loan.

We went to the site and asked the security guards whether they had seen any official activities around, and they replied, 'No'.

Sultan Associates provided the address of this building while applying for the bank loan. However, no one has come for a rental to this building so far. Meanwhile, Tk 3.8 billion was withdrawn from the bank as loan.

Not only in Rajshahi. We acquired information on several other district branches from where billions of Takas were withdrawn anonymously.

Another such case study was Rokonujjaman Mithu. He worked as an office assistant in an organization with a salary of Tk 12,000. He borrowed Tk 9.5 billion from the bank. In a tea shop at the crossroads, we met Mithu, the man who supposedly had taken a loan of almost Tk 10 billion.

When we asked him whether he took a bank loan of Tk 9.5 billion, he ran away without answering.

Then comes Shah Jahan Ali. Who worked as an accountant in a private company in Rajshahi. SS Straight Line International Limited, a company licensed under his name, has taken a loan of Tk 9 billion. Shahjahan resided in the Nowhata Union of Rajshahi. His wife said Shahjahan does not even own a business, let alone owe a debt of Tk 9 billion.

We asked Shahajan's wife, whether we could find him in his office and what he does for a living. She replied, 'He is at the office. He is a manager at the Nabil Group. He has been working there for the last seven years.'

She reiterated that Shahjahan does not own a business. He only has his job.

For two weeks, Ekattor TV investigated in Rajshahi about the suspicious loans sanctioned to the three men with low wages. Information about other sanctioned loans were also collected. A review of the documents showed that Mithu deposited Tk 500 million and Shahjahan Tk 1 billion as a deposit to get the loan approved. Sultan deposited Tk 400 million.

Roknuzzaman Mithu, the owner of Zaman Syndicate, was sanctioned a loan from the head branch of the Islami Bank in Pabna District. According to the bank's information, Zaman Syndicate's office was in Islampur in Hemayetpur upazila of Pabna District. We enquired about his office from the owner of his office building.

We asked the owner Rejaul Islam, for how long the office was in operation. He replied, 'Currently...four months.'

Answering the question of whether the workers come and work at the office, Rejaul said, 'At times they come at night. I keep busy with my own work. Could not follow what they are doing all the time.'

Md. Shahjahan Miah, Manager of the Islami Bank, Pabna, was furious when we asked him how can a bank approve a loan of Tk 9.5 billion to an office peon.

He replied, 'Your statement proves nothing. Whether he is a peon or not we know.'

We asked, if not a peon, then what was his occupation. Rudely he replied, 'I won't tell you that. I cannot tell you so much.'

For-Rental board and sign boards for Zaman Syndicate's so-called office were set up by the manager Md. Shahjahan and senior bank officer Zahid Hasan.

We asked the owner of the building, Rejaul, about this.

He replied, 'The manager of the Islami Bank came here. Mr Jahid and the Manager came here and enquired about taking the office on a rental.'

But Shahjahan denied Rejaul's claim by saying, 'There should be documentation to prove that we went there and rented that office.'

A loan of Tk 3.8 billion was sanctioned from the Newmarket branch of the Islami Bank in Rajshahi, in the name of Sultan Ahmed, the manager of the motorcycle showroom.

The branch manager could not answer any of our queries. He said everything happened as per the instructions from higher authorities.

Branch manager of the New Market Branch, Fazle Rabbi Md. Wasiur Reza did not comment after hearing that Sultan did not even know that a loan of over Tk 3.8 billion was approved against his name.

Mr Wasiur Reza told us, 'It was approved by the EC committee.'

According to the documents, not only these shell companies received money but about Tk 290 billion was also loaned to others by violating the regulations of the bank.

The major conditions for getting a loan from the Islami Bank are credit rating, corporate rating and past performance.

But these were not maintained in the case of the above-mentioned organizations. When we went to the Zonal Head of the Islami Bank Mizanur Rahman Mizi to find out how these wayward cases have happened, Mizi left the Rajshahi office after seeing the presence of Ekattor TV.

After following him for three days, we finally found him in a branch of Chatmohar upazila in Pabna. He started sweating as he faced us and was unable to answer any questions. At one point he admitted that these were done on the orders of corporate investment officer Miftah Uddin.

He said, 'Head of investment sanctions every loan. They cannot sanction any loan without checking the documents.'

Roknuzzaman Mithu and Md Shahjahan Ali both worked for Nabil Group. Mithu worked as an office assistant and Md Shahjahan as an accountant. However, although Sultan Ahmed was not directly an employee of Nabil Group, his loan fund also went into their hands.

Apart from this, Raihanul Islam, an employee of Nabil Group and owner of a company named N&N Trade, took a loan of Tk 500 million. Nameplates of two other subsidiaries of Nabil Group were seen at the address provided by the organization in the loan application.

When we wanted to meet the Managing Director of Nabil Group, Aminul Islam Swapan, in this regard, he refused to meet with Ekattor. But in a phone conversation, he said that he was not responsible for the debt worth billions of Takas sanctioned in the name of his employees.

When we asked him about his office employee Rokonujjaman Mithu receiving a loan worth almost Tk 9.5 billion, he said, 'I do not know who got the loan. You tell me whether there is a loan in my name or not? I will answer to that.'

This statement of Aminul Islam Swapan was false. We found the proof after visiting the Dhaka office of Nabil Group at Banani. The office of SS Straight Line, which had taken a loan of Tk 9 billion, and the office of Nabil Group were in the same building.

We asked the employees of the SS Straight Line about the owner of the company. They said the owner was Aminul Islam Swapan, the MD of Nabil group.

Regarding the whole process banking system analyst Jamal Uddin Ahmed told Ekattor TV, 'They imbursemented the money first, prepared the papers later. This is not a new technique. They have been doing this for a long time. As they are not facing any punishment, they are repeating it.'

We approached a senior official of the Islami Bank to know how the entire loan process was completed in the name of shell companies and who the people working behind it were. He spoke about the process in detail on condition of anonymity.

He told us, 'They did not follow any of the policy or regulations of sanctioning advice under which the bank was governed in the past. They did not follow the regulations of the Islami Bank or the Bangladesh Bank.'

What was the source of the power of Aminul Islam Swapan in the Islami Bank?

Our investigation reveals that at least five officials from two Rajshahi branches of the Islami Bank cooperated in sanctioning such loans. And they pointed their finger at their superiors.

Shahjahan Miah said, 'Please enquire with the head office as they have sanctioned the loan.'

When asked whether he claims any responsibilities for the approval as a branch manager he replied, 'No. Enquire with the head office.'

Another manager said, 'They (the head office) decide how much loan will be approved. I only can disburse the loan. Head office has complete authority.'

Our investigation showed that Mifta Uddin was working as a principal officer in 2017. He had seven promotions in the last five years. Currently serving as a SAVP as well as the Head of the Corporate Investment Wing-one of Islami Bank.

We found six more such officers who were promoted three to eight times in the last five years. After analyzing their working areas, it was seen that everyone was working in Rajshahi or Chittagong during their whole career.

But, how did some members of the syndicate got promoted three to eight times in five years?

When we went to the office of the Managing Director of Islami Bank to find out about the scheme of these senior officials, he declined the request to talk about these matters.

Our investigation revealed that Aminul Islam Swapan, a one-time leader of Jamaat-Shibir, took a loan of Tk 500,000 in 2008 from the Rajshahi New Market branch of the Islami Bank after starting an import and export business. One of Aminul Islam Swapan's business partners was the trust of Jamaat leader Mir Kasem Ali, who was sentenced to death for war crimes.

The loan amount increased due to the political influence and connections of several officials of the Islami Bank. After the board of directors of Islami Bank changed in 2017, this affinity grew even more.

From the calculation of banking transactions, it is possible to find out who benefited after taking loans worth billions of Takas in the name of shell companies, and to which accounts the money went. It is possible to find out who was behind it and who had influence. This can be traced and searched by law enforcement agencies. Therefore, the stakeholders call on Bangladesh Bank, ACC and other law enforcement agencies to supervise these transactions more strictly.