US co used 'slush funds' as bribes

Louis Berger Routed Money Through Third Parties To Land Guwahati Project

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Guwahati: Louis Berger International Inc (LBI) paid bribes from "slush funds" and "through third parties" to get the Japan-funded Guwahati water supply project. This has been disclosed in the "statement of facts" in the Deferred Prosecution Agreement (DPA) that LBI signed with the fraud section of the criminal division of the US department of justice and US attorney's office in New Jersey district.

The DPA, similar to a non-prosecution agreement and a voluntary alternative to settlement by the defendant, LBI in this case, gives an overview of the bribery scheme. Under the heading 'Corrupt Conduct in India', it states: "Along with several consortium partners, the company won two water development projects in Goa and Guwahati. The company paid bribes to win both contracts. The bribe money was disguised as payments to vendors for services that had never actually been rendered. The company, through its employees and agents and its consortium partners, kept track of the bribe payments by circulating a spreadsheet among themselves showing the proportionate share of each tribe that they had paid to the foreign officials overseeing their work on the Goa and Guwahati projects."

Besides LBI, the consultant and consortium for Guwahati included Nihon Suido Consultant Co Ltd from Japan and Shah Technical Consultant Pvt Ltd from India.

The criminal complaint filed by the FBI at New Jersey district court on July 7 alleges a conspiracy by LBI "to make and conceal corrupt payments to foreign officials in India, Indonesia, Kuwait, Vietnam and elsewhere in order to obtain and retain contracts with government entities in those countries and, thus, to enrich the company and co-conspirators with the full economic benefits anticipated from such contracts."

The FBI complaint alleges that terms like "commitment fee", "counterpart per diem", "marketing fee" and "field operation expenses" were used as code words to conceal the true nature of the bribe payments and that "cash disbursement forms and invoices were utilized which did not truthfully describe the services provided or the purpose of the payment". The commitment fee ranged from 3.5-20% of the project cost.

The complaint further alleges that LBI created "ostensibly legitimate but ultimately illicit accounts, or slush funds, for the payment of bribes through third parties".

The names of the recipients of the bribes have not been released by the US justice department. When TOI contacted LBI, Raoline de la Cruz of the company's corporate communications replied, "While the company has actively supported the US government in its investigation of culpable individuals and their activities, the information identified through the US government's investigation must be released by the US justice department. Under the terms of our DPA, any factual allegations released by the DPA must be released by the US department of justice."

For the full report, log on to www.timesofindia.com

Goa cops raid JICA's offices

The Goa crime branch raided the Japan International Cooperation Agency (JICA) project office at Altinho-Panaji late on Wednesday in the Louis Berger international inc bribery case and attached around 15 files, including the agreement between the JICA consortium and PWD, Tan

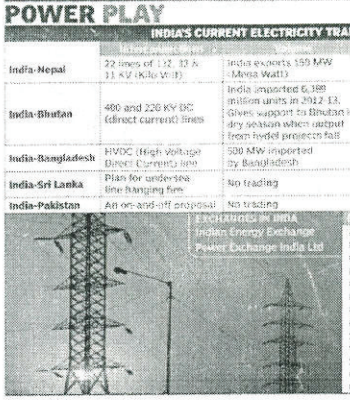
Daily spark missing in India's int'l power trade

Neighbours Still Can't Buy From Spot Marke

POWER PLAY

INDIA'S CURRENT ELECTRICITY TRADE

India-Nepal	22 lines of 132, 33 & 11 KV (Kilo Volt)	India exports 150 MW (Mega Watt)	400 KV AC double-circuit line operated at 220 KV by 2016
India-Bhutan	400 and 220 KV DC (direct current) lines	India imported 6,189 million units in 2012-13. Gives support to Bhutan in dry season when output from hydel projects fall	Reinforcement of existing interlink proposed to provide wheeling capacity for new hydel projects coming on stream
India-Bangladesh	HVDC (High Voltage Direct Current) line	500 MW imported by Bangladesh	Upgrade of 500 MW line to 1,000 MW
India-Sri Lanka	Plan for undersea line hanging free	No trading	500 MW HVDC bipole line
India-Pakistan	An on-and-off proposal	No trading	400 MW line



Austria	EXXA
Belgium	Belpex
Czech Republic	OTE
France	Powernext
Germany	EEX
Italy	GME
Netherlands	APX
Poland	TGE
Scandinavia	Nord Pool
Slovenia	Borzen
Spain	Omel
Romania	Opcom
UK	UKPX

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New Delhi: India has emerged as a hub of South Asian transmission network but the daily spark of day-ahead trading is missing in its cross-border power trade due to regulatory hurdles.

Indian power exchanges have petitioned the Central Electricity Regulatory Commission to open the doors to spot buyers from neighbouring countries as millions of units go waste at home due to bad transmission lines or poor appetite of financially strained state utilities.

Tata Power has petitioned the regulator for permission to export power from its 126-MW Dagachhu hydel project in Bhutan through the Indian exchanges for sale in India till bilateral contracts are signed. Industry sources say there are consumers in Nepal and Bangladesh, countries with large unmet demand, willing to buy power from the Indian spot market.

But for the regulator, it is a grey area as the existing policy does not reflect the change in pattern. Power exchanges in India are