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Corruption: Why spare the 'engine of fraud'?

In trying to slay the anaconda of corruption, we have been attacking its tail with matchsticks and toothpicks. We are only licking the blistat of creature.

Corruption needs to be fought the same way as terrorism. That insidious enemy should be engaged on many fronts if it is to be routed. But, we are preoccupied with battling corruption only in the public sector. We seem to have taken corruption that the private sector is plagued with for granted.

Attorney General Mohan Peiris yesterday minced no words when he told the media there was evidence that the country's engine of growth had become an engine of fraud. He referred to the Lanka Marine Services Ltd. deal as an example. There have been many such cases. Waters Edge deal has become journalistic shorthand for corruption. The Consumer Affairs Authority Act contains a clause surreptitiously inserted in favour of Prima.

The latest is the CPC oil hedging deal where some palms were evidently greased. Now that the government has come under threat of being hauled up before an international tribunal for breach of contract as regards hedging, those who shamelessly lined their pockets at the expense of the country and made an irreversible commitment to a highly questionable contract must be exposed and dealt with appropriately and urgently so that the truth will be known to the world.

Yesterday saw the launching of another UNDP funded ambitious project to tackle corruption at a cost of USD 850,000, though there is no guarantee of its implementation. Two previous anti-corruption plans, as we reported on Monday, are already gathering dust. We make no attempt to discount the importance of formulating a strategy to deal with corruption.

Among the measures the UNDP has proposed, we learn, is vesting the permanent Commission to Investigate Allegations of Bribery or Corruption (CIABOC) with powers to initiate probes on its own without waiting for complaints from outside.

The CIABOC is like an old man with false teeth working on a hard bone. Every time it tries to bite, its teeth get dislodged and it cuts a pathetic figure. Little wonder, political sharks escape while fingerlings like petty clerks, cornerers and peons get caught in the CIABOC net.

The CIABOC must be reinvigorated and given stronger teeth. But, to politicians of all hues it has become something like a red rag to a bull and therefore they only pay lip service to the idea of amending Act No. 19 of 1994. How can a bunch of crooks who refuse to declare their assets and liabilities be expected to help strengthen an institution to nab the corrupt?

Even if the CIABOC were to be given wider powers and steps taken to cleanse the public sector of corruption by any chance, the country's campaign against corruption would not reach fruition so long as the private sector remains corrupt and wields a corrupting influence over the state sector.

The so-called civil society pontificating to the world on the virtues of accountability, transparency etc. is also corrupt to the core as could be seen from how its worthy members are rattling on one another these days. Thieves have fallen out, a wag says. INGOs raised millions of dollars and pounds claiming to help the people in the conflict zone but the opening up of the Vanni has exposed their sordid operations. There is no proof of their projects. Where have they all gone? There are only huge earth bunds, deep moles and fortified trenches.

These INGO and NGO *Sakvithis* have obviously played out their donors and duped the public! Worse, some of them are also involved in the anti-corruption drive. Who will guard the guardians? The Attorney General's words of wisdom must be heeded.



A tri-services armed forces rehearsal for the 61st Independence Day celebrations was held at Galle Face yesterday. The Navy in action. Pix by Kamal Wanniarachchi.

Prabhakaran's abode found

Army believes shirt belongs to Tiger chief

The army conducting operations in the Udayarakkattulam and Udayarakattu areas recovered a foreign made communication tower about 200 feet in height.

A senior army official told *The Island* that troops had on Sunday moved into the LTTE camp where the recovery was made. The official said that Task Force I and II had been involved in a series of encounters with the LTTE over the weekend. Along with the transmission tower, the army had recovered One multi purpose machine gun, twelve T-56 assault rifles, thirty rounds of ammunition, four hand grenades,



one lorry, 143 three anti personnel mines, two radio communication sets, several barrels containing ketosona, one 12.7 anti-aircraft gun barrel, one light machine gun, five RPG rounds and five bodies of LTTE cadres.

The army said that troops had launched an operation to locate five missing personnel. In support of ground operations, the SLAF launched an air strike on LTTE position about 3 km north of Udayarakkattulam.

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Battle private sector corruption, says AG

Calls for practical measures to overcome 'scourge of corruption'

by Shamindra Ferdinando

Attorney General Mohan Peiris yesterday launched an unprecedented attack on private sector corruption. He asserted that anti-corruption initiatives targeting only the public sector wouldn't help Sri Lanka to overcome the scourge of corruption.

Addressing a press conference called by the UNDP, Peiris pointed out the absurdity of turning a blind eye to corruption within the corporate sector. In his brief but critically important comments, Peiris who went to the extent of accusing the private sector of encouraging corruption, emphasised that Sri Lanka's failure to tackle corruption was primarily due to absence of an effective mechanism for that purpose.

At the head table with Peiris, were Justice Ameer Ismail, Chairman of the Permanent Commission to Investigate Allegations of Bribery or Corruption (CIABOC) and Douglas Keh, Country Director, UNDP. Turning towards Keh, Peiris stressed the impor-



Attorney General Mohan Peiris calls for punitive action against corruption in the private and public sectors. Pic by Chandrasiri Weerasinghe

category. US Ambassador Robert Blake at a function at the CIABOC asserted that the cost of corruption is difficult to quantify, but there was little doubt that it had dramatically negative economic and political consequences. "Corruption damages development and reform, impedes the ability of countries to attract foreign investment, hinders the growth of democratic institutions, and concentrates power in the hands of a few," he said.

Referring to yesterday's front-page article in *The Island* headlined, *Two costly anti-corruption plans gather dust as fresh USD 850,000 project gets underway*, Keh said that the UNDP had spent only USD 196,000 on the Strategic Plan of the CIABOC prepared by Chua Cher Yak, former Director, Corrupt Practices Investigation Bureau, Singapore (1994-2005) but not USD 300,000 as claimed in the news item.

Responding to our queries, Keh acknowledged that there was no guarantee that their new three-year project

of controversial oil hedging transaction.

Peiris pointed out that the landmark Supreme Court judgment on the hotly disputed privatisation of the Lanka Marine Services Limited (LMSL) was evidence that the country's engine of growth had been transformed into an engine of fraud.

The AG said that the vast majority of bribery complainants were givers of bribes. Calling them disgruntled elements bent on achieving deals whatever the means, the AG said that nine out of ten complainants fell into this

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Lawyer, two others fined for noise pollution

by Chitra Weeraratne

A lawyer from Ratnapura and two others were fined Rs. 25,000/- each, by the Supreme Court yesterday for violating the noise pollution regulations, on the night of December 31, 2008.

The lawyer had organized a party which resulted in the emission of noise beyond the limits of the premises, after 10 p.m. They paid the fine to the Registrar of the Court yesterday.

Compensation paid to State to be used to manage Waters Edge

by Chitra Weeraratne

Compensation of nearly Rs ten million paid to the State by the respondents in the Waters Edge case, will be utilized for the management of the Waters Edge Limited Hotel.

The Supreme Court yesterday ordered that the Interim Management Committee invest this money in the operations of the Hotel, and its Conference Hall.

Mrs. Kumaratunga and a few others.

The Supreme Court last year found Mrs. Kumaratunga guilty of misdirecting the Cabinet in alienating 252 acres of Urban Development Authority land at Battaramulla, to a private entrepreneur to construct a Golf Course and in a judgment re-vested ownership in the UDA.



Chandrika

Sugathadasa Mendis and Raja Senanayake. They said that the land was acquired by the UDA for public utility purposes. But Mrs. Kumaratunga had misdirected the Cabinet and alienated the land to build a golf course for the elite.

Yesterday's bench comprised the Chief Justice Sarath N. Silva, Justice Shirani Tilakawardene and Justice K. Sripavan.

Five suspects arrested

OIC's Lorry transporting lethal cargo seized

by Norman Palihawadana and Hemantha Randunu

The Trincomalee police yesterday took into custody a lorry the LTTE had used to transport suicide jackets and bombers to Colombo several times.

Five suspects were also arrested. It has been revealed that the lorry belonged to a police officer.

According to the police the lorry was hidden in the garage of the official quarters of the officer concerned, an IP.

The police have not yet been able to find where the lethal cargo was unloaded or who took delivery of it.

The fact that the lorry belonged to a police officer had helped the LTTE avoid inspection at checkpoints.

Investigators have found that the vehicle was used for transporting explosive jackets without the owner's knowledge.

The officer had registered the lorry in his wife's name and obtained a lease.

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US-made guns would have been smuggled in sometime ago - Army

Army headquarters yesterday said that US-made A5 paintball guns recovered by the 58 Division over the weekend from an LTTE base in the Vishvamadu area would have been smuggled in several years ago. A senior army spokesperson said that the nine guns widely used for hunting and riot-controlling purposes were powered by CO2, compressed air and nitrogen with their gas cylinder fitted separately to trigger fifteen balls (made of rubber or plastic) per second. "They are effective only as long as the cylinder holds gas. In the US, a gun of this type costs about 200 US\$. Misuse of this weapon could cause serious injuries or even death, the official said.



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