

**Kefaya (enough) to cleanse Egypt!**  
**"Judicial and documentary file"**

**"Corruption in Egypt...A dark cloud that does not vanish"**  
Ibn Khaldoun "Introduction"

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Introduction to Hurt Egypt

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An outline of the most important elements of the press statement:

- 1-Seriousness of the issue, and spread of its phenomenon, and accidents.
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  - 3- Corruption in this report is a comprehensive phenomenon: there are various kinds of corruption; obvious, hidden, political, cultural, economic, social ....it even becomes a social law (status quo).
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Introduction to the Harmed Egyptian Nation!

Corruption rules in Egypt "Corruption Government" (Corruptionistan)?!

The main problem of corruption is not only related to the successive arrests of its figures who belong to or may be close to the ruling regime, such a series is no longer interesting as it has been repeated several times. Corruption has actually become a social law and a hidden behavior that would rule the different aspects of the Egyptian life.

The political corruption is the basis of the political crime that continued for two decades and half – the period of the current regime – to violate freedoms, practice torture, construct detention camps and destroy institutions, emphasizing a state of emergency for 25 years. The economic corruption was, also, the cause of wasting several development opportunities in Egypt during the 25 years. Corruption became a

ruling social law that corrupted tastes, ambitions and the spiritual value of justice, equality and equal opportunities among the Egyptian citizens. It also spoiled the society right criteria. We kept on watching this gloomy series everyday, the fall of senior and junior figures in all fields and in the different media and governmental institutions in this Mubarak's (certainly unblest) era. It was natural in this era that Egypt would lose much of its media leadership when its economic drive was obstructed; favoritism spread with a negative influence on the economic and social development.

The development rate dropped 2% currently against 4.6% two years ago. Depression dominated the Egyptian markets while citizen's purchase ability decreased. The interest rate problem led to the retreat of the Egyptian pound against the dollar. Competition increased between local products and those imported ones in addition to the few foreign investments in the country. The UNCTAD report on the international investment reported that the foreign investment decreased in Egypt from \$600 millions to only \$200 millions. Egypt was one of the most developing countries that was able to attract investment in the 1980s.

There is also a rising rate of unemployment and poverty. Official statistics said that the number of the unemployed in Egypt rose from 112.535 in 1950 to 5 millions in early 2004, meaning that the number of the unemployed increased at a rate of 4000% in the last 54 years, in case of these statistics are authentic. If the successive governments were serious in confronting unemployment, the unemployed rate would not have risen from 1.2% in 1950 to reach 3.4% in 1970, 7.10% in 1986, 11.1% in 1990 and 13% early this year. The current unemployment rate in Egypt meant that it exceeded limits, as economic studies agreed that the safe rate of the unemployment in any society should range at 4.3% only.

Concerning poverty, The World Bank report in 2003 indicated that 52% of the Egyptians were living with less than two dollars daily and that about 23% were living under poverty line. It was not either serious or joking; it has to do with the corruption that characterized the successive governments during Mubarak's era.

Every day, we hear of a new corruption crime or the arrest of a big corruption figure. Killing a citizen in the police station or drowning hundreds in the sea is not the first while suppressing the elites in central Cairo is not the last as well. Such series of corruption cases only confirm that a desire to reform such a worn out regime represents only a camouflage and a justification to keep the current regime as it is, maintaining absolute tyranny and corruption! Corruption is the opposite of reform; it is the tyranny of those people having power.

The most important of its modern features is corrupt state, cheating, bribery, fraud in dealings. Moroccans interpret corruption as bribery, which Ibn Al Atheir identified it as "reaching the target through compliment". No body will be able to construct the modern developed state except through providing a regime that guarantees necessary punishment to curb corruption and corrupt people.

Kefaya, through this file, tolls the bell of power and favoritism. It warns that life in Egypt is closely linked to the ability to cope with the ruling corruption in the different fields. One of the foreign observers said in one word; "living in Egypt is living under corruption" . Amid the repeated corruption cases in the country, Ahmad Ragab suggested a new term "corruptionistan". He says: "such a government is the only one that does not respond to reports of the Auditing Organization.

Concerning losses of Abu Tartour phosphate, there are 10 billions which were stolen and the government did not search for the felon. It also did not respond to reports of Dr. Gawdat Malt concerning squandering other 10 billions with no justified reasons and without taking the approval of the People's Assembly. The good news is that corruption is now organized in corruptionistan as there is a big corrupt figure, there is a great one, a good one, an aide and another intern ". It is one word that summarizes all our sad feelings. Corruption became the daily crime against such a nation and its

citizens, carried out by its rulers. Corruption is found as long as there is tyranny. There are corrupt people everywhere. Rooting out corruption requires getting rid of its roots. Is it reasonable that the Emergency Law no.162 of the year 1958 became the real constitution in the country? The consequences of the political monopoly appeared obviously in the economic performance. Parasite capitalism appeared suddenly with no work or effort, and it became obvious in seizing bank money and smuggling it abroad. Amid an increasing monopoly of power, economic activities decreased, which destroyed the new producers and small enterprisers as people of power and influence controlled the whole market. A corrupt class appeared in consequence, consisting of the parasite capitalism and a number of ministers, in addition to the inflated profits. This led us to talk about the other economic internal factors represented in corruption that broke out in the country in its different forms either political, parliamentary, administrative, party, moral..etc. Recently appeared is a kind of corruption related to businessmen loans from banks. This forced us to ask about who is responsible, whether they were bank officials who allowed businessmen to take loans without enough guarantees amid conditions while the first party lacked honesty? Or the one responsible was the businessman who deceived the bank and offered imaginary guarantees? Or the government was the one responsible as it did not discover the problem since the beginning, tackling it only in the proper time to achieve some political gains? Or may be the absence of transparency and interrogation were responsible.

A year hasn't passed yet after his election campaign and he broke all his promises – which deceived some whereas others propagated for them – especially those concerning freedoms, political and constitutional reform. Some wondered whether the president forgot his promises or this was an expected thing from such a regime. What was really confirmed, and it was recorded in history, was that the ruling dictatorships rejected, till the end, any kind of advice. It even rejected to consider reason and logic, till it was shocked by those free voices that rocked its castle which was thought to be fortified".

### **Does Egypt's state describe corruption exactly as its rulers describe lying ?!**

Egypt's state under Mubarak's regime is an embodiment of corruption; it is even an applied model that is getting obvious every day to identify the meaning of corruption whose concepts and aspects are getting wider. It finds its safe haven in Egypt. This would be clearer when interpreting the definition of corruption, its aspects and the most important features.

It is difficult to find a comprehensive preventive definition of the word corruption. Corruption is not a logical concept, it is a phenomenon and an octopod behavior that could not be curbed once growing amid the ruling regime, while protecting and being protected by the ruler. International Transparency Organization previously defined it as "it is the misuse of the given authority in order to achieve a special interest". It also defined it again as " the officials' behavior in the public or the governmental sector either they are politicians or civilian employees to illegally enrich themselves or their relatives, through using the given authority". In a country like Egypt, it is an unlimited plague. Yet, amid its recurrence, it is totally applied to us as our detention camps, security abuse and emergency law excel others.

R. Kligaard defined it as "the person's illegal preference of his own interest, neglecting others' and the principles to which he declared commitment". This is applied to the Egyptian regime of Mohammed Hosni Mubarak along his era. Anti-Bribery Moroccan Society defined corruption as "the unacceptable practice due to the misuse of an economic, judicial, administrative or political authority for the person' own interest, harming the public interest".

One of the researchers determined three cases of corruption, best described in

Egypt as its rulers describe lying;

1-Extortive corruption: it includes cases when the ordinary person has to give a bribe to get his basic needs or protect his rights.

2-Manipulative corruption: It has to do with influencing the decision in favor of a certain person, party or a certain category in any field.

3-Nepotistic corruption: it has to do with favoritism of relatives and close circle in posts and advantages, including nepotism.

Corruption has mutual characteristics on the national level, best reflected in Egypt due to the current regime:

Increasing citizen economic burdens as corruption influences the ordinary consumer.

Negligence on the administrative level, especially that is related to public wealth.

Tendency to link efficiency criteria to illicit gain.

A public lack of respect for the current authority in everything related to respect of rules.

The International Transparency Organization believes that the most governmental fields which are subject to corruption in the developing countries are:

1-Governmental purchases

2-Division and sale of lands and real estate.

3-Tax and customs fees

4-Governmental appointments

5-Regional rule administrations in governorates

Corruption, as previously mentioned, became a social law issued and practiced by superpowers. There are also other kinds of corruption, named in this file as hidden or covered corruption that broke out among junior employees and those low-incomed ones. It represented a wide range of practices that were a part of the "hidden economy "or the "shadow incomes". It includes nowadays several activities that would influence the public interests, equality in favor of apartheid and private interests as well.

In this file, we concentrate on the documentation of several of corruption cases carried out by this regime on different levels and fields, starting from housing, contracting, economy, privatization, health, communication, trade, banks, drug dealing, violation of the political and security systems, culture, press and other sectors. What we present here in this file concerning corruption cases in Egypt-Mubarak represents a full and comprehensive icon of corruption crimes in this era. A new crime appears every day. Each average citizen, in his relation with the government and the state administration, has a private corruption case. We should have no doubt that nearly 70 million corruption cases; representing the number of the corrupt elements in this society and those related to them, can be included in one file, regardless of the efforts exerted by those who fight the phenomenon. We confirm the responsibility of president Mubarak, in person, for all the crimes that were carried out under his regime during the various governments, not only because he is the only one that controls administration and the government but also due to special relations and contacts between him and those criminals.

### **Corruption is a daily Egyptian scene for any one who wants to know dimensions of the concept of corruption**

Corruption and emergency are a status quo in the Egyptian life in the era of Mubarak, whom we blame together with his regime for the deteriorating situation and the total failure in all levels. Justification can no longer be used. It is there every day for those who feel frustrated all over the country. It represents the "permanent moan" from citizens who lost their feeling of citizenship in this country. The regime, its party and government stole the citizen's feeling of politics, making it as a meaning of the open detention for decades and security report when the one receives a job. Spreading fear, suppression,

revolution and social violence is another form of this corrupt regime.

The citizen is now a servant at the police system; the officer no longer controls the Egyptian street. Police officers and noncommissioned officers control it. This spreads corruption and bribery as a key element in the daily practices. It is a simple daily incident between drivers and those concerned with traffic. This is applied to car license and traffic jam due to the officer's leniency, especially with the "microbus" drivers who already bribe him. This is a daily scene, which any Egyptian citizen could prove regardless of the denial of both the Interior Minister and his officers.

The existence of the so-called state security courts or the exceptional courts and those military courts, all confirm the confusion between tyranny and corruption in Egypt, certainly apart from the defected judicial authority in Egypt. The writer did not indicate how to solve the problem, which is the non-independence of the judicial authority. The judge in Egypt enjoys many advantages but he still lacks independence. The defect is not only with those helping him including aides or writers; the defect has to do mainly with the whole structure. How can a judge be independent while applying laws issued by a parliament that backs the state and the government? He is paid his salary from different sides. The head of the Supreme Judicial Council is the president. He can issue a pardon or he may ease the sentence which the court issues. A law to punish the ministers was and will not be issued. Besides, there are no plans to establish a court to punish them. The president is not totally responsible before the People's Assembly or any judicial organization. The Egyptian judicial authority lacks administration, which confirms that, it is the right of its noble elements to organize a second uprising for the dignity and the independence of the Egyptian judicial authority, as one of the most ancient regimes in the world .

The following image clarifies the executive authority influence on both the judicial authority and the People's Assembly, where the octopod corruption spreads in the different legislation levels:

Concerning allowing parties' formation and party pluralism, parties should not only nominally exist; it should have an effective influence. The current parties actually have no effective role in the political operation or street. Even if it wins elections inside the parliament by majority, there is no legislation that gives the one that wins by majority the right to form the government. The government is formed through the president's appointment. Is not it considered a disorder that the president alone has all authorities? Adding to this is the state of emergency which is forced on the citizen, making him a citizen of a second degree in comparison to the foreigner; the tourist which the government considers better than its citizens. He gives it profits, yet, the citizen is a burden and he should be satisfied with the reality what so ever it is.

One of the forms of corruption is the suicide committed in the Ministry of Foreign Affairs when one of those qualified to pass the commercial representation exams – Said Abdel Hamid Mohammed Shata, in 2003, committed suicide when he found that his and his family's ambitions were forsaken by distinction imposed by those inhumane people. He was rejected because he was a son of a simple farmer. They hurt him spiritually rather than physically. They wrote in his results that he was not socially suitable. This is the disguised and hidden distinction, which does not provoke the corrupt people even when obvious.

The same happened with the Public Prosecution tests in 2003, which required that the mothers of the candidates should be university graduates. This means that Abdel Aziz Basha Fahmy " the first chief justice in a Court of Cassation", Abdel Razak Al Sanhoury, Gamal Abdel Naser and Mohammed Hosni Mubarak would have never won such an honor, which is to be restricted by the Supreme Council on Judicial Authority .

### **Culture of Corruption in Egypt results from tyranny and unilateral rule**

Corruption is there everywhere and the citizen is dealing with the matter as

for granted, even he may coexist with the different ways and forms of corruption while it spreads in all governmental systems and private enterprises, to the extent that it cripples the whole society. The most distinguished thing in the developed countries concerning tackling corruption is bringing the officials to trial during holding power. In Sweden, the judicial authorities decided to hold a judicial investigation with deputy Prime Minister "Mona Sahleen" for a financial violation. In France, the Minister of Transport, Alain Carignon faced a sentence of 10 years in jail for corruption charges. France also punished its former Prime Minister for renting a flat for his son with a reduction of 30%. Those countries enjoy a democratic climate, which gives no official the right to neglect the law even if he is the president. He is subject to observation, interrogation and even punishment in case he is proved guilty.

Mass Media enjoy credibility, being subject to no pressure. It played a prominent role in unveiling corruption like its role in Water Gate, Monica in US, Bersculoni in Italy and many other examples. In the developing countries, on the contrary, matters are totally the opposite. Corruption became a normal phenomenon, which the citizen expects in all his daily practices. What is more dangerous is that the official here neglects law and he may even evade interrogation and punishment. There is for example a former Minister who cooperated with the mayor of Fowa city, Abdel Aal Dakheil in deporting the fishers from Porolus region, seizing their lands in order to construct private projects. When they rejected and demonstrated, Abdel Aal threatened them that they had to leave or otherwise they would face fabricated charges" Wafd 19/11/1987 p7.

Later in 1990s, a former Minister of Interior cooperated with the corrupt people in gaining great wealth for his family. He was the first minister that dealt in sale and purchase with the detainees. He, for example, bought from the detained Al Maa'ergji a shop at the value of one million and 150.000 pounds. The minister and one of his sons too seized Nabil Mashraki's towers, while he was detained. He, too, sold a villa to Al Habak at the value of 100.000 pounds as he was in the detention camp" Al Shaab 8/8/1997 p8.

It is an attempt to create some sort of false concepts among the citizens through trying to convince them that there is nothing better and that the government is not mistaken. Corrupt people are sometimes cleared especially the senior officials to the extent that the country itself is a corrupt association. Some forms of corruption in the society is represented in the involvement of some important figures, ministers, high-ranked officials and People's Assembly members in several crimes like squandering public money and cooperating to facilitate violations . This would be defined as the legal trend in defining corruption. It means that the political behavior is deemed corrupt in case it violates some of the official principles, which are imposed by the political regime on its employees. In Ismalia, in Abu Sultan region, Ismalia former governor distributed wide areas of the state lands to the ministers and the prominent officials." AlShaab 8/1/1994 p2.

In company of Air oil services, chairman Amir Riyad ordered preparing a plane to carry 50 persons, equipped with the latest service tools for passengers. The cost was deducted from the public money. The plane was not to carry out a work mission. It was to carry Minister of Oil, his family, deputy Prime Minister, his family and two maids to resort in Marsa Matrouh. What was really surprising was that the Minister's wife forgot her bag and he in return ordered that another 52-passenger plane would fly to Matrouh to transfer the bag, provided that the two planes would fly at the same time while empty. On the other hand, there was a 50-passenger plane which was to fly for them on the same day" Al Ahaly 8/3/1995. Despite this theft, the citizens are demanded to tighten belts for a national project. They found no means but to cope with those corrupt patterns without a trial to change them. They got desperate and frustrated.

Here comes another definition of corruption, which is the misuse of the public authority related to a special position away from the rules that govern this post. An example for this is some of the former state corrupt officials that earn much through paving the way for the money investment companies to gain millions and smuggle most of these

sums abroad. There are loan deputies and the bank officials that facilitate bank loans and credits in return for personal interests, like Abdelullah Tayel, People's Assembly member who made it easy to seize sums of money in Misr Exterior Bank which he heads. He facilitates loans and credits for his friends and those close to him with no enough guarantees. Among those were Mahmoud Diyab Ghanem, Fouad Iskander Farag, Abdel Rahim Ahmad Samak, Rateb Attiya, Ramy, Boshra Zakhari, Atef Salem, Hani Magdy Yakoub Naseef, Dr. Al Jarhi Mohammed Al Jarhi, Mohammed Al Hawari Abdel Kader, Mohammed Wael Tayseer, Tayseer Al Hawari, Hisham Mohammed Aiyad, Abdel Nasser Eiid, Emad and Alaa Mina and Hassan Mostafa. Corruption is a harmful behavior that has to do with using the public interest to reach private interests. Consequently, It starts to take several patterns and levels in the developing countries:

Top corruption: the corruption related to the minister and it is the most famous in the developing and African countries, especially after the independence that led to a pattern of personal and non-discussable rule. Thus, the policy seems similar to that of a palace where an individual rules while there is a group of beneficiaries that target the achievement of their personal interests. President Mobutu could live a life full of luxury and corruption, reinforced by a strong desire to get the biggest amount of properties. He has luxurious palaces in France, Belgium and Switzerland in addition to eight regions in Zaire and a fortified castle in Nesiley, 40 miles from Kinshasa, which includes the biggest, and the hugest swimming pool in Africa. Besides, he also controlled the National Aviation Company as a private property, most of the stocks in the biggest taxi companies in Congo, Kinshasa bank, skyscrapers in Côte d'Ivoire, company of entertainment and luxury products in Zaire, Lux. The facilitation of the illegal practices for the relatives is considered common in the developing countries. In Egypt, the latest years in the era of Anwar Al Sadat witnessed an increasing corruption as his wife, her relatives and his relatives misused his power and influence in several illegal activities through which they achieved big wealths. Investigations, for example, held with Esmat Al Sadat, revealed that he turned from a junior employee to a millionaire that had more than \$250 millions, through monopolizing the distribution of some products in the black markets, imposing taxes on merchants, seizure of state lands, goods smuggling and drug trafficking. Though President Al Sadat learned of his brother's actions, he didn't allow that he is sued and he only banned him from travelling abroad or to enter Alexandria port. Al Sadat's wife, Gihan Raouf misused her husband's influence in earning great wealth under the cover of charity activities. It seems that discussing corruption in the Egyptian Community, the nation's readiness and satisfaction to coexist with it would not end. In continuation to what we talked about when we clarified how corruption was penetrating in all the governmental systems, public and private enterprises in addition to stating some red lines at a time of an increasing bribery, favoritism, post misuse, embezzlement, fraud and forgery in official reports. As we saw that the social system is the one responsible for corruption and its culture, making it as an acceptable idea, especially the big corruption that includes the complicated network operations including arrangements and measures that are difficult to be unveiled. It usually includes the senior officials in the developing state and may be the president himself, being characterized with secrecy. Sir Shata indicated that corruption in the public life is represented in using the public authority to attain a profit, prestige or a social position or to achieve an advantage for a group or a category in a way that necessitates a violation of laws and morals.

Corruption is found also in some companies like the money investment ones which some former state officials have contributed to its growth and have earned much through employing laws and creating chances for these companies to earn millions, smuggling most of it abroad. "Corruption Use" book for writer Badr Okal, says that the

former attorney general, Abdel Kader Ahmad Ali was facing charges after his wealth surprisingly increased from about half million pounds to about three million pounds. Investigations held with him unveiled charges and doubts against 25 political figures including seven prime ministers and former ministers, 12 of People's Assembly members and a number of former governors. He indicated the involvement of those people through misusing their power and post in money investment company illegal practices, he also indicated that some of these figures already participated in some activities of these companies, as subscribers or depositors either with their names or their relatives', including sons or brothers. Among those was Kamal Hassan Ali who was appointed as a prime minister in July 16<sup>th</sup>, 1984 when he rendered these companies a great service through ousting the Minister of Economy in his government, Dr. Mosataf Al Said for the sake of the currency traffickers who became later the owners of these companies. There was also engineer Osman Ahmad Osman, the engineers' head and chairman of the popular development committee in the National Party. He was considered the spiritual father of some of these companies and the partner of accountant, "Ashraf Al Saad" with a rate of 40% in a clothes factory. He justified his stance by saying that those companies were established upon government approval, and left them for 10 years. This, in his opinion, indicated that these companies are deemed legal and approved. The list also included former Giza governor, Abdel Hamid Hassan who left his post to work in Al Raiyan company, the former Interior Minister, Al Nabawi Ismail, former governor of Al Sharkiya, Amin Mitikis. Al Rayan company was reported as saying that "we represent a state inside a state...we are paying to all". The deposit interest was determined according to the depositor's post and influence as it reached, sometimes, 100%. There is also the hidden bribery and divine loan, meaning that a sum of money is deposited on the name of the official and his sons. It is mainly a loan from the company to be divided into installments from its big interest till it is paid fully, and thus the capital is to be owned by the official...and what is in return??

The press, on the other hand, stood with motionless during this period when these companies were growing fiercely. It did not criticize, object or say the truth. On the contrary, they were bribed and there were some companies that bought prints at the value of more than 50 millions. As investment was not that important, those sums would have been used in establishing more than 10 modern printing houses. The main aim was to silence them. The last of those that resist was Rose Al Youseif that concluded a prints contract at the value of more than two million pounds in fall 1987 with Al Rayan company. Here, editor-in-chief Abdel Aziz Khamis stopped his campaign against those companies when he wrote, "the campaign which some newspapers and magazines launched against money investment companies adopted some sort of certain exaggeration... I personally was sure of some exaggerations among some writers and editors that participated in the campaign against these companies, I knew that some of these companies were already working in the field of production and that the result of its work deemed obvious. Then he spoke about how those campaigns were terrible against those companies and he started praising them "Rose Al Yousef, Feb. 2<sup>nd</sup>, 1987, page 23. The government, through its men, behavior, and its associations contributed in paving the way for these companies. As corruption results in corruption and the general reflect the particular, the national economy collapses and some gets the price.

### **Money Investment Companies ...Government and Negligence**

The government seemed to have suddenly discovered the spread of corruption among these companies, including tax evasion, illegal positions, continuous violations, questioned practices, depositor's rights are not guaranteed while its owners are involved in their pleasures. Though the government was informed of these practices, a long time ago, the owners of Al Rayan company mocked the government, which resorted to them in



opening a credit and importing a cargo of sweet corn. It came really as a disaster when Al Rayan and Al Saad companies decided to merge in May 1988 after a loss of 350 million dollars as they speculated on gold and German mark. This awakened the sleeping cat "the government" at the ferocity of the "greedy lion", the money investment companies for fear of controlling its preys. Case no. 19 of the year 1981 said that a financial investigation on public money unveiled that the owners of the two biggest companies ( Al Rayan and Al Saad) traded in the foreign currency and seized, from one of the investment banks, one million and 850.000 pounds. The cousin of Al Saad company owner and his brother-in-law were suspected in the case no. 364- 082, financial imports, accusing them of smuggling 340.000 pounds, owned by Al Saad abroad. Yet, the case was closed. In May 25<sup>th</sup> 1987, investigations held with Ashraf Al Saad revealed that he was working till 78 in an auto shop with a monthly salary not more than 45 pounds and that he traded in gold and silver later. He had great losses and then he reached the idea of establishing a money investment company!!! The government was the first to learn of those elements and the last to act.

The owner of Al Helal company, Mohammed Kamal Abdel Hady, the basketball player who worked in the Gulf and earned 200.000 pounds, by which he started his work in 1980 and then his company capital reached 250 million pounds, of them there was 16 millions as shares of subscribers. A report prepared by the anti-money laundering administration in Jan. 26<sup>th</sup>, 1983 listed the following names in a list that included 55 currency traffickers, before the foundation of money investment companies. It included:1- Sami Ali Hassan (the most famous currency dealer in Egypt) 2- Ahmad Tawfeek Abdel Fatah 3- Mohammed Tawfeek Abdel Fatah ( the owner of Al Rayan money investment company later) 4- Ashraf Al Said Ali Al Saad, the owner of Al Saad money investment company later too. When August 84 decision was issued concerning suspending the accounts of currency dealers in banks, the first five names were included as, most of the list were under a travel ban. As the free banking market was established, Mahmoud Tahoun, chairman of Badr Investment Company, said " Dr Atef Sedki formed a committee of Dr. Yousef Wali, Dr. Atef Ebied, Major general Zaki Badr to meet with us and it was agreed that we should stop accepting deposits from abroad. The government, in return, would remove the names of the money investment company owners from the travel ban list. He added that all were speculating on currencies, shares and bonds abroad and that prime minister asked us not to take the foreign currency inside the country, and we abided by his instructions, but why did not I take them outside the country? The currency dealers appeared again in mid 1980s while heading for the money investment field, under the cover of religion, spreading corruption, due to chances of establishing these companies and removing their names form the travel ban list. The harmed nation was the only element that paid the price of these violations.

The most important cause of corruption are dictatorship, the personal practices of the ruler like the single viewpoint, full authority to the extent of tyranny and absolute corruption in many times. Sometimes the personal relations and the unofficial traditions control everything. He is the head of the ruling party, the commander of the armed forces and the head of the Supreme Judicial Council, head of the Police Supreme Council and the head of the executive authority. The Cabinet only shares the president in planning policies. These wide authorities enabled the president to be the sole party that is responsible for decision-making, and this consequently lessens the role of the political party. Of the most obvious forms of corruption in the developing countries is buying votes, which hinders the parliamentary democracy success, the election process, obvious bias towards those, responsible for the election process, vote count for the sake of the regime candidate. This is applied to all the regional and local authorities including governors, mayors in cities and regions mostly are members of the ruling party. There are many issues raised over the regime of the most influential single party, the most important of which are the party corruption, misuse of posts, the absence of the popular censorship and the true competition of other parties amid the absence of deeply rooted rules for the political work. The

weakness of the legal regime is also one of the internal factors, leading to a great spread of corruption. There are no laws that would deter corruption, as the existence of laws is not important, it is its effectiveness and the following punishments, which they impose. Laws against those occupying official posts including bribery, favoritism, and power misuse or using the public post to achieve personal interests are nominally there, but there is no effective punishment on a practical level to be imposed on them once they are proved guilty of corruption charges.

There is also the great influence of the bureaucratic regime. The lack of the strong political associations, which are able to censor and practice discipline upon the bureaucratic systems, gives reign to these elements especially the most senior of them, enabling them to achieve what is believed to be beneficial to their special interests, using various kinds of the administrative corruption. In addition to the difference on the social and cultural level, the developing countries are divided among the rich who account for a tiny rate of population while there are the poor who account for the majority. This leads to many problems, the corruption spread in the state in addition to the domination of the personal loyalty upon the national values. The strong family and group relations and values make the bribe as an unpleasant fact in several developing countries. We find that the person cannot get any of the governmental or administrative association services except through bribery or an illegal price, which is called several names as grant, fee or tips. Corruption also spreads through subordination; as when corruption spreads among the top category, it consequently moves to the public, or it may move like an epidemic from one association to another or through the difference between the theoretical policies and the actually applied ones " .

### **First Section: on Political and Administrative Corruption**

Egypt has been recently hit by the bird flu and it was normal for its government to greatly fail in managing the crisis. Yet, it was suffering of corruption since October 1981, penetrating in all aspects of the administrative system in the state.

The statistics of the Public Prosecution unveiled that the total number of the last year corruption cases reached about 72.593 ones in the governmental systems including 10.853 of crimes, the most prominent of which are public money embezzlement, seizure, bribery or forgery. Reports of International Transparency Organization confirm an increase in the cases of wasting public money and the retreat of the government's role in fighting corruption, warning against an increasing rate of corruption in Egypt for the fourth year. Egypt was ranked no. 73 among 144 countries in which 16 surveys took place in its political and financial associations over corruption and transparency rates in the governmental and private sector. This took place while countries like Sultanate of Oman, Bahrain, Qatar, Kuwait, UAE, Tunisia, Jordan and Saudi Arabia were promoted.

The report attributed the increasing corruption rate in Egypt to the inability of the popular and party associations to supervise the money flow inside the state. They are also unable to review the tenders carried out in the regional markets, related to international companies, misuse of the public money, political donations and the inability of the laws to force the officials to speak out about their incomes. Anti-corruption in Egypt would not take place except after increasing democracy, the role of the state associations, reinforcing values of punishment and supervision of the parliament in addition to reinforcing its ability to punish the executive authority.

The administrative system includes ministries, governmental associations and systems through which the government activities are carried out, services are offered to the citizens and the state general policy is executed. The administrative system consists of 160 administrative units distributed according to the functional classification of the state activities through 14 sectors in addition to the public department sector, headed by the

Ministry of Finance. The final report of the Central Auditing Organization in 2006 reported a number of comments, summarized as follows:

The financial figures of the comments included in the report reached about 1199.5 million pounds. Comments were finally corrected according to the System instructions at the value of 67.4 million pounds at the rate of 5.6%. The other comments are being revised at the value of 1132.1 million pounds. Of the most important results, concluded from this report is :

### **Violations to Laws**

There were some of the budget items which were supposed to be avoided, while others were squandered and even many times for no reasons, except for violating some laws, resolutions, set financial instructions, the policy of the governmental spending cut, granting raises and bonuses, even more than what was decided or they may be given to those unworthy people. There was no supervision on the sums, spent from the grants of some organizations. The total of the financial results reached about 173.5 million pounds. Comments were finally corrected at the value of 2.8 thousand pounds, according to the System's instructions. Some comments were to be revised at the value of 173.3 million pounds.

Some units do not abide by laws and the organized instructions to attain revenues, resulting consequently to the attainment of a part of them or even less than the required. Some kinds of taxes and set fees, the most important of which are taxes on income, tax, customs fees, sales tax, judicial fees, fees of documentation and registry office. The total sum of these taxes and revenues reached about 517.8 million pounds in addition to taxes on taxable incomes, which were not included that reached about 624.9 million pounds in addition to dealings, which were not counted, that reached 803.8 million pounds. Revenues were attained according to the System's instructions that reached about 5.8 million pounds. The remaining sums are to be collected.

Not achieving some targeted projects due to the inaccuracy of some required studies before executing them. They were consequently rejected before starting, sites were changed or some of them were really executed despite the existence of alternatives. Some projects are slowly executed for the non-existence of the financial credits, required for its completion. The required measures for providing the systems and the equipment, required to operate these projects were sometimes not taken on time and projects were not used in the scheduled targets. Some companies do not fulfill the contract terms concerning the provision and fixing of some systems in addition to some technical problems in others without taking the required measures towards these problems. This consequently increased the costs of these projects, being added to the budget sums for no reasons, and some times banning the achievement of the scheduled profits. The financial results out of this reached 141 million pounds, while the System was still investigating these violations.

### **Many amendments and additions**

Some units do not abide by the items of the law that organize tenders and bids, no. 89 of the year 1998, its executive regulation, the set instructions and the contract conditions at the conclusion and the execution of the contracts of works, supplies and the required steps. This consequently led to many amendments, additional orders, some works were carried out upon the direct order, the removal of some works after been carried out, purchases of unneeded items, purchases of banned items, needlessly spending sums or even more given to some contractors and suppliers. There are several due sums at the suppliers and contractors, represented

in fines, compensations, price difference and administrative fees..etc as a result of committing violations in carrying out the works or as the works and contracts were taken from them and they carried out them on their expense. The total number of these violations reached about 129.9 millions. Comments at the value of 34.5 million pounds were corrected and the remaining number is being corrected.

Sometimes some equipments, systems, cars and spare parts were not made use of, due to buying them without needing them or they may break down with no measures to fix them. This takes place due to the lack of the required financial credits or even some equipment was supplied before establishing its construction sites. Maintenance for some buildings were not carried out, or they were not supplied with special equipments to fight fire or the misuse of some governmental cars. Some of the workshops do not operate due to the lack of the special raw materials or there are no fields to market their products. There is a slight governmental censorship over the store works and their disorder due to not applying the governmental stores regulation and its financial instructions. This led to some deficits and even an increase in some products. The stores are sometimes overcrowded with several sluggish, old and no-longer-needed items with no measures taken to make use of them. The total sum of the resulted financial losses reached about 39.6 million pounds. Some comments were considered upon the instructions of the System at the value of about 16.1 million pounds. Other comments are to be reviewed.

There is no supervision upon the profits of some funds and special accounts. Some of these profits were not collected or they may be got less than what is required. Some donations are approved without considering the required measures for their admission. Some of the funds and special account money are spent for needless purposes or even more. Compensations, also, are spent without considering the rules. Some of the money of the funds and special accounts is frozen, not using them for their supposed purposes. The financial losses tackled in these comments reached about 195.6 million pounds. Comments at the value of 10.8 million pounds were corrected and the remaining comments are to be reviewed.

### **Lack of censorship and discipline**

There is a lack of internal censorship and discipline in some of the units of the state administrative system. Not enough effort is exerted in inspecting and investigating the documents, presented by the officials and which include incorrect data. They, in this way, could seize a part of the public money, evade to pay taxes and attempt to reduce them for no reason. The total counted sum reached about 2.1 million pounds. Certain measures are being taken against these violations.

The administrative corruption can be seen in the following fields that would be tackled in detail later:

The political corruption through forging elections, supporting emergency law and human rights violations on the different levels.

The economic corruption through favoritism of some of those close to the regime through special advantages or their monopoly of a number of main projects or through getting facilitated loans with no guarantee- privatization, the system of evaluating assets, properties and the lands owned by these companies – banks, credit system, money's smuggling abroad through the official banking channels.

The agriculture sector: it was corrupted on various fields starting from the spoiled herbicides, the materials that cause cancer and the destruction of a number of the important commodities in the Egyptian economy.

Corruption in transport and communication.

Corruption in Housing: contractions and the privatization of lands, flats of the new cities, roads, bridges and the main infrastructure.

Commissions of armament and the means of its transport.

The sector of communication, mobile phones and fixed ones.

Corruption in the Interior Ministry starting from joining Police Academy, the security letter at the appointment of the average individuals, torture and even killing in the police stations. A number of the security leaders are involved in cooperating and facilitating a number of the outlawed actions

Prostitution networks which are sometimes related to the state officials and its systems.

10-Corruption in judicial authority: this is an important and unique aspect. It is found in our dear country. The uprising of the judicial authority in May and June in 2006 came as an important indication of the spread of corruption in this key structure in this nation's future.

The way in which the US aid is distributed

Press, media, its associations and the lack of the Egyptian medial leadership, the illegal exemption of the national press associations of the public tax in addition to the illegal secret earning means.

The so-called loyalty raise, which is given secretly, violating the legal financial rules, rules of the senior police and army commanders.

The corruption of the official educational system, as the human development reports indicated that it became the main reason for the unemployment in the state, as it greatly does not qualify the individuals for the labor market.

The corruption of the health system on a moral level. It is proved that spoiled medicine was imported. There is corruption in services while destruction prevailed most of the governmental hospitals in most of the regions.

Corruption in culture. Fire in Bani Sweyf theater, the destruction of the Culture Palaces, the corruption among the cultured category through the prizes given to those that want them, in addition to the different means of publishing to the extent that Egypt, the cultural leader, became as described by one of those cultured Arabs as circus and a carnival, not a place for the real culture".

### **Facts and suspicions around the political regime symbols who need an investigator or an objective response**

A website posted a report about corruption in Egypt. It challenged facing a response from the ruling regime, which, as transferred in text, confirmed the corruption of all of its symbols. It may be the right of the ruling regime and those figures to neglect the report. Yet, it is the right of the citizen to know the truth and it is the right of the judicial authority to decide on it". The report is published on the following site for any one that wants to respond or refute:

HYPERLINK "http://free.egyptians.41.com/alfasad.htm"  
<http://free.egyptians.41.com/alfasad.htm>

### **1-Corruption of the President's two sons**

Both Alaa and Gamal Mubarak participate in a form of bribery and bullying with free shares that reach 50% in the capital of the biggest trade and industrial companies in Egypt. These companies, consequently, were about to face the danger of bankruptcy and collapse. A big number of workers were laid off which increased the unemployment and depression rates. However, Gamal and Alaa are partners, paying nothing. Yet, they are greedy to the extent that they do not have mercy with their partners. They do not consider depression and they reject excuses. They to have to be paid their share that reaches 50% in case of

loss or gain. Of the companies in which Gamal and Alaa have shares at the rate of 50% for free: Marlborough ( Mansour), Scoda ( Shafeek Gabr), El Ezz ( Ahmad Ezz), Dream ( Ahmad Bahgat), ART ( Saleh Kamel), First ( Kamel and Kholi), Movembic (Hussein Salem), Metro ( Mansour), El Togari ( Al Malawani), Vodafone ( Nuseir), Siramica ( Abu Einien), El Nasagoon ( Khamis), Mobinil ( Sawerus), Hyundai ( Ghabour), Al Ahram for drinks ( El Zaiyat), City Stars ( El Sharbatly and Shokobkshi), Americana ( Al Kharafi and Al Alfi), Chilis ( Mansour Amer), Mcdonalds ( Mansour and Sawerus) and others. Mubarak's sons opened banks for their partners to take many loans with no guarantees or a prosecution investigation like other debtors, though their due debts exceeded 50 billion pounds.

The two brothers have different free shares in other illegal business like money laundry with Al Shobokshi, Sharbatli, Saleh Kamel and Naser Al Kharafi, drug trafficking with Mansour brothers and sons of Esmat Al Sadat, monuments smuggling with Zahi Hawas, Farouk Hosni, Kamal Al Shazli, weapon trade with Kholi, Salem and others. Look other details here and there. Gamal Mubarak summarized the market in Egypt in 50-60 of his partners; businessmen and started to annoy the other business men who rejected to have a partnership with him either through fabricated charges, imprisoning them like Hussam Abu El Fettouh, Magdy Yakoub and others. He also may use taxes, customs and police against them, or he may kill them like the case of the late Hassan Yousef, the owner of Dolsi company for the sake of Labanita, owned by Mansour Family and Johaina, owned by Mamdouh Thabet, a relative of Susan Mubarak. He may also try to kill them like Mahmoud El Sherbeni, the owner of El Dekhila Iron, who rejected to have a partnership with Gamal Mubarak with a rate of 50%-50%. They, as a result, tried to kill him in a lorry accident and took the whole company for free and gave it to Ahmad Ezz, who was considered close to them. They issued a special nationality law for him as his father was working as a Palestinian retailer who started from scratch with his mother who worked as an Egyptian maid. Because of Gamal Mubarak's monopoly policy, the number of those who were dismissed from the markets while their factories were closed reached from 5 to 7 billion workers who found no work till now leading to the current economic failure. Gamal Mubarak, before taking a decision to suddenly reduce the value of the Egyptian pound at 53%, had advised his partners to convert their liquid money to dollars as their money would jump at the rate of 53% at once. Gamal, as a result, got a commission that reached half of the profits, which his partners gained. This greatly increased prices in an uncontrollable way, which, consequently, damaged economy. What is strange is that Mubarak's family thinks that people do not understand, those stupid and greedy people do not know that the first people to testify against them in internal and external trials are their partners. Every one that pays to the senior officials must speak out.

### **Corruption of the President's wife**

Susan Mubarak heads hundreds of charities, including the real and the imaginary ones, which targets are not charitable at all. For example, Susan's charity for children protection does not really protect any child. The child, in her husband's era, is raped and tortured in broad daylight in the police stations which are ought to be named as slaughter houses where citizens are really tortured as Hitler was torturing the Jews in Auschwitz concentration camps. So what is the main aim of all these charities? Susan Mubarak, as the president's wife, receives donations. They are actually disguised bribes from the entire world that reach on average \$5 billions, per year for each charity. Susan Mubarak heads more than 100 main charities and this means that she receives donations at the value of \$500 millions that are deposited in her personal account in Switzerland banks. Susan pushed to issue a military decision banning any civil society to receive donations from abroad so that she and her son Gamal can take all donations. Gamal, like his mother, likes the game of imaginary charities and donations. He has a big number of charities that receive millions each year including Future Generation and others. Susan learned that the

Red Crescent receives donations from several organizations and she decided to seize it through heading it!!

### **3-Corruption of Ministers**

All the Egyptian ministers, since the blessed revolution, are corrupt. There are those that make use of their influence to seize others' properties and lands like Botres Ghali and Ibrahim Suliman. There are those that trade honor of his heads and other women like Safwat El Sheriff. There are also those that joined the president's two sons in deceiving people and selling them desert lands and even they received commissions like Ibrahim Suliman once again. There are also drug traffickers who joined Alaa and Gamal Mubarak like Habib Al Adeli and Botres Ghali. Concerning smuggling monuments and other banned items, there are Kamal Al Shazeli and Farouk Hosni. Concerning stocks, there are, certainly in addition to Gamal and Alaa Mubarak, Yousef Botres Ghali as they earned billions of illegal money of those junior enterprisers. What is really strange is that Hosni Mubarak did nothing to punish them, as he himself is a senior thief.

Hosni Mubarak, in a meeting with Third Army elements, two years ago, heard the complaints of a number of the young officers concerning the spread of corruption in the country and that the state took no serious action to get rid of corruption and punish those involved. Hosni Mubarak's response came as a surprise. He admitted being aware of the corruption among the ministers and all state officials. Yet, he added that they had enough and that is why he could not change them. Those that would replace them would loot in turn which would burden the state's budget. In brief, the president's words meant that he, as a gang head, would give reign to others to guarantee their loyalty, needless to explain the army's revolution!!

### **4-Police Corruption**

This online report says:

1-Private guarding is imposed on banks, associations, companies and other facilities in return for huge sums of money, shared by senior Interior Ministry officers.

2- Each tourist must pay 20 dollars at entrance to Passport Police.

3-There, is distinction in treatment inside prisons according to the paid bribes?

4-Admission in Police Academy is done through bribes, people of influence and it is subject to non-objective criteria. Dozens of those victims resort to courts whose ruling are fully neglected. There is a permanent exception for the sons of those working or heading the police.

5- Ministers of Interior and the Anti-Drug Police commanders receive very profitable salaries from the most prominent of the drug traffickers like the families of Mohammed Mansour, Effat Al Sadat, Kotta, Abu Ghali and others. Al Nabawi Ismail, for example, when he ended his service as a minister, was having a sum of 55 million dollars in one of the Switzerland banks, out of drugs only. Zaki Badr accused Abdel Halim Moussa of being corrupt, and the latter responded in return accusing him of drug trafficking.

6-Police in the industrial zones kidnap some of the workers and even regularly steal equipments from the factories. Police take those workers as hostages until the work owners receive them after paying money.

Police officers nowadays seize the street citizens' money using force. They hit those that object and even they drag them to the police station where they face fabricated charges, tortured or may be sexually assaulted. Police officers detain the relatives of the wanted elements, torturing and sexually assaulting them. They, in addition, get a monthly salary from drug traffickers, prostitutes and belly dancers. They sexually assault those in the deportees' car in case he or she does not pay for them.

They bargain with those arrested for their honor though law bans the male officer to arrest or frisk the female. Making use of expansion policy in the provisional detention, they bargain with the detainees including businessmen and those rich people for their honor. One of the criminals will rape the one who would not pay a good sum daily at night. Police officers, on the other hand, help the drug traffickers in smuggling and marketing they banned items. They carry out bullying actions to scare the opponents of the one that pays more.

-Employees of Suez Canal, customs and those working in the associations related to the Suez Canal really harm Egypt's reputation. They seize money, cigarettes and wine from each ferry that crosses the Suez Canal.

-Employees of districts and local governing are the most corrupt as they do not carry out their job duties except after being bribed. This provocative report agrees with what Dr. Zakariya Azzmi said that corrupt is of a wide abandon in local areas. They even carry out illegal activities when paid more. Violation of height starts from 100.000 pounds, facilities and service in a building, which construction violates law reaches 50.000 pounds. Editing complaints against your neighbors start from 5000 pounds, negligence of bulges starts from 5000 pounds. Other actions should be subject to agreements first.

### **Second: Regime's corrupting the Legislative Authority**

The constitutional court ruled that the parliamentary councils in Egypt are illegitimate in four election rounds; 1984, 1987, 1990 and 1995. Consequently, the parliamentary councils are considered invalid along 16 continuous years between 1984 and 2000, as Egypt was out of the constitutional legitimacy framework. The political regime in Egypt has been illegitimate since early 1980s. No honest elections were held since that time and seemingly, it would not be held under the current regime. This regime is permanently subject to the emergency laws and is established upon rigging elections and suppressing opponents as Egypt has lately witnessed during the judges' crisis.

The legislative authority has no power. Though item 95 of the Egyptian constitution states that "no Council's member during his membership has the right to purchase, rent, or sell any of the state properties. He is not allowed as well to conclude a contract with the state as a supplier or contractor". The Egyptian government did not respect this constitutional wording at all. The former president Anwar Al Sadat was the first to distort this wording in addition to many others mentioned in the People's Assembly law no. (38) In 1972, through issuing a republican decree in law no. (109) of the year 1973, with many amendments of articles no. (28-30-34 bis, 1, 2, 3) that diverted this constitutional article. Article (28) of the mentioned republican resolution said that (the People's Assembly member is not allowed to occupy jobs in the government or the public sector, the alike or the foreign companies during his membership. Any appointment in contrary to this is considered invalid, unless it comes as a result of a promotion or transfer from one organization to another, or a judicial ruling or according to a law. This was greatly made use of by the government of Atef Obaied in particular, corrupting dozens of the People's Assembly members through appointing them as delegated board members in public business sector companies, to be sold under privatization. This increased amid other amendments that confined the exception of the People's Assembly under secretary. This was essential later as it helped many of the People's Assembly members to turn to the world of business and money. This created a network of corrupt interests between regime and government officials, (the president, his government and the legislative authority and some of its officials). This facilitated the emergence of loan MPs. There are also MPs of drugs, cement, aid and companies since mid 1980s, (mostly of the Ruling National Party members).



Since bank scandals began in 1983 starting from case of Abdel Rahman Baraka and Gamal trust till now, newspapers and censorship systems also receive news about corruption among businessmen in addition to the Egyptians that squandered millions of pounds. The case of "Loan MPs" caused severe hurt among the Egyptians.

The marriage presents MP was one of the National Party members in Shura Council in Helwan region. It came as a natural result of the absence of censorship and for the organized corruption in 1997. A big number of the People's Assembly members, representing the National Party were appointed – after the previously mentioned amendments- as board members in public business sector companies and its holding associations, where privatization operation was carried out in full swing. Instead of examination, supervision, review and correction of mistakes, a big number of them were involved in these operations either directly or through their relatives or their partners. In the People's Assembly session, dated Jan.3th, 1999, another scandal appeared. Discussing the renewal of an agreement on private sector product importation product between Egypt and US that started in 1986, a big number of companies of prominent MPs or their relatives are proved to be involved in making use of this aid, that started at a sum of \$80 millions. By 1994, it reached 1384 million dollars and continued to increase. Yet, it was clear that 21 companies represented in The National Party were the sole beneficiaries.

The issue of loan MPs started in three years only; 1994-1996. It was unveiled that a number of the simple employees in the National Party became big millionaires. The seized from the private banks more than 1200 million pounds. This, in return, harmed the reputation of the whole banking system in Egypt. By the end of 2001, another case started which is of the lame duck businessmen who failed to pay back their huge debts while many of them escaped.

In the People's Assembly session dated 28-1-1996, the Minister of Justice demanded the Assembly to lift immunity of:

1-Tawfeek Abdu Ismail

2-Khaled Mohamed Hamed Mahmoud, who looted money from Al Nil Bank.

3-Mahmoud Abdel Fatah Azzam, uncovered cheques for credite Lyone bank.

4-Yassin Abdel Fatah Aglan, accused of looting Al Nil Bank money.

The Assembly, as usual, rejected to lift the immunity . It later approved on 10-2-1998 after the Minister of Justice raised the demand again, to lift the immunity of member Khaled Mahmoud, who claimed there was apolitical situation with the target of slander. Member Mamdouh Abdou Ismail, who later deposed- backed him. Supreme State Security investigations in the case no. 390-1997, unveiled later surprising facts. The four members formed a network of 18 individuals of businessmen, rich elements and bank officials that succeeded in penetrating into eight banks:

1-Al Nil Bank

2-National Dakahilia Bank

3-Al Mohndes Bank

4-Cedit Lyone

5-Alexandria Trade and Marine Bank

6-Cairo Bank- Nile branch

7- Faisel Islamic Bank

8-Cairo-Barclayez Bank

As a result of censorship activities in years 2002-2003, dozens of cases were unveiled in the field of corruption, embezzlement of banks money and bribes of senior employees. Prosecution, at the beginning of the year, referred 12 officials to the Supreme State Security Court for bribery and forgery. They were prominent officials in Drainage Department, Egyptian Dredge company, Arab Trade company and others. In Sep. 26<sup>th</sup>, 2002, Supreme State Security Court sentenced seven senior officials in Port

Said free zones, accused in the so called " Big Customs" case, to 10 years in imprisonment with hard labor, life sentence with a fine at the value of 21 million pounds, while a same sum is given to the state systems. A number of the bribed judges were arrested in the same month. In May 25<sup>th</sup>, 2002, attorney general referred 19 suspects including two of the People's Assembly members in Al Fayoum, ( Bahaa Meligi and Sobhi Ewes) for the formation and the heading of a gang to seize the state properties and documents forgery, wasting about 164 million pounds. It is considered one case of three within two weeks of the same content.

The second case was of Nasr Metal Company where the chairman and a number of officials were accused of wasting about 2.1 billion pounds. The third has to do with Mechanics and Electricity department where the suspects, considered officials in the department- Ministry of Irrigation- squandered more than 43 million pounds.

In August of the same year, a big corruption case was discovered in the Radio and TV Union, represented in Mohammed Al Wakil, head of the news sector who was accused of bribery and public money squandering. There is also Yousef Abdel Rahman, chairman of Development and Agricultural Credit Bank, who was proved to occupy more than 20 positions in the Ministry of Agriculture and its different departments. Within 9 months, immunity was lifted among more than 20 of the National Party members due to uncovered cheques, unperformed military service and unguaranteed credit facilitations. There are Abdelullah Al Ta'el and Fawzy Al Said ( Nasr City – National Party). These crimes, according to the report of the UN developmental program, are "banking scandals since 2001, most of them are related to unguaranteed loans presented to businessmen and governmental officials. Starting from 2003, all these cases are referred to the courts that issued tough sentences against those condemned. Deficit in loans completion between 1999 and 2003 reached about 8 to 10 billion dollars or 10% of the yearly total gross outcome. "Cairo bank" was the most harmed as since 2003, it was still trying to afford 1.3 billion dollars of the stumbled loans. The new laws ban giving more than 30% of any bank stocks asset to a single client. It also forces the banks to keep a capital that should cover not less than 10% of its stumbled. These new rules help the Egyptian banking regime to cope with the international standards like Basel Agreement in 1997.

### **Second: Corruption Between tyranny and suppression: Abused Human Beings in Egypt...Who would protect them?**

Human rights in Egypt are continuously violated by the police and the different executive authority associations. Despite warnings and reports issued by Human Rights organizations, either locally or internationally, human rights violations dominate the whole regime. That is why Egypt acquired this bad reputation in the field of human rights as Egypt got one vote in the UN General Assembly to win the membership of the Human Rights Council. Egypt tried to mislead the Public Opinion and Human Rights Associations, claiming that it didn't run for the Council's membership.

The emergency law, which was continuously applied since early 1980s, allows some sort of legal coverage to the Human Rights violations in Egypt. The Emergency Law no. 162 in 1958 allows an arbitrary detention of individuals for an indefinite time without bringing them before a fair trial. According To Human Rights Watch report, this law represents a suspect regime that creates an atmosphere of punishment evasion where torture and maltreatment spread. The government used the emergency law to condemn the political opposition activities, referring civilian suspects to court-martials or State Security Courts; they are exceptional courts where trial does not agree with the international criteria of the fair trial. News mentioned that about 700, of those claimed to be extremist Islamists, were released in 2004 while they did not face certain charges or brought to trial for any crime.

By early 2004, " Human Rights Center on Prisoners Help" mentioned that the number of long-sentence prisoners at that time who faced no charges reached about 15.000 persons. The Center issued a list of about 65 lawyers who were detained for about 16 years, with no charge or trial according to the emergency law.

We would tackle here some of the forms of Human Rights violation in Egypt, including:

### **Torture in Police Stations and Prisons**

Torture in police stations is considered of the most human rights violations that are actually carried out in a continuous way. The Egyptian Human Rights Association noticed in its report these violations continuation, saying "torture, mistreatment, bad medical services, prisoners' deprivation of education and ban of visits and contact, came as the most prominent violations against prisoners. This is considered a breach of the Egyptian Constitution and the Human Rights International Charters.

The Egyptian Human Rights Watch said in its report based on visits to prisons and interviews with detainees and their families, that :

Spread of torture and prisoner's maltreatment.

Bad medical services. The report, for example, speaks about 55 medical cases which did not receive the required medical care.

Deprivation of education. There are 41 cases that were deprived from education. All are considered political detainees for whom release decisions were issued, but not yet executed.

Ban of contact and visits.

Human Rights Watch report spoke about torture of some suspected ordinary elements, where the security forces and police used to torture and mistreat the detainees, especially during investigations. Torture in the past was used against he political detainees in the first place. Yet, the recent years witnessed the torture outbreak in the ordinary police stations against those suspects with relations to criminal investigations

### **Some Cases of Torture**

It is a case where a young man was tortured in return for information: Sheriff Mohammed Abu Gheit, an Egyptian layman, aged 27. He entered the police station only two times, the first one to get an identity card while the second one was to get military service exemption papers, as he has no brothers. Sheriff was forced to enter the police station for the third time to be tortured in order to utter information about a person, which he had no information about. Sheriff was standing with his neighbor at the entrance of the street where he lives with his neighbor, when a Giza taxi stopped. Then four strong young men came out of it and loudly ordered him to get in the taxi after insulting him and after one of them gave him a strong blow. After he got in the car, one of the four strong men get a pocketknife and tore Sheriff's clothes and got a piece of cloth, blindfolded him and tied his hands. The other three showered him with violent blows at the face, stomach, back and back head. One of them asked him: "what do you know about Mohammed Ehab"? When Sheriff said he was his neighbor, yet, he added that their relation was limited and he did not know much about him. Torture continued while one of them told his colleagues: "tell Mr.Wael that the suspect rejected to utter information. They took him to another police station in Umraniya to continue torture. They dragged him on the floor and put him in a closed room. They tied his hands in an iron door and lifted him up to force him to utter information, which he had no knowledge of. They took him to the office of Sergeant Wael Al Gaberi, an

adjutant in Umraniya police station who discovered that the four men had done much/took excessive measures. When Sheriff threatened him to inform the public prosecution, he made an inquiry report and released him. As Sheriff arrived in his home, he fainted. His father hospitalized him but before he received the x-ray, an officer told him that the x-ray revealed his son was in a good health and ordered him to go home in order to avoid problems. The hospital rejected to give the father the medical report or even the x-ray.

Torture was not confined to the adults but it reached children too. The Legal Aid Assembly demanded the attorney general to investigate in torture of child Karim Omar, 15 years. Police troops from Tenth of Ramadan police station arrested him to force him to admit carrying out thefts, which were already closed without determining the doer. The Assembly in its statement confirmed that it received a complaint from the child's father that said his son was arrested and taken to the police station. He added that he was beaten after being tied and blindfolded, forcing him to confess carrying out several thefts, which were already closed without determining the doer. The father said that his son was detained for 8 days inside the adult's detention camp where some prisoners abused him.

As a result of torture in detention camps, some deaths were reported and mentioned in the first report of the National Council on Human Rights in addition to the report of the Egyptian Organization on Human Rights:

On 1<sup>st</sup> of January, 2004, Mohammed Hassan Ismail, a 55-year-old peddler who died when he was detained in Azbakiya police station in Cairo. In Jan. 7<sup>th</sup>, the 30-year-old Mohammed Al Saeed Nejm, crippled, died hours after he was released from the State Security Police in Banha, Kaliobiya. He was released in a coma as he was detained for eight days with no arrest warrant or official charges. The 19-year-old Khaled Abdel Nabi Hassan died in March 13<sup>th</sup> while he was detained in Fayed police station in Ismaliya. Al Sayyaed Mostafa Moussa died in March 20<sup>th</sup> died while he was detained in Useem police station, Giza governorate. In April 13<sup>th</sup>, Mohammed Morsi Saleh died as a result of a dispute between him and a policeman, when the latter fired him in the public road. In June 11<sup>th</sup>, 2004, the body of Naser Mohammed Hasanein was found naked and totally swollen amid the plants, less than 36 hours after police took him from his house in June 9<sup>th</sup> in Medoum village, Al Wastta center in Bani Swef governorate. His family filed a claim to the public prosecution where they accused the police troops of beating and torturing him to death and then they tried to get rid of his body to evade responsibility. In Sep. 2004, the 31-year-old Amer Attrees died in Embaba police station in Giza governorate, ten days after being arrested for theft. His family filed a claim to the Public Prosecution saying that he died as a result of torture.

Abdel Tawwab Yosef Salah Al Deen died in Sep. 23<sup>th</sup> during his detention in Nasr City police station after he was arrested for theft. The primary report of ZeinHum medical center said that the body had clotted injuries shortly prior to his death. In October 20<sup>th</sup>, Ali Mohammed Al Musala died inside the detention camp of Bela region, Kafr Al Sheikh governorate, two days after being arrested. His family said that he died out of torture. They filed a claim to the Minister of Interior and the Attorney General.

In Dec. 20<sup>th</sup>, 2004, junior Saddam Hussein Hafez, aged 17 years, died when he was detained in Al Warrak police station in Giza pending investigations, facing theft charges. He was arrested since Dec. 13<sup>th</sup> with adults. The police station officers reported that he has a head bleeding after some of the detainees fell over him as he was sleeping, adding that aid attempts did not work after he was hospitalized in the Public Hospital. The victim's family doubted this statement and informed the Legal Aid Assembly for Human Rights about the victim's injuries in the ace, legs in addition to the bleeding in the head and the ear.

The number of those killed during detention or hours after being released- where doubts were raised concerning death out of torture- reached 31 cases in 2005, which

was called "the year of reform" as the ruling, National Party described it. It is a number equal to the cases detected in the last three years when reform had not started yet!!! Those cases documented in the report of the Egyptian Anti Torture Assembly, issued in June 27<sup>th</sup>, 2005 were:

Late Akram Abdel Aziz Zuhiri, 40 years, in Tora Farm prison. He died in 9/6/2004. He was arrested in mid May 2004 by the State Security Police during its crackdown on suspects in case no. 462/2004, Supreme State Security in which (58) citizens were accused of those belonging to the Muslim Brotherhood Group. He was under provisional detention in Tora prison. Despite his deteriorating health condition as he was suffering from diabetics, the prison administration intentionally or arbitrarily rejected to refer him to the hospital even after he was seriously injured while he was transferred from one prison to another. The authorities did not respond except after his condition was seriously dangerous, making sure that he was to live only few hours. He was hospitalized to die on the same day.

Late Nasser Mohammed Hussein, 35 years, Medoum, Bani Sweif governorate. His death date was unidentified. The citizens found a rotten naked body amid plants in Medoum, Wastta, Bani Sweif governorate on 12/6/2004. He was arrested from his house, days before that date. Doubts concerning his murder filled the village. The village residents were angry and consequently they attacked the police station. Central security vehicles enclosed the village, in no time, while police sources mentioned that calm prevailed in the village after the arrest of a number of residents. We have many stories concerning the police troops' success in imposing security so we can imagine how citizens are treated.

Late Ahmad Mohammed Sami, 25 years, Zakazeek Public Prison. He died on 7/11/2004. It was published in Nation's Voice Newspaper that the dead one was transferred from prison to Zakazeek Public Hospital on 5/7/2005 and died on 11/7/2005. The hospital doctor demanded in his report that a forensic expert should examine the body for it had several injuries. Yet, major Mohammed Hassan Rashed tore the report and asked the prison's doctor, captain Mostafa Assad to write a new report. A report was prepared saying that the patient died of a heart attack (despite being twenty-something). The family rejected to receive the body. They filed a claim to the Public Prosecution saying that the body was full of injuries.

Late Ashraf Abdel Ghafar Attiya, deportation car

Late Mohammed Ibrahim Al Bendari, deportation car

Late Ahmad Ibrahim, deporation car

They died in August 28<sup>th</sup>, 2004. The deaths were among 80 young men who were fully jammed in two crowded deportation cars, lacking ventilation in August very hot weather. They were jammed for continuous 12 hours in a journey of torture from the Egyptian-Libyan borders to Cairo. Despite their begging along the way to be rescued, no body responded to them. At their arrival to Cairo, the above-mentioned detainees died while another 19 were suffocated. Those young men were arrested in Libya in their illegal attempt to travel to Italy.

Late Amer Atrees Hassan, 31 years, Embaba police station. He died in Sep. 2004. The police station ordered to arrest him as he was accused in one of the cases. In Dec. 9, 2004, while he was referred to prosecution, his mother saw him and mentioned he was in a total fatigue. He told her that Embaba police station officers beat, tortured and hang him. Days later, the family received a phone call saying that the detainee was hospitalized in Embaba Central Hospital. They hurried to him thinking he was ill. Yet, they found him in the hospital morgue. The family mentioned that he had dark bruises around the hands' wrist and so are the legs in addition to other parts of the body.

Late Abdel Tawab Yousef Salah Al Deen, Nasr City police station. He died in Sep.

23<sup>th</sup>, 2004. He was arrested in Sep. 19<sup>th</sup>, 2003 for theft. His family received a phone call in Sep. 23<sup>th</sup>, 2004 informing him with his death as his body was in Medical Insurance Hospital. The victim's widow mentioned that the body was full of dark bruises in face in addition to injuries in pubis and around the legs. The hospital decided to file a claim to the Public Prosecution for a crime probability. The initial report of Hada'ek Zeinhoum medical center report said the body had several injuries, before death in the area of pubis and penis.

Late Ahmad Ali Mohammed Moselihi, Bela police station, Kafr Al Sheikh governorate. He died in October 20<sup>th</sup>, 2004. He was arrested in Sep. 18<sup>th</sup>, 2004 to spend a sentence. He was detained until he died, two days later in Sep. 20<sup>th</sup>, 2004. The prosecutor mentioned in his memo that the dead was found in the detention cell, hang by the training suit string from the neck in the room's window.

Late Kahled Abdel Nabi Hassan, 19 years old, Al Fanara police station, Fayed, Ismalia. He died in Nov. 3<sup>th</sup>, 2004 . A number of detectives arrested him in March 13<sup>th</sup>, 2004, where he was taken to the police station, where he was beaten and hang till he fainted. He waked up to find fire set to his body. He died out of burns that exceeded 40%.

Late Abdellah Mohammed Mahmoud, Al Badrasheen police station, in Giza governorate.

Late Amer Arafa, Al Badrasheen police station, in Giza governorate.

Late Maher Ghazal, Al Badrasheen police station, in Giza governorate.

Late Hesham Bashir, Al Badrasheen police station, in Giza governorate. The news was published in Al Ahaly newspaper, issued in Nov. 10<sup>th</sup>, 2004. It said that the four citizens were killed inside the detention cell of Al Badarasheen police station after they were tortured in order to confess. The newspaper also said that they were detained for possessing weapons and drug trafficking.

Late Ashraf Mahran Zaki, police station in Shobra Al Khima. He died in 26/12/2004. The above-mentioned citizen was shot in a quarrel and was hospitalized in Bahteem Public Hospital where the doctor examined him and decided he was shot in the right side of the face. He added that there were shrapnel in the skull. He recommended that he should be transferred to Al Demerdash University Hospital to receive proper treatment. He was interrogated before Shobra Al Khima prosecution office, which released him. Officer Sheriff Dosokki has detained the victim and banned him to receive treatment despite his serious injuries. Despite the prosecution's decision to release him as he escaped the military service!!!! He remained detained from 16/12/2004 till 26/12/2004 till he died of his wounds.

Late child Saddam Hussein Hafez, 17 years, Al Warrak police station. He died in 12/9/2004. He was arrested in 13/12/2004 by a police detective. He was detained with adults despite being a minor. In Dec. 16<sup>th</sup> 2004, his mother visited him in the police station and he told her that they tortured him using beating, electricity and hanging. In 20<sup>th</sup> of the same month, the family was summoned to the police station where the prosecutor informed them of the boy's death. He explained the reason for his death saying that some of the other detainees fell over him while he was asleep!!!

Late Medhat Farouk, 39 years, Tanta public prison. He died in Jan. 2005. Al Ahrar newspaper quoted one of the prisoners with the dead man in the same cell as saying that he was surprised finding him in the early morning in absolute state of fatigue and then he fainted. They asked the help of the prison official but he died on his way to the hospital. The forensic expert decided he had a gastric ulcer that led to death. He did not mention the number of days after which the gastric ulcer patient died after receiving no medical aid.

Late Baioumi Barakat, 47 years, Tanta Public Prison. He died in Jan. 2005. Al Ahrar newspaper also mentioned in the same issue that the above-mentioned detainee

died after having a severe asthma bout and a respiratory failure. It was worth mentioning that he died in the prison not in the hospital.

Late Ahmad Said Mekhemer, 27 years, Abu Zabal prison. He died in Feb. 2005.

According to Al Masri Al Youm, the prison report said that the shift officer heard help cries from inside the prisoner's cell. He found that he was in absolute fatigue and he died. The prison doctor decided that the dead had a blood circulation failure that stopped the heart muscle (despite being twenty something). He did not speak about the reason of such failure.

Late Ahmad Galal Ibrahim, 36 years, Abu Zabal prison. He died on the same day in Feb. The same scenario was repeated hours after the first one. The officer heard calls of help where he found the detainee in an absolute fatigue. The prison doctor decided that the detainee had a severe failure in blood circulation that led to death. He, similarly, did not mention the same for such a failure. The prosecutor's investigations unveiled no criminal doubts!!

Late Ahmad Sabri Al Helow, 27 years, Port Said public prison. He died in Feb. 2005. The death news was published in Al Masri Al Youm, adding that the detainee died of a severe anal bleeding, without mentioning the reason of such a bleeding and the number of days in which he remained bleeding with no medical help.

Late Gaber Ahmad Al Domiati, 26 years, Damanhour public prison. He died in Feb. 2005. Al Jamhuriya newspaper mentioned that the detainee was under a provisional detention. The newspaper added that the medical inspector decided there were no apparent injuries, and that the main reason of death was a total failure in heart and blood circulation, despite being 26 years old.

Late Ibrahim Shehta Ibrahim, Banha Prison. He died in the horrible Feb. The news was published in Al Wafd newspaper, saying that the detainee died inside the prison out of several injuries and a brain hemorrhage, with no details about the reasons of injuries or bleeding.

Late Mahmoud Abdel Aziz, 40 years, Tora Prison. He died in March 20<sup>th</sup>, 2005. He was a leader of one of Jihad Movements. He suffered from a cirrhosis for several years. The prison administration rejected to hospitalize him except few minutes before his death.

Late Nafesa Zakariya Al Marakbi, 30 years, Sarandwa. She died in March, 2005. She was one of the victims in Sarandwa village, Beharia governorate. She was arrested in March 13<sup>th</sup>, 2005 and she was detained in a house where the police used to detain women in the village. She remained detained until she was released on Monday, dawn in March 14<sup>th</sup>, 2005. She was in absolute fatigue and she was paralyzed on the same day, night. He was hospitalized in Damanhour public hospital and died on 15/3/2005 at dawn.

Late Ahmad Mahmoud Salem, 42 years, Kafr Sakar police station, Sharkiya governorate. He died in 18/4/2005. In April 4<sup>th</sup>, 2005, a police troop from Kafr Sakar police station broke into the house of the detainee's relatives and arrested 21 ones including women and children, taking them to the police station where they were detained and some of them faced fabricated charges. The detainee has a pelvis injury as he fell from the third floor during his arrest. Despite his serious injury, he was taken to the police station where he was beaten, hang, tortured by electricity and raped too. He died in April 18<sup>th</sup>, 2004.

Late Said Zaki Morrad, 43 years, Embaba police station. He died in May 4<sup>th</sup>, 2005. Al Masri Al Youm newspaper said in its issue in May 4<sup>th</sup>, 2005 that the detainee was arrested in April 16<sup>th</sup>, 2005 to spend sentences against him. He was severely ill in detention and he fainted as a result of a severe intestinal disorder. He was hospitalized to Public Tahrir Hospital in Embaba where he died !!!

Late Tarek Fattouh Al Emam, 35 years, South Port Said police station. He died in May 5<sup>th</sup>, 2005. The detainee spent a five-year sentence when his family was

surprised at the news of his death, one day before his release. The family has visited him in May 2nd, 2005 and he was in a good health and high morale. The police officer mentioned that the detainee hung himself. People, there, mentioned that the body had some injuries and that police officers forced them to bury him during the night under tight security measures.

Late Mohammed Suliman Yousef, 40 years. There was no information about the detention place and death circumstances. He died at the late April in 2005. He was the cousin of Ashraf Said Yousef, the main suspect in Al Azhar blasts that took place in April 7<sup>th</sup>, 2005. He was detained few days after the blasts, from inside Al Oubor Primart School where he was working a teacher. He died during his detention by the State Security Police in the late April. There was no news of the cause of his death or the place where he was detained. The family was forced to bury him secretly in his village graveyard in Ammare village, Kaliobiya under tight security. The family rejected to give any information or hold any interviews. It was worth mentioning that two of the victim's brothers were detained when their brother died.

Late Tarek Taha Mahdi Ghanam, 38 years, inside Al Ghanam mosque in Talkha, Dakahliya governorate. He died in May 6<sup>th</sup>, 2005. He died during the violent confrontations that took place between police troops and the citizens during the peaceful organizations, which Muslim Brotherhood organized in Talkha. A big number of the security troops enclosed the mosque where the demonstration started and they detained some of the demonstrators and even they hit others using sticks, firing tear gas bombs. They attacked the demonstrators inside the mosque where the victim was suffocated to death.

Late Ashraf Said Yousef, 28 years, there was no information about his detention place. He died in May 19<sup>th</sup>, 2005. He was accused of being the mastermind in the two blasts of Al Azhar and Abdel Moneim Riyad. He was arrested in April 29<sup>th</sup>, 2005 in Menof region, Monofiya governorate. He was detained in an unknown place till May 22<sup>nd</sup>, 2005. The newspapers published a statement for the attorney general and not the Interior Minister, saying that in May 11<sup>th</sup>, 2005, the detainee, in the cell, was in an absolute rage and he intentionally hit his head in the wall. He consequently fainted and then was hospitalized in Al Manial University Hospital. Police could not interrogate him due to his medical condition until he died in May 19<sup>th</sup>, 2005.

### **The Most Strange Sustifications fro Deaths (Interior Ministry Official Statements)**

Reading statements of official sources of the Egyptian Interior Ministry in justifying the deaths among detainees, one can get astonished at the reasons, which these sources mentioned as it indicated weak minds and even some of them reflected some sort of a black comedy. Here are some of them:

Concerning death of Ashraf Yousef: "the detainee was in an absolute rage and he consequently hit his head in the wall".

Concerning death of Saddam Huseein Hafez: "Some detainees fell over the victim while he was asleep.."

Over the death of Ahmad Ali Mohammed Moselhi: "he was found in the cell hang by the training suit string in the room's window!!!

Concerning death of Tarek Fattoug Al Emam: "he hung himself in the police station after he spent five years in prison, one day before his release".

Despite those terribly strange justifications, the Interior Ministry did not consider itself responsible to protect the detainees, as this would include banning them to harm themselves or being harmed by other detainees!!! Those stories, even if we fabricated them still could condemn them. Concerning the death of Ahmad Mohammed Sami, 25 years,



Ahmad Said Mekhamer, 27 years, Ahmad Galal Ibrahim, 36 years and jabber Ahmad Al Domyate, 26 years, they were all detainees and young as clear in their ages. It seemed that the Interior Ministry belittled the medical logic and found it easy to say, "The reason of death was a failure in blood circulation that stopped the heart muscle", as if it was a natural and an enough reason for death. They stated the same sentence whatsoever the reason of death was. A respiratory failure was needed for death. The failure of the natural body functions is considered normal in senility, yet, it is very abnormal to take place in youth.

Concerning death of prisoner Medhat Farouk, "a coma due to a severe gastric ulcer that led to death". Prisoner, Baiomi Barakat who died as a result of a "severe asthma bout and a respiratory failure, he died in cell". Prisoner Ahmad Sabri Al Helow, "who had a severe anal bleeding". Saiid Zaki Mourad "a coma due to a severe intestinal disorder", all had non fatal diseases that could be treated and would not lead to death except if absolutely neglected and the patient received no medical aid for a long period.

### **Torture and Abuse in Detention Cells**

A number of suspects accused of having ties to Muslim Brotherhood were tortured in State Security Police in Nasr City in June 2004. They were under provisional detention pending trial in case no. 462, 2004, state security court. Yet, they were taken from their detention in Tora Farm Prison to the headquarters of the State Security Police, Nasr City Branch where they were tortured there from June 3<sup>rd</sup>, 2004 till June 10<sup>th</sup>, 2004. Their hands were tied from the back, they were blindfolded and they were stripped naked along all days of torture. They were struck with electricity as follows: electricity was connected to leg fingers and the head and sometimes electricity was connected to the genital organs and chest nipples. They were hang from the arms and the legs on an iron tube. This in addition to beating and kicking all over the body threatening them to get the women of their families to be raped. As a result, Mohammed Ismail Saad had an involuntary urination after being shocked by electricity in his penis. Mostafa Taher Al Ghoneimi had a hand break, Mahmoud Zein Al Abdeen had a break in his right arm, Khaled Eied Al Shami had a break in ribs. Lawyers of the Egyptian Organization for Human Rights, who attended investigations with suspects, mentioned that the prosecutor denied the injury of Mohammed Ismail. He also allowed the State Security Police officers to be in the public prosecution building, which violated the law. Engineer Akram Zahiri died on the same circumstances.

Mohammed Mohammed Ibrahim Othman Al Garhi, 57 years, Embaba police station. Published in July 26<sup>th</sup>, 2004. Nation Voice newspaper mentioned that the victim was frisked and arrested with no arrest warrant. He was beaten in the police station as he filed a complaint against police officers in Embaba police station.

Ahmad Abdel Ghani Al Dabaa, Souhaj police station. The news was published in August 2<sup>nd</sup>, 2004. The victim mentioned that Suhaj police station prosecutor, Kamal Al Dabaa oppressed him and repeatedly brought charges against him, yet, and prosecution cleared him from all of them. Yet, the prosecutor repeatedly headed to his house and took him for no reason where he was detained, beaten and humiliated. He was registered as a dangerous prisoner without a court sentence. This repeated beating led to an eye bleeding and blindness.

Prisoner Ehab Sameh Gad, 22 years old, Miniya Public prison. Sep. 2004. The prison inspector asked the suspect to work as a guide and asked him to sign blank papers. When he rejected, they tied his hands and legs. He was beaten with sticks and legs and put in a solitary confinement while being tied with chains for 14 days.

Prisoner Ahmad Mahmoud Ramadan, 24 years, Miniya public prison. Sep. 2004. Police inspector demanded the suspect to work as a guide and to sign blank papers.

When he rejected, he was stripped naked, beaten, shocked with electricity and kicked with shoes, breaking one of his teeth. He was put in a solitary confinement while being tied with chains.

Prisoner Emil Thabet Saliyos, 53 years, Miniya Public Prison. Sep. 2004. The victim has filed a claim to the prison chief after one of the prisoners attacked him. He consequently was punished.

Prisoner Ashraf Mohammed Abdel Ghani, 27 years, Miniya public prison, Sep. 2004. When he was detained, he was stripped naked and beaten on several parts of his body. He then was tied with chains and put in a solitary confinement.

Ahmad Abdeen Al Said, A Moskki police station in October 13<sup>th</sup>, 2004. While the suspect was sitting at a café, a police officer accompanied with some junior soldiers passed by him and frisked him. They took his mobile and ordered him to leave it in case he wanted to go with no problems. The man insisted to take back the phone. They, as a result, took him to Al Moskki police station where he was put in the so-called Fridge Room. He was beaten with sticks and shocked with electricity leading to breaks in his limbs and bruises in different areas.

Ayman Nour, the People's Assembly member and chairman of Al Ghad Party. He was detained in Jan. 29<sup>th</sup>, 2005 for fabricating forged proxies for a number of citizens, presenting them to the Committee of the Party Affairs. During detention, he was beaten and his trousers were torn. He was beaten under the right eye and on the back several times. He was put in chains for long hours and was forced to remain in a bent position for long hours and he was denied access to the WC.

Mossad Refaat Abdel Fatah, Damanhour prison. It was published in Al Masri Al Youm newspaper that the suspect was physically tortured and banned to eat, being treated or to be visited for three months. His mother filed a claim to the Public Prosecution to enable her to visit him. She mentioned that at her visit in October 20<sup>th</sup>, 2004, she found him in a bad health condition with clear signs of torture.

Al Hussein Saad Said, Shobra police station. October, 28<sup>th</sup>, 2004. A dispute started between the victim and one of his neighbors in October 24<sup>th</sup>, 2004. He was then taken to the police station together with his wife. Public Prosecution decided to release him in October 28<sup>th</sup>, 2004. Some policemen took him to meet the prosecutor/Ehab Khalaf who ordered to torture the suspect through beating using sticks, hands and wires. The victim, as a result, filed a claim while medical examination mentioned his injuries. Police officer Ehab Khalaf, nevertheless, arrested him again. He was intensively beaten while more than 20-lit cigarettes were quenched in his body.

Mohammed Mohammed Salem, 20 years old, Mashtool Al Souk police station in Al Sharkiya governorate. He was arrested after a person accused him of stealing a mobile phone. In the police station, the police officer, Mohammed Farid beat the victim himself and strongly kicked him in the back, leading to a backbone break. He, as a result, had paraplegia, losing the ability to control urine and stool. Despite prosecution's order on his release and despite his serious condition, he was not hospitalized and was kept in detention for another three days until one of the People's Assembly members mediated for his release.

Abdel Salam Mahmoud Sadouma, State Security Police in Warak. He was detained in Feb. 11, 2005. A force of the State Security police in Warak broke into his house to detain him. They did not find him and consequently they searched the house and threatened the wife with detention. When he was back, he went to the state security headquarters where they detained and tortured him in order to confess about his relations with the Muslim Brotherhood. Police officer Khaled Saif Al Deen ordered them to blindfold him and force him to stand while raising his hands for several hours. He was beaten, humiliated, stripped naked in severely cold weather and shocked with electricity. He was subject to block breath through pressing the neck

and he was threatened to bring his wife. He was blindfolded and naked along the detention period until he was released in March 6<sup>th</sup>, 2005.

Dr. Hosni Abdel Moneim Al Bashbeishi, State Security Police in Warak. He was detained in Feb. 11<sup>th</sup>, 2005. He was detained on the same day in which his son-in-law, Abdel Salam Sadouma and he was tortured too.

Alaa Mohammed Salama

Mahmoud Mohammed

Hazen Mohammed

Ayman Reda

Reda Hegazi

Al Said Hegazi

Ayman Fathi

It was published in Arab Horizons newspaper that State Security Police in Helwan took all of them from their houses at the dawn of 17/2/2005 and that police officer, Tarek Abdel Fattah had tortured them all.

22-Nouraldeen darweesh, Embaba police station, in Feb. 2005. It was published in Al Arabi newspaper that the above-mentioned citizen said that the police station officers insulted and humiliated him in front of the public and the neighbors. They arrested him together with his family members including women and children, taking them all to the police station. They detained them in toilets where they were severely beaten and tortured.

23-Khaled Abdel Rahim Sedek, Pyramids police station in Feb. 29<sup>th</sup>, 2005. Sentence Execution Police arrested Khaled to execute an absentia sentence. Khaled had lost his slippers during sleep in the detention cell and when he got nervous because of this, police officers, Amer Abdel Latif, Mohammed Lasheen, Islam Al Waraki and Mohammed Rabei had beaten him, stripped him naked and raped him.

24-Naser Mohammed Mahmoud Suliman, 28 years old, Al Montaza police station in Alexandria. The detention took place in April 11<sup>th</sup>, 2005. The police officers and detectives broke into the victim's house. They had beaten him and taken him by force to the street where they stripped him naked and dragged him along the street. They then raped him in public using the stick. This was because he violated the police supervision imposed on him. He was taken later to the police station where several charges were fabricated against him. Hundreds of the district residents witnessed the incident, signed and showed willingness to testify against the police station officers.

25- Mohammed Mohammed Habashi, 27 years, Bander Al Miniya police station, in May 18<sup>th</sup>, 2005. Police officer Adham Abu Basha and some detectives, one of them is called Abdel Haseb tortured the victim, stripped him naked, tied his hands from the back, slapped him, kicked him in the ass and the back and he was severely injured as a result. The citizen mentioned that this was carried out in a compliment of a woman who had a dispute with the victim's family.

26-Mohammed Nouh Mohammed, Giza Police Station, in May 19<sup>th</sup>, 2005. Police troops broke into the victim's house and arrested him for he was probably involved in a car theft. Police officer Medhat Fares and his assistants tortured him to confess. He was beaten and hang from the hands, tied to the back or he was hang on a tube and beaten on the leg.

27-Khairi Mohammed Omar, State Security Police in Jaber Ben Hayyan in May 27<sup>th</sup>, 2005. He was a member of the Muslim Brotherhood. He was stripped naked where they tore out his chest hair and hit his testicles with a thick stick. They grabbed his penis, laid him to the ground, trod over him and they threatened to rape him.

## **28- Confessions under Torture** **People Found out Innocent by Coincidence**

As a result of the lack of punishment and transparency, and the adoption of torture as

a course of investigation, many of the torture victims had to confess to some crimes which they did not commit so as to protect themselves and their families from the severe torture and the tyrant police officers.

There are famous examples of such cases like the case of Badr Al Deen Gomaa who went to report about his daughter's disappearance. As a result, he was arrested and had to admit, under torture, that he killed her. He spent some time in prison before she was found alive. There was also actress Habiba who spent five years in prison for killing her husband before the real murderer was discovered by coincidence.

Coincidence sometimes served those lucky people. Yet, sometimes, the policemen involved in these crimes fought such coincidence so that their disgraceful cases were not opened again where they may face punishment. It is terrible to ask about the fate of other innocent people whom the coincidence did not serve yet:

-Abdel Fattah Ali Ibrahim Al Agami

- Samir Abdel Aziz Badawi

-Adel Mohammed Ibrhim Ismail

Those three spent about 13 years in prison, convicted in a murder that took place in Kafr Shokr in 1991. In 2004, a person was imprisoned for a certain charge and he mentioned proudly before the prisoners that he was the real doer in the above-mentioned murder and then he spoke about the person whom he gave the stolen items. The suspects told the lawyer that they were severely tortured during investigations, and they had to admit the murder and sign the police records to evade the horrible torture.

-Ibrahim Ibrahim Al Saiid, March 2004

Ibrahim admitted killing his grandmother after police officers in Al Ramel police station in Alexandria detained him together with his family members. They had beaten him, shocked him with electricity and even they threatened him to rape his fiancée in front of him. He admitted the crime and signed the police records. The real murderer was arrested about a month later.

-Mahmoud Rajab Ibrahim Mahmoud Darweesh

-Saber Hassan Rezek

-Shehata Rezek Al Said Shehata

-Nadia Suliman Al Said Shelbaiya

-Baiousmi Shehata Rezk Al Said

- Rawiya Ibrahim Mahmoud Darweesh

-Hassan Rezk Al Said

Over the murder of Khaled Abdel Al Tawab Younis in 2000 in Tokh, Qaliobiya, four suspects were tortured along with their family members till they admitted committing the crime. After they spent three years in prison, the real murderer admitted the crime when he was arrested in October 2003 in another case.

-Ibrahim Mubarak Ali

The suspect was referred to prosecution after he admitted stealing a car in Dec. 31<sup>st</sup>, 2003 according to police officer Ehab Khalaf, Sharabiya police station officer. Then, it was revealed during trial that he was detained in the same period when the car was stolen. The innocent suspect filed a claim in which he mentioned that Major Ehab Khalaf ordered beating and hanging him to confess. It is worth mentioning that Al Hussein Saad Saad accused Major Ehab Khalaf in Shobra police station of torturing him too in October 28<sup>th</sup>, 2004.

## **2-Threat of Fabricating Cases**

Some police elements use such a method to revenge from laymen citizens either because of disputes or as a way to compliment other parties, with close relations to police officers. Al Masri Al Youm newspaper published a piece of news about a policeman who fabricated a case against a child accusing him of possessing a pocketknife because of a

dispute between them in which a dog slightly injured a policeman. The policeman disputed with the boy, the dog owner and took him to Al Ameriya police station where a claim was filed. The father of the 15-year-old boy, Sheriff, was surprised to find that his son was accused of possessing a pocketknife. He was detained for more than ten hours and then he was released on a guarantee of his residence.

Police officers sometimes threatened to fabricate charges in order to press the person to work as a guide or to get information. The report of the Egyptian Organization for Human Rights detected these cases. There was Mohammed Abdel Moneim Al Sawi, from Alexandria. He worked as a driver. In Nov. 4<sup>th</sup>, 2004, an anti-drug police force, led by police officer, Zeiyad, broke into his house at 8.00. They searched the house and damaged some of its items. They took some personal belongings, including 9000 pounds and some jewels belonging to his wife and daughters. They arrested him long with a relative of his wife, Said Mahgoub, who was there at that time. After they were detained, the police officer, called Ziyad suggested that he should work as a guide in return for releasing. Yet, when he rejected, he threatened to fabricate several charges against him. He, at last, released him but seized his identity card, some of the golden pieces and the 9000 pounds in order to practice pressure on him to approve.

Another example happened with Hani Ali Taha Ali Saad from Tebein, Helwan. An anti-drug police force of 15<sup>th</sup> May police station broke into his house in Feb. 28<sup>th</sup>, 2004, led by a police officer called Shehab Al Shaer, accusing him of possessing drugs. They searched the house, destroyed its items and seized the money. They took him to the police station, detained him for 6 hours, and then released him on the pretext that he was not the wanted figure. He, since that time, was facing threats of charges fabrication due to his rejection to work as a guide.

### **Mass Punishment**

Police, sometimes, use the method of mass punishment in carrying out actions. The report of the Egyptian Organization for Human Rights said that a number of mass punishment cases took place in 2004 in Egypt's governorates. Al Areesh governorate, in the wake of Taba blasts in October 2004, witnessed a wide campaign of arbitrary detentions and tortures. It was not confined to a certain family but it extended to reach several families that included women and children to the extent that the number of detainees reached 4000 persons. The organization's report mentioned that the security forces detained several hostages of women and children in order to detain a single person. This was sometimes accompanied by breaking into houses, damaging their contents and scaring its residents too. It is worth mentioning here that the mass punishment method did not work and caused much hatred against the authority. This was proved in the continuation of the suicide bombings in Sinai; the last of which took place in Dahab resort despite all the imposed intensive security measures and the high numbers of detainees.

There was another form of mass punishment that took place in agricultural reclamation region in Banha, Qaliobiya in July 2004. Police forces used excessive force in addition to tear gas bombs against the citizens leading to the murder of one of the residents while another 50 were injured.

### **Other forms:**

### **Negligence against detainees in police stations:**

This was represented in not providing humanitarian care to them either in the form of medicines, medical care or piling detainees in big numbers exceeding the space of the place. Some detainees already died due to gross negligence or lack of medical care. Three young men died in a horrible accident as they were transferred in a deportation car, coming from Al Saloum. The car was full of those young men coming from Libya towards Cairo in a

very high temperature. They were not allowed to use toilets or eat. This reminded us of Ghasan Kanafani's novel "Men under the Sun". Ahmad Ibrahim, Ashraf Abdel Ghafar Attiya and Mohammed Ibrahim Al Bendari died while another 19 died of suffocation as they were stuffed in the car during security deportations in August 2004. The victims came among 80 young men arrested at the hands of the Libyan authorities for they illegally entered Libya in order to fly to Italy. After they were extradited to the Egyptian authorities, they were deported to Cairo inside two deportation cars, extremely overcrowded while they lacked the suitable ventilation. In a very high temperature and humidity, policemen did not respond to their repeated calls and complaints of suffocation.

In Dec. 26<sup>th</sup>, Ashraf Zakki Mahran died during detention in Shobra Al Khima police station, Qaliobiya governorate, of his wounds after he was injured in a dispute. Though he received first aid, he remained detained for ten days without medical care. Police officers, who kept him despite the Public Prosecution's order to release him in Dec. 16<sup>th</sup>, justified his detention saying that he did not perform the military service.

The detainees in police stations and prisons were not well monitored which allowed some sort of bullying, banned items and weapons:

Giza Criminal Court sentenced Ramadan Mohammed Eiid, unemployed and a prisoner for a certain charge, to a life imprisonment as he was accused of premeditatedly killing Hassan Saber Yousef inside prison and attempting to kill their colleague Nabil Mohammed Arabi. He had stabbed the former lethally in the chest that immediately killed him and he had injured the latter who was trying to end the dispute between them. The ruling was issued with attendance of chief justice Hassan Redwan, consultants Hosni Al Dabaa and Ahmad Al Bakri and Secretary Ahmad Mosatafa. The case was dated back to April 2003 in Embaba police station when the suspect intended to kill the victim, believing that the latter reported to the prison administration about him, making knives and cool steel inside the prison. This consequently led to a disciplinary punishment against the first one. The suspect headed to the victim's room to punish him. There a dispute started, their prison mates interfered, and they were able to end it. Yet, the victim intended to kill the victim for revenge. He took an iron tube from a window in the prison and sharpened it on the floor until it was sharp like a knife. He stabbed the victim several times. When the second victim tried to stop him, he stabbed him and injured him in several places. The first victim died once he arrived in the hospital. The second confirmed in investigations that the suspect was the murderer. Prosecution referred him to trial for premeditated murder and a murder attempt.

## **2- Street Children**

Police officers frequently arrest the street children, torture and humiliate them. The report of the Human Rights Watch said:

The government frequently launches campaigns of mass detentions on street children. Those children are usually homeless, beggars or sneakers from schools, yet, they committed no crime. Those children are usually subject during detention to beating, sexual harassment and exploitation at the hands of policemen and adult detainees. Police elements usually deprive them of food, covers or medical care. The authorities, many times, neglect investigating into these children's detention, the cases of arbitrary detention or harassment in the detention cell. The authorities, even, take no action against those responsible for these crimes. In many cases, children were detained with no legal evidence for several days and then they were referred to the attorney general because they were "subject to corruption"

## **Travel Ban**

Some persons are sometimes banned to travel with no sentences against

them. It comes, in most cases, for political reasons. What is strange is the influence of those banned to travel including businessmen and others with slight consequences. There is for example, Hoda Abdel Moneim, Mahmoud Wahba and finally Mamdouh Abdou Ismail, the owner of the famous ferry As Salam.

The authorities in Cairo International Airport banned Mohammed Al Dareeni, secretary general of Kebba People Council in Egypt, to fly to Dubai to participate in an episode of Al Makal program, presented by Dawood Shoryan in Dubai satellite TV. Security authorities summoned and interrogated him, asking him about the main purpose of the flight and the statements, which he would deliver.

When they forg the nation's will in 2000 elections About 38% of the ruling party nominees succeeded in the elections. Citizens elected those having no relation with such a party and then the ruling party included those members, to ccount for more than 80% in parliament. It was really a form of corruption to chase the so called "banned" Muslim Brotherhood group, while it attained a number of seats equal to that of opposition in 2000 elections.

### **A Regime always under Emergency**

The Egyptian People's Assembly (lower chamber of Parliament) agreed in April 30<sup>th</sup>, 2006 on extending the emergency law for two more years starting from the coming June. This was carried out upon an official demand presented by Prime Minister Ahmad Nazeif's second government that included a big number of businessmen. This indicated a kind of political liberation in addition to their insistence and their policies in privatization and economic liberation according to any liberal thought. Yet, it seemed they were just businessmen with no relation to politics, democracy or liberalism as understood in the whole world.

The resolution was approved with a majority of 287 members against 91 members out of 387 incumbent members. Most of the members who rejected extending the law were from the Muslim Brotherhood group.

The People's Assembly speaker, Dr. Fathi Soror declared that he received an official demand from the government in order to extend the emergency law for two years that would starting from early June 2006 for a period that would end after issuing the anti-terrorism law.

He said "Prime Minister ( Ahmad Nazeif) informed me of the president's demand to extend the state of emergency ", and that he referred the government's demand to the Assembly's public committee to prepare a report, presenting it for a public discussion to pave the way for approval. Nazeif said, in a statement which he delivered in the session: a two-year period is not long if compared to the dangers that would threaten us and our future". He added: "I confirm, in the name of the government, that the current circumstances in which the Egyptian society is facing irresponsible suicide bombings require the security authorities to take certain measures to control terrorism and extremism", adding, "We would not use the emergency law except to protect citizens and the whole nation facing terrorism".

About 95 members, about quarter of the members in the Assembly, entered the session, which Minister of Interior Habib Al Adeli attended, with black scarves on which a phrase of " No for Emergency" was written in white. Extending the law came to confirm tyranny and dictatorship in the Egyptian life. The extension of the emergency law, enact since 1981– the beginning of Mubarak's era– automatically extended every three years, represented an obstacle before any real democratic development in Egypt and a continuous violation of the Egyptian citizen's rights and dignity. This law provided more tyranny against the political opposition activists from the different political powers in Egypt. It was not exceptional, yet, it represented a ruling pattern. It supported a continuous violation of human rights; torture was continuous in the Egyptian police stations and prisons despite

being banned by Egyptian constitution and international agreements. There was also a group of laws that restricted freedoms, like law of the political parties no. 40, year 1977. There was also law of the civil societies no. 84, year 2002, law of the professional syndicates no. 100, year 1993 and its amendments with law no. 5, year 1995, law of political rights no. 73, year 1965, law of demonstration no. 10, year 1914 in addition to the cultural and executive obstacles. Concerning the executive obstacles, the current authorities still do not abide by law execution. Concerning the cultural obstacles, the citizens still do not have enough awareness concerning human rights and democracy. The law extension in Mubarak's era came to confirm the continuous violation of the Egyptian citizen. Despite some of the actions which this regime used to calm the Egyptian people in 2003 like the establishment of the National Council on Human Rights, the cancellation of the State Security Court, Family Court bill and the resolution to grant nationality to the daughters of the Egyptian women married to foreigners.

The above-mentioned law is law 162/1958 concerning a state of emergency. The first article of this law states that ( a state of emergency can be declared whenever there is a danger against security or the public discipline all over the republic due to a war or its threats, internal turmoil, public disasters or an epidemic). Such a text identifies the cases in which a state of emergency can be declared in a way that is characterized with generalization and elasticity in a way that makes it difficult to determine its features. Such an article does not also determine the kind of war, whether Egypt is a party or it is just a war in the region and what are the criteria of such a danger.

The third item of the third article in this law states that in case of urgent cases in which the already mentioned measures should be taken through oral orders, such orders should be in a written form within eight days. Such an item is considered extremely dangerous, as it is difficult to prove such oral orders, which allows corruption and chaos.

The third article (bis) of this law allows any body against whom an arrest warrant is issued, according to this law, to file a claim before a State Security Court a month after this order is issued while he is still in detention. In case the claim is rejected, he has the right to file another claim whenever a month passes after the claim. The condition of a month, which is a period still considered long, is not justified, especially as amid some exceptional conditions that allow a state of emergency, issuing measures lacking inaccuracy. Egypt is one of the countries and regime that apply laws restricting freedoms and violating privacy "according to the report of the US Department of State, issued in March 9<sup>th</sup>, 2006 over the democracy situation in the world in 2005. Those are the countries of closed dictatorial regimes where its citizens are totally deprived of their key rights. There are also the countries of fascist regimes that strongly restrict human rights.

### **Emergency is a regime not a state:**

The government, in extending the emergency laws, mentioned several false justifications, starting from facing terrorism where it made use of Dahab blasts, proving that emergency was a branch of terrorism and it never prevented it. It was proved also that the democratic development was the ideal solution to face it. The regime's tendency towards the emergency, which seemed essential in it, was clear in Mubarak's previous hints in his interview with Arabiya TV in June 2006. He spoke about the dangerous situation in the region and his lenient promise, which he proved, would not fulfill, concerning issuing an anti-terrorism law instead of the emergency law, but he did not determine a date. It is worth mentioning that the president previously gave several promises, which he did not fulfill like canceling jail sentence in publishing cases. The Democratic National Party Secretary General, Safwat Al Sheriff said: Mubarak reported, "We are living in a disordered region and we have to consider that Egypt, from time to time, is targeted ". Mubarak, in his interview with Arabiya TV, said that the anti-terrorism law needs from 18 months to at least two years to pass in the People's Assembly.



The emergency law allows the authorities to detain the citizens without charges or a trial for unlimited periods. It also allows them to refer the civilians to military court and restrict meetings and protests. This law represents an attempt to crush the demands of a political reform in Egypt from the reform activists all over the country. Security sources mentioned that the current number of detainees with no trial reaches 15.000 ones. In case terrorism was the regime's pretext for a state of emergency, history refutes this fact. Under a state of emergency, Egypt, in the 1990s, witnessed the biggest and the most horrible of the terrorist operations. The political stagnation is the basis of both corruption and terrorism.

The official pretexts, presented to justify extending a state of emergency are subject to discussion and refute. Of the most famous pretexts, mentioned by the officials, is that a state of emergency is and will be applied in a limited way and against certain crimes especially in the field of terrorism and drugs. If it is actually so, the government and its legal officials could clearly determine the fields, the crimes and the case that would come under the emergency law, especially those related to the public freedoms, political activity, parties, freedom of expression, transportation, peaceful demonstration, party formation and issuing of newspapers. Yet, the government is very aware that the laws are general, mere and addressed to all and can be applied to all too, unless items are frankly and clearly identified. Yet, speaking orally that the emergency law is not applied to citizens or the political activities seems closer to threats and that the government and the executive authority may neglect applying the emergency law with some citizens according to the mechanism it chooses with no certain legal obligation.

Yet, the actual events indicate that it is outrightly wrong to say that the emergency law is not applied on citizens, apart from terrorism and drugs. Such a law was used against political powers, human rights activists and some businessmen, like the detention of some owners of banking companies. The security ambushes, the following arrests and inspections, ways to end the peaceful demonstrations and gatherings, all are carried out according to the emergency law.

Officials and pro-government members that support extending the emergency law for another two years speak of another pretext, which is the shortage of time. They claim there is no enough time to issue an anti-terrorism law in addition to the need of this law to amend some of the constitution articles and the following complications. Such a pretext contradicts the way and the mechanism of the former and the coming governments in preparing and issuing laws according to the government's agenda and aims. All, either inside or outside speak of the unprecedented achievements of the current era governments in the legal and legislative field and over the governmental demand. This raises doubts over what was said by Prime Minister Ahmad Nazeif that the new anti-terrorism law is ready to be presented to the People's Assembly and that a state of emergency would be cancelled one month from his speech", in April, 2006. This certainly did not happen as the president did not fulfill his promise concerning an alternative law.

In this context, the People's Assembly previously issued an anti-terrorism law in 1992, numbered 97, which, if included with the other articles in the penal code and other criminal measures, this would have banned any body to violate legitimacy or threaten the national security.

If the law, which is supposed to be issued, would amend some of the articles in the Egyptian constitution in the field of the public and private freedoms as indicated in some newspapers, this would weaken those official pretexts, indicating that the main aim of them is to pass another emergency law and calm the public opinion for a certain period.

The fragility of these pretexts does not necessarily mean that terrorism or drugs are not there, or that no special measures are required or that there are no challenges in front of the Egyptian national security. It, on the contrary, means that there are dangers, known for the government and the opposition. Yet, the difference lies in the way of tackling them. The government uses them to hinder reform, political and

party life and restrict the democratic development for an unlimited time. Opposition, on the other hand, seeks to distinguish between both aspects. Terrorism and drugs should be confronted through measures and actions that should not necessarily restrict public freedoms, freeze the political life or crush the possibilities of political and constitutional reform in Egypt. Either canceling a state of emergency was a part of the president's promises during his presidential campaign or an essential part of the democratic demands of the different political powers, extending the emergency law is not considered several steps backwards; it contradicts the requirements of the true, not imaginary, democratic change. The law supremacy and the judge's authority are considered the normal case and the emergency is the exceptional even if it continued for more than 27 years. Continuation would not make it credible or characterize it as part of the normal situation.

This is something proven in all the legal regimes in all the democratic countries. Yet, these legal regimes did not neglect the need of both the society and the state for a state of emergency. It also determined the required circumstances for such an exceptional situation. In France, the constitution determined the conditions required for the emergency status and the president's capabilities during this period. It is to be required in case of a threat against the country's regional safety, restricting the public authorities' performance or a threat to separate from the region. In Egypt, the constitution gives the president the right to impose a state of emergency to face dangers that require taking exceptional measures to face threats against the national security. The international law experts determined the cases when a state of emergency can be imposed like wars, its threats and the natural disasters.

We can initially determine the results of extending the emergency law for more two years. First, security control would be reinforced, which would consequently lead to the reduction of the political field for the security one. This would, in turn, restrict freedoms and the rights of citizenship mentioned in constitution and the international charters of human rights. The capabilities of the executive authority would also dominate those of the legislative one, decreasing the field of punishment, censorship, transparency in addition to the evaluation of the positions and policies of the government and the president, considered the two parties of the executive authority. It would also disorder the balance among the judicial, executive and legislative authorities, through increasing the exceptional capabilities of the government, president and the military ruler. Other courts, different from the ordinary ones, would be formed. This all restricts the citizenship rights of all categories. Even if the government avoids applying the emergency law in several cases, the legislative structure is used to match this exceptional case. Emergency here is not a state but a whole regime.

### **Waged Wakfi knows what we don't know....Reason for Gamal Mubarak's US visit ....We ought to know, it is our duty to punish**

Aljazeera correspondent in Washington unveiled Gamal Mubarak's secret visit to Washington on Friday, May 12<sup>th</sup>, 2006 when she, by coincidence, saw him entering the White House. Yet, the visit was kept secret from Friday until Tuesday when it was declared. The media attaché and the Egyptian ambassador in Washington rejected to confirm or deny the visit. Is it the right of Aljazeera correspondent to learn of the visit before the Egyptian people? What is the reason for the visit rendered by the Ruling National Party leader, is he allowed to do this; why was the visit kept secret if it was not for the interest of Egypt and its people, not for a shaking regime!!

### **Third: Judiciary Independence, Attempt to Corrupt Judicial Authority**

When two prominent judges are interrogated for demanding independence of the judicial authority from government control in addition to a full judicial supervision on the parliamentary and presidential elections, one of the obstacles before the ruling regime. Mubarak's regime always seeks to make the judicial authority void of its capabilities, which throws it into a difficult test.

The Minister of Justice is not a member of the judicial staff. He is "certainly one of the executive authority members and he is not independent, he is subject to the cabinet. He occupies a political job while judges are banned to occupy it when they are active judges. He enjoys no independence concerning his decisions. He may be ousted" as constitution, states that judges cannot be ousted.

The judicial reform is considered a main condition for the reform of democracy and the political regimes. When they are in trouble, they resort to the state infrastructure like what happened in 1951 and 1952 at the end of King Farouk's era and in 1968 and 1969" after the end of July revolution, and which is happening nowadays as well along the recent years". The executive authority represented in the Minister of Justice seeks since the 1940s to control the judicial associations. The judges club remained as a source of attraction for its members away from Ministry of Justice and the Minister who occupies a party political position, representing the executive authority...".

A fierce crisis has started lately in the wake of the People's Assembly elections between the judges and their supreme council. It led to referring some judges who delivered statements on elections to a disciplinary court – in a precedent that happened for the first time – raising the judges' anger – represented in their club- in addition to the support of some political powers.

### **Judicial Authority Recent Crisis ...even Judges' Dignity**

#### **Noha Al Zeini and the forger judges crisis:**

The crisis escalated between the government and the Egyptian judges who lately unveiled violations and riggings in the legislative elections. The (government-led) Supreme judicial council demanded on Sunday 27/11/2005 hold immediate investigations with the judges speaking to the mass media, accusing them of " working in politics", in violation to law.

The Supreme judicial council confirmed in a statement, issued today, that it regreted that some judges, less than ten, always appear in satellite channels to deliver statements about the political elections, describing the election operation as forged in an obvious violation of the judicial authority law that banned the judges to work in politics or to interfere in it even through opinion as a way to guarantee the judges' neutrality."

The statement added that the judges' opinion over the election process paves the way "for some corrupt elements to trade their opinion under pretext of representing their colleagues. This harms the image of the judges who are deemed credible. The judges should not weaken the people's trust, endangering the country's stability".

The statement confirmed that the Supreme Judicial Council "informed" the attorney general, Judge Maher Abdel Wahed to "necessarily open immediate investigations with those that humiliated the judges through defaming some of them instead of using the legal means with which constitution and law provide them". The statement did not determine the names of those judges whom the Supreme Judicial Council demanded to be interrogated; only indicating that they speak to satellites and mass media.

Judge Ahmad Mekki, deputy chief justice of the Court of Cassation and one of the leaders in the Judges' Club who usually speak to the mass media, said, "He respects the Supreme Judicial Council but this would not ban him from having a different opinion". He, in

a statement to the Agence- France Press, confirmed that the law did not ban the judges to speak "about the regional affairs. The one who is not interested in the affairs of the Egyptians cannot be considered one of them. We have the right to care about our nation's affairs". He added that "not working in politics means that the judge should not belong to a certain party", indicating that the constitution gave the judges the right to supervise elections. Consequently, "we are speaking about our work and in case the election process has some defects, the judges should not be blamed for this".

He added, "We demanded from the very beginning to provide the required circumstances for the elections honesty so that we can supervise them. Yet, the Supreme Judicial Council wants us to supervise the elections without terms or restrictions. It also wants us to hold responsibility for the violations without objection". The decision concerning opening investigations with a number of the Judges' Club leaders came after several offensive situations during the last week in protest against violations during elections.

The Judges' Club in Egypt demanded last Wednesday in a strongly-worded statement to "make use of the armed forces" to protect the voting offices from "bullying". They accused the police of "intentionally" facilitating these acts and of being "lenient in confronting them". The Judges Club also questioned the elections' legitimacy, confirming that "citizens, being subject, during elections, to terrorism and attacks, banning them to give a certain vote or even vote for a certain party render the election process as invalid and the judicial supervision of elections consequently loses its meaning".

The judge Noha Al Zenini who participated in supervising the first round of the elections second phase, last Sunday, delivered a statement that surprised the political officials. She confirmed that the election results were rigged in Damanhour (north ) for the sake of the National Party member, Mostafa Al Fekki, the writer in Al Ahram and one of those close to Mubarak's regime.

Judge Noha Al Zeini said in a message published in the independent " Al Masri Al Youm" newspaper that the " semi final indications of the results of the vote-count ( which she attended in Damanhour ) indicate that the Muslim Brotherhood nominee, Gamal Heshmat got at least 25.000 votes while Mostafa Al Fekki got 7000 votes at most". The official results came opposite in the second round and the regime was forced to exclude it in the third round.

The Judges Club, on Saturday 26/11/2005, issued a statement confirming its protest that "police troops banned the voters from entering the voting centers, changing the electoral rolls ". The judicial authority's latest crisis between the Judges' Club and the regime raised several questions, after it became like a snowball, about the one that legally represents the judicial authority in addition to the consequences of the crisis. It also questioned whether some political powers violated the judicial authority, whether the judges' strike and sit-in are considered political activities which are considered banned for the judges, will the Judges' Club become a state inside the state as one of the journalists wrote. Initially, no one in the democratic regimes is superior to the law. The referral of some judges to the disciplinary trial or ousting them is carried out according to the law since it was issued with no objection or a sit-in. The ousting of the Judges' Club board can be carried out according to a decision to be issued by the majority of two thirds of members, in case the board commits violations that threaten the interests of the judges or endanger their independence. Before going through further details of the crisis, we should indicate that the Judges' Club is the organization that would express the judicial will. Law and the nature of work force the judges and the public prosecutors to adopt certain behavior in their public and private lives. They should have their own club where they meet and administer their demands. A board is freely elected to run the club for three years. This club depends mainly on the International Declaration on Judicial Authority Independence in its eighth article, which stated that the judicial authority members, like other citizens had the right to enjoy the freedom of expression, opinion, belief in addition to the right to form societies and to gather provided that the judges, in their behavior, should respect the

dignity of their position, honesty and independence of the judicial authority. The court of cassation – in several of its sentences – confirmed that the Judges' Club is the means to express the judge's demands and interests (sentence no. 69, year 43). The judge is not an employee; he is normally independent, being subject in his work to no supervisor, yet, to his own conscious and law.

The Judges' Club in Egypt, since it was established in Feb. 1939 was responsible for the judge's affairs, the problems of justice, the judges' independence, participating in giving opinion, defending the nation's interests. It sometimes faced tough situations where sometimes the opposing authority tried to spread turmoil among those judges, even between the judges and the political leadership; the club, as a result, was dissolved twice in 1963 and 1969, known as the judicial massacre. This took place when the judges refused to join the socialist union, opposing the exceptional laws and emergency code. Therefore, we demand the judicial authority not to be surrender to the executive authority. I am concerned here to tackle certain points that raised dispute between the judges' club and the Supreme Judicial Council, as we cannot detail them.

**First:** The judicial authority, before elections, demanded a full supervision of the elections as stated in the constitution. Otherwise, they would reject to carry out this mission. They received some promises that their demands would be met. Yet, some violations took place during the late elections. The judges, consequently, demanded that investigations would be held with those responsible through their general assembly. Nevertheless, the judges surprisingly found that those that demanded investigations to be held were to be referred to a disciplinary court without following the legal measures.

**Second:** The judges rejected the demand of the Supreme Judicial Council that the Judges' Club be under the Council's supervision as this may contradict with their independence.

**Third:** The judges believed that the resolution of Law. No. 46 of the year 1972 concerning the judicial authority no longer addresses the requirements of reform, expression in addition to their independence. They, through their general assembly, demanded – since the Justice Conference in 1986 – to necessarily issue a new law or amend the articles of the old one in a way that would achieve their independence and would ban the interference of the executive authority. They presented the Ministry of Justice Legislation Committee with their suggestions. The committee, in return, prepared the law, which included some articles that contradicted with their independence and which raised the retirement age to 72. This would prevent the young efficient elements to get opportunities and denies the judicial authority opportunities from development and modernization.

**Fourth:** There are some political powers and other parties that made use of this crisis in order to achieve political targets and in order to make a clash between the judicial and the executive authorities. This is considered a great violation of the judicial dignity, allowing some corrupt journalists to describe the judicial authority as a state inside the state. They also claimed that the Judges' Club defied the law, being run for political purposes and illegally banned powers. Attacking the judicial authority either verbally or through indication or action repeatedly occurred through banned in constitution or defaming the judicial authority reputation would come for no one's interest.

**Fifth:** the judges' participation in the national affairs, especially within their missions, is not only career-wise demands. They are, on the contrary, popular demands that match the political changes and the desire for reform. The judges share the critical events in Egypt. They express their opinion to join the dialogue, which the nation with all its categories holds in search for reform and expression.

Only the judicial authority remained honest and fair as justice is justice. As the officials did not confront this crisis in the proper timing, which worsened it, I demand the judicial staff to remain calm, not to allow any other party to interfere or include them in politics, making use of their immunity and this democratic climate to achieve their targets. They should adopt the judicial traditions that require them to be tolerant, maintaining the

judicial dignity against corrupt elements. They should present their issue in a framework of respect and they should stop strikes, sits-in, and be subject to the law-supremacy. At the same time, I call on president Hosni Mubarak – being the top chief of the first judicial authority – to interfere to stop such a clash between both authorities using his well-known wisdom and intelligence. The Egyptian judges believe that Hosni Mubarak is the only one who is able to stop this timed bomb.

### **Beleaguering Justice...in Supreme Court**

At about 10.00 o'clock, the judges, topped by Judge Zakariya Abdel Aziz, head of the Judges' Club, went on foot to the Supreme Court. Major General Seif refused to open the door and denied access to the judges except for the two judges; Hesham Al Bastawesi, Mahmoud Mekki together with seven of the defense staff. Major general Seif justified the situation saying those were the instructions of the Court of Cassation chief justice Fathi Khalifa.

Judge Mahmoud Mekki, deputy chief justice of the Court of Cassation, described the scene as a fiasco. He said we headed, together with those that came to help us from all over the republic and it was noticeable that the public gatherings disappeared, as they were not allowed to enter the region. We stopped at the door where Major General Seif met us. He said he had instructions to allow only the defendants and seven of the defense staff while others were banned. The decision was surprising that raised the colleagues' anger. We decided either we, all, would come into the court by force or we would be back to the Club and we would not attend the trial. Yet, we preferred the other choice. We chose Judge Hossam Al Ghariyani to represent us and to speak with judge Fathi Khalifa who issued the decision as general Seif said. Judge Hossan Al Gheriyani found great difficulty to meet the chief justice. First, they verified his identity card, and then he was kept in a place inside the court away from the office of the chief justice. He took another different road to reach the office. Instructions were given that he should use a back stairs of employees, under tight guarding. After he sought the session's secretary help and after the state security officers denied him access, claiming they had no instructions. Judge Hossam Al Gheryani managed at last to meet Judge Fathi Khalifa. He told him that a huge number of judges were standing in front of the court and they were banned to enter. He, in return, denied learning of the whole situation, and judge Hossam asked him to look from the window. He responded saying that he only determined the names of those who would attend the session. He asked him to allow them the entrance and then we may choose some of them. Khalifa responded saying that he would discuss such matter. Al Gheriyani responded reproachably that I am waiting in the Club for your decision. We then received a phone call from him concluding that a court hall would be specified for the judges. Yet, they were not allowed to come outside or wander in the court. This was painful and hurt our dignity. Those members had the right either to attend or to defend us. We rejected to attend and we waited for the decision.

The trial was called off until the coming Thursday upon the demand of the Public Prosecution to respond to the claims, which were presented in trial session in Feb.27<sup>th</sup>. I may confirm that the postponement was a political decision to calm the disordered situations. Yet, this postponement caused us another problem. The same court, at the same time, would witness the appeal of Dr. Ayman Nour. However, the colleagues in the club decided to attend the trial session. My colleague judge Al Bastawesi and I would make all of them avoid such a humiliation in case they attend the trial in such an atmosphere. We decided not to attend and we were thinking in a way through which we can deliver them our defense. We are keen to do that as we hope our defense would be responded. We hope media, press and public opinion would learn of this defense. Unfortunately, I am unable to unveil the content of this defense before being presented to court first. We may send a delegate of us to deliver this memo and then we would unveil it to the public opinion. Judge

Mekki considers this as a scandal while avoiding to speak about the court illegality, as it is certainly a fiasco. He indicated that the court that declared intention not to respond, insisting on setting a trial in violation of the judicial rules is not expected to be honest. Judge Mekki surprisingly said that the government was innocent amid this incident. He clarified that the Minister of Justice went to judge Fathi Khalifa's house, with attorney general and minister's assistants to have a talk with him.

Judge Mekki surprisingly said that the government had an accomplice in this crisis. He clarified that the Minister of Justice went to the house of Judge Fathi Khalifa, with the attorney general and the minister's assistants to have a talk with him over the issue. He indicated that in case this happened with a judge in the Court of First Instance, he would write a memo of the whole situation and leave the whole case to another judge, otherwise, he might be referred to a disciplinary court. We believe that the Court of Cassation chief justice should step down because he had neglected the minister's visit to his house. I wonder how they would be role models for the young judges. Shall we consider it something ordinary? The president declared while being in Germany that he prevented the government from interference despite the minister's visit to Khalifa's house. The head of the Judges' Club, Zakariya Abdel Aziz that he would not approve the security forces' deployment in the court. He decided not to deliver his pleading and wondered whether they meant that the case would be postponed to the Thursday when Ayaman Nour's case would be considered. Judge Abdel Aziz added that he would not attend the trial as long as judge Khalifa headed the disciplinary council as we made us very sure that he won't be fair. I believe he should leave the case, as he would not be able to decide on the case due to actual and legal reasons. He added that they would not go to court which looked like a military barrack. The forces should be at least 500 meters away from it; it is illegal to prevent lawyers and those who filed the lawsuit from appealing and challenging.

Judge Abdel Aziz declared before attendees the solidarity of the university professors who phoned, mourning the death of justice and freedom. They confirmed they were beleaguered and banned from going out of university. A demonstration was organized in front of Al Fath mosque in Ramses square as - engineers gathered against the guarding. Zakariya Abdel Aziz indicated that the Court of Cassation chief justice gave the court employees the day off. Yet, it is impossible to postpone the people's interests with every postponement of the case. On the other hand, judge Mahmoud Rezza Al Khoderi, head of Alexandria Judges Club, confirmed that he delivered no statements in the open meeting before the club as he was extremely nervous. He added that he found no words to express the humiliating judges' situation. He explained that he always entered the court whiled respected and welcomed and now he was banned. Al Khoderi believed that the state authority was using its force only not its intellect. It was known that the one that used force found no means in thinking, having no logical will. He expressed his sadness, adding that this situation, in case continued, would collapse the whole state. He added: we love this country more than its rulers do, as we have no other country. Yet, the rulers may resort to the states which they execute its policies. We confirm the government that we would die in pride. Judge Yehiya Galal, deputy of the Court of Cassation chief justice described the situation as a regime tragedy and a rule that lost its legitimacy. Banning the judges to enter the court was considered a full farce, particularly when the Court of Cassation chief justice was the one that issued the decision. I pity this official for his end, which I did hope for no body. We would let history judge those people. There was a legal bullying and a fabricated disciplinary call, and so I demand judge Khalifa to step down. Judge Hossam Al Gheryani asked the judges to order stopping the sit-in for 48 hours to see their families and have rest. Judge Ahmad Mekki already asked the attendance to do so, yet, they rejected the demand despite their suffering, indicating that the sit-in was the only positive action. Judge Mekki indicated that the Club could not take more than 40 or 50 strikers. We tried to shift and to appear in a good image. Mekki tackled the latest crisis, demanding judge Khalifa to step down, believing that judge Khalifa was facing a unique crisis. The 800 judges who

gathered in the general assembly center in Shambilion Street, demanded the board not to attend the trial or to enter the court amid the security forces' deployment.

Judge Hesham Al Bastaweisi informed Al Arabi Al Nasserri of his plans of not attending the trial as long as it had nothing to do with the justice standards stated in the international charters. He also added that another reason for not attending the trial was the intensive deployment of the security forces, the use of force with the Egyptian citizens, demanding the release of all the Egyptian citizens who were detained because of their support to the judges. He stressed that the trial should be honest and fair even if the government and the state calmed the whole situation ending the trial with clearing the two noble judges. Yet, the government's control over the judicial authority and the insistence not to elect representatives of the Judges' Club general assembly in the Supreme Judicial Council in addition to the preparation of others through incentives. All represented an insistence to end the judicial authority independence.

### **Finally banning right to demonstrate:**

The Minister of Interior invoked his decision from law no.10, of the year 1914, "Law of Demonstration". It was issued in October 18<sup>th</sup>, 1914. It was a law of an exceptional nature due to its historical conditions. It was clear from the law explanatory memo that it was issued to confront a certain state of war. It seemed like a martial law, as it was raised in the House of Representatives in Dec. 27<sup>th</sup>, 1927 where they all agreed on its cancellation. Yet, this was not done due to parliament dissolution. The Egyptian organization said in its claim that the resolution violated the Egyptian constitution, which confirmed in articles no. 47 and 54 that the citizens have the right to express their opinion in all forms in addition to their rights to organize peaceful gatherings. The bill of indictment also said that the Minister of Interior's decision came in contradiction to several international charters concerned with human rights and which Egypt signed and should abide by according to article 51 in the constitution. The International Treaty on Civilian and Political Rights came on the top of those charters. Such charter indicated in article no. 19 that the individuals have the right to express their opinion in any form.

### **Second Part: Corruption Cases:**

#### **First:Corruption in Ministry of Agriculture, Yousef Wali, Yosef Abdel Rahman and Ahmad Abdel Fattah... a series of corruption whose key chain remained outside jail**

The Ministry of Agriculture was one of the most corrupt and controversial ministries. Yet, corruption hasn't been eliminated from this ministry that spread cancer and renal failure among Egyptian citizens. One of the defects defaming the 24-year rule was not bringing before justice the minister who was responsible for the file of Egyptian agriculture along the past years. It was also surprising that Dr. Yousef Wali was appointed as a deputy chairman of the National Party while charges were fully beleaguering him.

Agriculture, during Mubarak's era, witnessed several corruption cases including the bribery case of Judge Ahmad Abdel Fattah in the Ministry of Agriculture with the owner of the European country farms. Abdel Fattah was facilitating selling state-owned lands in return for low prices and then they were traded in the market again in return for millions. The actual price of a piece of land in the bribery case was up to L.E 5000 per acre and then it was offered for sale at only L.E. 200 per acre.



The name of Dr. Yousef Wali was repeated 2638 times in the Ministry of Agriculture bribery investigations while the case papers reached 3000. Nevertheless, Yousef Wali confidently declared he had no responsibility for the bribery case.

One of the cases that shocked the Egyptian society was the case of Yousef Abdel Rahman, one of the pillars in the Ministry of Agriculture. Yousef Abdel Rahman led a gang that spread cancer among Egyptians in return for taking a price in dollars. Abdel Rahman was still facing charges of bribery, ill-gotten money, abuse of power and importing and using banned insecticides.

One of the late disadvantages of the agriculture policy was replacing key crops with crops which are for exportation, destroying the crop structure, the increase of the food gap and the reduction of the cotton plantation region from one million and half to only 600.000 acres. Egypt, surprisingly, imports vegetable oils at a value of one billion and half every year despite its big oil wealth.

Cattle wheat was imported to make bread for the Egyptians. The file of the foreign company that imported 31.500 tons of wheat which is not suitable for human use- is still open. Concerning job abuse, there were many cases starting from facilitating building construction on agricultural lands, which reduced the area of the green zone.

Agriculture Ministry officials committed crimes, abused power in addition to ill-gotten money. Seven ministry officials were referred to trial as they wasted public money and refused to take stock in the ministry since 1996 until now.

There is also the agriculture corruption in governorates especially in the agricultural centers that have wasted 60.000 acres every year since 1973 until now all over the republic. The Minister of Agriculture seemed to believe in the saying "we plant wheat in years, corruption grows up within moments".

Cairo criminal court sentenced Ahmad Abdel Fattah, the legal adviser of the Minister of Agriculture, Yousef Wali to 10 years in jail with a fine of 1000 pounds. The court said it neglected the testimony of the Minister of Agriculture as it totally contradicted the claim facts. The documents seized with the suspect were described as totally forged and incorrect. The suspect's defense claimed that there was no legal evidence for bribery and there is a non-specialization as the suspect's delegation as a legal adviser in the Ministry of Agriculture ended. The court responded that generalization still existed as he committed the crime and performed the job duties in a way that made him an actual employee. Dr. Yousef Wali, on the other hand, denied that the suspect worked as his own adviser, while he fired him according to a decree which he issued. Eyewitnesses confirmed that Ahmad Abdel Fattah was actually in his office on a daily basis. "Al Ahram newspaper in October 25<sup>th</sup>, 2004".

In the case of the Agricultural Stocks: Investigations were held with Dr. Yousef Wali for he imported cancerous insecticides. Yousef Abdel Rahman was sentenced to 10 years in jail while Randa Al Shami was sentenced to 7 years only. Al Ahram newspaper in Dec. 24<sup>th</sup>, 2004. The Cairo Criminal Court issued, yesterday morning, sentences regarding the Ministry of Agriculture bribery case known as "agricultural stocks case"; the court sentenced the first defendant, Yousef Abdel Rahman, first deputy of the Ministry of Agriculture to 10 years in jail while Randa Al Shami, the Agricultural Stocks adviser was sentenced to 7 years in jail and was cleared from the sexual bribery charges. One year in jail was sentenced against four suspects. The court cleared the French suspect that escaped together with the last female suspect while all were sacked from their positions.

The court asked the public prosecution to take the necessary legal measures for investigating with the former Minister of Agriculture, Dr. Yousef Wali, after it was clear that he approved of the importation of banned cancerous insecticides, using it in killing the plant diseases. "the same source"

"For L.E. 19 million, Dr. Yousef Wali approved of using the cancerous insecticides and sacrificed the citizens' health. " Nahdat Masr newspaper in Dec. 25<sup>th</sup>, 2004".

Wali banned the cancerous insecticides and then ordered his deputy "Yousef Abdel Rahman" to sell them to citizens and merchants.

The method of selling increased the number of those who may be harmed by insecticides.

Selling was carried out upon permissions from Yousef Wali in person.

The Central Auditing Organization unveiled that Yousef Wali issued a ban and did not abide by it.

Using insecticides in agriculture affected the Egyptian exports.

F-The Central Auditing Organization detected the danger of the resolution no. 874, year 96 which he violated four times for the sake of merchants. The insecticides warning included six kinds of them of group (2) which prices were reduced so as to be marketed. In Feb. 22<sup>nd</sup>, 1997, the Society of Insecticide and Plant Seed Merchants demanded the Minister of Agriculture, Yousef Wali for a deadline to end the remaining amount of the cancerous insecticides as the depression period during winter was not enough to market the existing amounts. Dr. Yousef Wali surprisingly approved granting them the deadline consisting of three months that would end by June 10<sup>th</sup>, 1997. Accordingly, those insecticides were marketed in plant regions; a horizontal expansion in its harms. About 108 tons were marketed. Such amounts were sold to the merchants upon permissions from the Ministry of Agriculture in " Al Fayoum, Al Sharkiya, Asyout, Damietta and Miniya". Other amounts were sold without permissions from the Ministry of Agriculture, apart from their amendments and scrapping. A number of the banned kinds were used in the mass resistance in Cotton crop in 1996; **about 360 tons were used in periodical watering of the cotton crop.**

G-The Accounting Central System confirmed the danger of this disease spread among the Egyptian nation citizens, which cannot be successfully treated until now. The national economy would also face great losses represented in the damage of the damage of its most important factor of the agricultural human resources.

H-Despite this report, which was previously indicated, Dr, Yousef Wali, the prominent leader in the National Party - whom the prosecution did not succeed in summoning – surprised all with a new deadline that would end in 1998, indicating that it was a final one, issued in Sep. 3<sup>rd</sup>, 1998. It was surprising that the Accounting Central System inspected the plant services unit in addition to what it determined as the insecticides needed in the field farms in season 98-99. It unveiled that the head of the Central Administration for Field Farms prepared a memo in August 1998 to be directed to the technical office manager in the plant services unit over the required insecticides for the winter season. It included (Daiatheen M 45) while it was proved banned and cancerous.

I-Dr. Yousef Wali issued a resolution that allowed Hassan Khedr, then head of the Development Bank, to import the banned insecticides for a period that would end in 1996. The minister approved to extend the ban immediately after Ahmed Al-Laithy assumed office.

**A table that includes the cancerous insecticides in tons used in Egypt in the era of Dr. Yousef Wali**

| Amount of cancerous insecticides in tons | Year | Amount of cancerous insecticides in tons | Year |
|--|------|--|------|
| 778.26                                   | 1982 | 841.28                                   | 1981 |
| 23.461                                   | 84   | 20.786                                   | 83   |

|        |      |  |                 |
|--------|------|--|-----------------|
| 16.779 | 86   | 14.738   | 85              |
| 10.306 | 88   | 13.482   | 87              |
| 8.860  | 90   | 10.160   | 89              |
| 4.606  | 92   | 207.6  | 91              |
| 6.228  | 94   | 6.228  | 93              |
| 6.425  | 96   | 8.270  | 95              |
| 5.164  | 98   | 9.339  | 97              |
| 4.88   | 2000 | 4.732  | 99              |
| 5.483  | 2002 | 450.450  | 2001            |
|        |      | 4.150  | 2003            |
|        |      | Amount of cancerous insecticides which the Egyptian Ministry of Agriculture imported is about 264.851 tons | From 81 to 2003 |

Quoted from Al Masaa newspaper on July 24<sup>th</sup>, 2005.

**Wali's file is full, who protects him, what shields he has to keep him beyond trial**

A number of intellectuals and patriot citizens in Egypt filed some charges against former Minister of Agriculture, the National Party senior official, Yousef Wali who had a personal relation with President Mubarak. He has previously sent some journalists into jail. The charges spoke about importing cancerous seeds that led to the death of a big number of Egyptians while others caused lethal diseases. It also damaged the fertility of agricultural lands and the wheat self-sufficiency project. All are considered crimes according to articles 89 and 90 in the Penal Code. The lawyers' memo of Ahmad Nabil Al Helali, Dr. Salah Sadeq, Mohammed Al Damati indicated that Dr. Yousef Wali issued the cabinet resolution no. 255 in year 1992 that determined cheap prices of the state-owned lands that would reach at least 50 pounds per acre and 200 pounds/acre at most; meaning that the one meter was sold at one millieme or sometimes five piasters , considered a crime according to article 115 bis.

The former minister issued libel claims against some journalists including misdemeanor no. 6394, year 2003, Bolaq Abu El Ela against journalist Ahmad Ezz Al Deen who accused the former minister of intentionally protecting the corrupt people in addition to perjury in the case of the former Giza governor, Maher Al Gendi. It was certainly clear that the two charges were proved part of Wali's testimony. In Al Fayoum's case, the court confirmed that the land, the subject of disagreement, was a state-owned one in contradiction with what the minister mentioned. The minister's former legal adviser, Ahmad Abdel Fattah was also sentenced to 15 years in jail while the minister's testimony was again considered a perjury. There is also the press misdemeanor no. 2905, year 2004 in Cairo Criminal Court, 13 circuit, against Magdy Ahmad Hussein, editor-in-chief of Al Shaab newspaper and whom Wali accused of libel on the newspaper website. Wali made use of computer technologies and piracy to prove his accusations. The memo also mentioned that the former minister practiced terror and bullying mentioned in articles 375 and 85 bis in the Penal Code. Wali also tried to influence the court that was trying Ahmad Ezz Al Deen. Dr. Yousef Wali and his

colleague Ahmad Abdel Fattah broke into the court that held them alone in the absence of the suspect Ahmad Ezz Al Deen, representing another crime mentioned in article 133 in the Penal Code. The memo also mentioned that the minister committed violated the oath, which he took as an executive authority member; article 155 in constitution in addition to wasting the public interests, making the country as an easy prey for the Zionist forces. Those that signed the memo depended on the legal and constitutional rights, as article 63 of the constitution states the right of every individual to address the public authorities while article 8 of the constitution provides equal opportunities for all the citizens!! Those that signed the memo asked to file the claim against Dr. Yousef Wali for committing those crimes according to the penal code in addition to the breach of the constitutional oath. They also demanded to stop executing the sentence issued against Ahmad Ezz Al Deen After Dr. Yousef Wali was proved guilty of perjury. The memo also demanded to stop the press misdemeanor no. 2905, year 2004 as the one that filed the claim lacked the credibility, required to approve its testimony, and to preserve the right of filing a civil lawsuit against the defendant during his black era while assuming responsibility over the agriculture sector in this afflicted country.

## **Second: Corruption in Banks, Businessmen and Bank Loans, Continuous Series of Public Money Looting**

Businessmen were noticeably linked with politics either through actual practice (like the People's Assembly membership) or a secret relation. The target is deemed clear in both cases; either to protect the trade interests or to receive facilitations, which are, in many cases, illegal. Bank loans with no actual or enough guarantees are considered a clear model of the mixed relation between business and politics.

The Economy Ministry's economic report in 2000 said that the total amount of the bank loans reached \$207 bln, including about 200 billions which owners failed to pay at a rate of nearly 6%. This led the public sector banks to increase their financial center assets to meet the questioned debts at \$27 bln according to the Central Bank report from July to Sep 1999.

A study of Dr. Salwa Al Antari, the manager of research in the Egyptian National Bank says that the private sector gets 52% of loans with no guarantees from the banking system, depending on the safe financial situation. The study speaks about the biggest 20 clients who got 20% of the total facilitations and bank loans. The study also adds that 250 businessmen get 36% of the total facilitations and private sector loans and that the total amount of the non paid loans reached a rate of 20% of the total loans.

A new study revealed that dead debts in the Banking System reached L.E. 5 bln. As businessmen's projects stumbled due to market depression, which was expected while others expanded in projects lacking a sufficient number of experts, several businessmen started suffering from bankruptcy and the inability to pay their debts. Some of them, as a result, disappeared or fled abroad. Dr. Handy Abdel Azeim, the economic expert in Al Sadat Academy said that \$36 bn were smuggled outside Egypt only in 1998 including bank transfers, international deposits and importation operations including \$25 bln in secret dealings.

## **Historical Synopsis**

Studying businessmen's escaping from Egypt during the last 25 years, the period which witnessed appearance of the phenomenon, it was clear that they fled abroad after they failed to pay these debts or after they took loans with no actual guarantees.

The following includes some, not all the names of those figures whose names were published in the press and their cases became public opinion issues.

### **Tawfeek Abdel Al Hai:**

Businessman Tawfeek Abdel Al Hai was considered one of the first that fled abroad after a scandal concerning the importation and selling of 1426 tons of rotten chicken. There were also 25 cases of fraud and uncovered checks, after he got \$45 millions from three biggest banks without guarantees or documents. When the public prosecution intended to interrogate him, it was discovered that he fled abroad using his relations with prominent figures. This explained how he got L.E. 11 million from Suez Canal bank, using the influence of Othman Ahmad Othman.

### **Hoda Abdel Moneim**

Mrs. Hoda Abdel Moneim, in 1987, known in Egyptian press as the iron woman, fled abroad. She established Hedico Egypt Company for construction and contracting in 1986 through a huge propaganda campaign in newspapers and TV. Egyptians raced to join the iron woman's projects and she actually was able to get L.E. 45 mln. She, at that time, demanded from officials buy large areas of land near the airport. She paid 30% of the whole value, after the officials' approval despite a ban on construction in this area, she constructed a limited number of buildings. After a press campaign that spoke of building in a banned area and demanded removing those buildings, people started to file claims. Hoda Abdel Al-Moniem, in order to calm the situation, started to sign uncovered cheques. The attorney general later issued a travel ban and a custody order against her after her debts reached 30 millions pounds. Yet, she, surprisingly, fled abroad in mysterious conditions while investigations have continued for 17 years. She was sentenced to 10 years in jail with hard labor while her secretary was sentenced to 3 years only as they forged a letter of credit and a building construction license to get credit facilitations with no guarantees that reached L.E. 4 mln. The sentence was issued by the chief Judge Ahmad Refaat and member Judges Mohammed Asem Basyoni and Emad Khalid and Secretaries Maher Hasanein and Jamal Afefi. The 17-year investigations unveiled that the first defendant Hoda Abdel Moneim and her secretary Said Ali Asker got a credit advantage using forged papers. The Administrative Censorship Association report said the suspect got several facilitations from several banks either without guarantees or with false ones. The prosecution held investigations in claims of both Cairo Bank and the African Arab Bank which revealed that the suspect demanded a loan upon guarantee of a 16-story building located in 79 Al Merghani street, Heliopolis while the construction license was issued for 8 stories only. The license original was forged to allow increasing more stories to the building to increase the loan value. They also forged an approval letter of the Commercial International Bank to increase the loan value from \$50.000 to \$1.5 mln. The total sum was up to L.E. 4 mln.

The second detained defendant was the only one who appeared before the trial while the first defendant escaped to Greece since the investigations began. Though investigations lasted for 17 years, the court ended discussing the case in four successive sessions. The court briefed the reasons of its sentence saying that the first suspect forged the original license of the building she owned. This was proved in the Heliopolis registry office. The court added that the loan is given upon a guarantee of a 15-story building while the license original allowed only 8 stories. The court declared evidence was proved genuine according to reports of forgery experts, which confirmed that the first suspect forged letters of credit and approval while the second suspect signed the papers through which the first suspect got the credit facilitations. The court also approved the sayings of officials in Heliopolis district headquarters, Housing

Department, Credit Public Administration in Central Bank, African Arab Bank, Suez Canal Bank and Cairo bank. The two suspects, during investigations, also admitted getting the charged credit facilitations.

### **Ashraf Al-Saad**

He headed Al Saad Investment Group and the owner of a money investment company. He rans about L.E.1bln. In Feb.1991, he traveled to Paris under pretext of treatment. Three months after his escape, he was listed among those under travel ban. He was sentenced to two years in jail for uncovered cheque. In Jan. 1993, Ashraf Al Saad was suddenly back where he was referred to the Criminal Court for seizing 188 million pounds in addition to another 8 charges. By late Dec. 1993, he was released on L.E. 50.000 bail. A committee was formed to examine his financial activities; yet, he again traveled to Paris in June 4<sup>th</sup>, 1995 for treatment again and hasn't returned back till now. It was strange that senior officials were among those that invested their money in Al Saad's company. Yet, they were able to get back their money before he was referred to court. Press described the senior depositors as blessed figures.

### **George Hakim**

George Isac Hakim, the owner of the most famous shops for auto tires and batteries, escaped in June 1994 after he seized 60 million pounds from Dakahliya, Gulf and Cairo banks.

### **Abdel Ghani Atta**

Abdel Ghani Atta, head of the cement national company, escaped after he seized 70 million dollars during his post in the company.

### **Mohammed Al Garhi**

Businessman Mohammed Anwar Al Garhi, the owner of Mega Investment Company, escaped after he took L.E. 456 mln from banks. Yet, he agreed with Egyptian banks on abolishing up to 200 million pounds from the debt interests so that he could pay back debts.

### **Adel Dawarf**

The Greek-Egyptian businessman, Mark Adel Fahmy Dwarf, known as the King of Tuna, to whom the bank representatives fled in Feb. 1999 and met in London on order to settle his debts. The Minister of Economy, Yousef Boutros Ghali later declared that the debt portfolio reached L.E 200 bln pounds and Mark Dwarf's debts did not affect it. Adel Fahmy's bank debts reached L.E. 400 mln. The banks, consequently, held talks with him to join as subscribers with their money shares in his meat and fish packing companies in Borj Al Arab city. He also demanded them, while being in London, that the banks should abolish half of his debts while subscribe with the other half in his companies.

### **Mahmoud Wahba**

He is known as the king of cotton and he fled abroad after his debts reached more than L.E. 380 mln. Attorney General issued a decision of seizing the money of the businessman who had US nationality and lived there at that time. This took place after

he failed to make a settlement with the Egyptian National Bank over an amount of L.E. 380 mln, which he got through credit facilitations and bank loans. Investigations also said that Wahba rejected to pay 7 million pounds to the Cairo Bank, raising the whole debt to L.E. 387 mln. Accordingly, the attorney general banned him, his wife and his adult and junior sons from using or administering their money and properties. Investigations which attorney general's aide, consultant Ibrahim Al Deeb held under the supervision of investigation administrator, consultant Gamal Al Bakri, unveiled that businessman Mahmoud Ahmad Mohammed Wahba used the sums in buying real estates and establishing companies which some of them were constructed on lands not owned by him. It was proved also that he sold some equipment before going to US. A report of the Administrative Censorship indicated that the businessman intended to smuggle his money outside the country. The administration investigations said that jail sentences were issued against him upon uncovered cheques and that he was still in the US with his family. Investigation Administration accused Wahba of harming the society economical interests as he rejected to pay 387 million pounds to Egyptian National Bank and Cairo Bank in a way that led to money imbalance in both banks and growth of his wealth. Upon attorney general's decision, several committees were formed to seize (Wahba's) money and properties, comprising a number of oil and cotton companies in addition to some buildings. The companies should perform their duties after reporting the security services for coordination in order to secure the confiscation operation. A number of administration experts would, through the coming period, estimate the wealth elements and the businessman's financial situation to be presented within a period of 60 days.

### **Ramy Lakah**

The case of the famous businessman Ramy Lakah, who had the French nationality, lately attracted the public opinion. He fled to London after his companies stumbled and he was unable to pay his debts. Ten banks held a partnership with him and they were able to restore 2 billion pounds including 1.1 billion pounds for Cairo Bank and the rest for 16 banks with which Lakah companies dealt. He, after settling his debts with the banks, nominated himself in the People's Assembly – Al Daher district- and he successfully won the membership. Yet, the court rendered his membership as null due to having another nationality. The State Council Supreme Administrative Court, headed by consultant Farqouq Abdel Baar, the deputy of the State Council head confirmed the Administrative Judicial Court sentence that cancelled the resolution of the Minister of Interior on Ramy Lakah's People's Assembly membership in Al Daher and Azbakiya districts as he had a French nationality and did not perform the military service.

Over the squandering of Ramy Lakah, Nasserist Al Arabi wrote: Ramy Lakah, the owner of the one billion dollar that was smuggled abroad. He was the man surrounding whom much ado was raised, the result of which was nulling his People's Assembly membership. He had tense relations with banks and then he escaped. Ramy Lakah's life was very ordinary, 10 years ago. He was a businessman who succeeded to get the Ministry of Health contract to equip the governmental hospitals in a deal that was still considered questioned. Three years before he escaped, focus moved to his personal life especially as he launched a new start through joining the political activity through the businessman always had his own backing in contradiction with the politician.

The most noticeable over Ramy Lakah's "squandering" was what he spent in his election constituency where he was buying the single vote with 1000 pounds in addition to the whole sum where some confirmed that he paid more than five million pounds in

order to get a parliament seat. Yet, he was deprived of it less than two years later where his membership was questioned due to his dual nationality. The five millions evaporated, which means that the people's money were back to them. Yet, he was still indebted to the bank as he squandered the bank money in buying votes and even in bribing some writers. After Ramy Lakah's escape, some lists of blessed figures were unveiled as it included a number of journalists and writers. It was said also that he squandered more than 10 million pounds either through propaganda or some sums were directly paid to prominent figures. Ramy Lakah also held several gatherings and birthday parties where he was inviting dozens of artists. Lakah's life did not greatly differ from his in Egypt; he was even more extravagant. The one billion which he stole made him stronger and he certainly bought cafes in one of Paris streets, only because it reminded him of Egypt which Lakah looted the money of its people and he escaped, being backed by the Egyptian nationality. He even rejected to give up his French nationality in order to remain in Egypt after nationality was dropped.

### **Mostafa Al Belidei**

Attorney general, in 2000, banned businessman Mostafa Al Belidei, his wife and his sons to use their money. Mostafa Al Belidei was not an ordinary businessman, he was the son of Mohammed Mostafa Al Belidei, one of the most prominent businessmen in 1960s and till he died in 1983. He established several companies in several fields and he previously headed the Chamber of Commerce in Cairo.

Mostafa Al Belidei escaped from the country in mid July 2000 after he sold half of his properties in Al Sharkiya, Cairo and Alexandria. The attorney general ban was delayed for two weeks after being issued. Cairo Bank filed a claim against Al Belidei of the total sum that reached 555.148 million pounds. The remaining of Al Belidei's properties, which would be put under custody, would value no more than 20 million pounds. There was still a sum of 128 million pounds that should be paid to Cairo Bank, while Al Belidei was indebted to one of the biggest banks in Egypt with up to L.E. 8.3 mln.

A report of Al Ahram Al-Arabi said: several rumors were raised about Al Belidei, the most important of which were raised in May 8<sup>th</sup>, 1995 when he bought real estates from a US consortium, consisting of tourist buildings overlooking California coast at for up to \$83 mln which he paid cash with no loans. This raised doubts in the economic milieu to the extent that one of the Egyptian banks asked Al Belidei for an explanation, but he responded saying that he was required to unveil his activities inside the state only. Al Belidei surprisingly took about 85 million pounds from the mentioned bank at the same time when he held the US deal. Yet, he failed to pay a big part of the sum. The bank again questioned Al Belidei's financial situation when much ado was raised about his extravagance when he held an engagement party for his son Khaled and the daughter of businessman Omar Al Marzouki in Sheraton Cairo, followed by a reception in his palace in Ajamei where 1000 persons attended. It was said that food was brought from London on a special aircraft.

It is important to know that Al Belidei was the only businessman whom the president Hosni Mubarak honoured after Kuwait War in 1991 as he sent food stuff to the soldiers there. President Mubarak believed that Al Belidei's action as a noble gesture. Yet, he frustrated all as he fled abroad after seizing the money of Cairo Bank after he got loans and credit facilitations with personal and other guarantees, which were proved not enough to pay the due sums. It was certain that Al Belidei's escape and his inability to pay his debts surprised all as he was a prominent businessman who had a good reputation and he should normally pay his debts. He worked in cosmetics and then in ready-made clothes in 1976 in addition to a number of other products used in the industry of cars, food and cigarettes. He headed a great empire, known as Al Belidei



Group that consisted of 9 companies, the most prominent of which was Hiotech Cosmetics in Talat Harb street. He also got a license to sell and produce the products of greatest German companies like Buyers Drove, Lancolm, Shelton and Swiss brands like Tseer Probonds. He held a contract for clothes international brands like Wrangler, Mark & Spenser, Jval Van, Vanhowzen and made a very good reputation in the Egyptian market. Al Belidei was back years later on the pretext of settling his debts. Yet, he was referred to trial after he procrastinated in paying them.

Nasserist Al Arabi newspaper spoke about Al Belidei's squandering in his relations with actresses. It mentioned that he had relations with several actresses strating from Mervat Ameen, Hoda Ramzy and others. Despite being free on the level of his personal relations, Al Belidei once paid a dowry of 10 million pounds to one of his wives while having great bank debts. When she was to get divorced, he – as saying that marrying an actress had its special taste- he paid her a deferred sum that reached five million pounds and left her jewelries at the double value of this sum. Al Belidei carelessly spent millions on actresses and dancers. It was said that he paid millions to conclude a contract of one of the makeup brands because of the actresses was fond of it. Before marketing such brand of makeup in Egypt and before he can marry this woman, he fled abroad.

### **Others**

The list of the businessman who fled abroad included many figures: Ahmad Khafaga 350 million pounds, Mahmoud Hayen king of wood in Alexandria 40 million pounds, Yazarji and his wife 58 million pounds, Maher Kaiser 25 millions from Faisel Bank, Amer Nashartti 600 million pounds. Al Hawarri family 2 billion pounds, 1500 millions from them belong to Hatem Al Hawarri alone.

There is a corruption organization that includes businessmen from the private sector, some of the bank officials in addition to the lack of the central bank supervision. Besides, many businessmen have dual nationalities, which enable them to move easily and use more than one passport. Some of them also shared banks' ownership as subscribers and gave themselves or their relatives many banking advantages.

As a result of the increasing number of the businessmen that fled abroad and the amount of smuggled money, the government called all those businessmen to return and settle their debts. Some of those businessmen consequently set conditions for return while others spread news about their return through their lawyers for fear of being arrested and brought to trial once arrived in the airport.

Al Ahram newspaper said: It was clear that those figures prepared their lives abroad after smuggling the billions which they got through false feasibility studies, plans with some bank officials, apparent declaration of bankruptcy or imaginary debt scheduling.

While banking and monetary policy experts in Egypt confirm that 5% of the total loans are granted to businessmen; this means that 15 billion pounds became dead debts, the International Monetary Fund, in this case, declares that the rate reached not less than 25 billion pounds.

The accounting companies collaborated with the biggest US companies through the fabrication of the budgets. Similarly, accounting companies did the same with the budgets of banks. The boards in those banks were to renew contracts for those accounting companies in return. Amid Dr. Obaied's call for those figures to return, granting them an additional grace period, rescheduling of debts and the decisive sentence in loan-taking officials, questions are still raised concerning those that failed to pay their debts inside. The initiative should be also include those noble producers. It is worth mentioning that the government itself was indebted after the national debt reached 247 billion pounds. It, in all cases, is in need for an internal economic reform

program.

On the other hand, Dr. Faieka Al Refaei, the former deputy in the Central Bank, said that this crisis resulted from the non-application of law and the use of bribery by both parties. She criticizes the non-existence of a credit danger administration in some banks to follow up the projects' execution and predict the dangers that may arise. There is no job also of the external auditor, but they only supervise the junior investor while the banks fear supervising the senior investors. The banks usually find it difficult to discuss the feasibility studies, take cheques from the client to guarantee its right and use it as a source of pressure in case either the client fails to pay through claims, which give the client two options to pay, or he would be imprisoned. She also indicated that the banks, taking back money from the debtors, are not confined to a local case. Yet, the situation should be escalated on the international level even to the International Court of Justice, as there are agreements to extradite criminals through the Interpol. She added that the depositors' money in the banks is safe as each bank had its own stock for debts and crises.

By late 2001, the number of cases which the banks filed against businessmen who fled abroad reached 853: the share of Cairo Bank was 260 and the National Bank 183. Yet, the debtors accused the banks of being the main reason of the crisis because of adding huge sums under the name of interests.

The businessmen's escape with billions taken from the banks was not the only phenomenon that broke out in Egypt in the last 25 years. There is also the misuse of power, corruption and bribery that spread among the businessmen. We may say that businessmen's escaping with billions represent a normal result of the spread of corruption in government and administrative systems.

### **Loan-riddled MPs**

By late 1990s, the case of the loan-riddled MPs who seized L.E. 1650mln, surfaced. Al Ahram newspaper said the case started when the Administrative Censorship filed a claim in 1995 saying that a number of businessmen including a number of the People's Assembly members got loans and facilitations at the value of millions from five national banks: Al Dakahilyia, Al Nil, Faisel, Mohandeseen and Suez Canal. The Public Prosecution formed a committee that included members of the Administrative Censorship on the Central Bank, which consequently presented its report. Judge Samir Abu Al Maati opened the case, as he was to inspect the suspects' dealings. He, in about 2-year sessions, heard the two prosecution witnesses; the members of the Administrative Censorship and bank censorship in the Central Bank. Later, judge Samir Abu Al Maatti was asked to step down after the defense asked to interrogate his brother-in-law as a witness. Yet, when his brother-in-law came to court to testify, no one of those that demanded to interrogate him spoke. It came as a hidden response to the chief justice. When judge Medhat Shaker headed the court that would consider the case, the court had to take the primary steps and summon the prosecution witnesses again with attendance of the new member, judge Mohsen Sobhi. When the court heard the witnesses and the prosecution pleading moving to the defense, lawyers of the fifth suspect, Tawfeek Abdu Ismail Ali demanded that the court should frankly and decisively determine its stance of illegal-money gain, which the court added at the beginning. It should have either neglected the charge or drawn the defense's attention to be able to respond to those charges. The court surprised all with a decision which the Court of Cassation criticized later, as it added two more charges in addition to the harm; confiscation facilitation and illegal money gain. The rightist member, Judge Mohsen Sobhi was asked to investigate them.

This measure came as a new twist in the case, being added to the previous dangerous changes. Once Judge Mohsen Sobhi was asked to hold investigations, the lawyer of the first suspect Aliya Al Ayouti opposes the demand, being rejected by the

court of appeal. Yet, on time of investigations, it was surprising that Aliya Al Ayotti fled outside the country. It was said that she got a permission to escape on the pretext of treatment; through she repeatedly confirmed that she left the country to defeat those that intended to imprison her despite being innocent. As investigations began, judge Mohsen Sobhi released some of the suspects on bail while others were released without, 15 suspects were imprisoned. He finally filed the claim against all suspects over charges of money seizure and illegal money gain. This banned the case to be discussed later before the same court, headed by Judge Medhat Shaker. It was referred to another court, headed by late judge Habib Al Batrawi who died during considering the case. It was referred later to court of Judge Nasr Al Deen Sadeq who condemned all suspects after he rejected to admit statements, which the suspects presented indicating paying their debts before investigation and detention. Due to the importance of the case, the appeal of both prosecution and suspects was mulled while the Court of Cassation stated that the Criminal Court committed gross mistakes that exceeded 40.

The case later was referred the current court, headed by judge Abdel Latif Mahmoud, Judges Makram Awad and Sobhi Al Laban. The court, in a bold and an aware decision, decided to summon the heads of the five banks which money was looted. They admitted that the suspects paid all loans including interests and commissions and that there is a current settlement of the remaining sums which, in most, considered interests and not of the debt origin. The court, in the session at the end of which it released the suspects, ordered that a three-way committee would be formed from each bank to present a report about the situation of each suspect, his dealings, the amount he paid and the remaining sum in addition to the damages in case there were any!

Such loan crises may force us to discuss the mechanism through which the banks give loans to their lients. The economic expert, Hamdy Abdel Azeim determines the steps through which a loan is given: the law of banks give the Central Bank great authorities to put bank regulations in Egypt either governmental, private, joint or branches of foreign banks (..) These regulations include that the loans value should not exceed 50% of the value of the presented guarantee to get the loan. In some other activities, the rate should not exceed 20% where an economic feasibility study is a must, clarifying his ability to pay the loan and the fields in which the loan would be used. The bank should also get some information about the client, verify the actual value of the guarantee, get a statement of the whole clients' debts in the other banks and the guarantees offered to these banks so that no mixture is done among the different guarantees. The bank should also make sure of the letters of credit issued from the regional banks or those foreign ones outside the country. The bank should also verify the authenticity of the financial situation of the companies of the client that asked for the loan, in addition to the deposits as the deposit owner has the right to take a loan, guaranteed by such a deposit. The loan problems either loans without guarantees or those businessmen that fled abroad can be attributed to the bank's non commitment to these regulations, stated by the Central Bank, the Central Bank's non supervision of the bank activities in addition to the enforcement of punishments on the banks that commit violations. The Central Bank has the right to sack the board, chairman and to appoint an administrative delegate till a new board and chairman are appointed. The Central Bank has the right to object to the general manager appointments in the banks and has the right to sack them in case supervision unveils gross breaches of the regulations it states. The central bank, thus, is greatly responsible to ban such problems before their appearance. In the case of the law-indebted figures, for example, we find that the loans were granted upon the guarantee of some imaginary deposits and were not proved existent in the bank. This was not unfortunately discovered by the Central Bank but through the public prosecution investigations and was mentioned in the sentence. Thus, any loans without guarantees or any violations are attributed to some officials' administrative corruption in addition to the Central Bank that did not perform

its role as supposed to be. These violations in general are attributed to mistakes in application and not laws.

In analyzing the crisis, Mahmoud Al Maraghi focused on the Egyptian current economy situation saying: in the case of the loan-indebted figures in which investigations took seven years, the court's sentence, speech about the family banks, the imaginary companies that were established only to take loans, the several legal entities that belong to one person to increase his ability to take loans, it said that the case was not a case of some People's Assembly members as the Assembly rejected them once it made sure that they were not members for the state citizens but they stole their money. The court's sentence and its explanatory memo described the event as a looting and not loan-giving. The judge, finally, demanded to amend the maximum punishment of this charge to reach execution. It was a unique sentence that indicated a confusion between politics and business, business and influence or (what some believed to be influence). The case in which 31 members were sentenced to 382 years in jail with a fine that reached billion pounds did not represent the biggest in the bank cases; the most dangerous is the loan focus. We spoke, two years ago, about eight businessmen who took loans at the value of 12 billion pounds, then it was clear that estimation was incorrect. The one client's multi economic entities allowed a volume of loans that reached three or four billions for the single client. The danger lied here not only in the bank's risk but also in the probability of losing the money in case of any error in the supposed project and consequently a slow economy growth. This situation also created a category of millionaires on the expense of others.

Concerning the bank managers and loans, Mahmoud Al Maraghi said: Loans are not granted through power, immature feasibility study and exaggerated guarantees. They cannot also be granted through the double value cheques, which the client signs. In the first case, the bank manager may be imprisoned, in the second; the client also may face years in jail. Yet, imprisonment should not be the method through which we fix economy. In case we speak of corruption, we have to wander about the (perjury) delivered by some of the bank managers to free the accused clients. At the beginning of the trial only four fled, and the number reached 11 when uttering the sentence in the second trial session. What was also surprising the way through which one of them appointed himself as a board member though he is a bank client. When he discovered it was a wrong measure, he asked his mother to replace him as board member.

### **Banks corruption**

More than \$200 mln were taken from Egyptian banks under disguise of loans, granted for a minority known as businessmen. Those numbers depended on the Egyptian official organizations. About 20 billions; about 6%, its owners failed to pay. Reports also said that 52% of the loans were offered with no guarantees and that there were 20 clients that got 10% of the total bank facilitations and loans. 250 businessmen got 36% of facilitations and loans for the private sector and that the dead debts reached the rate of 20% of the whole debts.

The businessmen could not certainly get all these bank facilitations without a banking aid or the so called banks administrative corruption. It allowed some managers to abuse their power in granting loans without taking required precautions that would guarantee the rights of both the bank and depositors.

Of the most famous cases that were recently raised, related to the banking corruption was the case of Mohammed Abu Al Fettouh who misused his position in granting loans and facilitations to some clients that reached 12 billion pounds; certainly not a simple figure. The Public Money Police public administration arrested Mohammed Abu Fettouh, former chairman of Cairo Bank, Mahmoud Bedir, former deputy chairman of

Misr Exterior Bank, Mohammed Anwar, former general manager of Misr Exterior Bank upon an arrest warrant from the public prosecution to arrest and interrogate them concerning charges that they granted loans without guarantees to several clients. The Public Money Police, under the supervision of consultant Hesham Abdel Mageed, started investigations yesterday with the three officials as they granted credit facilitations and loans to a number of clients without enough guarantees or under imaginary ones. The public prosecution accused them of public money seizure in the investigations held by prosecutor, Tarek Harbi. The Public Money Police received the report of the Egyptian Central Bank censorship administration that confirmed the collaboration of the three former officials in granting credit facilitations and loans to a number of clients in violation of the banking regulation. The prosecution issued arrest warrants against the three officials.

Investigations of brigadier general Mohsen Al Yamani, head of the Anti Embezzlement Police, under the supervision of general Mohammed Saad, the aide of the Minister of Interior in the Public Money Police, confirmed that Mohammed Abu Fettouh, the former chairman of Cairo Bank, was involved in allowing credit facilitations and loans that reached the value of 12 billion pounds to a number of clients.

The report of the Banks Censorship Committee in the Central Bank, formed by the public prosecution to examine the dealings of the Cairo Bank and its different branches, spoke in its report of the debts of Hatem Al Hawari's companies that reached more than one billion pounds, companies of Bassem Azam, Abdel Nasser Eid and Abdel Raheem Samak. Investigations also said that the suspect gave credit facilitations without guarantees to the businessman Hossan Abu Fettouh, in the case where prosecutor Motaaz Sedeek held investigations. The Public Administration of the Public Money Police arrested the suspect in addition to the other previously mentioned figures to be referred to the Public Money Prosecution that started to interrogate them in the case in which Abdel Allah Al Tayel, the bank former chairman, was arrested.

Though Mohammed Abu Fettouh died during the trial: the attorney general referred his heirs, Magdy Yakoub Naseef, Sami Metshouleh (who fled), company owners and another three of the bank officials to the criminal court as they seized one billion and 350 million pounds. Investigations held by head of Public Money Prosecution, Wadih Hana, unveiled that Abu Al Fettouh, before his death, ordered to issue cheques for the company owners despite having uncovered accounts in addition to 15 approval statements to allow the suspects loans upon imaginary guarantees. The criminal claim ended with his death and the court would oblige his heirs together with the other suspects to pay back the money. Investigations added that the suspects: Khadiga Abdel Fattah Mohammed, general manager of Cairo Bank, Nasr City Branch, Mohammed Ahmad Omar, the deputy head of the bank, Ismail Hassan Abdel Wayhab, manger of the bank branch in Hada'ek Al Kobba participated in the crime. The total sum of money reached one billion and 350 million pounds of the bank money. The prosecution gave the suspects a long time to settle their debts. Yet, Mir Bank chairman and Cairo Bank supervisor indicated that the presented settlements were only nominal.

There was also another case where 11 broking and money exchange companies in agreement with the manger of one of Misr Bank branches in order to seize 300 million pounds. Investigations revealed that the owners of these companies agreed with a department head in the bank, Cairo branch to accept imaginary uncovered cheques if the suspect, the department head, would add the value of those imaginary cheques to the accounts of the companies. Then it would get the money and speculate for a share in the Media Production City, making use of the advantage of immediately adding the operation settlement cheques. Prosecution heard the member of the Administrative Censorship, Ayman Mahmoud and the legal officials in Misr Bank who confirmed that the businessmen made use of the bank advantages given to the stocks companies, known as "immediate adding advantage". It allows the companies to

present the bank with cheques if the bank would transfer the cheque sums to the stocks to finance the buyout, which the companies got through presenting imaginary cheques to the suspect, the bank head of department who rejected that the bank would get its amounts so as not to discover that they are uncovered. Consequently, the bank would reject any other cheques from the same company. The suspect, the department manager, transferred the cheques value to the company's stock accounts. The Administrative Censorship and Misr Ban legal affairs department filed two claims to the public prosecution over this details.

### **Deal of the American-Egyptian Bank:**

The selling of Alexandria Bank share that reached ( 24%) in the Egyptian-American Bank to The French Clion Bank raised several questions. A quarter of the French Clion Bank shares in Egypt was possessed by a company in which the two ministers, Ahmad Al Maghrabi 3% and Mohammed Lotfi Mansour 22% subscribed while the company had their family's name ( the two ministers are cousins)

The selling of the Egyptian-American Bank took place only five days after the formation of the cabinet that included eight businessmen. The two ministers' company won the deal at a price less than the share price in the stocks. Through a simple comparison between both banks, we would discover that the small Calion bank bought the Egyptian-American Bank which was considered bigger. The number of Calion shares in Egypt reached about eight million and half. Its expected profit in 2005 did not exceed 58 million pounds while its deposits were closer to seven billion pounds. The shares in the Egyptian-American Bank reached 64 millions. Its profit in the last year reached 250 million pounds while its deposits exceeded eight billion pounds.

This deal raised several questions about the relation between businessmen, authority and the misuse of power in achieving economic profits which would have never been reached except through authority.

The government responded to some of the accusations brought against some of its ministers over business and trade activities. It denied that some of its ministers had special interests in privatization operation. Dr. Mofeed Shehab, the minister of the legal affairs and parliamentary councils stressed that the ministers should not carry out any trade activities in commitment to the constitution that banned them to perform selling and purchase operations. Shehab, before the People's Assembly economic committee, approved that businessmen would join the new cabinet, adding that " performance was the most important). Shehab unveiled that all businessmen that joined the cabinet gave up other activities. He added that the Minister of Transport confirmed in a written response that he abandoned his trade activities before he was sworn-in. Shehab presented an explanation, which he described as personal and not legal over some of the ministers' stock tradings, saying: the minister's selling some of his shares before holding his cabinet post can not be listed as a trade activity upon which he should be interrogated, even if the shares reached 25% of either the company or the bank, as long as it was carried out once. He added that interrogation was required in case the operation was carried out several times.

On the other hand, the Housing Minister denied any relation to the deal. He mentioned that the Transport Minister Mohammed Mansour approved the Calion deal before holding the Cabinet post. The Minister of Housing and Construction, Ahmad Al Magharbi declared that the measures taken in selling Alexandria shares in the Egyptian-American Bank agreed with the state system, as it came under the Central Bank supervision. The Minister of Housing, in an interview with the parliamentary editors, yesterday, said that the Minister of Transport Mohammed Mansour and he were

mistakenly included in this deal. The Minister, in response to a question raised by Al Ahram's correspondent, Mahmoud Al Minawi, said that Mansour was not yet a minister when he approved the French Calion Bank deal and that Al Mansour- Al Maghrabi company was formed in Dec. 28<sup>th</sup> last year. He believed that Al Maghrabi did not carry out any trade activity since he held the cabinet post; meaning that he did not violate article 155 in the constitution. He confirmed he still had a share of 5% in the above-mentioned company and that he would not sell it.

Some of the People's Assembly members including Mostafa Bakri and Jamal Zahran raised the topic saying that selling Alexandria Bank's share in the Egyptian American Bank was related to special interests of the two ministers; Ahmad Al Maghrabi and Mohammed Mansour who had 25% in Calion Bank. The central Bank governor, Farouk Al Okda, believed that much ado was raised over the deal amid a shortage of the full facts. He added that the selling operation was not carried out till now, it was just a promise. Mostafa Bakri said there was probably a constitutional violation concerning wasting the public money . He indicated that the value of one share in Alexandria Bank reached, before the Greater Barium 56 pounds, yet, it was agreed to be sold at 45 pounds only !!

Such a deal raised a polemic over the government's tendency to sell the successful private banks that achieved profits in addition to its shares in banks and joint vebtures amid its plan to reform the Banking System. Yet, it left the economically-weak banks that had its losses and were unable to compete either locally or internationally among the foreign and the big private banks. Some feared that these measures were done for the interest of the foreign banks on the expense of the Egyptian ones.

### **Alexandria Bank Statement**

Amid this much ado, Alexandria Bank was forced to issue a statement in which it would respond to what was said over selling its share in the Egyptian-American Bank. It, in the statement, confirmed that it abided with all the agreed-upon measures concerning a strategic share selling. It also declared commitment to the measures according to which the public association's shares in Banks and joint ventures were sold.

The deal would further enhance the financial position of Alexandria Bank as it achieved about 950 million pounds, representing capital profits. Those profits would be used in covering all the bank's needs. This would be positively reflected in the soon Bank privatization, enhancing its situation during negotiations with investors. The selling operation would further attract a direct foreign investment at the sum of 3801 million dollars, represented in the share of "Credite Agricole Calion" in the deal, while the bank record cost would not exceed 50 million pounds. The statement indicated that American Express Bank was the main shareholder in the Egyptian-American Bank as it possessed a rate of 8.4%. It also enjoyed the right of administration. Consequently, it had to be replaced by a strong financial association that had the banking experience to be able to run the bank in the future. Here came Credite Agricole Clion Group. Alexandria and American Banks agreed to sell their joint shares that reached 6.74% to a strategic investor. "Credite Swiss First Boston" was chosen. It was considered one of the biggest financial advisers and international marketers. The share selling was declared to several financial international and regional associations. The number of the initial offers were reduced to a brief list: Credite Agricole ( Calion), HSBC, US Saudi Bank ( Samba). All were considered of the biggest regional and international banks. The Egyptian Central Bank board initially approved that those banks would be examined and would prove that any of them had a rate that reached 100% in the mentioned bank capital, being paid to the Egyptian-American Bank according to the related rules in this respect. This would include the whole public money share provided that rights of the Egyptian-US Bank employees are maintained.

The financial adviser "Credite Swiss First Boston" cooperated with Alexandria Bank and the American Express in preparing a study to determine the fair value of the Egyptian-American Bank shares. It was presented to the fifth-way committee to be revised and in order too to approve the evaluation of the public money shares in the financial organizations. The committee was formed upon an Investment Minister resolution no. 143, year 2004, headed by the deputy Prime Minister in addition to representatives from Ministry of Finance, Accounting Central System, Egyptian Central Bank, Money Market Public Administration and Accountants and Auditors Society. The above-mentioned committee approved at least 45 pounds for the single share. The Investment Ministry approved the fifth-way committee resolution.

Alexandria Bank statement indicated that "Samba" Bank did not complete its papers. Credite Agricole Claion and HSBC presented their financial offers. A committee was formed by representatives of Alexandria Bank, American Express Bank, Ministry of Investment and Egyptian Central Bank to decide on the offers and hold negotiations with the representatives of the Headquarters Supreme Administration of both banks. The committee finally approved the offer presented from Credite Agricole as it was of the highest price to buy up to 100%, at the minimum of 65.74% that represented the share of Alexandria Bank and American Express Bank at the value of 45 pounds for the single share; meaning that 2916 million pounds.

The statement added that in execution of the resolution of the Egyptian Central Bank board to maintain the employee rights in the Egyptian-American Bank including their insurance and in accordance with the state's policy in this respect, Calion Group vowed to pay and settle any deficit in the employee fund till the end of the two Banks merge according to the Prime Minister's resolution no. 2008 in year 2005 concerning private insurance funds and the resolution of the Egyptian Central Bank board no. 2410, in year 2005. It had to do with the merge terms and measures. The deficit resulting from the fund suspension was estimated at the value of 324 million pounds; 5 pounds for the single share. The purchaser had to pay the whole sum to guarantee rights of pensioners in addition to the other employees working before closing the fund at merge.

Over the deal price, the statement confirmed that the five pounds were deduced from the sale price to cover the insurance fund deficit, related to the workers in the Egyptian-American Bank. This was carried out to maintain the rights of the bank employees. This, in turn, agreed with the state's policy and was used by the government in selling the state-owned assets, maintaining the social aspect of the privatization operations too.

The market value of the Egyptian-American Bank reached 760 million pounds, before declaring the banking reform and development program in addition to the plan according to which the public banks separated from the joint ones. This meant that the selling value that reached 9.2 billion pounds represented about four times of the bank market value before starting applying the reform program.

The average of the bank market value within a month before both Alexandria and American Express banks officially declared their intention to sell, in the second half of April 2005, reached about 5.2 million pounds. Consequently, the selling value that reached 9.2 billion pounds represented a raise of 15%. It represented the merge raise for Credite Agricole Calion that may rise to 27% in case the merge cost was applied at the price of 50 pounds for the single share. It was noticed that the merge raise in similar deals, that were carried out in the international and regional markets in the last five years (2001-2005) ranged between (10% to 20%), above the average price of trading shares of these banks within a month before the date of announcing the intention of buyout. The statement declared that any price hikes after the date of announcement may be due to bargaining which is usual in such cases amid the traders of this share in the stock exchange; some may overestimate given that the average



daily trading on the stocks of the Egyptian American Bank is slightly weak, not exceeding 4.0% of all the bank stocks.

It is worth mentioning that Crédit Agricole Group (Calyon) holds the first place in France and the fourth place internationally and works through 43 regional banks distributed worldwide and has a historical presence in the Arab region and the Middle East area and it owns 75% of Egypt's Calyon bank stocks; this group's interest in increasing its investments in Egypt and the buyout of the Egyptian American Bank confirms a confidence in the Egyptian economy and the bank reform program; also, the Group will- with its bank experience and financial, human and technical resources- consolidate the Egyptian American Bank and will boost the bank services; it was also the group that offered the highest buyout price and approved the arrangements related to rights of the bank workers. The stock buyout price was 3.3 times more than the Book-Value Multiplier, 21% increase in the average Book-Value Multiplier in similar bank buyouts that have recently took place in Egypt; this multiplier increases to 6.3 times of the book value at L.E50 buyout price, the price set for the deal.()

In a reportage in which the al-Arabi Al-Nasseri newspaper replied to Bank of Alexandria, announcing that the deal was planned previously, it stated that:

After the buzz raised on French Calyon's buyout of Egyptian American Bank and offering its shares in the stock exchange with a low price, the Bank of Alexandria issued a statement on the deal in which he didn't reply to many questions around the infamous deal; although the statement claimed that several banks offered to buy, but the Egyptian American Bank itself declared on last November,11, that it received just two buyout offers from French and UK Calyon banks to buy up to 100% of it, conforming through an executive official that American Express Bank that holds 40% of the Egyptian American Bank and also Bank of Alexandria that holds more than 30% sought to buy their stakes.

The bank claims in its statement that any price hikes after the date of announcement are usual in such cases amid the traders of this share in the stock exchange; some may overestimate, given that the average daily trading on the stocks of the Egyptian American Bank is slightly low, not exceeding 4.0% of all the bank stocks.

It was stunning that stock price was fixed at L.E 45 while it was traded, in stock exchanges in the morning of the day of inking the deal, at L.E 65.5 after it was L.E 59.50 last 10 November; Crédit Agricole bank holds, along with Mansour Group and Al-Maghraby for investment and development, some 75%.

To know the cause of choosing French Calyon for the buyout of the deal of the Egyptian American Bank, let's go back to 15 April last year when Jean Laurent- Chief Executive Officer of Crédit Agricole Bank, the world's second largest bank in size of capital, \$55.5bln and \$1.5 trillion in assets- visited Egypt and met Prime Minister Ahmed Nazif and ministers of Finance, investment, foreign trade, industry, oil and energy, and met Dr. Farouq Al-Oqda, the governor of the Central Bank. The visit's announced goal was celebrating kicking off Egypt Calyon Bank as an incarnation of the merger between Crédit Agricole Egypt and branch of Crédit Lione in Egypt and pumping new investments to increase the capital of Egypt Calyon Bank to meet the requirements of the bank's minimum capital as prescribed by the new law of the Central Bank and bank apparatus, to reach L.E. 500 mln; the real goal was to settle the deal for Calyon Bank; so, it wasn't strange that the chairman of the Egyptian branch of the bank, Mohammed Mansour, gains a portfolio in the latest Cabinet-lineup !!! bearing in mind that Crédit Agricole bank holds, along with Mansour Group and Al-Maghraby for investment and development- incumbent ministers in the latest cabinet-lineup-, some 75%.

Some think that the bank buyout deal was leaked to a certain group before being announced to all in the Egyptian stock exchange newsletter; reviewing the statistics of trading in the days previous to the deal, the average size of the daily trading was around 25000-30000 stocks per day; a gradual attraction to the stock began from 22-11 and the trading increased to up to 70000-80000 per day, then the number jumped to 130000

stocks per day, unprecedented huge leaps...who is behind the buyout of all these amounts?. For his part, Dr Ahmad Fathi Sorour- the People's Assembly Speaker- assigned the Economic Committee to immediately convene to discuss the accusations of MPs Mostafa Bakri and Kamal Ahmad to Minister of Transportation Mohammed Mansour and Minister of Housing, Ahmed Al-Maghrabi of carrying out financial and trade business related to public money in infringement to rules of article 108 of the constitution as the former heads French Calyon bank and the latter is a board member in the same bank and they hold 26% of the state-owned Bank of Alexandria in the capital of the Egyptian American Bank; he indicated that the process of buying the stocks of the Egyptian American Bank takes place in contradiction with what happens in the stock market as the two ministers intervened in the work of the stock market because they- the two ministers- are involved in the buyout. A stock market investor said that the deal is shrouded with mystery as the stock buyout price isn't conforming to reality, pointing that he had a precedent incident in 1997 with the International Commercial Bank, as he bought stocks for L.E 82 for every stock and held them for about a year and was paid L.E 2.6 coupon on every stock and a free stock for every four stocks, then the price dropped to L.E 27!! It continued decreasing to L.E 19 although the International Commercial Bank had a huge buzz around its huge profits. Another investor pointed that he holds stocks in the bank since last April for several reasons including announcing selling the stake of the Bank of Alexandria, the merger with American Express Bank, the increase in its capital and the bad decrease in loans; also, most of its loans are in the field of big companies and oil and fertilizers and its expected price will be according to Hermis- L.E 95; also the technical movement of the stock was referring to more hikes...how come after all this that the stock is offered in the stock exchange with such a low price. ( )

The suspicions and mysteries that shrouded the deal of the Egyptian American Bank raised worries of economists and stock market experts including ex-economy minister Sultan Abou Ali who said that the core issue is keeping the public and individuals' interests in this deal which should be inked with a fair price, the market's price with which the stock is traded in the stock exchange; it is unacceptable to sell to a big and active bank with a price lower than the one traded in the stock market; reviewing the trading of the stock of the Egyptian American Bank within the period between 11 November 2005 to 5 January 2006, we will find that the stock was traded L.E. 55- L.E. 60, even before distributing the free stock on shareholders, the stock was traded L.E.80- L.E. 110; in the light of distributing a free stock on two stocks, the average price of the stock is L.E 60 in addition to the fact that the bank profits increase year after year; 2003 profits were L.E. 102mln, 2004 profits were L.E. 240mln and 2005's expected profits are up to L.E 230mln; all this must be taken into consideration while estimating the stock; what was published concerning the price of the stock harms the public interest and interests of individuals holding this stock; the price of the stock would have been accepted if the price of the stock's trading in the stock market hadn't been justified due to the speculations or any other conditions, but this is usually a temporary matter; but, reviewing the trading of the Egyptian American Bank, we will find that it was continuously active and was on the increase; consequently, the raised question is why and who benefits from offering the buyout price lower than the stock market price? ( )

The buyout process didn't wait for the bank's budget on 31-12-2005 which shows the result of the bank's activities in the full year 2005 (12 months) and the net profits so that based on it a fair price for the stock shall be fixed according to the share of every stock from 2005 profits and even the results of the bank's activities on a 9-month period 30-9-2005, the latest financial data issued till the results of this period, weren't taken into consideration; defining the buyout offer seemed to be based on the results of just 6 months as newspapers announced that the committee assigned with fixing the buyout price agreed on L.E 45 as a minimum price for the stock while the stock trading price reached in early July

2005 (the next month) L.E 88.87 till it reached its peak, L.E 110, on 25-7-2005; this is recorded in the price lists in the stock exchange. Due to increasing the bank's capital through distributing a free stock for every two stocks on 3-8-2005, the stock's market price was amended to L.E 64.63 and then to L.E 68. ()

For its part, Al-Ahaly newspaper announced that the government lost about L.E 300 mln: In the deal of selling the Egyptian American Bank to French Calyon Bank and the group of Mansour and Al-Maghrabi for investment owned by ministers Mohamed Mansour and Ahmad Al-Maghrabi; the bank was sold for L.E 45 per share although its market price reached- at the time of the deal- about L.E. 60 per share.

The government justified this price for the stock as there are additional L.E 5 to the fund, so the buyout price is L.E 50; according to the buyout price, the Earnings Multiplier- its market price divided by its share in the profits, is 11 times lower which is about 30% lower than the average in the market and bank sector; also, the fair price of the stock is-according to brokerage companies- is L.E 58 – L.E 65, given that every pound less makes the state treasury loses L.E 60 mln; consequently, the state treasury lost from the Egyptian American Bank deal at least L.E 300 mln; what is strange is that the stock of Misr Aluminium Company was offered later for L.E 54 and with an earnings multiplier up to 16 times, i.e a price level that increases 40% more than the Egyptian American Bank according to the standards of profits at the time of offering it; due to comparing between between the prices of offering the Egyptian American Bank and Misr Aluminium Company and the conditions of offering... led to a complete failure.()

In comparing the budgets of the Egyptian American Bank and Calyon Bank with a period of only nine months, up to 30-9-2005, with the same period in 2004, the strength of the financial position of the Egyptian American Bank becomes crystal clear.

|  |  |  |  |  |
|--|--|--|--|--|
| Percentage   |  |  |  |  |
| Clientele deposits   |  |  |  |  |
| Net profit   |  |  |  |  |
| Total earnings   |  |  |  |  |
| Fees and allocations   |  |  |  |  |
| The net interest earnings  |  |  |  |  |
| The percentage of the net interest earnings and above mentioned clientele deposits |  |  |  |  |

These results show an increase in the profits of the Egyptian American Bank due to management efficiency and good use of its resources in addition to the efficiency of its assets and investments and increasing its earnings from trading in the foreign currency and efficient trading of securities and also the percentage of the net earnings to the size of deposits.()

- two ministers in the Egyptian government gave their testimonies before Cairo's Criminal Court on 3 and 4-5-2004 in the case dubbed as "Fayoum MPs" which involved 19 defendants topped by two former members of parliament of the Egyptian People's Assembly: Bahaa Al-Mileegy and Hussein Oueis; the Egyptian deputy prime minister Yousof Wali said that the lands which the defendants are accused of takeover are privately- not publicly- owned isn't this a lie which he proved to have told" while the minister of water resources Mahmoud Abou Zeid insisted in his testimony that the encroached lands are state and publicly owned. It is worth mentioning that the defendants in "Fayoum MPs" case or on a retrial after the Court of Cassation nullified the ruling of convicting them issued by the Supreme State Security Court (before rescinding it) and that the judge ruled relieving the defendants of their posts and sentencing them to terms between one and nineteen years and restoring the lands and that they pay fines for encroaching on the state owned lands.

### **Omar Effendi Deal**

Observing what Egypt's investment ministry do-the ministry responsible for managing state assets including huge factories and firms- the one can notice that this ministry implements the policy of selling for selling sake and that it cared most for the biggest possible number of firms regardless of the value of the deal or the status of the workforce after the buyout process; in all cases, it says "everything has gone with the wind" raising the slogan of the early pension, attempting to woo workers and employees to accept it, to decrease their number, thereby facilitating selling the limited-workforce firms; sometimes it raises the slogan of " for increasing foreign investments in Egypt", thereby creating- it claims- better opportunities for the current workforce and also creating more work opportunities. However, the pace of carrying out the buyout process along with the decrease of information regarding the deals, triggers many suspicions, and poses several questions seeking detailed answers, like: what is the basis of evaluating firms in a takeover offer? Who carries out the evaluation process? And many other questions. The notes on the processes of selling public sector firms is not limited to inside Egypt only, but some international bodies asked these questions also. According to Dr. Gouda Abdol-Khaleq of Al-Ahram Al-Arabi: US State Department's audit program which is responsible for US aid program to Egypt reported that Egypt's privatization program lacks transparency and moves in high-speed dash, in addition to many other violations.

### **The Events**

Omar Effendi case was unveiled when engineer Yahya Hassanein Abdol-Hadi, the chairman of Benzayon company, filed a complaint to the attorney general, against the deal of selling Omar Effendi branches- 82 branches all over Egypt- to Saudi Anwal Company for L.E 540mln while the committee formed for estimating its price put it at L.E 1129mln!!; engineer Yahya Hassanein accused, in his complaint, both Dr. Mahmoud Muhi El-Deen, the Investment Minister, and accountant Hadi Fahmi, chairman of the trade holding company, of exercising pressure on the evaluating committee, which included engineer Yahya Hassanein, to reduce the evaluation of Omar Effendi company, thereby facilitating the buyout process, leading to wasting some L.E 600 mln from the state, according to the complaint.

Officials claimed, after promulgating reports about the complaint in newspapers, that the opinion of the committee created for evaluating the price of Omar Effendi, which included engineer Yahya Hassanein, is just consultatory, while engineer Yahya Hassanein denied in his testimony in the prosecution that the committee's opinion is consultatory; he pointed out in his three-hour testimony before counselor Hany Heikal, the chief prosecutor, that the opinion of the committee created for evaluating Omar Effendi, included also the commitments on the company, in contradiction to what was said by the Holding company chairman and his aides, and it didn't include the value of the trade name, as some said; engineer Yahya Hassanein demanded in his testimony, summoning a number of the

committee members to give their testimonies and to see the report of the evaluation that the committee prepared and the memo unveiling the incident of exercising pressure on which the committee members signed but Yahya Hassanein declined to sign, after finding that its wording is humiliating to the members as it requires that they condemn what they did and to recommend taking a different evaluation for Omar Effendi.

It is worth mentioning that the committee created for evaluating the price of Omar Effendi has 17 members including engineer Yahya Hassanein, chairman of Banzayon, deputy chief justice of the State Council and representatives of the Finance Minister and the Central Auditing Organization.

### **Details of the Deal:**

Omar Effendi deal aimed to sell Omar Effendi's 82 branches, distributed in various Egyptian governorates; these branches are located in the most expensive luxury places; the size of every branch ranges from 3200-9553 cubic metres with all assets including: buildings, a fleet of trucks and trailers and more than 55 buses, in addition to stores, maintenance workshops, mobile galleries and dismissing 5870 appointed employees and workers, let alone more than 3000 employees and workers with annual contracts.

All this for only L.E 504.900, i.e. more than half a billion Egyptian pounds.

The offer that won the deal was the one presented by the Arab businessman Gameel Abdol-Rahman Al-Qinbit, the owner of Saudi Anwl company; it was the only takeover offer, triggering suspicions that there were backstage undisclosed agreements with lacking the principle of transparency in the buyout process.

With simple calculations, we will discover that the price of every metre in Omar Effendi branches which are distributed all over the republic- usually located in commercial areas and downtowns, is no more than L.E 100, while the price of a metre in buildings in the same areas is no less than L.E 1000; this price increases to doubles in some places like Cairo, according to the committee's estimates, let alone all other components including buildings, spaces, places components and trade name which may be priceless.

If we turn back the clock a little, several years ago, specifically when accountant Hadi Fahmi (brother of Oil Minister Sameh Fahmi) the board manager of the trade holding company, opened the door of early pension for Omar Effendi workers, no less than 150- the majority of them were close to age of retirement-out of 6000 workers listed themselves or wanted an unpaid vacation; as for the vast majority of workers, the rejected the persistent attempts for liquidating Omar Effendi; it is worth mentioning that Omar Effendi was founded in 1856 and was rivaling in its era the greatest stores all over the world, and has now 82 branches all over Egypt; now it is more than 150 years old.

Only three companies received the bid specifications, Anwal United Trading, owned by Saudi businessman Gameel Abdol-Rahman Al-Qinbeet, Nibrana for tourist investment and Oteim Markets company, given that the three are Saudi companies. Then, Anwal offered the bid and the two other companies decline to participate in the entering Omar Effendi buyout process. Anwal company's bid won the deal of the buyout of 100% of Omar Effendi stocks for L.E. 504.900 mln.

For his part, accountant Hadi Fahmi announced that preconditioned that Anwal company owner pays 80% of the sum in one bulk and deposits the remaining 20% in a bank till receiving all assets of the company.

At that time, the Investment minister declared that Anwal company paid 10% more than the predefined consultatory price, i.e. it offered a sum of money for buying Omar Effendi 10% more than the predefined price.

To give more credibility on the buyout process, the settlement committee imposed a number of bargaining points on Al-Sayyed Gameel Al-Qinbeet including: maintaining the activity and workers rights after he declined to leave 10% of Omar Effendi capital to the holding company.

In an attempt by the minister and his aides, including the board manager of the trade holding company Hadi Fahmi, to woo the 6000 workers and employees, they announced that the workers and employees in Omar Effendi will be paid rewards up to 6-month payments; however, Omar Effendi workers rejected the buyout process, confirming that the deal is nothing but robbing Egypt in broad daylight and that the half billion is not a fair price for five of the 82 branches and isn't a fair price for stores and the fleet of cars and workshops and the brand name which is still existing since mid 1800s..

The evidence is that the evaluating committee- despite all suspicions surrounding it- evaluated the price of Alexandria's Saad Zaghloul branch with L.E. 125 mln, Central Cairo's AbdolAziz branch with L.E 78 mln, Nasr city store with L.E. 85 mln, Adli branch with L.E 55mln, Mohandiseen's Orabi branch with L.E. 45 mln, Giza's Murad branch with L.E. 36 mln, Alexandria's Tharwat branch with L.E 32 mln; what will happen if the nationwide 82 branches, stores and fleet of cars are evaluated. Statistics point that the size of Al-Hijaz branch is 4516.16 metres, Abdol-Aziz branch 9553 metres, Ahmad Orabi branch 7337 metres, Al-Abbasiyya branch 7029.11 metres, Giza's Murad branch 9718.36 metres, Al-Maadi branch 3060 metres, Roksi branch 3700 metres, Adli branch 4557 metres, Talaat Harb branch 2270 metres, Nasr city branch 7296.80 metres; all these branches have been renovated since 2003 with a cost of more than L.E 30 mln.

It is worth mentioning that a number of members in the evaluation committee demanded selling every branch of the company alone to get a value so much bigger than the sum offered by Anwal company, but the demand was met with an outright rejection from the Investment Minister and his aides, certainly to finalize the deal that will send some 5000 workers in Omar Effendi to unemployment, after Anwal company approved keeping only about 1500 workers after negotiations.

### **Bird's Eye View**

There was an attempt in late 1990s to sell Omar Effendi but it wasn't finalized; subsequent Egyptian cabinets have failed since 1998 in selling Omar Effendi when its file was closed in 2000 due to weak takeover bids, stirring MPs and economists at that time.

Seven years later, the government returned again to offer Omar Effendi, to implement the World Bank and IMF's recipe whose implementation has begun since early 1990s till now; this is within framework of wasting public money under the title of "privatization program" which led to firing dozens of thousands of workers since it began to be implemented.

So that the government decrease the public opposition to the buyout process- like what happened in 1999- the Investment Minister declared that the buyout contract will include all terms that maintain workers' rights, including medicare, insurance funds, insurance policies and other financial and material benefits along with giving the company workers a reward equal to three month payment of the basic salary, after inking the contract and after the approval of the general assembly of the trade holding company on the buyout with giving three more months of the basic salary six months after inking the contract with the investor.

The idea of selling the five biggest domestic trade companies to foreign or Arab investors was faced in 2000 with sharp opposition by all the popular spectrum due to the dangers enshrining foreign takeover of these vital companies and the potential waste of workers' rights; also, the idea of selling them to Egyptian investors was opposed in 1999 when he two groups that offered bids to buy these five companies on a price of L.E. 338 mln while a UK company offered then L.E 550 mln, 50% less than the evaluation of the government. The Egyptian Kuwaiti holding company offered to buy Omar Effendi for just L.E. 192 mln and offered a L.E. 322mln development plan.

However, in 2006 due to the complaint filed to the Attorney General, the People's Assembly referred the issue of selling Omar Effendi to the Assembly's economic committee to discuss it, after I tabled an urgent statement to Investment Minister Mahmoud Muhy Al-Deen on wasting more than L.E. 600 mln public money in the buyout deal.

In his response to the complaint filed against him to the Attorney General, accountant Hadi Fahmi, the chairman of the trade holding company said that failing to sell Omar Effendi before was due to weak bids or not keeping workers, pointing that there are undisclosed points in the deal of the Saudi Anwal company which weren't declared to maintain the deal, foremost among which is needing L.E 250 mln for workers' early pensions and L.E 350 mln ban on selling assets which mustn't be sold.

In a statement released by the Investment Ministry on the deal, the Investment Minister Mahmoud Muhy Al-Deen said that the Ministry will not involve itself in a groundless debate based on wrong data and punishable claims without any basis on reality or law. The Investment Minister added that the only measures followed in the cases of dealing with the state assets is prescribed in the rulings of the law No. 203 of the year 1991 and the only evaluation approved by the minister is the one carried out by the committee created as prescribed in Article 19 of the law which include in its membership a representative from the Central Auditing Organization and the Finance Ministry and is headed by a deputy chief justice of the State Council. He pointed that the Ministry- out of its respect to the investigating authorities and their independence and unbiasedness- declines to intervene in the raised accusations till a ruling regarding this is issued by the Attorney General.

### **The One Who Filed the Claim Speaks**

In an interview held by Al-Arabi Al-Nasseri newspaper, engineer Yahya Hussein Abdol-Hadi, chairman of Banzayon company, and the owner of the complaint regarding Omar Effendi deal, pointed out in his interview the conditions of forming the evaluation committee which included him as a member, saying: I was summoned along with chairmen of other domestic trade companies and their chief financial officers on 28 December 2005 to a meeting headed by accountant Hadi Fahmi, chairman of the trade holding company, and attended by Dr. Mostafa Eid, Investment Minister's advisor. Both of them pointed that a decision was issued- according to Investment Minister's directions- of assigning us with reevaluating Omar Effendi Company quickly and in a maximum of 4 weeks including Greater Bairam and Christmas vacations. Dr. Mostafa Eid started the meeting with a cliché introduction about different styles of evaluation, and we agreed unanimously that companies with huge fixed assets like Omar Effendi Company aren't compatible with the style of Discounted Cash Flow because it decreases the price in an exaggerated manner which is unfair to this public property and that the appropriate manner is defining the current market value; Dr. Mostafa Eid stressed that what is required is not overestimating, without mentioning the second part of the phrase, underestimating, throughout the meeting; then, accountant, Hadi Fahmy, confirmed this declaring with a quasi declared hint that this is what the minister wants, that he follows it up continuously and that evaluating his performance is tied to succeeding in finalizing Omar Effendi buyout.

I understood along with others the crystal clear cause of creating this committee: holding a reevaluation so as to be lower than the already low evaluation of the private office, L.E 450 mln; I felt humiliated along with others because some, particularly the Minister, thought that we, being government employee, are ready to rubber-stamp in this case, approving anything that appeals to the Minister, even if this contradicts the interests of public money. We along with others agreed on carrying what we were officially assigned to do, according to our conscience, instead of withdrawing and leaving it to be given to those conscienceless. The committee held many tiresome sessions and made many scene examinations seeking the help of many experts and taking into consideration not to overestimate as most of us are supporting the buyout, and not to underestimate as all of us want to preserve the public money; the committee took into consideration- while estimating prices of assets like lands and real-estates- that their prices are not more than neighboring likes, they were even less than them sometimes with rates up to 20% to avoid suspicions of overestimating; we asked the committee chief to be assigned with adding figures and preparing the final wording of the report and we approved what he did; we didn't convene again to revise what he did.

On 8 February 2006, we were summoned to the HQ of the Trade holding company in Zamalek; we were ordered to sign, hastily, on the final report; we signed on two copies and all members were denied a photocopy of it; the company's economic estimation was L.E. 1139 mln, not less than the latest L.E. 1187 mln estimation of the Central Auditing Organization 7 years ago, 1999. the figure which we approved and signed on is more than L.E. 1bln and is about L.E 700 mln more than the L.E. 450mln special estimation that all unanimously considered as unreasonable, although the price of only 9 branches: Saad Zaghloul, AbdolAziz, Adli, Orabi, Murad, Tharwat, Makram Obeid, Al-Doqqi, AlAbbasiya, in addition to Ramses extension store, outnumber the price offered for buying all the company.

I was summoned to a meeting in the holding company in Zamalek Thursday morning 23-2-2006 and was ordered to sign routinely on a three-page memo without notifying me with what it contains; when I read it with scrutiny, I was shocked as I discovered that it contained a paragraph whose summary is that the committee members, along with the staff considered what they did, estimating according to the market price, is a recognizable method and is just a consultative estimation, but in the case of Omar Effendi company, and on the basis of what is mentioned in the tender specifications of preserving the activity and workforce and for the national public interest, we recommend that the appropriate method isn't the one we followed, and that the most suitable is the net cash flow, enclosed is a photocopy of the estimation that we recommend. Actually, there was no enclosed estimation; this means that what is required is to sign on a blank sheet. I was stunned by this infamous wording and this recommendation that contradicts with the axioms on which we based all our work during the past two months; I refused to sign and wondered how we recommend the method of estimation which is suitable for the buyer, not the seller that we represent. I didn't sign except after omitting the phrase" enclosed is a photocopy of this estimation" and after Hadi Fahmy and others said that this wording is the optimum solution reached to protect ourselves without backpedaling from what we reached; I asked protect ourselves from who? I wasn't given an answer but I knew later that the intended was protecting ourselves from the anger of the minister; what a costly price to satisfy the Minister.

I knew after the meeting what had really happened and led to this wording which we had previously signed on; that when it was presented to Minister Dr. Mahmoud Muhy Al-Deen, he was furiously angered and attacked the chairman of the holding company and refused to approve this estimation and decided to approve the other low estimation which was previously approved in the first bid and was carried out by a private office.

It is worth mentioning that eng. Yahya Hassanein was a Major General eng. And moved to the centre of preparing leaders for business sector till he became its manager; then he became a ministry deputy for business sector in the investment for financial and managerial affairs, then board manager and chief executive officer of Banzayon; he worked in the past for 1 1/2 years in the Kuwaiti premiership; he participated previously in estimating several companies and has an experience in this field.

### **People's Assembly and Omar Effendi:**

A number of members of parliament tabled urgent statements on the case of Omar Effendi deal; the People's Assembly referred the issue to the economic committee to discuss it; they pointed in their statement that selling Omar Effendi is merely a new episode in a series of wasting the public money in the so called privatization program which is considered the biggest process of organized corruption in Egypt since it began till nowadays, since Atef Obeid's government was dissolved, pointing that the company buyout is shrouded by mystery.

The People's Assembly rejected, in a heated discussion, and in a joint meeting of the committees of economy and plan& budget, forming a fact-finding committee, in the issue of Omar Effendi buyout deal.



### **The End:**

After presenting the complaint of eng. Yahya Hassanein concerning Omar Effendi Deal and the public interest and follow-up of the issue, the trade holding company presented a complaint to the Attorney General against eng. Yahya Hassanein, the chairman of Banzayon company and a member of the estimation committee, accusing him of leaking secrets and of slandering leaders and of spreading wrong information. For his part, eng. Yahya Hassanein, the chairman of Banzayon company said that he didn't accuse or direct an accusation against Minister Mahmoud Muhy Al-Deen or Hadi Fahmy, the chairman of the trade holding company, of profiteering from Omar Effendi deal, but he confirmed at the same time that they- the Minister and the holding company's chairman- exercised pressure on committees of selling Omar Effendi to facilitate stealing public money.

Whether the buyout process took place or it didn't take place, but the issue as a whole summarizes the method according to which the public sector is being sold while there is no real competition and also there is no transparency with a presence of favoritism for certain parties; this is not a charge against any one, but it is some kind of giving things their real names.

### **Attachments**

Statement of the Investment Ministry, issued on 5<sup>th</sup> March 2005

#### **Facts of Omar Effendi Company Deal**

Dr Mahmoud Muhy Al-Deen, the Invest Minister, has declared today, as a comment on some media and newspaper reports regarding talks on the deal of selling Omar Effendi Company and the false claims cited by a chairman of an affiliated company, that the Ministry will not involve itself in a groundless debate which is based on wrong information and punishable claims which has no factual or legal basis.

The Investment Minister added that the only measures followed while selling state-owned assets are those prescribed by the rulings of the law No. 2003 of the year 1991, and that the only estimation approved by the Investment minister is the one done by the committee formed as prescribed in article (19) of the law and which includes as its members a representative from the Central Auditing Organization a representative from the Finance Ministry and is headed by the deputy chief justice of the State Council. The measures that come after approving the estimation: opening tenders, choosing from among bids and talking on what is the best one, are carried out by committees under the supervision of the holding company as it is the owner of the sold assets. The Investment Ministry doesn't take part in the estimation or in the bargaining during these stages till it is officially presented to the holding company's general assembly which is headed by the investment minister with the attendance of the assembly's members and representatives of the Central Auditing Organization and state institutions and representatives of the company workers. The assembly has an outright freedom as prescribed by law to take the decision which achieves the public economic interest, including rejecting or approving the bid or offering the tender again.

As for the case of Omar Effendi company, the approved estimation was the one carried out by the committee created as prescribed by law on 1 October 2005, the only estimation presented to the company's general assembly; due to the fact that no official buyout bid has been presented to the investment ministry or the holding company's general assembly, the ministry has no comment on what is promulgated in newspapers and mass media, to respect the measures that should be taken; the ministry will be committed-in a similar case according to the system that it laid down- with promulgating the reports of the general assemblies on all mass media as soon as it is held.

Also, the minister added that that as the chairman of the affiliated company tabled a

complaint to the public prosecution with groundless claims which may trigger legal punishment when they are proved to be false, demanding holding an investigation with the chairman of the holding company and the Investment Minister, and the ensuing complaint tabled in turn by the chairman of the holding company to the public prosecution to investigate with the chairman of the affiliated company chairman on the lies in his complaint and on violating measures of his duty and the secrecy of measures, thus the case is now under the disposal of the public prosecution. The ministry- out of its respect to the authority, independence and unbiasedness of the investigation- refuses to intervene in the raised charges till issuing the Attorney General's decision regarding this. The Investment Minister confirmed that the claims and accusations raised by those who have interests are groundless and that they aim to achieve personal gains and this should be investigated as it poses a risk, not for a single buyout deal- but also for the credibility of the whole investment atmosphere; and the Egyptian people have the right of enjoying the returns of the increasing investment movement and the investors' interest in Egypt, something the ministry is concerned with protecting from these claims.()

### **The Big Customs Case**

On the other hand, the Egyptian authorities released ex-Finance Minister, Muhy Al-Deen Al-Ghareeb, according to the ruling of the Court of Cassation (the highest judicial level in Egypt), issued on 19-2-2004 of rescinding the ruling of the Criminal Court of convicting the minister and officials in the customs service and businessmen in the case dubbed "Big Customs Case". The Criminal Court and Supreme State Security Court (before rescinding it) sentenced the Minister to eight years and other punishments ranging between sentencing to 11 years the ex-chairman of the customs service and other prison terms to other defendants with a minimum of three years; thus, the ruling of the Court of Cassation rescinded all punishments against the defendants including relieving them of their posts and paying fines, and that the same court hears the trial of the minister and other defendants in the case dubbed "Big Customs Case"; however, Al-Ghareeb refused to give any statements regarding the case or its details and those who involved him, declaring that time is still not appropriate; then who will unveil truth for the Egyptian people? If he was exposed to injustice, who did this against him? If he is convicted, then who are his accomplices and who is the one who released him?

### **Corruption of Governors**

The Court of Cassation, the highest judicial level in Egypt, issued a ruling on 28-4-2004 of acquitting ex-governor of Giza AbdolHameed Hassan in the case of ill-gotten gain that led to relieving him of his government post. The ruling finding indicated that " the law of ill-gotten gain assumed conviction in case the defendant failed to prove the cause of increase in his money, violating the axiom stipulated by the constitution that "the man is innocent till he is proved the to be opposite". The court rescinded the ruling convicting the governor and his wife and two sons after 18 years of hearing the case which dates back to 1987 when the Administrative Control Authority tabled a complaint to ill-gotten gain service that the wealth of Abdol-Hameed Hassan has grown so much (L.E. 99000) while assuming the post of Giza governor, posing the question of where is transparency and who was behind this? On the other hand, the Egyptian Court of Cassation upheld two rulings of the Supreme State Security Court before rescinding it and the Criminal Court in the "Big Bribe Case" which were issued against the ex-governor of Giza, counselor Maher Al-Gindi and others he was a close friend to an ex press leader and both appeared on TV on a famous TV show "TV with Samir Ragab"; both courts sentenced him to seven years in prison for convicting him of taking L.E 1.5 mln bribe in return for selling a piece of land to an investment company in sheer violation to prescribed systems and rules.

## **The Case of Misr Exterior Bank** **Ex NDP leader Abdalla Tayil**

This case involves 18 defendants including businessmen and top officials in "Misr Exterior Bank" who were accused of taking L.E 272 mln from the bank money and refused to pay them back and some of them escaped to outside the country.

The defendants of this case were topped by Abdalla Tayil, the ex-chairman of the bank board and former chairman of the economic committee in the People's Assembly (Parliament); the bill of indictment a number of bank leaders in addition to a number of well-known businessmen.

In a speech with which counselor Farid Nasr, the chief Justice, started the session, before declaring the ruling, he said that the court was holding its sessions in mornings and evenings out of its interest in achieving justice rapidly and to acquit those innocent persons among the defendants, pointing out that the bank work requires flexibility but what must be taken into consideration is accuracy, caution and caring for the public interest not the private interest; however, a few staff members in banks considered them bounties and ways for gains even if these ways are illegal; he appealed to officials to scrutinize while picking up bank leaders so that integrity and honesty are prerequisites and they are investigated with different methods.

### **Details of the Rulings:**

After investigations that took more than one year, during which the prosecution heard testimonies of more than 100 witnesses from among the bank officials, in addition to testimonies of dozens of officials from other banks, topped by the governor of the Central Bank; the facilitations were more than L.E. 272 mln; the Criminal Court sentenced Abdalla Tayil to ten years in prison, and businessman Tayssir Al-Hawari to seven years in prison, and businessman Mahmoud Ali Bedair- the bank's deputy chairman- to three years, and Mohamed Abdol-Razeq- the bank's general manager to two years.

Also, the Court sentenced six defendants to one year: Mohamed MOstafa, a consultative engineer, Abdol-Monim Hosni Khalil, the bank's legal consultant, and fugitive businessmen: Mohamed Abdol-Wahab Qota, Mohamed Tayssir, Mohamed Anwar Al-Jarhy and Abdol-Raheem Samak. The court sentenced three defendants to one year under suspension: businessman Hassan Al-Gayar and the two legal accountants Osama Yahya and Hisham Abou Al-Ghar; the court acquitted a number of businessmen of all charges against them: MP, Abdol-Wahab Qota and Magdi Yaqub Nasif, in addition to fugitive businessmen Sobhy Yaqub, Hisham Abbad and Trek Abbad.

Tayil remained chairman of Misr Exterior Bank for five years which ended in the wake of entering parliament after 2000 election and he was on slate of the ruling National Democratic Party and he was assigned then with heading the economic committee, although domestic newspapers published many reports that prove his involvement in corruption incidents.

### **The Case Facts**

In September 2003, within the so called (white hands) campaign that involved ministers, governors and top officials, the Supreme Public Funds Prosecution in Egypt investigated with Abdalla Tayil, the head of the economic committee in the Egyptian People's Assembly in the light of two complaints tabled against him by the Administrative Control Authority and public funds police about grave violations that he committed while heading the board of Misr Exterior Bank, leading to wasting public money and facilitating taking it in an illegal manner; the prosecution imposed then a travel ban on him and prevented him from dealing with his money or his family's; the prosecution accused Tayil of several charges including: giving a number of businessmen loans without guarantees and they refused to pay them back on due time and Tayil considered them bank debts; also, he gave the Construction Projects Company- in whose capital his sons Fakhri and Foad participate- loans up to L.E. 20 mln, violating the directions of the Central Bank; also, the prosecution investigated with

him on his giving **Credit** facilities up to millions of pounds to four businessmen, without sufficient guarantees or with fake ones.

Dr. Ahmed Fathi Sorour, Egyptian Parliament Speaker, approved the demand of lifting immunity on Abdalla Tayil, after he received a demand regarding this from the Attorney General to complete the investigations which the prosecution was holding then about charges that Tayil gave, while heading Misr Exterior Bank, loans to a number of businessmen without sufficient guarantees and also for giving loans to a company in which his two sons are shareholders.

The incidents of the case which triggered lifting immunity from Tayil dates back to years ago, particularly in the previous parliament, when he was allowed to give his testimony before the prosecutions, these incidents were denied by Tayil that his son is just a shareholder in the company with just L.E 100 000,; he also refused to sign on the loan of this company; these are the incidents that led to his conviction.

### **Fifth: Corruption in Egyptian Media** **Who Corrupt Egyptian Press, Ibrahim Nafea or the One who Appointed him for ever**

On 31 August 2005, Elosboa newspaper accused Ibrahim Nafea, one of the most prominent figures in Egyptian Press sector, of involvement in a corruption scandal; Nafea, who was chairman of Al-Ahram press group- the biggest in Egypt- denied to Agance France-Press Elosboa's accusations. According to Elosboa, Nafea was receiving a salary up to L.E. 3mln (\$.5mln) and he was receiving huge sums of money as suspected profits.

Elosboa accused him of receiving a daily commission up to L.E. 83000 (\$14000) from the revenues of advertising and distribution of Al-Ahram which he headed for 26 years. The newspaper confirmed that Nafea transferred L.E. 400 mln (\$70mln) to his personal account before replacing it last July; also, it published details of the illegal transfer with documents supporting the accusations.

According to Elosboa, Nafea was celebrating his birthday every year in Al-Ahram HQ and the celebration expenses were L.E. .25 mln (\$43000); Nafea responded saying that Al-Ahram refuted these accusations twice in the past, and that it has documents that prove that the accusations are groundless?. The state-owned Al-Ahram newspaper sells 600000 issues everyday, the best selling in Egypt, and employs 10000 persons. Nafea was relieved of his post within framework of a structural reassignment process on official mass media.

### **Ibrahim Nafea and corrupting Al-Ahram, the oldest Press Institution in the Arab World**

The government did injustice towards the national newspapers by insisting that they become mouthpieces of the government, instead of adopting the nationalist approach that can contain all the political spectrum; it also did something wrong when it ignored law and kept the ex-chairman of the board and editor-en-chief of Al-Ahram for 11 years heading the institution with a blatant violation to the law that prescribes sending him to retirement starting from January 1994; with this violation, the government gave a bad example that encouraged that persons and others to violate law; also, the government committed something wrong when it left him do whatever he wants concerning financial matters and left him attack his opponents, being satisfied that he devotes the newspaper for propagating and justifying what the government does.

I expected that the former chairman of the board and editor-en-chief would give a detailed account of what he received from Al-Ahram institution including salaries, commissions, allowances, fees, incentives and profits during the period in which he headed the institution and violating law from 1994 to 2005, to respond to the financial violations that Elosboa raised and attributed to him. But he didn't do so, making people accept what this newspaper raised. There is a huge difference what the great journalist Mohammed

Hassanein Heikal did when he promulgated the details of his revenue from his career as a journalist in Egypt throughout his career history with a high degree of transparency, and the blackout that Ibrahim Nafea imposes on the overall revenues he was receiving from Al-Ahram and the conflict in his personal information; for example, he told an independent newspaper dedicated to defending him that what he received was L.E 100000 every month; he said in the same newspaper in an interview with its editor-en-chief that he was paid L.E 200000 per month; however, after leaking the report of the Central Auditing Organization that points that he was paid some L.E. 2.73 mln and \$ 166.200, a total of about L.E. 3.56 mln in 1994, then the minimum of the salary and the likes that he received was L.E. 296000 per month!!.

Even if we approved the salary and its likes referred to in the report of the Central Auditing Organization, not what is mentioned by a weekly newspaper that follows up his financial integrity and running Al-Ahram, there is a stunning sign of lack of justice and brutality of the craze for gathering money at the expense of the staff, administrative workers and journalists; this salary and its likes is 2000 times more than the salary of a university graduate working in the government service, and 600 times more than the starting salary of journalist in Al-Ahram institution and the likes for a worker in the government sector; what a justice!!!. By the way, US president's annual salary is \$400000 (L.E. 2.3 mln), L.E. 191000 per month; this means that he is poor when compared with the former editor-en-chief and chairman of Al-Ahram board who receives L.E. 296000 a month and is poor when he is compared with Hassan Hamdy, the general manager of advertising and Al-Ahram Advertising Agency, L.E. 274.400 a month, according to the stated report; while the monthly salary of Huda Awadalla, a general manager of the advertising accounts during Ibrahim Nafea's era, is L.E. 166000, and the salary of the general manager of commercial advertisements and issues, Mohamed Mohammedein, was some L.E. 105000 a month. Actually, the salary of an employee of those ordinary persons who have no special positive talents, is dozens of times more than the salaries paid to the great writers who have been working in Al-Ahram for four decades, creating the glory of Al-Ahram and add more public interest and culture; this public interest is a key factor in attracting ad. owners to publish their advertisements in the newspaper.

The disorder in distributing revenues in Al-Ahram institution stems from categorizing the institution managements, as it is divided into service management and production management, making the management believe that the so called service management receives their revenues from the so called production management. The commercial ad. management and Al-Ahram advertising agency are on top of the production management. Actually, giving an end to corruption in distributing salaries and the likes begins with ending these unreasonable categories, because the main product of a press institution is press; hence, the journalists producing it are the productive pillar of the institution.

With full appreciation to colleagues in the ad. management, but the advertisements come to Al-Ahram and any other newspaper because it is a newspaper created by journalists and has readers whom the ad. owners want to reach through their advertisements, not because it is an ad. leaflet. In addition to this general status for all newspapers, the historical background of Al-Ahram as a newspaper, allows it to a huge number of classifies ads, obituaries, commercial ads and budgets published by ministries, economic bodies, public sector companies and foreign and Egyptian big private companies, sometimes without exerting any effort and sometimes with a limited effort, because the status of Al-Ahram as a newspaper makes any institution allocating a budget for advertisements seeks to advertise on Al-Ahram and its issues, more than Al-Ahram seeks this for itself. If the advertisements come to an advertising issue full independent from the newspaper and its issues, then we would say that they are due fully to the efforts of our colleagues in the advertising management.

As for the work in Al-Ahram Advertising Agency, it is due mainly to the efforts of its workers, and the product of its work depends on the extent of their efficiency and integrity,

although a huge part of its reputation and influence stems from the historical background of the great press institution of Al-Ahram. But the vast majority of those working in the advertising section are paid ordinary salaries, while the super-salaries are paid to the aforementioned persons and to a limited number of those who are paid constant commissions regardless of the advertisements that they bring; this is based on the corrupt rates system- laid down by the former editor-en-chief and chairman of the board of Al-Ahram- which caters to slackness and the laziness, and it must be rescinded immediately. Any appreciated system for payments is based on a presence of a minimum level for the salary and a maximum level for it, in a way that guarantees motivating to work and be creative and to be fair at the same time. This system isn't found amid the craze of collecting money adopted by the current payment system, particularly in the institutions whose chairmen of the board give a priority to their regulations other than law; these regulation allows them to feel at ease while violating law for stealing public money. Also, the payment system has a key rule called hierarchy, that is the superior employee must receive a salary more than the lower employee; thus, how can the salary of a female or male employee in the state-run institution of Al-Ahram be more than the salaries of the cabinet which is in a higher level and the president himself who is considered the most senior government employee in Egypt?!

Back to chaos in Al-Ahram management, the former chairman of the board predefined biased criteria for the classified and commercial advertisements and to Al-Ahram Advertising Agency, to define the relation between the fees of the classified and commercial advertisements and the Agency and revenues. According to these criteria, the fees of the classified and commercial advertisements shouldn't be more than 20% of the actual revenues. As for Al-Ahram Advertising Agency, its fees shouldn't be more than 80% of its revenues. Although these rates are overestimated in the classified and commercial advertisements and to Al-Ahram Advertising Agency, but they were exceeded by huge sums of money which may led to the deterioration of the financial status of the institution, and constitute a blatant waste of public money, on which a probe should involve the former editor-en-chief and chairman of the board of Al-Ahram, not only the country which left him to do this without a crackdown.

Figures of the last 11 months in 2005 point that the payments of Al-Ahram Advertising Agency during this period were about L.E. 289.48 mln while its revenues were about L.E. 304.6 mln; this means that the rate of payments to revenues was 95%, with L.E. 45.7 mln increase more than the maximum level of payments allowed to the Agency, this equals more than five months of payments to all workers in the institution. This means that there is an L.E. 4.154 mln increase in the monthly expenses of the Agency; this means L.E. 5000 per capita every month due to this violation. This financial surpassing was sufficient for raising the monthly average income of all staff, administrative workers and journalists in Al-Ahram institution by L.E. 412 plus the current monthly income during the 11 months in which the violations were traced.

Concerning the commercial and classified advertisements, the figures of the 11 months of 2005 show that the expenses reached about L.E. 454.28 mln; this means that the expenses reached %25.3, surpassing the allowed expenses ceiling with about L.E. 24.1 mln, L.E. 2.19 mln every month. All this surpassing took place during the first half of 2005 as incarnation of the state of disorder that prevailed in the era of the former chairman of the board, as the rate of expenses to revenues was %27.4 during this period.

As for end-of-year presents, it is another disaster that shows the extent of foolishness in wasting public money. Justifying the end-of-year presents which I personally consider as bribes which must be eliminated, we were informed in Al-Ahram board that the item of end-of-year presents during the era of the former editor-en-chief and chairman of the board, reached L.E. 106 mln, some 265% of the overall end-of-year incentives and profits which were distributed in the same year on all workers in Al-Ahram institution that employs more than 10000 persons.

There was no transparency regarding these presents, rising suspicions around distributing presents of such a sum of money at all, and raising suspicions also that a key part of them was stolen; in addition to this, these presents with such a stunning size are blatant corrupted and corrupting bribes; there will be no real overhaul in the national press without eliminating it as a whole and tighten legal punishment against those giving or receiving it, especially workers and officials in the government service and public institutions. The executive, legislative and judicial authorities should work on banning such a corrupted and corrupting item in the financial dealings of the press and public institutions and the economic bodies and the public sector. What is strange is that these huge presents were distributed in a year the institution suffered from large losses due to mismanagement; there is no logic, conscience or accountability towards the wasted public money?!

To discuss another item regarding wasting public money, there are the appendices which the former editor-en-chief and chairman of the board ordered issuing them before he was fired, the first of which was the educational appendix supervised by Nadia Gadou who was working as a secretary in his office and surprisingly and without any preparation, as he is close to the

end of his service as chairman of the board, a post he occupied without any legal basis, he appointed her as head of this appendix without her showing any press talents, and surpassing all educational experts like Labib Al-Sibaei, Alaa Thabet, Mohammed Habib and Ayman Al-Mahdi and others. This method of treatment in the institution calls into mind the treatment in a private estate. Regardless of this, figures show that this appendix cost some L.E. 7.6 mln in the first ten months of 2005, apart from the expenses, commissions and petty cash, and the overall amount of publication orders cost some L.E. 2.11 mln, and that the overall revenue in the same period was L.E. 1.12 mln; taking into consideration the publication orders, this appendix lost about L.E. 5.45 mln during this stated period, about %72 of its cost. Taking the expenses into consideration, this appendix lost about L.E. 6.43 mln in the stated period, L.E. 643000 monthly loss on Al-Ahram institutions; was the government behind this loss, or it was the former editor-en-chief and board chairman?

As for the weekly specialized pages "The Other View", they were headed also by a secretary to the former editor-en-chief and board chairman who gave these two page to woman who hasn't shown any press talents before, making people consider his decision of giving them to her as just a favoritism at the expense of the institution and its workers, a decision miles apart from the logic of keeping the public money.

The two pages cost, during the first two months of 2005, about L.E. 1.6 mln apart from the commissions, direct and indirect expenses and petty cash, while publication orders cost some L.E. 1.3 mln and the revenue was L.E. 0.67 mln; this means that the losses reached %21.5 of the cost if we counted the cost of the publication orders, while it- the loss- reaches %57.9 if we counted the revenue, which is the more close to reality.

What is strange is that the current editor-en-chief is the one who protects these two appendices claiming that they are two editorial appendices and violating them means violating his authority as editor-en-chief of Al-Ahram, ignoring the grave harm on Al-Ahram institution and its workers due to maintaining issuing them although they are an incarnation of the managerial failure.

As for the appendix of "the economic newspaper", which has been recently stopped, the former editor-en-chief and board chairman ordered issuing them just before he was fired. This appendix cost, in six months since it was first issued till late October 2006, some L.E. 6.75 mln apart from the commissions, direct and indirect expenses and petty cash, while publication orders cost some L.E. 1.34 mln and the revenue was L.E. 0.94 mln; this means that the losses reached about %80 of the cost if we counted the cost of the publication orders, while it- the loss- rise to %86 if we counted the actual revenue, of the cost of issuing the appendix; was the government behind issuing this disastrous appendix, or it was the former editor-en-chief and board chairman?

What is funny is that Al-Ahram institution coined, during the era of the former board

chairman, the name of incentives and expenses for paying the advertisement commissions for the journalists who violate article (32) of the press law and bring in advertisements, a kind of twisting law may be justified by bad intentions and corrupted press conscience. This coinage wasn't for justifying paying some journalists commissions for bringing advertisements, in violation to law, but the former editor-en-chief was the first one who benefited from this; the notes of the Central Auditing Organization show that starting from early 1991, Nafea made an amendment on a former decision to be able to receive the same commissions paid to the general manager of Al-Ahram Advertising Agency and the commercial advertisements, these documented commissions were some L.E 755000 in 2004; the Central Auditing Organization pointed that this violates article 32 of the Press Law. The editor-en-chief who is the chairman of journalists should have been a role model for journalists regarding respecting law, but he set law aside for the sake of personal gains at the expense of the money of the institution and its workers. Was the country the one that committed this violation and harmed the institution and its workers or is it the craze of stealing public money that dominated the former editor-en-chief and board chairman of Al-Ahram?!

Also, the report of the Central Auditing Organization shows that a crucial part of Ibrahim Nafea's income wasn't added to his tax base; this simply means that he was evading taxes; was the country the one that instigated him to do this too?!

If the country and its services committed something wrong, it is being silent before Ibrahim Nafea's long-lasting violations, causing grave damages to the great institution of Al-Ahram and its workers. It is something good of Safwat Al-Sharif, the Shura Council Speaker and the Supreme Press Council, that he complied to law and responded to demands of journalists and fired board chairmen and editors-en-chief who surpassed retirement age, thereby opening their thorny financial files after giving access to some data concerning their financial dealings.

What is strange is that Ibrahim Nafea who carries the card of the Press Syndicate and was its chairman for long periods of time, ignored the interests of all journalists- seniors or juniors- for the sake of a group of those who received unreasonably huge salaries, allowances, commissions, bonuses and incentives in a way that violates law. The Central Auditing Organization reported this; while the vast majority of journalists are paid limited incomes, driving many of them to seek an opportunity of traveling abroad or part-time in a foreign or Arab newspaper or in TV or radio media.

Ibrahim Nafea left a heavy legacy that paralyzed the giant Al-Ahram institution and caused grave losses to workers inside it, but this institution heads towards financial recovery, on condition of eradicating the remaining dens of corruption in the institution and bringing them to justice, amid a management that works hard and races time to restore the financial capacity of the institution, although the editorial policy in its most important issue, Al-Ahram daily, needs an overall overhaul because it is still confined to an infamous past, an issue which needs studies and essays for it alone. The uprising of the workers in the giant Al-Ahram institution- whatever their positions are- will certainly guarantee its recovery on all levels soon after eradicating corruption and its destructive repercussions.

**[As for the story of Intergoup, and Ibrahim Nafea's writing columns to justify jailing journalists and imposing disabling punishments against them, \(\)](#)**

### **Abdol-Rahman Hafez from Maspiro to Media Production City**

The supreme public funds prosecution ordered on 12-11-2005 jailing eng. Abdol-Rahman Hafez the ex-chairman of TV and Radio Union 15 days pending investigations that the prosecution was holding with him.

The prosecution accused him of stealing public money, ill-gotten gain and causing voluntary damages to public money. Also, the prosecution continues its investigations with businessman Ihab Talaat for his involvement in the same case on a complaint filed against



them by the Information Minister Anas Al-Fiqi for their committing a series of financial violations. The prosecution started investigating with them on Saturday afternoon till late at night. The charges against Abdol-Rahman Hafez include deception to reduce Ihab Talaat's debts to the TV and Radio Union, L.E. 48mln, and facilitating the takeover of two companies to rebroadcast the Egyptian satellite channel and causing damages to public money. A decision was issued to seize the money of Abdol-Rahman Hafez and businessman Ihab Talaat and preventing them, their wives and children from doing anything with their liquid money, movables and real-estates.

### **Violations of Abdol-Rahman Hafez according to Administrative Supervision Institutions**

The violations of Abdol-Rahman Hafez while he headed the TVRU included the case of the contract between the union and a company responsible for the rebroadcast of the Egyptian satellite channel in Latin and North Americas, without carrying out the required studies; this led to forcing the union to pay sums of money up to \$8.18 mln during the contracting period and not receiving the value of subscriptions stated in the contract, in contradiction to regulations and general rules of the union, thereby wasting the union's money and resources.

#### **Lenient Contracts**

Also, the Information Minister referred another memo to the Attorney General, demanding investigating with Hafez in the violations that he committed that he committed while heading the Media Production City as he conceded, through a direct order, to an advertising agency the contract of using spaces for advertisements on local channels, and giving this agency concessions and facilities as compliments and inking a number deals of co-production for soap-operas with overestimated sums of money as a deception to decrease the debts on the agency, up to L.E 48mln.

Also, the minister demanded investigating in an incident in which Abdol-Rahman Hafez was paid illegally L.E 3.2mln through his ordering writing fake memos of paying rewards to a representative of an Arab TV channel and some officials so that he takes them in violation to law and regulations.

An official source in the Information Ministry told [Elosboa](#) that referring Abdol-Rahman Hafez to the prosecution is within framework of the state's general approach of unveiling spots of corruption and not to cover up harming the society's interests or wasting public money and to abide by transparency in the government performance; this is carried out to preserve the interests of the share-holders and the lots of people who deal with the media bodies and the companies affiliated to them.

#### **Late Decision**

On the other hand, sources in the Media Production City confirmed that the decision of referring Abdol-Rahman Hafez was so late, as it should have been issued several years ago, after corruption spread in the City and its shares collapsed in the stock exchange to the extent that the share price dropped from L.E 70 to L.E 7 due to the economic losses that befell the City.

#### **Advertising Giant**

The sources said that the register of eng. Abdol-Rhman Hafez is full of violations that he committed within eight years in which he topped the management system of the City and the supervisory institutions managed to document dozens of violations foremost among which is his collaboration with the advertising giant Ihab Talaat whom he gave concessions denied to other rivals as he gave him the right of partnership and production of soap operas in the method of executive producer in ways lacking transparency and contradicting

with established financial and technical traditions, and with overestimated sums of money as a deception to decrease the debts on the agency, up to L.E 48mln.

A report of the supervisory institutions studies another violation committed by Hafez through changing the deposits of the Egyptian Media Production City to buy shares in the stock exchange for L.E. 28mln under pretext that they must receive a quick revenue, thereby causing grave losses to the City whose debts rose to some L.E. 3bln, forcing the City officials to sell the shares of the City itself to compensate for the money with which they bought shares of other companies, as shares up to L.E 19mln were offered in the stock exchange to provide liquid money to spend on the City and welfare of its officials.

There is another violation documented by the official reports of the Central Auditing Organization related to appointing wife of the City's former chairman as a manager of the international relations body with a huge salary. The reports confirmed that in spite of her ill health that prevented her from being there continuously in the past two years, but she wasn't subjected to administrative rules that state giving her half her salary due to her repetitive sick-leaves.

### **Family chauffeur**

The blatant violations picked by the supervision reports include also the state of expenditure and luxury which was led by the chairman of the City and his top aides during all these years to the extent that he allocated a luxury 604 Peugeot car for every official employing two drivers, one for family affairs and the other for the official's movement. These apparatus picked also a violation related to the increase of the City's management structure, reaching 2000 employees paid more than L.E 1mln; some them were paid overestimated salaries up to L.E 100000 per month.

The report of violations shows also wasting public funds by the chairman of the City in holding birthday parties and celebrations funded by the City; also, some actors and actresses were given compliments and advantages which they didn't deserve; the sources point to his blatant compliments to Syrian actress Jomana Murad who he patronized and poured so much money from the City's budget and obliged all producers to include her in successful soap operas and movies under pretext of signing a monopoly contract with her; what added fuel to the fire was that he allocated a car with its chauffeur for her movements from among his three cars; this treatment made this quasi-celebrity above law as she was treating the acting staff with haughtiness and no one dared argue with her because she is backed by the City's chairman!!.

The report of the supervisory services spotted also a blatant violation related to hiring a colleague journalist as a media advisor for the City for L.E. 10000 a month, in addition to allocating a car for him; the sources point that the colleague journalist was paid such a salary for publishing propaganda and advertisements in the newspaper in which he is working.

### **Service of Illusions**

The report of the supervisory spotted also establishing an institution which Abdol-Rahman Hafez called "International Cooperation Service" headed by Nabil Osman, the former chairman of the information institution; the main aim for establishing this service was wooing the foreign producer and propagating for cinematography in Egypt and the Media Production City; although it was founded two years ago, but this service hasn't achieved anything although many delegations visited Egypt including "Cleopatra" movie delegation which the City paid L.E 500000 for bringing it on a private jet and for its residence in Winston Churchill's suit according to their request; also, the international director John Hayman the director of Nefertiti who visited the City to agree informally on producing a film in return for being hosted by the City for three days in addition to the flight tickets which the City's budget paid too. Nevertheless, nothing has happened yet, regarding carrying out of the abovementioned projects confirming that public funds were wasted. The spotted

violations include also violating the decisions of the higher committee formed by ex-information minister Safwat Al-Sharif in 2001 to lay down criteria for the production process after the chaos that spread after introducing the executive producer in producing soap operas; this committee included heads of the official production sectors; after intense meetings the bylaw No. 80 of the year 2001 was issued containing 21 items foremost among which is not allowing any producer to make a contract on two works in the same year and not allocating the production task to producer having kinship relations with officials and that the production hour doesn't exceed L.E. 150000; however, these decisions were violated, as the censorship spotted clear violations committed by the chairman of the City; this included his facilitating giving more than one producer five works for each every year, for a production hour up to L.E 280000.

### **Magic Land**

On the other hand, the sources pointed that Abdol-Rahman Hafez committed blatant violations while heading the City; these violations include the collapse of the financial status of the City of the share price collapsed to the extent that the management depended on the revenue and tickets of Magic Land entertainment city and the revenues of the International Academy for Media Sciences where an Egyptian student's fees are up to L.E 17000 annually and \$6000 for a foreign student. These revenues became the main source for paying salaries of the City workers. The prominent violations spotted by the supervisory services include also Abdol-Rahman Hafez's abuse of his post as chairman of the City through seeking to owe a company of art production and distribution based in the free zone of Dubai emirate with a capital up to \$50mln registered in the name of his son Mohamed Abdol-Rahman Hafez.

The reports confirmed that Abdol-Rahman Hafez bought this company in the wake of his heading the City and registered it with the name of his son Mohamed, then he resorted to approving the issue of premiership for all works that the City produces through his son's company there, the secret behind watching a bulge of soap operas monopolized by Dubai channel having the label "exclusive"; this remained for several years when Dr. Mamdouh Al.Biltagy assumed the Information Ministry portfolio and ordered rescinding this principle and stressed that the premier debut is the right of the Egyptian television.

Hafez' spotted violation include also bring close to him a number of leaders in the City, and forming a network with the aim of personal interests only, in clear violation to the law; those will be interrogated during the coming days in many violations, including Salah Shalaby, the former chairman of the production sector and main aide of the City chairman; he left the production sector after the notes of the supervisory services against him; however, Hafez defied all and appointed him chairman of the sector of commercial affairs in addition to supervising over production to receive thousands of pounds in bonuses and allowances in addition to his huge monthly salary; there is also Emad Abdalla, the current chairman of the production sector whom Hafez hired to become, in spite of his young age, the most important party in the production operations carried out by the City in partnership with the executive producer; this led to putting his name to lead names on artistic works carried out by the City being a production supervisor in return for L.E. 50000 for every artistic work...this led to increasing his fortune that reached millions; there is also Hosam Shawqi who was working as a little public relations employee while Abdel-Rahman Hafez was heading the TV Radio Union; when Hafez let the Union, and was spared all the time for heading the City, he accepted that he is delegated to work at the beginning in the secretariat of the City chairman; within a short period, he managed to attain the confidence of Hafez who appointed him chairman of the Arab marketing stunning the City workers; the sources show that this employee's fortune increased and that he owned a villa in Sheikh Zeid city.

There is also Maha Selim who worked at the beginning as a private secretary for the City's chairman with a monthly salary of L.E 350; Hafez appointed her head of staff of his office,

then chairperson of the ad. management; this female employee succeeded in a short period in becoming a millionaire through brokering and involvement in subcontracting deals with the executive producer of the City; Maha was also the link between Abdol-Rahman Hafez and Ihab Talaat and remained for a long period responsible for the corruption-riddled file of the advertising company with the Media Production City.

It is worth mentioning that Saiyed Helmy, the current chairman of the City, relieved Maha of her post last week after it was confirmed that she is involved in many corruptions and violations.

However, there are a number of honest people who fought and rejected this corruption topped by Hamed Salah who gave a down-to earth example honesty on public funds.

To sum up, the explosion of the time-bomb of Abdol-Rahman Hafez seemed to have been delayed till after the end of the elections, or it has exploded abruptly to leave to many aides a thorny and long road to flee, and they may not reach the end because the case is like a domino effect, the fall of one will lead to fallings of others so that Hafez' bomb triggers explosions of bigger and smaller bombs; there is also a contemplation over what Hafez will say in the investigations, specially if he decided to destroy the temple over all.

Will we expect heavy surprises in the investigations like mentioning other names? Reaching Mohamed Al-Wakil, Abdol-Rahman-Hafez and then a number of former and later editors-en-chief of the national press institutions. These are regime-sponsored questions and crimes, which trigger questions and accountability.

#### **Sixth: Corruption in Egyptian Oil Sector**

The Attorney general referred 16 suspects- oil sector leaders, owners of some private oil companies and officials in public oil companies topped by chairmen of both public sector oil companies Petrojet and Karon- to the criminal court. Abdol-Wahid said in a press conference held in his office in Cairo: " this case is one of the biggest corruption cases in the country in 2004 and the public prosecution pursues corruption inside and outside out of its responsibility for achieving justice" adding that "the five leading suspects in the case received bribes from owners of private oil companies to violate their duties and abused their leadership posts to achieve private gains up to L.E. 205mln."

"The ill-gotten gain service was notified regarding them to investigate into the sources of their huge fortunes and to maintain keeping their money and the money of their wives and minor sons" he pointed, indicating that the public prosecution is watching the suspects inside and outside and no one will manage to smuggle anything outside the country"

For his part, counselor Hisham Badawi- a public lawyer in the supreme state security prosecution said: " the first defendant- eng. Hosni Gaballah- was caught red handed on 17<sup>th</sup> June 2004 in the autostrad road while receiving a huge bribe from the fourteenth defendant, Hamad Said Taha the owner of a private oil company, previously known by the administrative control authority" ( )

Investigations run by Sameh Abou Zeid, Khaled Al-Shalaqami and Hany Hamouda revealed that " the top five defendants were receiving monthly pays from the briber suspects since 1995, in return for approving paying the allocations of the owners of the companies and giving them some projects without following the procedures prescribed in this regard. They also demanded the other defendants- being bribers and brokers- to renew contracts and not to delay their allocations and to facilitate their work and give material import operations to these companies and to ignore that these private companies lag in carrying out the items approved in the contracts inked between these companies and the oil companies hiring the top five defendants".

The Attorney General accused the defendants of "demanding and receiving bribes as public employees, to do jobs violating their job duties" enclosed with case are investment certificates found in the house of the first defendant and very valuable jewelry and huge sums of money.

11 defendants of the bribers and mediators admitted involvement in the case and the

prosecution released them with L.E 20000 financial warranty on each defendant. In the "Oil Ministry's bribe case" that involved 16 defendants including board chairmen of top oil companies, Cairo's Criminal Court sentenced, on 10-6-2004, Hosni Gaballa, the board chairman of Gabal Al-Zeit company, to 29 years and L.E. 300000 fine, Munir Abdol-Hameed Al-Awadi, board chairman of Qaroun oil company to 60 years and L.E. 970000 and Ali Mohamed Mostafa Al-Sayed, the security official of Roun company to 10 years and L.E. 300000 fine; and it sentenced to five years and fined L.E. 70000, Ali Said Mahmoud Al-Sayyed, the manager in Badr Oil company, and sentenced to 13 years and fined L.E. 110000 Salah Abdol-Wahab Solaiman, an engineer in Qaroun company, and sentenced to five years Ali Ahmed Salah Sayyed, an employee in an oil services company; the court acquitted the other defendants- ten- mostly businessmen and owners of companies for invoking the text of article 107 of the penal code for admitting to mediating in the bribe.

### **Big Antiquities Case**

Cairo's Criminal Court issued on 29-4-2004 its ruling on "Big Antiquities Case" which involved 31 persons accused of smuggling antiquities. The ruling sentenced the main defendant in the case, the Giza's National Democratic Party secretary, to 35 years and fining him L.E 30mln, \$47mln and 330000 Euros and sentenced the top antiquities inspector in the region of Qarna- west of Luxor- for 20 years and sentencing the chairman of the central management of investment authority to 7 years; the ruling sentenced also two Colonels, and sentenced 18 defendants to 15 years. As for foreign defendants-all are fugitives- three Swiss, three Germans, a Lebanese, a Canadian and a Kenyan, they were sentenced in absentia to 15 years in prison and fined L.E. 50000 on each one of them. In the same context, a team of the public funds prosecution raided palaces in Giza's Haram region and found thousands of antiquities that are dated back to the pharaoh, Ptolemaic, Byzantine and Ottoman dynasties most of them are made of pure gold and are hidden in hideouts in these palaces which belong to three brothers who have a relationship by marriage with the first defendant in the "big antiquities case".

### **Corruption in Agriculture Ministry**

Cairo's Criminal Court witnessed a new chapter of the "big corruption case" whose happenings took place in the Agriculture Ministry and agricultural stock market; after his absence for three sessions and his confirmation that his "attending to give his testimony won't be useful for the course of the case" and after the chief justices demanded the Attorney General to take the measures necessary for lifting his parliamentary immunity, deputy prime minister and agriculture minister Yousof Wali appeared before Cairo's Criminal Court in its session held on 1-3-2004 to give his testimony and to be discussed in the "big case of corruption in the agriculture ministry" which involved 21 defendants topped by the ministry's second man in command, Yousof Abdol-Rahman and the advisor in the agricultural stock market, Randa Al-Shamy and other officials in the agriculture ministry, the stock market and agricultural development bank. The Attorney General directed 32 charges to the defendants including bribery, power abuse, ill-gotten gains, voluntary harm to public funds, forgery, stealing public funds in addition to importing internationally banned cancerized agricultural pesticides within the period extending from 1997 till August 2002, the date of referring them to investigation. The Agriculture Minister focused, in his testimony before the court, on the fact that there is no pesticide that may lead to cancer or renal failure in the field of agriculture, and that the reports of the technical committees confirmed that the crops are safe and sound, and that his ministry didn't import any pesticides from abroad since starting investigations in this case and confirmed that Egypt hasn't used any harmful pesticides since 1982 till now.

In another context, apart from the "big corruption case", the Administrative Control Authority managed to arrest on 15-3-2004 counselor Ahmed Fathi red-handed receiving L.E. 1mln bribe as first part of the whole sum of bribe that he agreed on it with the owner

of the village of "European Countryside" for allocating more agricultural lands to the village. He was accused of demanding and receiving a bribe in return for violating his duties".()

**Corruption in the Culture Ministry**  
**The Cultural Institution, even Culture didn't Survive!**  
**Years of Accumulating Negligence and Fires**

In 1969, the then Culture Minister, Dr. Tharwat Okasha, issued his manifesto and book "Cultural Policy in Egypt"; however, since early 1980s and mid 1980s when Minister painter Afrouq Hosmi, assumed office trying to restore this concept of "cultural policy" with promises of patronizing inventiveness and activating cultural movement, and although the man assumed office without approval of top intellectuals, he is still in his post. () but, with the passage of time, we discover that there is no cultural policy in Egypt, which was described as a cultural circus by a Moroccan writer who was educated in it and appreciates it so much; it is certain that the circus has nothing but the policy of taming which is rejected by some and adopted by others. Thus, we can understand what Ahmed Abdol-Moti Hejazi when he said that "writing isn't OK"; this is what made the great novelist, Sonalla Ibrahim, reject receiving the prize of 2003 Novel Conference saying in front of attendees including the Culture Minister and Arab World intellectuals: The Arab writer is doomed not to ignore what is happening around him and the humiliation which our nation from the ocean to the gulf is facing and the aggression and corruption of the Israeli and US occupations along with the humiliating collaboration of the Arab regimes and governments in everything happening(....) We have no theatre, cinema, scientific research or education. We have festivals, conferences and a box of lies; we have no industry, agriculture, health, education or justice; corruption and looting spread and those who object are humiliated, beaten and tortured. The exploitative minority among us snatched from us the horrible reality; amid this, the writer can't shut his eyes and remain silent and can't leave his responsibility. I won't ask you to issue a statement that condemns and protests because those are no longer useful; I won't ask you to do anything because you know, more than me, what should be done. What I can do is to thank again my great professors who honored me by choosing me for the prize and I declare that I am sorry I won't accept it because it is issued from a government that- I think- doesn't have the credibility to issue it. Sonalla Ibrahim tried to move the stagnation surrounding us, or at least sound a wakeup call against the danger we are living with and deceive ourselves that we shouldn't pay attention to, i.e. corruption. Sonalla Ibrahim delivered his speech and went away; others should also deliver their speeches.

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The following study will shed light, in a big part in it, on the antiquities sector- the pharaonic or Islamic- for several reasons: this sector has been along decades stolen and looted; it sometimes reached the degree of organized looting; it is also the real proof of the achievements of this great nation along its history; also, stealing isn't the only method of aggression on this history; there is also negligence "pileup of rubbish on some Islamic antiquities), fires (Al-Musaferkhna fire as a blatant example on this) preferring commercial profit to considering its historical value (the project of Bab Al-Azab which stopped due to a judicial ruling).

**Egyptian Antiquities**

The Egyptian antiquities are considered the pillar of the tourism industry, which is considered along with the Suez Canal the most important source of the country's revenue; however, it is the biggest sector that faces stealing and looting; along the years, many

antiquities were taken abroad whether through legal or illegal ways. Some estimate the Egyptian antiquities, which are abroad at about 3 million pieces ( ).

What the Egyptian Museum faced in 2004 and 2005 posed many debates and comments regarding the extent of protecting the Egyptian antiquities as 38 pieces were stolen from the Egyptian museum while officials said that the pieces weren't stolen and will be found after making an inventory in the basement.

### **Egyptian Museum**

In 2004, some 38 antiquities were stolen from the Egyptian Museum; according to Al-Araby Newspaper, the committee responsible for making an inventory of the glass windows and the department stores from which 38 pieces vanished, finished its job and referred its report to the public prosecution, confirming in it that the department's registers and the antiquities police files in which the movement of the antiquities are registered, didn't mention anything about these pieces.

The source pointed that this report is an initial indication that the pieces were stolen but he confirmed also that the crime isn't certain and the stealing isn't verified except after making an inventory on the basement of the museum; in turn, both Dr. Zahi Hawas the secretary general of the Supreme Council of Antiquities and Dr. Mahmoud Mabrouk the chairman of museums sector confirmed to Al-Arabi that the golden pieces are inside the museum. ( )

The basement of the Museum is a wide space containing corridors and rooms which are underground; it contains no less than 65000 antiquities including 1000 coffins and some antiquities which are put in boxes which haven't been opened for 70 years. ( )

All these amounts of antiquities in the basement of the Egyptian Museum pose a big problem, as some of them are not registered in files. This may be the cause behind the official's use of the word "disappearance" instead of "stealing".

Most of these antiquities belong to most historical dynasties, including antiquities, which haven't seen light before; these pieces are cramped in negligence, without order, especially that some pieces were totally damaged due to accumulation and poor ventilation. The basement of the Egyptian museum was the place of the newly discovered antiquities till the antiquities council established stores for the newly discovered antiquities in all Egyptian governorates. These stores became in turn exposed to stealing and looting; the most famous case is the one of stealing Saqqara antiquities store in early 1990s and involvement of the region's antiquities inspector; the investigations revealed that the antiquities store had no ceiling. ( )

For his part, Dr. Zahi Hawas said in a statement that: making an inventory for the Egyptian Museum is a tiresome process which may take four months after which we will declare finding of losing the 38 disappeared antiquities and that the project of overhauling the basement of the museum may take one year. On the other hand, those responsible for developing the basement of the Egyptian Museum discovered that 70% of the antiquities in the basement are not registered. ( )

The statement shows how easy antiquities may disappear or be stolen because the negligence in registration processes or periodical inventory are the main cause behind the disappearance of any antiquity; the case of inventory and registration are still behind most cases of disappearance of antiquities. Some officials blame the decrease in caretakers as every caretaker in the Egyptian Museum is responsible for 10000-30000 antiquities; this shows the seriousness of the matter, especially that, according to statements of Dr. Zahi Hawas, no inventory has been made on the Egyptian Museum for 50 years or may be more than this, because all are afraid and fear accountability because the stores are incomplete and antiquities are not registered pointing that: Egyptian antiquities have been officially sold up to 1983 through auctions and pass through airports and this didn't stop except after issuing law No 117 of the year 1983 which stopped selling antiquities. ( )

Although there was an ambitious project adopted by Dr. Abdol-Halim Nour Al-Deen while

assuming the post of Secretary of the Supreme Council of Antiquities, of making an inventory for antiquity places, stores and museums and a ministerial decree was issued in 1994 in this regard, but the project stopped after he left office. Halim Nour Al-Deen declared that an inventory was made on 80% of the Egyptian antiquities and that he laid down a plan for making an inventory on small museums and antiquity places once every year and on big museums once every four years. However, Dr. Zahi Hawas declared that only 10-15% of Egyptian antiquities were subjected to an inventory (). This means that about 85% of the Egyptian antiquities have not faced inventories and have not been registered in files and are liable to disappear at any time.

This was not the first time in which the Egyptian museum was stolen; in spite of all security measures, but in 1987 a young man who was arrested later stole the statue of king Siti and other 10 antiquities. In 1993, a thief sawed a glass window and stole a group of small statues. In 1995, another thief was arrested while he was getting out of the museum after spending a whole night inside without anyone noticing him and he stole 18 bracelets and two gold rings ().

Another time, the Egyptian Museum was stolen in September 2005; the tight security measures- taken after the disappearance of the 38 pieces- didn't succeed in preventing stealing three other antiquities dating back to the ancient state from the basement of the museum; these pieces had come from Giza stores in take part in an antiquity gallery held in April 2005.

The officials' statements pointed that the pieces weren't stolen and that they are hidden among thousands of antiquities piled in the basement; Dr. Mahmoud Mabrouk, the chairman of museum sector affiliated to the Supreme Council of Antiquities, denied that the antiquities were stolen from the basement of the Egyptian Museum because the place is tightly secured and that any antiquity gets out of the basement of the museum with a police report and that the elements guarding the place are well-trained, saying the required antiquities are somewhere in the museum in a place which hasn't been identified yet; he added that the historical and monumental archeological value of the antiquities are low (). Discovering the incident started through the complaint that Dr. Zahi Hawas, chairman of the Supreme Council of Antiquities referred to the Attorney General, counselor Maher Abdol-Wahed, in which he pointed that the three antiquities coming from Giza's excavations were sent from Giza stores to participate along with 11 other antiquities in celebrating the international heritage day last 18 April under the name of Giza along ages (...). The chairperson of the museum, Dr. Wafaa Sadeq, received the antiquities according to an official report. One day before the date of the gallery, a committee headed by the chairman of museum sector was formed, and three antiquities were excluded as they weren't good enough to be displayed: two limestone statues, the first of them of a man sitting with a height of 23.5 centimeters and the second of a man and his wife with a height of 35 centimeters; as for the third piece, it was a lidless wooden box with a 40 centimeters wide auzery statue; every piece weighed more than 15 kilograms; they were put in the basement of the Museum, in chamber 35; on 7 September, Dr. Zahi Hawas assigned a committee from Al-Haram region to receive the antiquities that participated in the gallery and the others that were set aside, and the committee discovered that the three antiquities disappeared().

Days later, the tourism and antiquities police managed to arrest the thief who stole the three antiquities from the museum while officials insisted that they are just hidden in the basement; it was discovered that the thief is working in a contracting company which was working in the basement; he stole the antiquities and hid them in cement sacks so if he was getting rid of piles of dust and got out without being stopped or ransacked.

What is strange is that the felon admitted to stealing a fourth antiquity, which no one knew anything about and wasn't mentioned in the submitted complaint.

The prosecution went to the museum's basement with the defendant and found a small 12-centimetre sized limestone piece, which is a part of a limestone painting with inscriptions on



it and was hidden under the piles of dust. ( )

This didn't stop short at the stealing or disappearance of antiquities; in 2005, shortly after the issue of the three stolen antiquities, another topic was raised, that a statue dating back to the ancient dynasty was broken while preparing for the celebration of "Giza plateau across ages"; Dr. Zahi Hawas, the secretary general of the Supreme Council of Antiquities, denied that the small statue was broken, saying if this happened he would kill the doer. He confirmed that the statue was broken when it was unearthed and was restored, but he refused to allow it be photographed to prove that it wasn't broken; he added that the presence of an administrative error (the disappearance of the three antiquities) doesn't mean stopping the integrated project for antiquities consciousness or the temporary galleries which are held in all international museums and which contribute to increasing the antiquity consciousness, insisting on maintaining these galleries; he added that the disappearance of the antiquities is still investigated in the prosecution, but he confirmed that the accountability is limited to archeologists in the museum sector and the Egyptian Museum, denying attributing any wrongdoing to any administrative staff; he confirmed also that the movement of the antiquities take place through committees of the museum sector aided by police.( )

Meanwhile, Dr. Mahmoud Mabrouk, declared also that the issue of breaking the statue is a rumor which aims to harm the archeologists and that nothing happened and refused finally to allow photographing the antiquity, saying this wasn't within his authority but within the authority of the secretary-general ( ).

Although the official denied that the statue was broken and mentioning that it was found broken when it was unearthed, but Al-Ahram quoted another official denying this: an official source in the Supreme Council of Antiquities- asked for anonymity- said that the cause behind all this is the temporary galleries and the celebrations which were and are still held- suddenly without any predefined planning- in the corridors of the Egyptian Museum like Champion and "Giza Plateau" and others, prompting Dr. Wafaa Sadeq, the chairperson of the Museum, to protest against takeaway museums and called them "random museums " or random movement in holding galleries, in an official memo, but no one paid attention to this memo and these galleries continued; the great catastrophe happened in the night of the gallery of "Giza across ages"; a committee headed by Dr. Mahmoud Mabrouk the chairman of the museum sector, was formed to choose the antiquities, in violation to prescribed bylaws concerning holding galleries domestically or abroad, because every piece has its importance and rarity whatever its source and size are. So, a clear plan should have been prepared for the pieces and places of showing them to be approved by the secretary-general of the Supreme Council of Antiquities, something that did not happen...! The antiquities were shown to the committee and the antiquities that disappeared were excluded by the committee for an unidentified reason; meanwhile, while choosing, an antiquity fell from one of them to the ground; a deadly silence prevailed as all discovered that the little piece that was broken before all belongs to an ancient dynasty king, particularly the fourth dynasty, and that it was made of limestone which led to its breaking; all agreed that the piece of antiquity is important given that there is no statue dating back to the fourth dynasty of such a kind except one made of ivory of king Khufu which was unearthed by UK archeologist Flinders Petrie in 1903 and is considered one of the well-known antiquities; the broken pieces of the statue were immediately sent to the laboratory to be made clear later that it would be difficult to restore it, so it was left as it was till the chairperson of the museum returned from abroad and discovered what happened and she got confused; what caused melancholy- the source confirmed- is that these four antiquities (the three that disappeared and the broken one) are very important pieces given that they were chosen among the group of pharaonic antiquities in the Civilization Museum which is under construction and all the antiquities are the product of Giza excavations and that they are made of limestone( ).

Days later, Dr. Zahi Hawas admitted that the broken statue belongs to Pipy I an ancient

dynasty king (); and that a worker in the museum held it wrongly leading to its fall and fall of some nails that tie the arm and shoulder of the statue; it was immediately sent to the restoration laboratory to make the necessary maintenance and it returned as it was (). The officials' statements were outright that no statue was broken but after the it was leaked to the press that the one that was broken belongs to Khafraa, the officials backpedaled and admitted that the a statue which is no Khafraa's was broken and that it belongs to king Pipy I; the cause of this was that a worker- not an archeologist held it wrongly breaking its arm, that whatever happened but this is a crime even if the stone was restored and returned as it was; what happened is a crystal clear proof of the extent of the spread of recklessness and negligence in dealing with antiquities with high technical value to the extent of leaving non specialists deal with them.

King Pipy I is the second and most important king in the sixth dynasty and he ruled for 20 years; his era was characterized by non centralism in rule, and he has a pyramid in Saqqara called Min Nifr Pipy, the name of Manf city was derived from it; as for the statue whose arm was broken, it is made of copper; it is 78 centimeters high and was found inside another 178-centimetres high statue belonging to same king and made of the metal; the two statues are two masterpieces made of copper and have no parallels in the Egyptian civilization as using copper in such a way is considered a refined advance in sculpture, giving them a high archeological value and they date back to 2200 BC; in 1996, the German Roman Central Museum began restoring the two statues and they finished restoring them in 2002; the two statues were displayed on marking the centenary of the Egyptian Museum in December 2002.

This short history of the broken statue shows that it was broken less than three years after restoring it; that the incident of breaking took place after stealing the three antiquities from the basement of the museum which in turn took place just one year after the case of the disappearance of 38 antiquities from the Egyptian Museum.

Thus, stealing antiquities hasn't stopped and twisting laws didn't stop either. In April 2004, Abdol-Karim Abou Shanab, the chairman of the authority of restoring looted antiquities, and Khled Abou Al-Ila, an inspector in the authority, were jailed for 15 days pending investigations for their collaboration with a group of Khan Al-Khalily in smuggling antiquities to Spain and they were barred from using there money. Thus, it is not limited to illiterate guards who facilitate or participate in antiquity stealing operations; it isn't limited to just ordinary thieves who hide in the Egyptian Museum to steal it overnight; this reached a person entitled chairman of a management which is considered important; what is paradoxical here is that the management is concerned with restoring looted antiquities. The investigations held by the prosecution chief Wadie Hanna revealed that the defendants forged inspection reports, in which they stated-contrary to reality- the shipment exported to Spain contain forged statues made in Khan Al-Khalily and that it didn't contain any antiquities under antiquities law; however, the committee that the prosecution from the public administration of antiquities proved that this shipment contained 58 small Pharaonic amulets and 21 big Pharaonic amulets and 143 coins dating back to the Islamic, Greek and Roman ages ().

After holding investigations, the case involved other defendants; Farouk Al-Shaer, a big jeweler, was arrested and it was found that he owned antiquities which didn't belong to him, and that he collaborated with defendant Abdol-Karim Abou Shanab to take the antiquities that he legally held and which are registered in the files of the public administration of antiquities, and that Abou Shanab collaborated also with other defendant fugitives, Mahmoud Al-Shaer and Mohamed Al-Shaer (jewelers).

Tabling the incidents before the Attorney General counselor Maher Abdol-Wahid, he ordered ransacking palaces and homes of the fugitive defendants Mahmoud and Mohamed Al-Shaer in addition to Farouq Al-Shaer; a committee was formed to carry out the order and it was headed by prosecution chief Wadie Hanna and with membership of senior prosecutors Ahmed Farouq, Amr Abdalla, Hosam Farid; the committee went to regions of Al-Haram, 6<sup>th</sup>

October and Misr-Alexandrai desert road and the defendants' shop based in Al-Gomhouriya street; many antiquities were found; on ransacking the defendants' shops in Al-Gomhouriya street, the registers of the public administration of antiquities; counselor Maher Abdol-Wahid ordered guarding the money of the fugitive defendants Mahmoud and Mohamed Al-Shaer and the imprisoned defendant Farouq Al-Shaer and to prevent them from using their money ().

After a while, the name of Al-Shaer family was repeated again as an Australian website displayed seven antiquities for sale; contacting Australian authorities, the selling process was stopped and the antiquities returned; it was discovered that they are very expensive and date back to 2500 years. Meanwhile, the Australian authorities found 32 more stolen antiquities and it was proved that some of them are among the antiquities that Al-Shaer family smuggled ().

The jewel shops based in Al-Gomhouriya Street are the ones in which Tareq Al-Suweisi worked for a long period of his lifespan; Al-Suweisi is the main suspect in the "big antiquities case" and al-Shaer is involved in the case too.

Overnegligence led to even hiding antiquities held in the prosecution building; in the same month, April 2004, 285 antiquity coins dating to the Mameluke age disappeared from the prosecution building in Beni Sweif.

Someone called Mostafa Mohamed Al-Sayed who is living in Tama Al-Bisha found a pot full of silver coins while demolishing a wall of a house; he handed it to the police station and discovered through a technical committee of the Supreme Council of Antiquities that the coins are archeological and date back to the era of Sultan Beibers and inscribed on one of their faces "there is no god but Allah and Mohamed is the messenger of Allah sent for guidance"; the coins were kept with an official report on 8 December 2003 and was sent to the prosecution to deal with it. When they inquired about the coins, they discovered that they disappeared along with the prosecution official assigned to keep them, also disappeared any information that may lead to the truth ().

Individuals aren't the only ones aggressing on the antiquities; the state also does the same role of aggression; in conference held by the Supreme Council of Antiquities, Dr. Zahi Hawas declared in the opening speech that the size of aggressions on Egyptian antiquities reached about 6000 cases in various areas including building inside the places of monuments, deforming or planting on them; he pointed that the modern city of Aswan was built on the ancient city of Aswan including the antiquities which are still underground; there are other Egyptian cities which witnessed the same aggressions, like constructing Ain Shams district over the ancient capital of Heliopolis and building the modern cities of Akhmim and Menia in Upper Egypt over areas which are enriched with pharoanic antiquities; in his speech, the governor of Cairo, Abdol-Azim Wazeer pointed that: some government authorities carry out aggressions on monumental areas and use them in a way that harms antiquities, like the high education ministry which transformed Taz palace in ancient Cairo into a store for books and worn out chairs ().

Guarding Museums and antiquities:

Guarding antiquities costs about L.E 130mln including L.E 10mln for guarding the Egyptian Museum only through surveillance cameras and alert systems which work 24 hours; the same is in Nouba museum which cost L.E. 3.5 mln; also guarding the area of Saladin citadel cost L.E. 7mln, apart from other under construction projects, including guarding the pyramids area with a cost up to L.E 79mln and the Coptic Museum with a cost of L.E. 8mln and temples of Idfu, Luxur and Dandara with a cost of L.E. 1.5 mln for each one of them; add to this finishing building 30 museum stores costing L.E2mln - L.E3mln for every store; this is with framework of a project of building 34 museum stores to which will be moved all Egyptian Islamic and Coptic and other antiquities in the old stores.

In an interview with Dr. Zahi Hawas, he affirmed that the main cause of stealing Egyptian monuments is the security system, which needs to be overhauled because the

guard is the one who allows secret excavation for monuments at night and stealing them. Therefore, it is impossible to save the Egyptian monuments depending on an illiterate soldier or guard. In addition, the previous experience affirmed that it is possible to affect him by bribe and we have reached series of great negligence. In addition, the previous cases affirmed the negligence of the security system as the illiterate guard has no money or awareness. Actually, we have three thousands guards who are essential but we have begun for the first time to establish a specialist company for keeping monuments, which shall be at the disposal of the Supreme Council for Antiquities. This company shall be able to hire some men in order to give them training in the national security or in guarding. He added that he ordered establishing a holding company for cultural and archeological investment, which includes only a set of public sector companies including Egypt tourism, an insurance company, companies for cultural products and maintaining museums and antiquities, a fourth company for photocopying antiquities pieces and renting or selling the photos, a company for cultural matters, producing samples and children toys from antiquities and the electronic and paper publishing in addition to some shops for selling productions, which shall be directed by these companies or to be invited for tender by them also.

Although there is a huge number of guards and archeologists, this provides no full security for the archeological sites for many reasons including low salaries and the absence of what we can call the archeological awareness for specialists in archeology. Dr. Zahi Hawas acknowledges that when he said : "There are more than six thousand archeologists but the actual number doesn't exceed 120 only".

In spite of the many cases of arrest in stealing monuments along the past years and those currently filed before courts now either those related to sentences or under discussion in the courts, the culture minister denied any increase in cases of stealing monuments in his era, but the opposite took place, an increase in finding stolen antiquities. The minister said that "What you call stealing is seizure and there is a great difference between the two meanings; as seizure means we catch thieves but the stolen monuments are not found. Concerning this subject specifically, there are many mistakes because there are some who turn it upside down, so I hope that we do not say stolen monuments, you should say seizure in bold letters because in fact, we restore monuments all over the world, we sue who commit these crimes and I always send the chief of the antiquities authority to any place where Egyptian monuments may appear".

Some think that the solution is to separate the Antiquities Sector from the Ministry of Culture but Farouk Hosney refused this proposal in one of his interviews pointing out that we, in this way, turn the monuments sector to a bureaucratic and routine one. He indicated also in this interview that these sequestered monuments had been stolen before he assumed the responsibility of the ministry. The following is a part from this interview:-

Although there are many cases of stealing monuments, you refused to separate it from the culture ministry and to make it an independent ministry with its authorities and potentials.

Do you consider there is nonfeasance in the antiquities? There was no restoration and there was no interest originally except after I became responsible for the ministry. The number of discoveries and achievements that I achieved had not been done since establishing this authority. These things are made public before us. We have a supreme council of antiquities with complete authority. Why do you want to deprive the Ministry of Culture from a very important part and to deprive the Antiquities to be loyal to Culture?

What do you mean?

History is a culture and you want to turn it into a ministry, Divan of a ministry, agents and bureaucracy at the same time, we have an official in the antiquities who has all authorities of a Minister.

What about the huge stealing cases that we hear and read about?  
These are not stealing but sequestered items. Which means people who perform their roles as it should be and seized sequestered items.

It means also that there are stolen items that have not been sequestered.  
What had been stolen was before I became a minister.

I mean that sequestered items means there are stealings.  
It means that we do our best to save the antiquities.

Stealings mean negligence.  
It does not mean negligence as stealing took place in unknown archeological sites.

Do you mean that these places are not under the control of the ministry?  
And I do not where they are; if there someone who is excavating somewhere how can I know that?

Frankly, there is a circulated an opinion saying that...  
Please, say it...

Some said that you have a benefit from not separating the antiquities from the culture ministry.  
I have no benefit and if I leave, the ministry and someone said that I will reply that he is ignorant.

### **Big Antiquities Case**

It is one of the biggest antiquities smuggling cases that has been seized for not only media or the involved characters but also the huge number of seized antiquities pieces.

Press called it the biggest antiquities smuggling case and Tarek Mohamed known by Tarek El-sweisi is the main defendant in the case. This case included 31 defendants including antiquities inspectors, police officers and foreigners. What is astonishing is that the case has been seized by the Swiss police who suspected a container in the airport that has no data and no one presented to receive it and the police discovered that there are inside it many antiquities that have a very important historical value and are under the Protecting Antiquities Law.

The investigation in Switzerland found out that Tarek Elswissy has smuggled a complete tomb containing 280 rare antiquities smuggled from Egypt in parcels through Customs and Goods village and was seized in a Swiss airport after being smuggling from Egypt through an exporting company.

A high delegation had been formed from the prosecution of the Supreme State Security, the administrative supervision, Interpol and antiquities experts to Switzerland in order to perform a comprehensive investigation in the case of the smuggled antiquities. The delegation found a complete antiquity tomb containing 280 pieces of rare antiquities;

the delegation examined it inside the customs service in Swiss province of Geneva, headed by Ashraf Al-Ashmawi the chief of the Supreme State Security Prosecution and attendance of Mansour Bureik the chief inspector in the Pyramid antiquities, and lady Sohad Sabry junior secretary in the Egyptian embassy to Switzerland and; the smuggled antiquity tomb contained pieces of paramount antiquity importance, including the upper half of a statue representing god (Betah) and remnants of the head of goddess Sekhmet and small statue of goddess of love Amoro and another for goddess Aphrodite and two statues of colored wood representing god Horace in the shape of a falcon in addition to a model of a dismantled wooden vehicle and two huge mummies. The committee affirmed in its report that sequestered items are antiquities and or of paramount historical importance, and that they date back to various ancient Egyptian Dynasties, Pharoanic, Greek and Roman, and that they are under the Egyptian Antiquities Law, No 117 of 1983, and that all these antiquities were stolen from Egypt through excavating stealthily in the antiquities areas or those near them; it was revealed that all the antiquities had no registration numbers related to the Supreme Antiquities Council whether they are numbers of scientific excavations or numbers of stores or museums; it was revealed also that that all the pieces- including the organic ones- didn't undergo any accurate restoration operations, to confirm that they were stolen through stealthy excavations. In addition to this, uneven breakings were noticed in some antiquities, specially the stone paintings, to confirm that they were taken pulled out of their places in a non-scientific manner; the committee concluded that the period of getting these antiquities out, specially the organic ones, was no more than one year, as most of them were still in good condition, and they were got out from dry desert areas; the committee recommended in its report sending the 280 antiquities hurriedly and immediately back to the country, specially that most of them are organic items like mummies, wood and linen rolls because exposing them to different weather conditions without carrying out accurate restorations and maintenance may lead to their damage with their rare historical value as a national wealth for the country.

In addition to the complete tomb that was smuggled, there were other antiquities which were sequestered in the same parcels, foremost, not all, among which were: two colored wooden coffins: the first one of a woman; it had a human lid representing a head of a woman with lank false hair colored in blue and white and from under the head of the coffin and till its lower end there is a band of hieroglyphic writing in black; the writing is surrounded but two black lines of the rites wording; inside the coffin, there is a mummy whose body is in good condition and wrapped by linen rolls; the coffin is 183 centimeters tall, 33 centimeters high and 50 centimeters wide at the chest; as for the second coffin it is a man's wooden coffin; its lid is human depicting the head of a man and it is broken in the left side; the coffin's lid is completely colored and embroidered with religious illustrations and a band of hieroglyphic writing in the middle; the coffin is 180 centimeters tall, 28 centimeters high; the coffin contains a body of a man in a good condition and wrapped in linen rolls and it has no mask; the two mummies have yellow colors- which may be gilded- around the face. The sequestered items include a calcified limestone statue and a part of a painting made of the Pourfeir stone depicting a woman wearing tight dress with her hands beside her; it dates back to late pharoanic dynasties and it is 27 centimeters tall; also a statue base of basalt having two legs of a statue that puts the its left leg in front of its right leg and it is likely a woman's statue. And the upper half is of a statue representing god Betah which is 14 centimeters high and 7 centimeters wide. The antiquities include also a part of a lid of a coffin made of colored wood depicting a man putting on lank false hair colored in black and yellow and the face is colored with red, and they included many pots made of red pottery with various shapes and sizes including a unique pot depicting a hippopotamus with a mouth from above and it is a rare antiquity; and two wooden colored statues depicting god Horace in the shape of a falcon; and a group of terracotta statues of various shapes and

sizes including statues depicting goddess Aphrodite and Harboqrat and other statues of women dating back to Roman ages; also, they found oil lamps made of red pottery including a small one representing the head of the goddess Bes and others depicting the picture of goddess Aphrodite and a group of pots made of blue faens with various shapes and sizes dating back to Greek ages and a model of a dismantled wooden vehicle packed in two bags of cartoon and they include a huge group of wooden statues depicting mariners and the captain of the ship dating back to the age of the middle pharoanic dynasty, in addition to a group of limestone paintings from various dynasties depicting carved images of persons and gods from ancient pharoanic dynasties and three heads of statues made of coloured plaster representing parts of coffins having colors and date back to the Hellenistic age and the age in which Alexander the Great entered Egypt, and the lower part is a royal statue with the natural size made of basalt depicting someone sitting on a chair and the two legs are lost and it dates back to ancient pharoanic dynasties and a statue of black granite representing headless Sphinx, and a large group of ushabti statues of various sizes, and a group of small-sized pots made of Faens and pottery with various shapes and sizes, and one of them represents from outside a small statue of god Amoro the god of love in the Roman ages representing a child with a shield in his hand with a part of the pot missing, in addition to a large group of cartonage depicting various colors and embroideries wrapped in two large rolls of medical white cotton, they date back to the late pharoanic dynasties.

Tarek Al-Sweisi is a mysterious person shrouded by several question marks regarding his rise from a worker in an antiquity bazaar in Al-Gomhouriya street and his entangled relationships and wealth estimated more than L.E 300 mln; he was owning a 30 acre palace in Abou Rawash area of Al-Haram; also, he occupied the position of National Democratic party's secretary in Al-Haram area. Members of the Administrative Control Authority found in his palace Islamic paintings hung on walls and pharoanic antiquities with which he has been decorating his palace and unlicensed weapons.

The size of the investigation paper in this case before referring it to the Supreme State Security Prosecution reached more than 3500 papers including confessions of suspects arrested in the case; it also contained, in addition to charge of smuggling antiquities against Tarek Al-Sweisi, other charges like money laundering, possession of drugs and security banned devices and weapons.

The case involved, in addition to Al-Sweidi, many other names of people occupying key posts, including for example Mohamed Sayyid Hassan, the chief antiquity inspector in Qarna of Luxor, in whose house some 300 antiquities were found; the stated antiquity inspector is responsible for complete antiquity areas and many stores that contain thousands of antiquities and he is responsible for monitoring the work of foreign delegations and excavating for antiquities and monitoring violations and receiving complaints regarding antiquities and other tasks that need a brigade of antiquity workers; however, he was left to do his tasks and he isn't above suspicions to be on top of smugglers and exporters of antiquities to abroad in return for millions of dollars. According to what the defendant said, that he is a regional official in the southern area of Al-Qarna antiquities, an area that includes the areas of Deir Al-Madina and the valley of queens, and the temple of Hapu city extending to Dabiyya quarries in addition to his responsibility for office jobs in the antiquity inspection office; he is also responsible for the museum store that contains all registered antiquities found in Al-Qarna including coffins and inscribed stones and others; and that he is responsible for the registration of antiquities for studying; and that he has the authority of seizing in stores and in the sites where excavations take place; he has the authority of receiving complaints about the missing or stealing of any antiquity and he has the authority of issuing any complaint about any damage in antiquities or any encroachment on antiquity lands; he is also authorized to make restorations and maintenance for antiquities and excavations and cleaning temples in the antiquity area and to fight building on antiquity lands; as for

his responsibilities towards the foreign delegations which search for antiquities in the area under his authority, he is authorized to visit these delegations continuously and that he is notified with any finding that they reach, and that he is a member of the committee that goes to the site just after the finding to see it and to take a photograph of the antiquity and send it to the store and write down the data in the registration file; his latest job was with the US and French delegations; although the defendant stated in the investigations that the inventory must take place periodically on periods which are close to each other in the light of laws and regulations, but he confirmed that the latest inventory carried out on stores took place 6 years ago; he justified this as it differs according to the secretary-general of the Supreme Antiquity Council, As for the relationship between the suspected antiquity inspector with foreigner, it is unveiled through his phone directory which the Administrative Control Authority sequestered with him; it contained names and addresses of foreigners; also, the phone calls of the stated person were recorded and his meetings with foreigners were videotaped since his receiving them in the airport till sitting with them in furnished flats; the investigations reported his meetings with some foreigners and offering them some antiquities and speaking about sums of money that some foreigners owe to him.

According to what Al-Araby Al-Nasseri newspaper reported, the investigations with the stated antiquity inspector who is pending trial in the case of Tarek Al-Sweisi in front of Cairo's Criminal Court headed by counselor Adel Abdol-Salam Gomah and with membership of counselors Mohamed Hamad and Dr. Osama Gamie with attendance of counselor Hisham Badawi, the chief of the State Security Prosecution, and Asharaf Hilal and secretary Said Abdol-Sattar, several surprises were unveiled during the investigations including claiming that the defendant's friend had dinner with Culture Minister, Farouq Hosny.

The investigations with the antiquity inspector, defendant Mohamed Sayyid Hassan, reported a phone conversation in which he phoned someone who named him by himself as Ayman Hassan who told him joking sentences in which he said he will demand compensation from Farouq Hosny, the Culture Minister; then the defendant commented with obscene remarks in which he mocked at the Minister. Asking the defendant Mohamed Sayyid Hassan about his relation with the one called Ahmad Abdol-Rady, he replied that he doesn't know him, although Ahmad Abdol-Rady is the public relations manager in Luxor antiquity area where the stated antiquity inspector is working; Abdol-Rady is a co-defendant in the same case.

The second surprise comes in the interest of the state antiquity inspector in cases which aren't related to antiquities, including a conversation that the defendant had with a friend of his called Mohamed around what they called the dollars deal; the conversation between them, recorded by the Administrative Control Authority, delved into speaking about the case of Hossam Abol-Fotouh and rejecting his challenge; the third surprise came in the fact that the stated antiquity inspector used to travel to many European countries, while his bosses at work are only interested in that he has vacations that allow so without paying attention to suspicions of traveling or the source from which he brings this money; the stated antiquity inspector admitted in the investigations that he traveled to France, Belgium, Switzerland and Germany and he repeated traveling to Switzerland; when he asked why these countries specifically despite suspicions of relations with smuggling antiquities, he replied that he traveled for tourism and seeing sights and from his own money; when he was asked about the sources of his income, he said that his monthly salary is L.E 800.

As for the size of money and value of the deals of the smuggled antiquities, we find them in the phone calls tapped by the Administrative Control Authority; in a phone call, he says to the other speaker that he wants one more piece of a wall, and that he headed with a foreigner for Asyut and that this person had \$60mln and there was a slight fraud incident of \$180000; in another call, the conversation evolves around an



appointment for meeting the so called Haj Rafat to receive a golden piece and give him a sum of money; in a third call, the defendant tells the listener that the painting is fake and that its price is just \$500000; in a fourth call, the conversation takes place with someone else called Ayman; the conversation reveals that he works in antiquities; the defendant stated in his conversation that there are three papers estimated \$1mln and that he has so fascinating pictures of antiquities.

The fourth surprise is that there is no monitoring in the internal flights on moving smuggled antiquities in spite of the shock of arresting the manager of Luxur airport while moving hundreds of smuggled antiquities; this phone call of the stated person reported that he is traveling by air from Luxur to Cairo and that he had a bag whose contents he wants to show to his listener.

The investigations of the Administrative Control Authority confirmed that the stated antiquity inspector was not above suspicions and that he used to receive sums of money from antiquity merchants in return for violating duties of his post and not to file a complaint that they took antiquities unearthed within his authority.

The suspicions reach the extent of taking bribes in return for not resisting building encroachment in antiquity lands, as there are some 2000 building encroachment in his work zone, and there is a complaint against him filed by a female foreigner to Dr. Zahi Hawas that the antiquity inspector sexually harasses her; also, there are sequestered photos showing the stated person beside female foreigners and some of them were lying in bed and naked; the defendant Abdol-Radi said in his testimonies that the stated inspector was talking with him while he was drunk.

Thus, it wasn't a surprise to sequester, with the defendant, all this amount of stolen antiquities and those prepared to be smuggled; also sequestered were photos of the antiquities which are to be smuggled, including five photos of antiquities and transparent chips each of which contains eight negatives containing photos of antiquities and statues and cans containing amulets, pieces of animals, small faces, scarabs, rings and jewels; the inventory committee confirmed in the problem investigated by the prosecution that there a deficit in the trust of the stated inspector; it confirmed that the sequestered items are antiquities and are within the authority of the stated person due to his signing on the receipt reports including a trust in Snifr stores, Brooklynand Metropolitan museums and store no. 33 in Al-Asayf region; the committee found a deficit in his personal trust in stores no. 12 and 15; what is strange is that the sequestered items included a very skillfully forged antiquity; the prosecution directed against the defendant charges of stealing antiquities within his authority due to his public job, and of taking sums of money as bribes, and accusing him along with others of smuggling antiquities abroad, and forging antiquities aiming for fraud and deceit; he is also accused of stealing, hiding and trading state-owned antiquities; what brings in laughter is that when the prosecution showed him video tapes depicting him, he denied and wondered saying God creates 40 people with the same looks.

The names involved in the case included defendant Ahmed Abdol-Radi, the manager of public relations at Luxur; the audio records done by the Administrative Control Authority showed that the suspect was negotiating with him on selling three papyrus papers for \$1mln and the head of a Roman statue, a pharoanic coffin and coins estimated \$350000; according to Akhbar Al-Adab newspaper, the archeologist Ahmed Abdol-Radi was considered the Minister's top aide in Luxur and that two years ago, since the case was unveiled, intense efforts have been exerted to find a loophole that may prevent his retirement after reaching sixty years old; the result was treating the public relations manager as a worker to benefit from an article allowing workers who joined work in the Antiquities Service before 1961 to retain their jobs till sixty five.

There are names of other top officials involved in the case; Lawyer Nabih Al-Wahsh, the defence of the defendant Mahdi Mohamed Ali, an owner of a tourist restaurant in Luxur, involved in the case, demanded summoning both Kamal Al-Shazli, the minister of

parliamentary affairs and deputy secretary general of the ruling party, and Mr. Farouq Hosni, the Culture Minister, confirming that their presence may change the course of the case. Lawyer Nabih Al-Wahsh attributed this- in his demand, to the fact that both ministers, specially Kamal Al-Shazli, played a role in continuing wasting Egypt's archaeological wealth;, pointing out that the investigations with the defendants confirmed that Tarek Al-Sweisi's entry and exit in the VIP lounge with his parcels came due to a recommendation from Kamal Al-Shazli and that a defendant confessed that the parcel that was sent abroad and was sequestered in Switzerland containing smuggled antiquities, was based on a recommendation from Kamal Al-Shazli. Nabih Al-Wahsh demanded summoning Kamal Al-Shazli necessarily to reveal to the court the kind of relation he has with the top defendant Tarek Al-Sweisi, and to solve riddles and mysteries shrouding this relationship. As for why Al-Wahsh demanded summoning the Culture Minister Farouq Hosni, he confirmed that his testimony is necessary for some defendants. Al-Wahsh demanded to know the primary reason for excluding Hala Talaat Hammad, the daughter of the ex-Minister, pointing that the first defendant denied any relation with her; despite this, she admitted that she knows Tarek Al-Sweisi according to investigations with her; in spite of this, the bill of indictment excluded her and included other persons who have no idea about the case; this is what happened to his client who received threats from top officials that he must avoid involving names of a number of ministers and top officials in the case.

Cairo's Criminal Court sentenced the first defendant Tarek Al-Sweisi, to 35 years, fined him some L.E 400mln, including \$48mln, L.E. 33 mln, 400000 Euros and 1.5 mln francs, for the charges of stealing, smuggling and hiding antiquities, bribery, using forged reports and money laundering.

The details of Tarek Al-Sweisi sentences are as the following: 7 years imprisonment, L.E 2000 fine for the charge of bribery and using forged reports; and 15 years imprisonment and L.E. 50000 for the charge of stealing, hiding and smuggling antiquities; and 3 years imprisonment and L.E. 10000 fine for the charge of possessing hashish drugs; and 7 years imprisonment and L.E. 33mln, 971 Swiss francs and 111000 Euros fines for the charge of money laundering; and 3 years imprisonment for the charge of possessing unlicensed weapons and ammunitions.

The well-known names convicted in this case include:

Farouq Al-Shaer was sentenced to 15 years and fined L.E 50000 for the charge of smuggling antiquities abroad; Mohamed Mohamed Hasanein Al-Bahnesi, an employee in the airport and manager of the public relations in Cairo airport's VIP lounge, was sentenced to 7 years and fined L.E. 1000 and relieved of his post; Police colonel, Atef Solaiman Ali Al-Sarg, deputy Commissioner of Al-Haram police station; Police colonel, Medhat Al-Sayyed Al-Qirsh, chief of complaints department in Giza traffic service, was sentenced to 3 years and fined L.E 50000 for the charge of possessing drugs and was acquitted of hiding antiquities. It sentenced two other custom employees, Maher Amin Al-Said Qassem and Ahmed Abdol-Rahim, to 15 years and L.E 50000 fines; it sentenced defendant Mohamed Sayyid Hassan, an archeological inspector, to 20 years including 15 years for the charge of stealing antiquities and five years and L.E 50000 fine for the charge of hiding antiquities and he was acquitted from the charge of forging antiquities; it also acquitted Ahmed Abdol-Radi Aseeri a public relations manager in Luxur, and Mahdi Mohamed, an owner of a cafeteria in Luxur.

The defendants' appeal was upheld and they face a retrial before another circuit; the retrial is still on and no verdict has been issued yet.

### **Archaeological Missions:**

The Big Antiquity Case may trigger talking about the **archaeological missions** based in Egypt and their roles in smuggling antiquities or to what extent they are serious in the excavations and the extent of their academic qualifications; there are some

violations, which have been spotted:

1-Negligence in registering excavated antiquities

2-Not publishing the results of the work of the missions

Also, there are many questions around the role of the Egyptian archeological inspectors accompanying these missions and that their role is often marginal, superficial and ineffective without any real academic benefit.

Dr. Zahi Hawas admitted that there is a lenience in the work of the foreign missions; he attributed this to negligence and lack of systematic rules for the work of the foreign missions and the archeologists accompanying them; he added that some missions have already committed violations which were set aside due to ignorance and recklessness; Dr. Zahi Hawas stated that any new excavations were prohibited starting from last year. The new missions are only licensed in the Delta only, as it is an endangered archeological region due to underground water and cultivation. On the other hand, regulations have been laid down for the new foreign missions and for revising the work of the old missions. These regulations include that every foreign mission must send an essay written in the foreign language about the results of its work within 3 months after finishing its work; this report will be published in Arabic and English periodical issued by the Council. The bylaw stipulates that the mission is committed to restore any antiquity that it discovers and to reveal to us the sources of its funding and to stop the work of any mission unless it publishes the results of its excavations within 5 years; also, we formed a committee for revising the work of the 300 missions which are working now. These rules were taken in an attempt to prevent some violations committed by the archeological missions specially after arresting Stephen Rostou, a member in the French archeological mission, while trying to smuggle antiquities through Alexandria's Nozha Airport; the committee formed for examining the smuggled antiquities stated that they weren't registered in the registries of the drowned antiquities found by the French mission headed by Jeane Eve Emprere.

Dr. Hawas said that 24 archeological units were established in Egyptian airports and stations to examine any piece going abroad while the security services suspect it as original; these units are headed by Egyptian specialized archeologists; also, the Council will fire any researcher proved to be involved in stealing antiquities; the British Nilix Reagen has been already fired and his work stopped in Kings Valley, along with the American Laila Folk and two Germans. Concerning the Egyptian archeologists accompanying the foreign missions, Dr. Zahi said: the archeologist who was paid only L.E 120 a month was obliged to ignore many violations or he accepts to be just a porter or scarecrow to retain the money that the foreign missions gives him or for his need for a trip abroad; nowadays, according to the new regulation, the mission must pay L.E 2500 to the Council as a salary for the archeologist who accompanies it; the Council pays this sum of money plus L.E. 1000 more. Also, the mission gives grants to the Council that manages them because it knows the archeologists; these regulations guarantee a reasonable standard of living and preserves his dignity before foreign missions to do his job sufficiently; this also increases his loyalty to the Council and his care for the Egyptian antiquities. In addition to this, the archeologists are monitored and the one who is proved to have committed something illegal, will be relieved of his post, something that happened with an archeologist in Luxur.

### **The Qatari Excavation Mission**

Signing a cooperation protocol between Egypt and Qatar in the field of antiquities stirred a debate in press; while some were astonished from that because Qatar is not specialized in antiquities and it doesn't have the sufficient experience in the searches and excavations, some hinted at the relation of friendship tying Farouq Hosni and Sheikh Saud Al-Thani.

Farouq Hosni replied to the essay of Dr. Mohamed Abou Al-Ghar in Al-Arabi Al-Nasari

newspaper, pointing out that: what took place between Egypt and Qatar is not an agreement but a paper of understanding through which Egyptian archeologists will train Qatari students on excavating. Concerning the notice of Dr. Abou Al-Ghar that there is no Qatari academic administration specialized in the Egyptian antiquities, Farouq Hosni said: this note confirms that we move in the right direction, towards working on teaching Egyptology to citizens of sister countries, so that the interest in Egyptian antiquities spreads.

In another interview, Farouq Hosni declared that Sheikh Saud Al-Thani donated 80 pieces of his antiquities to Egypt's Tal Al-Amarna Museum, saying: Sheikh Saud Al-Thani has so many archeological interests and owns an enormous amount of not only Egyptian but various antiquities; he is so much interested in excavating; he also had an effective part in the operations of preserving antiquities which have been recently discovered in Menia, in addition to his bringing back to Egypt some 80 Atonic antiquities in Tal-Al-Amarna, while we began establishing Tal-Al-Amarna Museum; this clarifies why Qatar apart from others.

As for the reason behind choosing Tal-Al-Amarna in particular, Farouq Hosni said: Tal-Al-Amarna was chosen because my friend Sheikh Saud Al-Thani- a dear friend- is a man who has a special affinity to Egypt and Egyptian civilization; he adores Egyptian civilization uniquely, driving him to collect from all over the world, hundreds of Egyptian antiquities which he bought from international auctions abroad, and he has a special affinity to Akhenaton; one day, I told him that he resembles Akhenaton because he bears many features of Akhenaton; consequently, there was a mixture of feelings comprising his affinity to the Egyptian civilization, Akhenaton and Tal-Al-Amarna and an academic mixture comprising what he likes and what he would like to discover about this civilization, the reason behind choosing Tal-Al-Amarna .

This is the agreement that stirred a wide polemic in the press; both Dr. Zahi Hawas and Farouq Hosni defended it and it was rescinded later; also, Sheikh Saud Al-Thani was relieved of his post as secretary-general of the national council for culture and heritage in Qatar.

Also, Sheikh 'Akhenaton' (as dubbed by the press then) didn't grant the 80 antiquities which the Culture Minister declared more than that he would grant to Tal-Al-Amarna Museum. According to Akhbar Al-Adab, the cancellation was because Sheikh Saud Al-Thani didn't fulfill his promises, that he made public, of funding a project of translating and printing archeological books; also, the Qatari prince didn't give the antiquities dating back to Tal-Al-Amarna dynasty to Egypt as a present.

### **Bab Al-Azab**

Let us move from the Pharoanic antiquities to Islamic ones, particularly the project of Bab Al-Azab in the citadel.

The idea of setting up a tourist project in the citadel started in later 1980s; the project raised much debate and objections till it reached courts; journalist Ali Al-Qammash and Lawyer Gouda Al-Azab, said in the brief which they filed to stop carrying out the project that agreeing on the project took place while the Culture Minister was working in Italy; the project was including establishing a 100-room hotel with necessary annexes to develop a current building.

The project was rejected by many archeologists and intellectuals to the extent that some of them took part in some of the stages of the case as witnesses, including Nimat Ahmed Fouad, Dr. Ali Ridwan, Sakina Fouad, Farouq Gowaida, the Islamic Archeology professor, Dr. Ahmad Al-Sawi and Dr. Mukhtar Al-Kasabany.

The committee of cultural heritage in the national specialize councils said in its 1998 report that Bab Al-Azab project wasn't tabled finally to the permanent committee.

In September 1999, the Administrative Court confirmed the fears of those opposing the project as it ruled stopping carrying out the project and stopping the construction of the hotel saying the buildings pose a serious danger to this archeological area; the court said in

its reasons that: It is a pity that the aggression of the Egyptian antiquities comes from the antiquities administration which is assigned with preserving them. The court pointed that the word "development" isn't mentioned in the archeology law, but there are care, maintenance and preservation and preventing changing the sights of the antiquities to keep the sights for which they were established.

The Supreme Administrative Court rejected the appeal lodged by the Culture Ministry against the ruling of him Administrative Court of stopping construction a hotel in Bab Al-Azab in the citadel.

In later November 2002, a fire erupted in Bab Al-Azab; a committee was formed with the presidency of the secretary of the Supreme Council of Antiquities and it took measures of moving workshops and stores from the citadel and establishing a permanent Fire Unit in the Citadel.

Talking about Bab Al-Azab project surfaced again but with excluding constructing a hotel to respect the judiciary ruling, according to what the Minister said.

### **Mohamed Fouda**

Negligence and corruption weren't confined to the antiquities sector, they were found also among the minister's associates and those working in the crew of his office; the case of Mohamed Fouda is an example on this.

The case of Mohamed Fouda, the media secretary of the Culture Minister is one of the exciting cases, as the investigating it took 1 1/2 years during which the defense tried to acquit the defendant of the charges of ill-gotten gains and accounting for his huge wealth as being a revenue of commissions of advertisements and his work as an advisor sometimes in some newspapers; Mohamed Fouda was arrested on 29<sup>th</sup> April 1999 after leaving the building of Giza Governorate; on ransacking him, they found with him L.E 2200, Cheque of L.E. 450000 and another one of L.E. 30000; after searching his house, they found L.E. 465000 cash and 80000 Italian Liras and jewels estimated L.E 93000 belonging to his wife; as for the rest of his fortune, he has a flat estimated L.E. 100000 and a car estimated .E. 100000 and a savings book of L.E. 2.434 mln, although he joined work in the media office of the Culture Minister on 20 March 1991 in return for L.E. 5 daily wage; on 3 April 1996, he was appointed in return for L.E. 150 monthly reward; in 1<sup>st</sup> January 1995, he was promoted to the third grade; the total amount of pays that he received from his post during this period was L.E. 51000; what he received in return for bringing advertisements was L.E. 215000.

Mohamed Mohamed Mahmoud Roweishid Fouda had the diploma of the industrial secondary schools in 1988 and he descends from a poor family; he didn't inherit any property through natural means; he worked at the beginning of his life as and organizer of the election campaign of a candidate in Zifta of Gharbiya governorate, then he worked in a daily part newspaper after this he worked in the media office of the Culture Minister; within two years of working in the media office of the Culture Minister, his influence expanded in a notable manner.

The referral decision of counselor Magdi Mohamed Ali Tawfiq the chairman of the auditing administration and member of the service of ill-gotten gains, included that during the period between 20<sup>th</sup> March 1991 and 29<sup>th</sup> April 1999, Mohamed Fouda and his wife Rania Talaat Al-Sayyed, received ill-gotten gains because of abusing the authority of his post ( an employee in the media office in the Culture Ministry and media secretary of the Culture Minister) through making close relations with many officials in the Ministries of culture and electricity and Giza governorate and some top officials in the government; he managed, through his reinforcing his ties with them, to mediate to achieve interests for the businessmen concern in return for his receiving, for himself, sums of money which he doesn't deserve, leading to a sudden increase in his wealth estimated L.E. 3167531.02, US\$2700 and 80000 Italian liras; this increase came in a way which is disproportionate to his legal financial resources; he failed to prove there is a legal source for it; the charges included, being the media

secretary of the culture minister, began receiving ill-gotten gains estimated L.E. 480000 due to abusing the authority and influence of his post through receiving, from Amr Anwar Tawfiq the chairman of the board of Al-Ahram co. for tourist and real-estate development, a Cheque issued carrying his name of L.E. 450000 in the Egyptian Saudi Financial Bank (Cairo branch) on 1<sup>st</sup> August 1999, and he received from Sabri Amin Abdol-Majeed, the chairman of Al-Aziziyya company, a cheque carrying his name of L.E. 30000 in the Egyptian National Bank (Jazeera Al-Arab brnch) on 20<sup>th</sup> April 1999, in return for his mediation at some government officials to do some of his interests.

The Minister was forced to respond to interpellations of members of parliament regarding this; in his reply to an urgent statement from MP Ibrahim Al-Bardissy regarding the arrest of the Minister's media secretary and whether the minister allowed him to work in other institutions and administrations after official working hours, the Minister replied that the defendant is just an ordinary employee in the media office of the Culture Ministry and that any work or activity that he did after the official working hours aren't related to us and the Ministry didn't give him any permission or approvals in this regard.

After four months and five sessions, Giza Criminal Court issued its ruling in the case of Mohamed Mohamed Fouda, the media secretary of the Culture Minister who is accused of having ill-gotten gains through exploiting his post to do interests of businessmen in return for receiving sums of money that he didn't deserve, sentencing him to 5 years and fining him L.E 3167000 and obliging his wife Rania Talaat Al-Sayyid to pay back a similar sum of money to the state treasury; the court said that it was convinced that the charge of having ill-gotten gains is proved against the defendant and that he made a large fortune which is disproportionate with his income, through his mediation to achieve interests for people concerned in return for his receiving sums of money; he also began having an ill-gotten gains through the cheques found with him before he exchanges them from Cairo banks. It is worth mentioning that Mohamed Fouda faces another case before the Supreme State Security Prosecution on charge of mediation due to his mediation between Omar Abou Haliqa and Maher Al-Gindi, the ex-governor of Giza and exploiting his influence to make the governor finalize procedures of allocating 130 acres in Misr-Alexandria desert road.

### **Beni Sweif Theater Fire**

On Monday 5<sup>th</sup> September 2005, there was a theatrical performance entitled "whomsoever from us" by Fayoum's Tamiya theatrical troupe through a theatrical festival held in Beni Sweif culture palace; this was in the plastic arts hall annexed to the palace's building; while the actors were saluting the audience at the end of the performance, huge fire erupted destroying everything inside and the hall and killing 52 persons and injuring more than 20 most of them were critically injured. What happened was like a holocaust or a huge furnace set ablaze swallowing bodies of actors, audience, jurors and décor and everything in the hall.

The scene investigation confirmed that the disaster took place due to a candle that fell on the stage to catch the curtains; only a few of those present survived from the fire that beleaguered them.

The hall where the disaster took place was originally a hall for showing plastic arts; it has two doors: a small one leading to the hall of the culture palace and the other one is wide (the hall's main door) leading directly to the street; traditional tile is installed in the hall; as for the ceiling it is tiled with foam, a material which melts with heat; the ceiling had three air-conditioners.

Closing the main door of the plastic arts hall led to increasing casualties in the horrible fire; eyewitnesses said that the theatrical hall turned into "a big furnace" after dozens of men, women and children failed to open the hall door, and that some 120 of those who were watching the show found only a small side door on which they stampeded to flee the tongue of fire, leading to dozens being trodden on.

What happened during this night was documented by September 5 group, a group which

was formed to defend the fire victims and to bring those responsible for it before justice; it wrote a fact-finding report containing the testimonies of witnesses; according to the report, the play director wanted to depict the form of a cave: he covered all walls with paper of cement bags and made some drawings using a spray. To make limited visual effects, the director dotted candles beside walls of the hall; deceased Hassan Abdou, the festival manager, phoned the civil defense administration, which sent a fireman with a mobile cylinder who sat at the end of the hall. The theatrical décor was accounting for about two thirds of the space in the hall, while the space allocated for the audience accounted for less than one third; this means that it can include no more than 70 spectators.

During the final scene, an actor pulled his colleague on the floor, a candle at the background fell; when the play staff entered to salute the audience at the stage area nearer to the audience, and the audience stood up to salute the actors, the tongues of fire rose in 150 centimeters length, 100 centimeters high wide area to surprise all; quick attempts were made to contain the fire but it hurriedly reached a level that the audience can't control. The first explosion took place and the size of the fire increased notably. The ceiling tile (foam) began to melt to turn into liquid fires.

The wooden walls caught fire to surround all people from all directions. The audience began to flee the fire. Some of them were heading towards it, thinking that this is the door, without coming back. The second explosion took place causing a rocking sound (some thought it was as if a bomb exploded in the scene) followed shortly a third explosion (the last one) kicking the door out to the street.

This is what happened inside the hall according to testimonies of those who survived; as for what happened outside the hall, the following took place:

Tareq Abou Al-Makarem (member of Beni Sweif troupe) phoned the fire department using the phone of the palace, told them what happened and confirmed that thick fires are on. The fire department phoned the palace to prove the authenticity of the complaint; all waited for the fire engine but it didn't come; one of them took a taxi to bring the fire engine although it is just 5 minutes away from the palace; all inside the building stampeded in horror to get out, including the palace pioneers and staff, the troupe of the theatrical club of Al-Anfoushi culture palace who were in the main theatre, not in the hall, preparing for their performance to be shown on the next day. Some persons catching fire began getting out from the affected hall, those were the persons who managed to recover the nervous shock that accompanied the sudden catching of fire. Shadi Al-Wasimi (an arts student who was watching the performance) and Bahaiy Al-Mirghany (a cadre in the popular culture theatre) appeared outside the hall and they entered again to rescue their burnt colleagues but they didn't come back.

Those who were standing in front of the scene tried to help in the rescue without any experience and spontaneously, but no one of them managed to enter the hall. According to a witness: the fire turned into a liquidated form and it was difficult to storm into it.

A witness (Ibrahim Al-Forn) tried to search for extinguishers, one of the employees showed him their place before fleeing, he found them in a locked room; the witness broke the door and found six five-kilo extinguishers; he tried to enter the hall as a number of those catching fire were getting out; he got busied with extinguishing the fire that caught them, consuming four extinguishers; he tried to use the remaining extinguishers but they were emptied without having any effect on the strength of the fires.

Those outside tried to extinguish the fire catching those getting out of the hall through other means including (dust-election placards hung in the street) the rescues continued more than half an hour; the ambulances and fire engines didn't come even during this period. The status of the injured was horrible (the skin of the face was melting out of burns, the injured person's clothes melted in his skin). Saleh Saad got out creeping without any rescue as Samia Gamal was trying to remove her burning clothes; some of the injured persons headed for Al-Doctor Hospital (a private hospital based in front of the Culture Palace), but the hospital locked its iron gate, denying access to the injured and refusing to

give them any medical aid.

There were spontaneous attempts to send the injured to Beni Sweif public hospital. Some of the injured persons took taxis from the street; Gamal Yaquout (injured) was sent to hospital by his car; some of the injured persons went to hospital on foot, including Adel Hassan and the deceased Major Mohamed Naguib Abou Al-Majd. The fire was still ablaze with some 50 persons inside.

The first fire engine after nearly 40 minutes; the firemen tried to install the hoses to put down the fire, but they found no water to pump; after that, the first ambulance arrived in the scene with a single medical aid worker, without a doctor or medical equipments. The second fire engine arrived after 50 minutes and began putting down the fires. The ambulance began taking the remaining injured persons to hospital (those are the injured who fell just after getting out of the fire and didn't find any body to help them go to hospital through the above-mentioned methods including late Mohamed Shawqi). The injured persons began reaching hospital about half an hour after the fire erupted, 11.00 PM or shortly after this; till this moment, the ambulances hadn't move from the hospital to the scene; the department had only a trainee doctor and two nurses; the doctor and the two nurses disagreed on the necessity of doing entry legal procedures first and before any medical aid; after half an hour, they settled the matter that making legal procedures was difficult. The rate of burns for the persons, who reached hospital on their own, was ranging at the beginning between 35% and 75%.

The rescue attempts began in this room in the third floor whose beds weren't sufficient for the incumbent number of injured persons; some injured persons shared the same bed and some lied on the floor; a debate erupted between the doctor and the nurses on what should be done and whether the ointments in the hospital can be used; all this was happening in front of the injured persons whose status was beginning to deteriorate; some of them began screaming, and others suffered from a state of hysteria. After a 30-minute debate between the doctor and the nurse, they decided finally to use the ointments for the injured; they began putting the ointment on their bodies; the ointments were not enough (one arm of an injured person received an ointment while the other burnt arm didn't because the available ointments were not enough); a doctor- who came later- declared that using ointments wasn't suitable for their status. The beds were so dirty and the rotten smell was everywhere near the injured persons, but their pains were much greater.

The management chaos and recklessness caused many negative aspects; the visit that the Health Minister paid to the injured led to death of another number of them because the hospital management moved them to places away from sight of the Minister until the end of the visit, to increase the rate of the burns and to lead consequently to death.

Some of the testimonies of witness show the incidents of negligence including late coming of the fire engines although they are based near the scene, and the bad condition of Beni Sweif hospital. Ahmed Syyed Mohamed, a cousin to theatrical critic martyr Syyed Muwwad: just after knowing the news, we went to Beni Sweif and moved the martyr on a bicycle belonging to a citizen to Beni Sweif Public Hospital at about 12.00 PM at midnight; no hospital official paid attention to us till 5.00 am in the morning when the Health Minister arrived in the hospital; just after the minister had left and till 8.00 AM, we saw no one again; we knew later that we will go to Al-Ahram Specialized Hospital; the ambulance took us at 11.00 am after the arrival of the Local Government Minister Abdol-Rahim Shihata; after reaching Al-Ahram Specialized Hospital, it denied access to us, and we were sent to Om Al-Misreyin Hospital, to begin the first steps of hospitalization at 3.00 PM; when the doctor told us that he suffers from bronchial allergy, we demanded a spray for him but he refused. Farid Sakran, a computer teacher, adds that: I knew that the ceiling of the hall of the performance was made of flammable synthetic fibers and the décor on the hall walls was made of papers on which drawings were made using a spray, which has a flammable material. There was a Freon leakage from an air-conditioner; after the hall was filled with Freon, it caught fire; the palace had no extinguisher; although the fire department was near



the palace, but the fire engines came after an hour with the ambulance. Abdallah Al-Khateeb (teacher) adds: the human being in Egypt has no value; Dr. Saleh Saad was killed by negligence; he got out of the fire walking on his feet; after reaching hospital, he found only the floor to lay his tired body on; he remained like this till the morning when he died; when we went to identify the bodies of the dead in the morgue, we found them laid uncover without respecting their humanity. Sayyed Tuhamy (in the Azhar zone) says who will hold those officials responsible; the governor came after an hour and did nothing; even the Health Minister, when he knew that the hospital lacks this specialization, why didn't he come with some specialists to do some first aid.

Some of the injured persons were sent to hospitals in Cairo like Al-Haram Specialized Hospital- Ahmed Maher- Om Al-Misreyin- Al-Salam Public Hospital- Qasr Al-Eini- AlMunira Public Hospital; according to the report of the fact-finding committee, they were sent there by ambulances in which the nursing official was sitting beside the driver leaving the injured alone; some injured persons died shortly after sending them (this is what happened with late Saleh Saad).

Due to the feelings of wrath and anger that the accident stirred and the revealed negligence that reached a degree that can't be described; the Culture Minister presented his resignation clarifying that he bears the responsibility and that he doesn't want to embarrass the government.

Mr. Farouq Hosni, the Culture Minister, explained the causes that made him put his resignation under the decision of president Hosni Mubarak: that he bore the responsibility in front of the opposition that tried politicize Beni Sweif theatre accident before wrapping up the investigations currently held by the prosecution; he (...) said that he tried- through lodging his resignation- to turn the table against those who launched a fierce attack without any objective basis, so as not to embarrass the government to which I belong and in which I have been working for 18 years for serving culture and caring for intellectuals whatever their ideological currents are; the cultural development founded by president Mubarak is a proof.

Although the resignation of the Culture Minister was rejected, but it raised a wave of comments; some considered it a farce and others asked him to table a real resignation. To contain some of the fury that emerged after the accident, the Culture Minister issued several decisions, including a decision of revising industrial security measures in all cinemas and theatres in the provincial towns, through a committee formed from the ministry and the theatre artistic house and the Interior Ministry, so as to immediately close any cinema or theatre, whatever their importance, where security conditions and industrial security are unavailable. He also issued a decision of relieving the staff in Beni Sweif, including chief and manager of the culture palace and the festival official of their posts until end of the investigations.

Dr. Mostafa Olwi tried to blame others in the administration for the responsibility of what happened, given that this was within their authorities and under their supervision; he accused three officials:

Mostafa Muaz, the chairman of the central administration for artistic affairs, Sami Taha, the general manager of the theatre management, and Mamdouh Kamel, the chief of Greater Cairo, and the one who assumed the post under an official decree on 15 August, days before the accident took place.

Olwi based his blaming Mostafa Muaz on the fact that he is responsible for all artistic activities in the administration: theater, singing, folklore, plastic arts, environmental crafts. He based his blaming Sami Taha on the fact that he is a supervisor on the theatrical activity in the administration; as for Mamdouh Kamel, the chief of Greater Cairo region that supervises all culture houses and palaces in Greater Cairo and northern Upper Egypt: Cairo, Qalyoubiya, Giza, Fayyoun and Beni Sweif, Dr. Mostafa Olwi based his blaming him for Beni Sweif fire on an old decision issued by Ali Abou Shadi, the ex-chairman of Culture Palaces who headed the administration starting from 1999 till 2001; this decision defines those

responsible for the industrial security procedures in the culture zones, defining chiefs of culture regions nationwide; the decree No. 136 of the year 1999 confines the responsibility of the industrial security in the cultural zones to heads of the culture regions nationwide and they are the ones shouldered with the responsibility of preparing auxiliary artistic devices, tools and elements to guarantee the required security for the cultural zones against various security worries, in addition to shouldering the chiefs of the culture regions with the responsibility of monitoring the procedures of the chiefs of cultural branches while providing other artistic devices, following the directions of the civil defense services with the areas of the culture branches all over the country.

Minister Farouq Hosni fired the chief of the culture palaces administration, Mostafa Olwi, and replaced him with Dr. Ahmed Nawar. However, the few days following the accident witnessed closures of all theatrical halls affiliated to the administration and stopping all theatrical activities.

The Public Prosecutor, counselor Maher Abdol-Wahid, sued Dr. Mostafa Olwi, the chief of the administration of culture palaces and Shura Council member, and seven other public employees in the administration and manager of Beni Sweif culture palace on charge involuntary manslaughter. Dr. Mostafa Olwi had assumed this office only a few months earlier.

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## **Corruption in Economic Investment Field**

### **Corruption of Economic Management**

It is true that the current regime received the Egyptian legacy in October 1981 while it was debt-ridden "\$40bln" and in an Arab seclusion towards Egypt; however, what is counted against it that Egypt witnessed in the period between 1974 and 2004 huge financial and economic resources that it hadn't witnessed all over its modern history, as they reached \$500bln, the revenue of three big key sources: the transfers of immigrant workers, fees of crossing the Suez Canal, revenue of the Egyptian oil and finally the official revenues of the tourist activity; for example, the transfers of immigrant workers since Mubarak assumed office in 1981 to 2004 some \$85bln, posing crucial questions around the economic management as it is a waste of development opportunities; taking a sample from the latest government statement in 2006, we find this statement full of so many statistics which either contradict with the official statements themselves, so much beyond being carried out or are debatable.

If we started with what the statement contained concerning the key indications related to the new investments, growth, inflation and unemployment, we will find that it pointed that the value of the new investments, using current pricing, reached some L.E. 92.5bln in the fiscal year 2004/2005 against L.E. 79.6bln in the past fiscal year with 16.2% increase. But the prime minister himself indicated later that the inflation reached 16.7% in 2004/2005. Consequently, the real size of investments retreated slightly under best conditions. Also, the most important index is the investment rate, that is the rate of what the nation spends from its local and gross products for building new service and production assets; the investment rate in the fiscal year 2004/2005, reached some 16.6% in comparison with some 16.4% in the fiscal year 2003/2004, a very low level for such a rate in the two stated fiscal years, given that the average rate of investment in the world reached 21% in 2004; the rate reached some 45% in China which leads the world in growth rates; it reached an average of some 39% in eastern Asian and pacific countries whose governments have the will to cut the current income and deprive of the current consumption, to build new service and production assets to realize the highest satisfaction in the future and for the coming generations; thus, concerning the investment rate motivating the economic development, the rates realized by the government this fiscal year and in the past fiscal year and other earlier fiscal years are lowest rates in the world and the region, and deserve to be mentioned as an icon of the failure and dysfunction and nothing else. As for the real rate of the development of the gross and local product, the credited statements of the International Monetary Fund on Egyptian government statements show that this rate reached 4.1% in 2004, and is expected to reach 4.8% in 2005; in fact, the rate realized in 2005 is so much lower than its equivalent in all developing countries, up to 6.4%, and the Chinese growth, more than 9%, and the growth in all eastern, southeastern and southern Asian countries, up to 7.8%; this means that Egypt is one of the developing countries which have a slow economic growth.

As for the rate of unemployment, the government statement indicates that it decreased from 10% to 9.5% for the first time in many years, something that contradicts with the official statistics indicating that the rate of unemployment reached 9% in 2001/2002 and rose to 9.9% in the fiscal year 2002/2003 and remained in the same high level in the fiscal year 2003/2004, then it rose to 10% in the fiscal year 2004/2005; consequently, speaking about the rate of unemployment reaching 9.5% as an achievement that wasn't realized for years, is something strange and contradictory to the official statistics; it is worth mentioning that the official statistics as a whole are under severe academic criticism, because they are based on the fact that the actual workforce is up to 19.1 million workers out of the overall workforce (employed and unemployed) which reached 21.2 millions in the fiscal year 2004/2005 but the World Bank statistics show that the Egyptian workforce reached 26.7 millions in 2003, this means it wasn't by no means less than 27.5 millions in the fiscal year 2004/2005; taking this more down-to-earth estimation into consideration, the number of the unemployed may double and reach some 8 million unemployed persons, raising the rate of unemployment to some 29% out of the Egyptian workforce. Amid the absence of a jobless aid system, unemployment which prevents those able-bodied persons who want to work, from earning their livings decently, pushes them into the abyss of poverty to live depending on their families and makes them a suitable environment for the increase of tendencies of political, criminal and family violence.

The government statement indicated that 256800 job opportunities were provided in L.E. 1178 million projects funded by the social fund; this means that cost of every job opportunity according to this estimation, is less than L.E. 4600, a cost which is not down-to-earth at all, because the real cost of creating a permanent job opportunity in the start-ups is currently no less than L.E 15000; hence, the number of job opportunities mentioned in the government statement as provided in the social fund

projects isn't accurate; it needs a revision and the actual figure may be less than one third.

The government statement pointed also that the president's election agenda will be carried out to find 4.5 million job opportunities till 2010; the agenda points that L.E. 3bln will be given as small loans ranging between L.E. 5000 and L.E. 10000 to offer 600000 job opportunities, L.E. 5000 for creating a job opportunity in this field. These estimations, for the cost of creating a job opportunity in this field, are the same as those 15 years ago and are not realistic given the continuous rises of prices; actually, the job opportunities that can be created through these three billions will be no more than 200000 job opportunities, assuming that the projects set up through these loans will succeed, in addition to the fact that the success of the startups needs a national nurturing throughout all their stages and processes.

As for the second program, it includes creating 900000 job opportunities during the coming six years, through funding some 2000 project annually with a value of L.E 5mln for every project and an overall annual estimation of L.E. 10bln, including some L.E. 5bln offered by banks. The calculations of this program are based on the fact that small and average businessmen offer L.E. 5bln investments to fund this project, something primarily based on the availability of this funding in the hands of the small and average businessmen and their conceptions regarding the investment climate in Egypt; this program is just a goodwill declaration which doesn't include any practical mechanisms for implementation.

As for the third program- called 1000 factories- it will cost, during the next six years, some L.E 100bln, in which 1000 big factories will be built and the bank institution will give L.E. 52bln credit to fund them; their owners will bring L.E. 48bln to complete the funding according to conceptions of its founders; this program also depends primarily on the availability of this funding in the hands of the big businessmen and the extent of their conviction with the investment climate in Egypt; as for the number of job opportunities to be created through this program, assuming that it will be fully implemented, they will be up to 1.5 million job opportunities with cost up to L.E. 66700 for every job opportunity; this estimation is divorced from reality and from the government statistics themselves; according to statistics of the general authority for investment and free zones, the cost of every permanent job opportunity in the investment projects is up to L.E. 250300, as the investment costs of the investment projects which have been established since mid 1970s till mid 2003, some L.E. 375.45bln and provided only 1.5 million job opportunities; go back to: the general authority for investment and free zones, the annual report 2003/2004, the introduction; hence, assuming that this project has been set up, and assuming that the cost of a job opportunity is in the same as past times, the maximum job opportunities that can be created are some 400000 opportunities during the next six years; consequently, if the government is serious in solving the unemployment crisis, it should search for alternative or additional solutions for its programs which are insufficient for facing the crisis.

As for the direct foreign investments stated in the government statement as reaching some \$3.9bln, the government wanted to exaggerate their size to propagate for a nonrealistic image about its efficiency; it did two things: the first is merging the foreign investments in the oil sector in the direct foreign investment for the first time and in a method not applied in Egypt or the rest of the world; this led to adding \$2.5bln to the value of direct foreign investments without any right, specially that these agreed upon investments are to be spent in several years, not in the year in which they were agreed upon. The second thing is excessiveness in selling the public assets to foreigners within framework of the privatization program whose selling operations were mostly marred by suspicions of corruption and wasting public money; this excessiveness in selling to foreigners is registered along with its revenues as direct foreign investment; it is true

that selling public assets to foreigners means foreign financial flows to Egypt, but it doesn't mean that there is no increase in the investments because these cash flows were directed to buying production assets which are already productive; so they are fake direct foreign investments.

Regarding the so called social dimension, the government statement indicated that the social insurance pensions are paid to 744000 families with a value of L.E. 500mIn every year, with an monthly average of L.E. 56 for every family; it will be raised to L.E. 1.1bln given to one million families with a monthly average of L.E.92 for every family; actually, these pensions are extremely low and are not sufficient for providing a minimum subsistence level for an individual, let alone a whole family; they must be at least doubled and to be raised annually in a rate more than the actual inflation rate to keep its buying power; if those benefiting from it will increase to one million families, so their population may be up to 4 millions, about 6% of the whole population, will it be heavy on the government to allocate L.E. 2.5 bln from the coming budget which may reach L.E. 200b bln, 1.25% out of it?.

It is worth noting that these pensions are not a grant from the government or any social segment to the poor who receive them, they are actually less than the original rights of these poor, which is their quota as citizens from the revenues of the natural resources like oil, gas in which all citizens have equal rights, and their portions also from what the ancestors constructed, like the revenues of the Suez canal and the revenues of the tourist use of pharoanic, Islamic and Coptic antiquities.

Concerning the increase in pays, the government statement said that they will increase by rates ranging between 75% and 100% during the next six years; this means that the increase in prices will swallow most of them if the rate of inflation remains in the same high levels registered in the two past years; also, the current payment system is an unjust one and it doesn't provide a just distribution of income among those who have rights in the work including workers, hired farmers, employees and professionals and between the owners, including the state and businessmen on the other hand. Although the individual average income reached, according to government statement, some L.E 7666 annually- about L.E 640 a month-, but the minimum salary of a government worker is up to L.E 45 a month- about 7% only of the individual's monthly income in Egypt, given that the minimum wages of a worker in 1953 was 18 piasters- more than L.E 50 a year, at a time the individual minimum income was about L.E 40 annually; by the way, the current minimum salary of a worker equals the price of no more than 1.5 kilo of meat while the minimum salary in 1953 equaled the price of more than 50 kilos of meat!. The government statement points out that 330000 new acres have been reclaimed without defining the period during which this reclamation was done, making this statement meaningless, given that 174500 acres were reclaimed in 7 years from fiscal year 1996/1997 to the fiscal year 2002/2003- 44900 acres every year, which is the lowest level of reclamation in Egypt in at least have a century; the government statement points also that the cultivated area reached 8.4 million acres, contrary to official statistics; according to statistics of the Central Auditing Organization in the annual statistical book issued in June 2004, the agricultural area is about 6.7 million acres (page 247-248); there are many issues raised in the government statement and require comments which can't be detailed here; however, the government should review its objectives and plans to realize them, and to be so modest while speaking about what it calls achievements, and to realize that it governs a great nation that needs its economy to be administered more efficient, transparent and just ways.

## **Second: Corruption in Health, Transportation and Media Sectors**

### **The Health Sector**

## **Amid Incapability of Health Insurance and Medical and Administrative Inefficiency**

The medical services, which the state offers to its citizens, are considered an indication on the progress or backwardness of this state; imagine the extent a sector concerned with the health and lives of citizens may reach if corruption spreads in its various administrations and institutions. In the latest report of Transparency International, Egypt was ranked 72 in the corruption black list; the report confirmed that Egypt spends only 5% of its national income on health; the report revealed that there is a close relationship between administrative, financial corruption and Medicare in many developing countries, including Egypt; the report pointed that the corruption which is spread in Egypt's health sector wasn't restricted to the public sector only, but it spreads also to the private sector; the report indicated that many hospitals turned into self-service centers which some persons exploited to raise illegal money.

So, it is natural that an official admits that the level of health services offered to citizens is subzero and that the salary of a dustman is more than that of a doctor: counselor Adli Hassan, the governor of Qlyoubiya admitted that the level of health services is low nationwide, confirming that there is a disorder in the health sector and described it as "subzero"; the governor pointed in his statement before the governor's local council to disadvantages of the health sector, including the weakness of allocations for medicine and medical equipments in Qalyoubiyah, saying that the citizen's share in the governorate is L.E. 2.5 out of a total up to L.E. 10 mln.

In another governorate, Menya, a report, issued by the public audit and control administration in the governorate, confirmed that the administrative services committed financial violations, the report described as grave, including embezzlements, thefts, and damages to public money up to L.E. 33.164 mln; the health sector led the list of violations the number of violations in this sector reached 16 violations estimated up to L.E. 9.860 mln including forgery and damages to public money in the bills of early detection on diabetes and bandage rolls which don't meet specifications and fraud in selling in an auction, and manipulating in paying service improvement rewards and environment watch rewards and also doctor's forging signatures and stealing public money; also, it reached manipulating in the rewards of artificial kidneys and sequestering expired blood bags and buying auxiliary not needed drugs as a compliment to pharmaceutical firms and fining fake meals in a hospital and stealing sick people's meals and fake health certificates.

The press scoop achieved by Al-Masri Al-Yom newspaper is an evidence on the deterioration and disorder in the health sector, as three journalists wearing uniforms of three trained doctors in the biggest medical edifice in Egypt, Qasr Al-Einy hospital, toured inside it without being obstructed and entered the intensive care unit and examined all patients whom they met and read their medical history files and CAT scan. As for the Health Minister, he admitted that there is corruption in the ministry; Dr. Hatem Al-Gabaly, the Health Minister, admitted that there is a blatant maladministration in the Health Ministry, adding that the one who denies this is absolutely dishonest, specially that this corruption has been spread in the Ministry for years; the Minister said, in the meeting of the environment, population and health committee in the Shura Council, that Al-Takamul hospitals are merely an unsuccessful project and that the ministry is seriously mulling rescinding them, specially that the rate of occupation is no more than 16% in governorates all over the country, although they are state-funded with L.E. 500 mln annually; Al-Gabaly admitted that he known nothing about the accounts of the health insurance, although he demands restructuring it and urged the Shura Council to vote for increasing the public budget of the country, saying that the current state budget is not sufficient for constructing pivotal projects specially that two thirds of the budget are paid in salaries and wages.

In this report, we will tackle three pivots: health insurance, fake drugs and doctors'

errors.

## **Health Insurance**

### **Preface:**

The health insurance project started in the 1960s and was scheduled to cover within ten years all Egyptians; however, 1967 war stopped the projects; after 1973 October war, the then Health Minister, Dr. Fouad Mohildeen, drafted a new bill law for the health insurance and he presented it to president Sadat in 1978, promising that ten years later, the project would have been completed, and it hasn't been achieved and the health insurance continues deteriorating one year after another and falling in many continuous crises and its permanent inability to do its role.

Currently, the health insurance covers 36 million citizens and supervises 602 comprehensive clinics, 6893 school clinics, 577 pharmacies, 41 hospitals, 28 kidney Dialysis Unit while medicine takes just L.E. 600 from its budget. 60% of the services of the health insurance are carried out by the health insurance units while 40% are carried out by buying from the administration.

Although health insurance is indispensable for offering a health service to a huge section of citizens because of the high cost of these services and that so many can't bear them, but the patient's problems with the health insurance are endless, beginning from being examined by the practitioner and a specialist to the medicine prescription and quality of drugs and ending with registration in hospitals contracted or owned by the health insurance, making insurance treatment a journey of torture riddled with red tape and complicated procedures.

We can outline the problems from which the health insurance is suffering:

- 1-Health Insurance debt
- 2-niglignce and laxness in offering medicare
- 3-financial and administrative corruption

### **1-Debts**

The health insurance system suffers from many problems foremost among which are the L.E1.5bln deficit in its financial resources; concerning these causes, Dr. Mostafa Abdol-Ati, the chairman of the health insurance service, says that: insurance was established 40 years ago, but the rates of contribution or estimations of the service costs, while the medicine cost jumped continuously; so, the expenditures were more than the resources, causing a deficit in the budget of the social insurance; so the system lacks resources, not bad service; he added that there is a bad need for a legislative amendment to some legislations to realize a financial balance between revenues and expenditure to end the current deficit and to expand in giving service to other sections among people. Also, the contribution of those benefiting from the health insurance system should be raised because the rate of costs increased 10 times more than it was before ratifying legislations; this wasn't met by doing an appropriate amendment to the rate of contribution, leading a dysfunction in funding; however, the health insurance system does its services as required within framework of the available capabilities, given that it offers an overall medicare to more than half the country's population, an appropriate alternative for offering medicare to all citizens after bearing medical expenses became difficult; so, efforts should be exerted to to develop it and solve its accumulating problems so as to extend it to more sections that may benefit from it. This should be within framework of finding sources for funding the health insurance so as to be able to apply the health insurance system, in medicine, medicare and the administrative system to end citizens' complaints on some aspects of disorder and to raise the general level of service; there are several proposals to develop the health insurance system, all of them are under study and research; no new legislative

amendment on the health insurance has been issued or ratified yet. He pointed that, concerning the system of the private health insurance, there are several companies based in Egypt and do their work in this field without affecting the health insurance system.

However, there are some proposals that try to heal, including amending health insurance laws and separating the service from the funding, although these attempts may lead to privatizing the insurance, triggering more burdens on the citizens.

In a reportage published in Al-Ahali newspaper, Dr. Abdol-Monim Obeid, a professor in Cairo's faculty of medicine and a member of the health committee in the specialized councils, said that whenever talking about overhauling the health insurance increases, we get worried; the first thing striking our minds in this regard is what the Health Ministry declared concerning the weakness of doctors' salaries and the suffering while receiving health insurance services due to the huge increase in subscribers that reached some 35 million beneficiaries, 46% of the population after including school students (17 millions) and newly born babies (9 millions), and within a budget up to about L.E. 2 bln and debts up to L.E. 500 mln, a quarter of the allocated budget; bearing into mind that the total of what the Egyptian people spend on medicine is nearly L.E. 20 bln half of it comes directly from their purses while they take a share in the second half through public taxes and the annual subscription in the health insurance service, we got amazed at the government outcry at the inefficiency of the health insurance.

Obeid adds that: "some international administrations, supporting the health overhaul plan in Egypt, recommended changing the health insurance service into a mere fund for buying service for beneficiaries from institutions that offer the services; the government echoed this plan under the slogan of- separating funding from the service- and that the job of the health insurance service is restricted to funding only, and to get rid of its hospitals and clinics, socially ominous advice as this turns the Egyptian health insurance service into a merely money investment company like the ones our country witnessed and which we are no in need of. Dr. Obeid concluded that the health issue can't be assigned to the private sector like education. Dr. Mohamed Hassan Khalil, a consultant in heart diseases in the public administration of the health insurance and a member of the society of health and environment development, said that the offered bill law leads an increase in the rate of subscriptions to the extent of making the beneficiary contribute with a third of the medicine outside the hospital part from chronic diseases and also his contribution to the service cost with no more than a third of the cost or price; khalil points that this law leads to a very serious disorder that may violate the very principle of insurance itself, as the core of insurance is paying just the averages in addition to symbolic fees instead of being forced to pay huge sums of money in case of disease; paying rate without a maximum may force the insured to pay limitless sums of money up to thousands of money. Dr. Mohamed Hassan Khalil adds that the new bill law excludes specifically that the health insurance service offers the service itself, and thinks that wasting the health insurance structure of hospitals and clinics as a trend related to the Health Ministry's health overhaul policy may solve the problems of bad service facing citizens, but we face many problems; the problem doesn't lie in giving a role to the private sector, but it is specifically excluding the public sector, thereby burdening the insured with the cost of the service in addition to a margin of profit leading to increasing the cost he may pay; where will this medical structure comprised of 40 hospitals and 140 comprehensive clinics which were built by the money of the insured. Dr. Mohamed Raouf Hamed, professor of pharmacology in the national administration of pharmaceutical research and control, spoke about the problem of medicine in Egypt, stressing that medicine is a very special commodity; it is indispensable for those who need it; this commodity depends on research activities; Dr. Hamed describes the medicine market as increasing geometrically and quickly; in 1976, the size of the pharmaceutical market in the world was \$5.43 bln to reach \$5.94bln in 1984; five years



later, it reached \$256bn till it reached \$373bn in 2000 and reached \$506bn in 2004. Dr. Raouf points out the core of the problem is that pharmaceuticals is related to the ability to research and develop; Trips Plus deal that may raise the prices of medicine comes amid the weakness of our research ability in this field. There was a general trend among attendees to reject the idea of splitting funding from service, while there was a disagreement over on offering an alternative bill law or to keep the government's bill law after making some amendments that may improve the service. The workshop concluded with laying down some alternatives and mechanisms to confront this government plan for privatizing the health insurance institutions, foremost among which is establishing committees to confront the health insurance bill law nationwide, maintaining a unified social structure for the health of the Egyptians and sticking to one law that protects the insurance rights of the Egyptian citizen, including the social and health insurance, and there should be one unified and independent service, the health insurance service, in addition to mobilizing the opposition force to press for confronting this new bill law, and showing a strong public opinion rejecting this; finally, the government's health policy should be rejected and defamed and establishing a permanent committee to follow up carrying out these mechanisms.

But, does the currently applied health insurance system does its role as required; this question is answered by Dr. Hatem Al-Gabali, saying:" the current health insurance law isn't flexible and doesn't allow its beneficiaries to receive treatment outside health insurance hospitals unless the medical treatment is provided by the health insurance (...); Al-Gabali revealed that 82% of those working in the private sector aren't covered by the health insurance, confirming that most poor sections are the ones suffering most from the cost of medical services as they spend some 15% of the incomes on medicare and 6% of them spend about 40% of their incomes on treatment and medicine, pointing out that the rich are the least spendthrift on medicare and medicine as they spend about 8.7% of their income on medicare; he indicates that the World Bank report confirms that the poorest society sections are the least receiving aid, as they receive 16% against 28% for the rich.

For his part, Al-Ard human rights centre warned of privatizing the health insurance as he sent a memo to the People's Assembly in which he demanded they reject the government plan aiming to privatize the health sector as it is unconstitutional. The memo said that this is amid the state's withdrawal from offering economic and social care and services to citizens in Egypt. The memo said that the new plan relieve hospitals of the government and the health insurance service of their responsibilities of offering health services to citizens; the memo added that this plan didn't mention to whom will move the ownership of these government hospitals, 1299 government hospitals in addition to 40 hospitals and 140 comprehensive clinics affiliated to the health insurance. The memo, currently in the hands of a number of members of parliament, warned of selling the state-owned health facilities with the lowest prices. "Aiming to glorify profits for the private sector" at the expense of the health of the poor citizens" and turning people's health into a commodity monopolized by the private sector's hospitals". The memo pointed out that these government procedures come at a time the health of the Egyptian citizen witnesses an unprecedented deterioration, as 4% suffer from malnutrition, 12% of the children suffer from weight loss, and the general administration for health insurance in Egypt covers only 41% of the population, while most citizens suffer from deteriorating conditions.

The memo added that the government plan in this trend has no participation or supervision over the proposed administration in the new bill law, except for the Health Minister, the government's representative, and the absence of the role of the beneficiaries who will contribute with 68.67% as a subscription to fund the budget of the administration".

The memo pointed out that the new system has no auditing or control systems for the

total revenues; there is no guarantee that the service reaches subscribers. A number of People's Assembly MPs are scheduled to use the memo of Al-Ard human rights centre's memo in their discussions of the bill law when it is referred to the specialized parliamentary committees... the memo said also that : " the government-through proposing the bill- is beginning to turn the Egyptian people into nationals who have no rights, because the state aims to collect taxes and subscriptions without clear commitments towards beneficiaries."

Al-Tagamoe party has proposed a bill as an alternative for the government bill law which is considered a disaster for the future of medicare for the poor and limited-income people.

The proposed government bill law states sentencing citizens and business men who give incorrect information or refuse to pay subscriptions, to 3 months in prison, while there is no stated punishments against the doctor or employee who is proved to have refused offering services to beneficiaries of the health insurance administration proposed in the government bill law.

## **2-Niglignce**

It has become part of our daily life to read in newspapers about medical errors that take place in the health insurance as they have recurred so many times; this is just an example of dozens of examples which are continuously recurring, that there are four cases of epidemic hepatitis and that these cases have a renal dialysis without taking the necessary medical precautions to prevent infections to other patients:

The report of the fact-finding committee of the local council of Suez governorate confirmed that there is a negligence in some procedures of analysis and splitting and devices of the renal dialysis unit in the health insurance hospital; the committee found out through documents that there are 51 patients in the department including 26 C-virus positive; it demanded the officials discuss the phenomenon that exceeds more than 72% in comparison to the renal dialysis unit in Suez public hospital; the report added that the general manager of the health insurance area in Suez said that there are 4 cases which were infected with C virus and that those patients still make renal dialysis on the same devices and it was revealed that these four cases weren't subjected to the a separation process from the devices or workers in the renal dialysis department.

### **Administrative and Financial Corruption**

Medical negligence isn't the only aspect of corruption in the health insurance system; there is also an administrative and financial corruption spread in its units; a nurse, in a Heliopolis health insurance clinic, cheated in registries and got undeserved 50 medical prescriptions including prescriptions of repeating medicine for persons who haven't visited the clinic, weren't medically examined, and most of them aren't covered by the health insurance; she rubber-stamped them with a fake rubber stamp and sold them to a pharmacy in Matareya in violation to law; her accomplices were nine doctors in the health insurance clinic. The legal affairs notified the administrative prosecution and counselor, Yusry Al-Hawari, the vice-chairman of the service referred them to the disciplinary board and notified the Central Audit Authority and the public prosecution to investigate into the criminal part and allocate an independent investigation with the chairman of the clinic.

### **Fake Medicine ....Fake Vaccines for Curing Polio in Egypt!**

Early 2006, baby milk "Baby Zan1" was discovered to be not suitable for human use as it was causing some side effects, it was found in markets in big quantities. A higher committee formed by the Health Ministry and headed by Minister Dr. Hatem Al-

Gabaly to handle the problem of a subsidized baby milk product which caused vomiting and a diarrhea for children who drank it, confirmed that "Baby Zan1" product was banned because it is not suitable for human use. All packages- up to 400000 packages- were withdrawn from markets; also, more than a million packages were banned from distribution from the Egyptian Company for Chemicals & Pharmaceuticals. The committee confirmed that there are three other substitutes of the subsidized milk in the Egyptian Company for Chemicals & Pharmaceuticals and in markets in huge quantities, which meet demands for the next nine months. The committee warned that some packages are still kept in pharmacies or by residents who stored them and that they must circulate nor be used because this will be actionable. The higher committee issued several decisions of stopping the company's production line until knowing the cause of the contamination of the packages of this kind of milk apart from others produced by the same company.

The baby milk, which was withdrawn from markets, is subsidized milk whose price is available for most Egyptian families- about L.E. 3 against L.E. 25 for imported milks. Rescinding the production line of this brand of milk was to the benefit of other unsubsidized brands of milk, which are of considerably high prices.

Dr. Magdi Hassan, chairman of the Drug **Holding** Co. for pharmaceuticals, declared that the producing company imports the raw material "skimmed milk" and adds the other ingredients to this milk to take its final shape.

What is striking in this issue is that from October 2005, it was discovered that this milk wasn't suitable for human use; however, the packages of the corrupted milk remained in pharmacies and markets and was used by children till later January 2006; it was used for three more months; the declarations of officials, on whether there was a decision of withdrawing the milk, have been conflicting since 2006; the pharmacists head denied outrightly that there have been since last year a decision of banning this brand of milk and that the pharmacies have been selling it so far, pointing out that pharmacies that handle 4000 brands of medicine have a humanitarian service mission and have nothing to do with selling banned medicine especially that the pharmacies law No. 127 of the year 1955 punishes those violating this with closing their pharmacies and making them actionable.

He denied also accusations against some pharmacies of selling some brands of medicine without prescription, pointing out that this doesn't happen except with brands known all over the world as shelf medicines which are commonly used without triggering fears. As for the classified drugs, they aren't sold except with prescription.

As for Health Ministry officials, they confirmed that a decision has been issued of stopping production of this brand of milk since October 2005; Dr. Nagda Rkha, chairman of the sector of health, preventive and endemic care pointed that since 29 October, when the ministry received the first complaint on the corruption of the milk packages, an immediate committee has been formed and went to the producing company based in the 10<sup>th</sup> of Ramadan, samples were taken to confirm that the defects in the packages are due to storage or due to primary items, but it was discovered that the samples were arsenic due to production; a decision was issued of stopping production and withdrawing all products from the market. The ministry analyzed the remaining raw material in the company and was sequestered. The committee decided not to give the company a license for production again except through a license from the higher committee, which was formed for this issue.

As for Dr. Zeinab Obeid the Health Ministry undersecretary for pharmacies' affairs, she confirmed that the delay was due to rows over results of the analyses as some proved that the milk was OK while some others confirmed that it wasn't suitable in addition to Great Bairam; later on, a higher committee comprising professors from universities, medicine control and food control was formed; the committee decided to stop the production line and withdraw any packages of this brand of milk in the markets.

Meanwhile, the pharmacists syndicate issued a release of withdrawing all packages of this brand of milk from all pharmacies and using substitute brands. Dr. Zakareya Gad, the head of pharmacists, declared that he demanded in a release he sent to 30000 pharmacies in Egypt that they must recall to the company producing Baby Zan1 all the remaining packages after its use was banned by the technical committee formed by the Health Minister Dr. Hatem Al-Gabali after it was discovered to be harmful to health of children and specially that there are other substitute brands.

Baby Zan One is a baby milk which was produced by LactoMisr, an Egyptian Arab company with investments up to L.E. 500mln; inaugurating this company was accompanied by unprecedented interest from the ex-Health Minister (Dr. Awad Tag Al-Din) who immediately held more than one press conference to declare that Egypt began to produce baby milk alone for the first time.

Baby Zan 1 caused many cases of vomiting and the diarrhea for breastfeeding infants to the extent that some of them died of this; a father tabled a complaint accusing the company producing the milk of leading to his daughter's death: accountant Magdi Ibrahim Yousof said in his complaint to Heliopolis police station that his breastfed infant Basma died on 4<sup>th</sup> January 2006 after suffering from vomiting and diarrhea and that the doctors who examined the victim described the case as gastroenteritis; he added that he was stunned by the Health Minister's warning quoted and published by newspapers of not using Baby Zan1 because it causes vomiting and diarrhea, and he discovered the cause of his daughter's death as she was fed on this brand of milk; the one who tabled the complaint, which was notified to the then minister's undersecretary for Cairo security, Major General Nabil Al-Izaby, accused the producing company of causing the death of his daughter. The prosecution was notified and it held an investigation.

Only one year before discovering Baby Zan1 problem, there was another raised problem related to the subsidized milk: that it wasn't available in sufficient quantities in pharmacies, triggering an exchange of accusations between citizens, pharmacists and officials; the citizens accuse the pharmacists of purposely hiding the milk to sell it for a higher price while the pharmacists defended themselves saying their milk allocations are originally low; officials declared that the subsidized milk goes to patisseries factories and shops.

In an Al-Ahram reportage on this topic, Dr Mostafa Shahin, a pharmacist, said that the cause of the recent increasing problem is that there is only one subsidized brand of milk, while a few years ago, there were several brands to give the opportunity to choose; when a brand wasn't found there would be another one or a substitute; now, the only brand is actually not found and can't be reached not only by individuals but by pharmacies which may take one or two packages every month while there is a huge and increasing demand on the subsidized milk, triggering a state of rejection from citizens and an exchange of accusations with pharmacists accusing them of causing a crisis for personal and material purposes; in addition to lacking the subsidized milk, the pharmacies don't know the real cause of the unavailability of this; the distributor who comes to the pharmacies has no knowledge as he isn't a specialist (...) and thinks that the substitute for those who are badly in need is the cow or buffalo skimmed milk through filling a third of a cup with milk and filling the two thirds with water, a method that contributes to solve the problem of the absence of the subsidized milk and not to fall prey to the prices of other brands of milk, as the price of a package is up to L.E. 22, a total of L.E. 160 a month for an infant; solutions must be immediately found for this unprecedented crisis as rows erupt between pharmacists and citizens who seek food for their infants, specially in popular areas.

Dr. Mohamed HerHesh, a pharmacist in Minoufiya village, agrees on the previous opinion concerning the so little quantity given by the distributing company to pharmacies; he was receiving a box every month; as for now, he receives no more than L.E 2.95 package; as for prices of other milk brands, they range from L.E. 16 to L.E. 20;

as for exploiting the milk and selling it to owners of patisseries shops- some did so-, it may occur as milk is suitable for use in food products.

The then Health Minister (Dr Mohamad Awad Tag Aldin, an ex-Housing and Health Minister) admitted there was a problem in baby milk, confirming that it isn't instantaneous, but it is a pile of previous years as the government subsidize baby milk with L.E. 70mln, L.E. 9 for every package. The Health Minister said:" the problem lies in the fact that some individuals manipulate the milk allocations and enter with the baby milk the black market; those individuals collect the baby milk packages from pharmacies and sell them to factories of patisseries, cheese and ice cream for the huge price gap, causing actual lack in some zones; thus, we invented a new method of distributing milk through Motherhood and Childhood Care Centers in every governorate.

The baby milk's wasn't the last in the series of corrupt drugs; newspapers in this period (Jan. 2006) spotted another issue, the presence of fake vaccines with which children were vaccinated: the child Fayiz Hamad, a pupil in Makram Al-Akhlaq primary school, is currently hospitalized in Marsa Matrouh public hospital (the third floor, room 8 of economic treatment) after he was given a compulsory dose by persons roaming with an unidentified car (...) the child's father tabled a complaint in Marsa Matrouh police station; Dr. Abbas Al-Shanawani, Health Ministry undersecretary confirmed that the child was put under supervision for 24 hours and an immediate gastric lavage was made for the child and smples were taken from his blood and vomiting and were sent to central labs in the Health Ministry to be analyzed as a precautionary measure, confirming that there were no vaccinations during that period and that the published rumors are completely groundless and are done by those who want to spread panic and suspicion in the safety of the vaccinations.

While a Health Ministry official declared that there were no vaccinations during this period, but Al-Waf published in its homepage citizen's confirmations that there were vaccinations for kids, this time wasn't in Marsa Matrouh, it was in Cairo: Al-Wafd newspaper received many contacts from citizens belying the Health Ministry's statement of denying presence of child vaccinations of any kind in this period; the citizens confirmed that there persons who pass by houses and vaccinate children who suffer later from a high temperature, vomiting and diarrhea; the citizens reported cases that were sent to hospital to receive suitable treatment. The latest case was in the Swiss neighborhood in Tenth Suburb of Nasr city where some persons dropped in houses and vaccinated children who suffered some pains forcing their parents to send them to Tabarak hospital which in turn sent them to Al-Dimirdash hospital to receive the suitable treatment and to follow up their status; the citizens confirmed that the Health Ministry's statement denying presence of vaccinations is incorrect and they denounced that the statement branded what happened as rumors, asking Dr. Hatem Al-Gabaly to come personally to Al-Dimerdash hospital to see himself the suffering cases after the vaccinations.

Al-Araby Al-Nassery Newspaper pointed there were fake vaccinations and that they were the cause behind what happened to the kids as it announced in a reportage that the Holding company for vaccinations imported blood derivatives which pose risks to public health and from countries banned to import from; this is in addition to the fact that the polio vaccine may had corrupt doses distributed recently and poisoned the children and the Health Ministry disclaims them.

In an attempt from the Health Ministry to eliminate fake drugs: Dr Hatem Al-Gabaly, the Minister of Housing and Health, said that a project for a good storage for drugs will be prepared to end the random distributions on pharmacies with the participation of the pharmacists syndicate in order to protect citizens from fake, expired and smuggled-from-abroad drugs which harm health of citizens.

In a report of the Central Auditing Organization, it was revealed the Holding company for vaccinations imported some L.E. 24mln expired vaccinations, posing dangers to

children and threatening the return of the lethal virus to Egypt, in addition to presence of 370000 bottles of the vaccine estimated \$477000 in the production reception store of the company without having the date of production or the date of expiry on them, confirming that there was a foul play for the importing company, Smith Klein; this endangers the lives of the Egyptian kids; what is serious in these vaccines is that some quantities of them were sent for medical supplies although they are not suitable (...). From fake polio vaccines to plasma- blood derivatives, which were stored for three years although the validity period is no more than one year; this is in addition to the plasma that was imported from England although it is one of the countries importing is banned from as it is one of the sources of sending lethal viruses which are harmful to public health through blood and its derivatives.

Concerning the violations of the Holding Company for Vaccinations, revealed by the report of the Central Auditing Organization, AlAraby Newspaper said: the financial situation of the company deteriorated as well; its list showed L.E. 196mln working capital, revealing a disorder in the financial structure in addition to establishing projects without making use of them for 7 years and the company's dependence on loans to fund these projects and also doing bank overdraft to fund the current business activity; meanwhile, the Central Auditing organization described the Holding Company for vaccinations as a failure while it obsessed Dr. Awad Tag Al-Din and his successor Dr Hatem Al-Gabaly other than anything related to the health sector, making it a spoiled child who does frauds; it declared that there was a net production sale up to L.E. 693mln; what was stunning was that this contained L.E. 7.2mln rescinded sales to the organization of hospitals and educational institutes; also, human blood derivatives including Albumin 20% were bought from England although it was dangerous to health, for L.E. 10.5mln.

It moved from trading in the lives of children and patients to wasting public money in contracting and implementation of a number of projects which the company constructed and remained under construction for many years and for sums of money up to L.E. 218mln; the Central Auditing Organization confirms that they included some L.E. 106mln projects which were amended to confirm that there were defects in the feasibility studies prepared by the holding company; these projects include a L.E. 45mln polio development project which includes buildings, constructions, machines and equipments which the Central Auditing Organization described as investments which have been idle since 1999; producing this brand, polio vaccine, wasn't introduced in the fiscal years 2004/2005 and 2005/2006.; this includes other L.E 32.2mln as mechanic and electric works for the polio project which were paid to Foster Willer company according to a contract in April 2000 all of them are idle investments which haven't been finalized till later June 2004; add to this L.E. 2.7mln for buying plastic bags from a company, given that the undersecretary of this company confirmed that his company with whom the Holding Co. for Vaccinations made a contract with, stopped producing these plastic bags; this confirms that state funds were paid for buying a non-existing product.

Also, a new industry is beginning to flourish in the pharmaceuticals, second brand drugs, medical materials made of unsuitable raw material coming from China or India; they are raw materials with no real effectiveness, endangering lives of patients: a number of patients confirmed that it is cancerously spreading, warning of the dangers of the phenomenon; they said that many Egyptian companies and factories resorted to low-priced raw material coming from China and India which are unsuitable and ineffective raw material but are distinguished by their low prices, 10% less than their equivalents in the European markets.

Officials in the Health Ministry's drug watchdog confirmed that these raw materials are smuggled to enter the Egyptian market and most of them don't have any control measures; the companies using these raw materials do so secretly; this needs a

security control to fight this drug mafia.

Owners of pharmaceutical companies called for fighting the phenomenon which they described as serious, saying that it defames the Egyptian drug product and embarrasses pharmaceuticals in foreign markets.

The value of the ineffective raw material entering Egyptian markets and pharmaceuticals is up to some \$ 1/2bln, a huge and frightening amount that endangers people and a national industry that succeeded in opening international markets.

### **Negligence of Doctors**

#### **Medical negligence and abusing both rights of life and body safety**

Although the phenomenon of medical negligence appeared in the international community along time ago, but the countries rushed to adopt legal and scientific policies to locally solve and limit the problem, having a negative impact on international human rights texts and legislations, giving some kind of legal ignorance to the phenomenon on the international level, being satisfied with the international principles which were originally legislated to defend the human body and life from the aggression of the countries' executive authorities; here is the international charter for political and civilian rights, which Egypt approved according presidential decree No. 537 of the year 1981 on 3 Thol-Hijja 1401 (1<sup>st</sup> October 1981) in its 12<sup>th</sup> article:

"1-the member states in this charter approve that every human being has the right of enjoying the maximum level of mental and physical health that he can reach.

2-The measures that the member states in this charter should take to secure a full practicing of this right, include the measures which are necessary for:

Reducing mortality rates in newborn babies and suckling babies besides assuring a healthy growth for the child

Developing all domains in health, environment and industry

Protection against contagious disease, endemic disease and vocational ones and other diseases, besides treating them and combating them.

Providing conditions that assure medical facilities and medical care for all in case of sickness.

Reading these international texts, we conclude that right in life and protection by virtue of international conventions are restricted in protecting Man's life against the oppression of executive authorities without imposing a protection system for man's life against experimentation and medical faults on his body.

Stipulated protection in the first covenant for economic and social rights lacks the mechanism of international censorship and punishment for breaching of countries these rules. On the contrary, civil and political rights saved by the protocol annexed to the convention, which stipulates establishing a concerned committee of human rights to

observe implementing rules of the convention.

Speaking about Egypt, the crisis has been escalating day after day, especially due to the absence of censorship on the performance of physicians and the widespread of random unorganized medical teaching that stem in unqualified doctors who can not deal with a human body as a living being who enjoys all rights and duties, rather this kind of random teaching produced a doctor who deals with a sick case void of all rights.

And among the poor international legislations in protecting man's rights, comes our Egyptian legislation which ignores any clauses that speak about the fault of physicians in a direct manner, and this forces a researcher to exert efforts to implement general legal rules on charged doctors. Noteworthy, these rules where legislated to face social phenomena in fact, for example, the Egyptian legislation guarantees the general protection for the Egyptian citizen's health in articles hereinafter:"

#### Article 16

"The State shall provide cultural, social and health services, and shall make a special effort to ensure villages easy and regular access to them, to improve the villages' standard [of living]."

Art. 17: "The State shall provide social and health insurance, and disability, unemployment and retirement benefits to all citizens, in accordance with the law."

#### Article 43

"Any medical or scientific experiment may not be undergone on any person without his free consent."

#### Article 57

"Any assault on individual freedom or on the inviolability of private life citizens and any other public rights and

Liberties guaranteed by the Constitution and the law shall be considered a crime, whose criminal and civil lawsuit is



Not liable to prescription.

The State shall grant a fair compensation to the victim of such an assault."

When speaking about penal code, we find no articles that deal explicitly with medical faults, however, satisfied with general rules in articles 238, 244 that say:

""

And due to the poor international and domestic legislation, the responsibility of doctors became the most important controversial matters that result in many efforts in the field of penal jurisprudence and the judicial implementations. While, the problems of creativity, limits and powers of the doctor stand as an obstacle in many lawsuits that may result in implementing inefficient punishment on charged doctors . One of the victims due to the medical negligence is "Muhammad `Emad Judah" who was 9 months old. He died as a result of a dose of vaccination in Al-Aqad health office. The nurse working there, due to the lack of experience, was unable to draw out the capsule that was stuck in his body falsely. Another case, a patient loses his vision in Ocular Oncology Institute, and another patient goes to Heliopolis Center for Cardiology to treat the atrium but unfortunately goes out with coronary occlusion. Another child called Abear, 4 years old, went to Abu Ar-Rish Hospital to treat osteocampsia but unfortunately her legs were amputated. Daily faults of doctors became a continuous matter and there are too many violations that are not subjected to any kind of censorship.

Medical negligence is a result of corruption whether a corruption in administration or education or both, however the result is one; fatal errors that result in grievous cases and may lead to death with no administrative punishment for the charged person.

Consequently, faults will continue with no end.

There is a miserable story about medical negligence of an orphan child whose arm was amputated due to a doctor's faults. Fathi Rizq Ali, the child's uncle reports the incident, he said, "Muhammad was the youngest child for my late brother who was survived by three children." The family was used to visit Alexandria in summer vacation ... " And due to the hard conditions that the miserable family passes, Muhammad had to work in vacation for

supporting his family and mother." Last July, Muhammad was playing football with his friends, and then he fell down." The uncle added. Muhammad's left arm was bruised and his friends rushed and carried him to the nearest clinic of one of the doctors. The doctor said that he must be sent to Al-hadra Hospital for Bones Nariman."In fact, we hurried to the hospital, and in the reception, one of the doctors diagnosed the case, then he called for making x-rays on his fractured arm, then they put his arms in a splint." He said. After that the family left the hospital, but not before the doctor told them to come back again in case of any tumor or the color of his arm changed to blue. "After only one day, we were astonished to find a tumor in his arm and that the color became changed and made Muhammad suffer from pains and high body temperature." The uncle continues to relate. The uncle rushed to the hospital, and doctors decided to keep him in hospital, they removed the splint and left him over the bed with no care. The next day a doctor came to the uncle and told him that he must sign on a paper to endorse that Muhammad may undergo an operation for amputating his arm as doctors said that his arm was infected with Gagarin and the arm must be amputated to save his bad health. The uncle said, "Of course, I refused to put my signature, and I tried relentlessly to know the reasons for this until they told me that the first doctor committed a mistake that occurred before and this result was inevitable. After that they advised me to go to Muharram Bey Police station affiliated to the hospital and appeal to them. I went to the police station then I lodged a complaint number 800 Muharram bey complaints dated on 8/7/2003, then sent to the prosecution. Prosecution asked me then to look for the child's health first and send him to a doctor away from the hospital then submit a detailed report about the case."

The uncle carried the miserable child who was screaming out of pain and he searched for a doctor over night until it was dawn. Doctors refused to carry the operation of amputation in their clinics or private hospitals, and all were repeating the same word," The one who caused the misery must bear its consequences." The uncle was obliged to take the child back to the hospital but this time to At-talaba hospital in Sporting region as Muhammad is a child who enjoy medical insurance. However, doctors decided to take Muhammad back to

Al-Hadra hospital. In this hospital, the uncle found no way out but to put his signature in the endorsement sheet that certifies carrying an amputation surgery to save Muhammad's life. "I signed the certificate that certifies the ever disability of my nephew!" Muhammad's uncle said. "This is a crime! But full-fledged crimes with no punishment although its fatal results are clear like a nose in face!". If we go to the administrative level, the head of Muharram Bey Prosecution talked with the head of emergency morgue in Kom Ad-Dikka, and he called for keeping the amputated part in the emergency morgue until the doctor responsible for autopsy arrives.

The real defamation for Egyptian medicine is the silence against these crimes and that leads to maintaining them.

Another case, for a girl called Sabbah Muhammad ` Abd Al-Hamid Al-Yamani, 30years old, she became a victim for anesthesia injection before undergoing an operation, she became sick with quadriplegia as a result of an acute heart failure. Sabah went to Al-Hussein hospital on 5 November 2002 to make a surgery for treating squinting in her eyes. She requested two days vacation from work as the surgery is a simple one. Unfortunately, she went out of the operation unconscious since the anesthesiologist gave her a big injection that caused her a coma for 3 months.

Head of defending victims of medical negligence society, Ayman Rabih said that he was following the case since the beginning and the case is still kept in the office of General Deputy and since it is kept, that means a misdemeanor will be filed against the charged doctor who caused her misery. Rabih pointed that law will make nothing as Article 244 from penal code stipulates that in case any doctor caused a grievous mistake to any patient, shall be detained for a duration of one month and not more and shall pay a fine about 200 EGYPT, however, if the doctor was responsible for the death of the patient, he shall be punished in accordance to article 238 from penal code by imprisonment not less than one year and shall pay a fine of 200 EGYPT and shall not exceed 500 EGYPT.

Another case about a newly born 40-day old child, she went to children hospital affiliated to Al-Mansura University to be treated from diarrhea and dryness, and in the department

of malnutrition in the hospital, there was a fatal mistake in fitting the bandage round her hand . The color of her hand changed to blue and the result was the amputation of her left hand.

A message sent to the editor at Al-Ahram newspaper among many messages that express the very bitter reality of medical negligence and the administrative heedlessness, the message says:

"The negligence of doctors and nurses working at the Specialized Hospital in Demyat caused my little son who is 9 months old to be carried off. During the checkup, the doctor left him to make a phone call outside the hospital, although he did not come except after calling him several times and we waited a lot for his arrival. When he came back, he jotted down several medications and examinations that nurses failed to abide by. The nurses tried several times to call him but he was not replying even the head of the department was unable to save us or even the head of the hospital..... No body has shown any heed, until my son passed away. Who is going to punished those who caused his death with their niglignce?".

#### Qadry Muhammad Al-Matuli-As-Swalim –Demyat

The above incidents were for ordinary mortals, so not to speak about a great catastrophe that afflicted many and resulted in death casualties of 52 people. This accident stunned Egypt for weeks and left many repercussions among which was the attempt of the ministry of culture to resign, it was the blast of Culture Palace Theatre in Beni Sweif. It was expected that the injured people at the accident would have received a good medical care; however, what happened was the contrary. There were many cases whose injury was about to heal, yet they died due to the grave negligence in many medical domains in the hospitals affiliating to the ministry of health. Unfortunately, the scenario is still on.

One of the patients who died although his burn was about to heal was Dr. Salih Saad. Although, his injuries were not serious, yet negligence caused his death. Same patients of the same accident who were transferred to different hospitals to be treated died due to medical negligence in these hospitals, like Alaa Al-Misry who died two weeks after the

accident in Al-Asr Al-Eini Hospital and Mu'min Abdu who died in Helmiya Military hospital while he was expected to leave it within a few days and Asmaa Mhamed Al-Saiyyed who died after recovery in mid February.

Beside the deceased cases, there were other cases who suffer negligence and medical faults. There are many victims of the blast are still alive but are motionless due to medical negligence. Al-Ahali newspaper made an interview with some of the injured people; one of the victims called Hamdi Tolba said "I went out of Al-Hilmiyyah Hospital suffering from microbe pus that leads to the erosion of the pelvic joints. Doctors decided that I must undergo a surgery to replace joints and up till now I am motionless. I can not afford my medications because since I fell sick I spent all what I have on medications and medical requirements. I want to ask; where is the role of the state and the statements that assure medical insurances?"

In Al-Hilmiyyah military Hospital, here lies Muhammad Samir Uways, he refused to speak due to his poor and serious conditions. His doctor, in an interview said that his conditions are extremely serious and show no signs of good news. After several operations, he responds no more to anesthetic and as a result his spirits are low. His father spoke to the press and complained that there are no officials inquire about his son's health "because he's not a popular guy.!" . Muhammad is a student at the faculty of medicine and is a clever student and he is a champion in track and field, now he became deformed and most of his body became worn out due to negligence and random treatment. And although there are people who were responsible for this misery yet they refuse to treat his son on their expenses.

Hosam Abd Al-Azim is another case; he was transferred from Al-Salam Hospital to Al-Demerdash Hospital to undergo a surgery in chest due to a medical fault of one of the doctors at Al-Salam Hospital that caused a perforation in his larynx. After being transferred to Al-Demerdash Hospital they refused him until he continues the treatment from burns, but due to his serious conditions he remained at the hospital to be treated fro burns firstly although there is no department for treating burns. His mother said that they had to

summon a doctor from outside the hospital to treat him and all this is on their own expenses.

These are clear evidences against the medical negligence followed by administrative heedlessness. All these faults give bad images about medicine that is not in favor for this domain especially with the problem of non-attendance of many doctors to their work.

Osim Public Hospital punished 26 doctors for not showing up in their work, were there will be cuts from their salaries for 5 days.

Governor of Giza, Consultant Mahmud Abu Al-Lail, in one of his sudden rounds at public hospitals and medical units, decided to stop the administrative director for Osim Hospital for his negligence, bad performance in his job, and not discarding the serious medical refuse away from the other uses of the Hospital in accordance to the state and environment rules that regulate this issues. He ordered for 15 days cuts from the salaries of doctors who wrote down medicine tickets without stating the instructions for usages. Then he decided to replace that director with another qualified one. He ordered the concerned bodies for health facilities in Osim to increase their efforts in cleaning services and removing refuses regularly. The governor ordered Giza Health Directorate and concerned bodies of medical insurance to form a committee to revise the clients of medical insurance to solve the problem of overcrowdness and to organize the methods for working doctors there. He also charged the directorate to put a chronological schedule for finishing the new building in Osim Public Hospital and providing it with the up dated equipments; the governed ordered paying an immediate cash grant to bone section patients due to their conditions. All these orders by Giza Governorate were on March 2004 and after nearly seven months; in October 2004 there was a governors' reshuffle. The new governor of Giza made a round at hospitals and he decided to send all absent doctors at Al-Hawamdiyyah hospital, AL-Badrashin hospital, Jazirat Ad-Dahab clinic, and the center for birth spacing affiliate to the clinic to investigation. Fathi Saad, Governor of Giza decided in his sudden visit at the cities and centers of Al-Hawamdiyyah, Abu Al-Nomros, Giza and Badrashin center to cut 3 days from the salary of the administrative director of the medical insurance unit in Jazirat Ad-

Dahab and ordered for sending the head of the center to investigation due to bad disciplinary. While at Al-Hawamdiyah Public Hospital, he visited the rooms for patients, kitchens and the works of maintenance, He promised to contact the medical insurance for paying the dues to the hospital that estimated one million pound.

Had it not been for the reshuffling of governors, and the different visits of the governors to different places, the condition would have remained as it is even if there were procedures for cutting salaries or sending to investigations since these punishing procedures are directed for media propagandas and not for reformation of a corrupted administration that takes everything but gives nothing. Corruption forced one of doctors in one of the hospitals to decide hunger strike against the financial and administrative corruption of the hospital and that made his colleagues join him in a sit in. This incident took place at Zagazig Public Hospital as a complaint for the presence of Dr.Yehia Al-Fallah who continued to be the general director of hospital although many doctors send many complaints against him to all administrative and supervising bodies, all this with many documents put as evidences for the administrative and financial corruption besides the bad level that the medical service in hospital attained.

However, the Governor of Sharqiyyah, Consultant Yehia Abd Al-Hamid had brushed away all these complaints. The strangest thing is that when the general secretariat of the governorate Muhammad Mwafi met the striking doctors, he expressed his wonder as no body informed him of what was going on, and as a result of this, he renewed the decision of keeping the general director in his position. Striking doctors have sent many letters to all concerned bodies and annexed the declaration issued from them on all these cards, where they assured their hunger strike and they called all honest and faithful people to join them for the sake of patients and need people. Noteworthy, a second officer at Zagazig police station had threatened the doctors and told that they would be tried according to Emergency laws for blocking work inside one of the important utilities which in reality did not take place, on contrary they were doing their jobs during strike since they bear the sense of responsibility and that some of them were consultants in key specializations.

Doctors' strike and sit in are not all means to express discontent; there is another mean that is committing suicide. It is a case of one of the patients who decided to commit suicide as a reaction to negligence, bad medical services, and poor resources. This is what happened to a citizen called Atif Abd Al-Mun'im.

The head of the general authority for medical insurance Dr. Mustapha Abd -Al-Atty, declared in a statement:

" In accordance to what was issued in Al-Masaa newspaper, dated on 10/1/2006, and today is 11/1/2006. Relating to the patient/ Atif Mahmud Abd Al-Mon'im , 33 years old who is working as a print worker in the company of Dyeing and Textiles; His address is Aghur As-Sughra- Al-Qanatir Al-Khayriyah, medical insurance number is 300/32078424/861. He went to Al-Nil Hospital on 14/1/2006 to undergo a surgery for umbilical hernia. The patient was prepared on the same day to undergo the surgery on Thursday morning in 5/1/2006. He entered the room for surgery but suddenly there was a heart failure so anesthetization was stopped, necessary aids were done and the heart responded quickly, then an artificial respiration device was fitted to the patient. The patient after that was transferred to intensive care near surgery room in the first floor in the hospital around 11: am to continue treatment in such cases.

This medication continued to Friday morning 6/1/2006 and the patient showed positive signs for better conditions. Then the artificiaial respiration device was removed at the morning in the same day about 10:30 am. The condition of the patient was normal.

It was discovered, during an interview with his wife and one of his relatives, that the patient suffered previously psychological disturbance, and they said that he was not used to taking any treatment for this case just only the recitation of Koran. They also added that he used to suffer state of disorientation after a state of neurospasm. In the morning of Saturday 7/1/2006 the patient became afflicted with a state of intensive spasm and he kept saying that he wants to see his children, then he removed away the monitor connections fitted in his body and rushed away from the bed, went to the neighboring room, jumped to the



balcony and threw himself out of the window. He fell on the floor immediately. Security men took him back to the hospital and laid him on his bed again.

Chiropodists and neurologists checked him up in the intensive care then they made the necessary x-rays for him that indicated later that there is a blood pool, and a potential fracture in the lumbar vertebrae. The patient is still kept in the intensive care under a high medical supervision and good care. A notice was sent to Shubra Al-Kkaimah police station about the accident shortly after it occurred. Then precautions were taken by sending a guard to the room where the patient lies to prevent repeating of the accident.

Hatem Al-Gabali, minister of health designated a higher medical committee to checkup the patient Atif Mahmoud Abd Al-Mun'im who tried to commit suicide. Dr, Ahmad Magdi Ahmad Rashad, consultant neurologist have checked up the patient and said that he is currently a normal person, but he stated that the patient was previously suffering from epileptic attacks the come in the form of spasms and cause involuntary urination, all this was in 1991, and he was not treated at all. The patient's family used to believe that the patient was controlled by evil supernatural spirits. Dr. Rashad added that any attempt to commit suicide is done under an extremely psychological disturbance and is a serious reckless behavior.

At the same time of the accident that occurred at An-Nil Hospital in Shubra, The governor of Ismailia exempted the head of the public hospital from his position. Al-Ahram newspaper covered this event in the front page and said that the president himself is following what happened.

Al Ahram said , "Soliman Awad, spokesmen of the Republic's presidency has stated that the President Hosni Mubarak is following what was published that there are deficiencies in the performance of some medical insurance hospitals in the greater bairam. His Excellency had ordered updating him with the latest results of the ongoing investigations."

The spokesman said that Mubarak stressed on the importance the responsibilities assigned to the ministry of health and the domestic bodies. These responsibilities are embodied in assuring the providing with medical facilities for citizens and combating all forms of

deficiencies with inhibiting measures.

Amr Ghunayma from Ismailia said that the Governor of Ismailia Abd Al-Galil Al-Fakhrani, in a sudden visit to the Hospital, has decided to exempt the director of the Public Hospital Dr. Muhmmad Naguib from his position and to appoint Dr. Muhammad Wasfi instead of him temporarily to re-maintain disciplinary and ameliorate the medical services provided to the citizens. Noteworthy many citizens have sent complains expressing their dissatisfaction from the provided medical services.

Minister of health and Population, Dr. Hatem Al-Gabli formed a committee that includes leaders from the ministry to investigate the accident of the patient Atif Mahmoud Abd Al-Mun'im who tried committing suicide by throwing himself out of a window in Al-Nil medical insurance hospital. The commissioned committee has gone to the hospital to carry out investigation.

The head of An-Nil Hospital for medical insurance, Dr. Suhair Abd Al-Hamid told Hossam Zaid the reporter from Al-Ahram newspaper that a notice was sent to the police station to relate the accident of committing suicide. The patient was sent back to the hospital and all necessary aid were given to him. X-rays showed that the patient suffers fracture in the second vertebrae and the patient will undergo a surgery for fixing the vertebrae on Saturday.

There is an important problem deserves paying attention to it which is the problem of the poor salaries given to doctors. Salaries are inadequate for the prestige of doctors in society. Although the Ministry of Health always says that there shall be incentives for doctors and presents the draft law to the People's Assembly, yet the draft sinks in oblivion as the Ministry of finance always replies that there are no financial specializations now for this problem.

Is it credible that the Doctor's salary for the one shift does not exceed 50piasters?

This is the facts related by Samih Samir Salam, a doctor practicing medicine for the first year in the Chest Department said that his monthly salary is 157 pounds only! While the salary of the deputy in the hospital does not exceed 450 pounds.

Another doctor takes a monthly salary of 120 pounds during the years of training, and after she had made her Masters, the salary became 140!! She said that the problem lies in the places they are commissioned to. They are many doctors whose grades were very good yet they were commissioned to go Suhag and Assiut!!

She wonders; how can this be the beginning for a beginning doctor beside the financial obstacles that stand in the face of future doctors?

These are the conditions of the beginning doctors; however, the teaching staff in the faculties of medicine rarely enjoy better condition, yet they complain the inadequate salaries. A teacher at the faculty of Medicine, Asiout University, Ahmad Ar-Rashidi says, "I work in the academic field since 1990, which means for approximately 15 years, yet my monthly salary does not exceed 1200 pounds!! And from the University Hospital, I take only a percent from the price of the ticket which costs 1 pound! Although I am married and a family provider and all these salaries are not sufficient for meeting the necessities of life. I sometimes feel that I start from the point where others end." He strikes an example that he can not dare to establish a private laboratory for him until he attains the age of 40 years old. The other problem is that there is no budget for researches in the University, and that forces him to afford the exorbitant fees for the single research needed for promotion, knowing that the fees necessary for one research estimates 2000 or 3000 pounds as the raw material required for testing the cancerous tumor estimates 2500 pounds. Sometimes, doctors carry out a common research to lessen fees, "yet other times, it becomes inevitably that you carry out the research by your own".

### **Selling Human Organs**

#### **Corruption or Abject poverty**

What is the persistent matter that forces a man to sell his body for a trivial amount of money? It is a painful question, yet the answer is more painful because it is penury and unemployment that turns man to a cheap commodity. All these ills spread as a result of corruption prevailing in the society and the censorship.

A member in People's Assembly, Dr. Shahinaz Al-Naggar has submitted an urgent report

that shows that selling the human organs became a widespread phenomenon among poor classes in order to obtain trivial amount of money in order to support their families. She pointed that the reason behind selling organs, especially the kidneys, was the abject poverty among needy people.

The matter was not an individual case, yet over the recent years it became organized operations and there is secret mafia that stands behind this and practices its activities with the help of other private hospitals. There are international reports expressing fears that Egypt may turn to be another Brazil of the Mediterranean due to the growing rate of selling organs. From several years, the issue of selling organs was restricted to some African countries yet Egypt joined them lately. There is a case that stunned the public opinion. It was about a man who decided to sell his kidneys for 12,000 in order to buy the trousseau of his sister. When he refused to share that amount of money with brokers, they killed him and threw his body in the desert. 6<sup>TH</sup> of October general prosecution has decided to imprison a carpenter and a jobless as they killed a man, known for committing crimes, in order to steal 12,000 pounds from selling his kidneys.() The father of the victim assured that his son told his father that he intend to sell his kidneys in order to help his sister in her marriage. The father tried to dissuade his son from this decision but in vain. The two suspects said that they wanted to have their share in the commission of selling the kidneys, yet he refused, so the decided to kill him.

Mail and Guardian, a British newspaper, said in a report that there is a secret mafia flourishing in Egypt and attempts to change the country to a regional center for human organs trade, due to the abject poverty and the deficiencies in law. The newspaper pointed that there are no available statistics about this matter. It concluded that many Egyptians will fall as preys in this trap due to the social injustice and about quarter of the population is living under the poverty line. Then the newspaper investigated about those who sell the kidneys, it discovered that all were poor people and they are looking for better life and not as volunteers. These people relate terrifying stories about selling their kidneys. All these cases defame the face of Egypt making it the Middle East Brazil.

## **Secondly: Business Public Sector**

### **"Train of Privatization Derailed:**

#### **Section three: Most Prominent Corrupted associates to Egyptian Government in Mubarak's era.**

##### **Dr. Ibrahim Solaiman**

Name: Muhammad Ibrahim Solaiman Ibrahim

Age: Born in June 1946

Birth Place: 18 Al-Zaafaran st., Bab Shaaria, Cairo

Qualification: Bachelor of Engineering then Ph.D from Canada

Former minister of housing Muhammad Ibrahim Solaiman is one of those who propound several questions in front of his name as he embodies the random assigning for positions, and the unbalanced conduct in choosing the political leaders. His beginning started by buying a piece of land in *lisan al-wuzaraa*, then carrying out the design for Dr. Fathi Soror's private palace, then the palace of Dr.Atef Obeid until he assumed his responsibilities of the ministry in 1993.

Facts:

There are many merits that charge this minister during the time he spent as a minister for the ministry of housing, among which is the accusation of wasting 15 billion pounds owned by state in vain.

Facts will be handled as follows:

**The miraculous Office:**

It is proven that the Center for environmental and civil engineering consultancies, famed as Enviro Civic, was established in 1984, and the owners were:

1-Dyaa Al-Muniri

2- Khalid Suwailam

The amount of business carried out by this miraculous office estimated during 10 years about 10 billion pounds, specifically since Ibrahim Solaimn assumed the responsibilities of the Ministry.

What is the connection between the profits of this office and His Excellency the Minister?!

Before replying this question, it's worthy to mention that Dyaa Al-Muniri is the brother-in-law for the minister of housing Ibrahim Soliman, while Khalid Suwailam is a friend to Ibrahim Solaiman.

The budget of this office was very small, and during the period where Ibrahim solaiman became a minister, the profits of this office increased by 10 billion pounds, this means that there were monetary aids given to the office.

What revealed these facts is that this office was able to gain all consultancies to carry out many engineering giant projects like for example:

Construction of Al-Waraq Bridge, its costs were 170 million pounds

Al-Gabal Al-Asfar station to treat sanitary drainage, its costs exceeded 900 million pounds

A station for treating potable water, north of Suez Gulf, its costs were 30million pounds

The project of protecting Enppi station from the dangers of floods in Ra's Bakr, its costs was 2 million pounds.

Construction of a station for potable water treatment In Ra's Gharib, costing 500 million pounds

Construction of a station for potable water treatment in Zagazig for 20 million pounds.

Civic supervised the reparation and replacements of water networks in Al-Haram/ Shubra Al-Keima/ Al-Marg areas

Construction of water line in mid Sinai, costing 850 million pounds, and the office maintained supervision on this line by paying 700 million pounds.

Construction of Az-Za'faranah water line, costing 150 million pounds

Construction of Muharram Bey Bridge in Alexandria, costing 65 million pounds

Construction of Al-Ma'adiyyah Bridge, costing 60 million pounds

Construction of Al-Ibrahimiyyah Tunnel, costing 30 million pounds

Construction of sanitary drainage network in Hehya city, costing 70 million pounds.

Construction of a station for potable water treatment in As-Sharqiyah, costing 90 million pounds

We conclude, that Civic co. for engineering consultancies has monopolized all works and engineering consultancies in Egypt to the extent to be the sponsors for repairing mosques as follows:

Establishing Hafsa bint Omar Mosque

Reparation works In Al-Azhar Mosque and the Fatimid Mosque.

As a result, a great catastrophe afflicted Egypt since restoration works in Al- Azhar Mosque were entirely inadequate and that led to excluding Al-Azhar Mosque from the list of ancient antiquities, according to UNESCO decision although Al-Azhar Mosque was built more than 1000 years ago.

Ibrahim Solaiman contributed to this catastrophe for ancient antiques. With his interference, these ancient antiques changed into inadequate concretes and prone to collapse.

The question now is, what the relation between housing and reparation works is, and if there were a relation, it would be an illegitimate relationship, additionally; it is a kind of ridiculing the values of civilization.

Archeologists regard what happened to Al-Azhar Mosque and the Fatimid Mosque as a plotted crime.

**Then?**

What added more fuel to the disaster is that the Ministry of Culture has assigned the right of restoring the fence of Citadel to Civic office and the reparation of other Islamic antiquities. Consequently, this office continues the series of demolishing of antiquities.

Besides, some other projects joined this series of corruption like the project of developing Al-Minya Al-Gadida utilities that costs 100 million pounds, public utilities in 6<sup>th</sup> of October City that costs 850 million pounds, Sheikh Zayid city that costs 160 million pounds and other projects.

We shall elucidate and list all works and projects sponsored by that miraculous office during 10 years. Consequently, we shall find that this office was able to hold the floor in everything as follows:

| Civic co. | Agent               | Name of project                          | Costs              |
|-----------|---------------------|--|--------------------|
| 1         | Ministry of Housing | Public utilities for Al-Shuruq city      | 750 million pounds |
| 2         | Ministry of Housing | Public utilities for Al-Obour city       | 80 million pounds  |
| 3         | Ministry of Housing | Public utilities for Al-Qahira Al-Gadida | 750 million pounds |
| 4         | Ministry of Housing | Developing Public                        | 80 million pounds  |



|    |   |  |                     |
|----|---|--|---------------------|
|    |   | utilities for Al-Minya<br>Al-Gadida                          |                     |
| 5  | Ministry of Housing   | Public utilities for 6 <sup>th</sup><br>of October city      | 750 million pounds  |
| 6  | Ministry of Housing   | Public utilities for<br>Sheikh Zayid City                    | 160 million pounds  |
| 7  | Egypco.   | Sanitary drainage<br>network for Hehiya<br>City              | 17.5 million pounds |
| 8  | National<br>Organization for<br>potable water                                   | Station of potable<br>water treatment in<br>Quisna           | 26.5 million pounds |
| 9  | The organization of<br>constructing and<br>develop ping the<br>Egyptian village | Station of potable<br>water treatment in<br>Sharqiyah        | 70 million pounds   |
| 10 | Center for building<br>Suez Gulf  | The project of<br>providing Itaqa with<br>potable water      | 90 million pounds   |
| 11 | Ministry of Housing   | Station for potable<br>water treatment in<br>Al-Tal-Al-Kabir | 10 million pounds   |
| 12 | Center for Building<br>Research and<br>Studies                                  |  | 890 million pounds  |
| 13 | Executive Center  | A project for<br>reparation,                                 | 30 million pounds   |

|    |   |  |                    |
|----|---|--|--------------------|
|    |   | operation and maintenance in Helwan                              |                    |
| 14 | HS2M co.                                      | Water supply station in Abbasiya and Darasa areas                | 160 million pounds |
| 15 | Egyptian Company for Contractions             | The station for lifting Al-Salam canal                           | 48 million pounds  |
| 16 | National Organization for potable water       | Stations of water supply networks in Cairo                       | 100 million pounds |
| 17 | Arab Contractors                              | Al-Zafarana water line□Ein Sukhna                                | 150 million pounds |
| 18 | Egyptian Company for Contractions             | Water line in Mid Sinai  | 700 million pounds |
| 19 | The Egyptian Company for Engineering Projects | Station for potable water treatment in Ra's Gharib               | 500 million pounds |
| 20 | Center for Building Sinai                     | Mid Sinai Water Line   | 850 million pounds |
| 21 | Egyptian Company for Contractions             | Water Treatment Station in Zagazig                               | 20 million pounds  |
| 22 | Al-Qasr For Civil Works                       | Renewing and replacing water supply networks in Shubra Al-Kheima | 20 million pounds  |
| 23 | Arab Contractors                              | Water Treatment  | 30 million pounds  |

|    |   |  |                    |
|----|---|--|--------------------|
|    |   | Station in North of Suez Gulf                                      |                    |
| 24 | Enppi co.   | The project of protecting Enppi station from the dangers of floods | 2 million pounds   |
| 25 | Arab Company for Contractions                     | The project of protecting Dahab station from the dangers of floods | 2 million pounds   |
| 26 | Egyptian Company for contractions                 | The project of assembly line for water in Al-Oroba way             | 20 million pounds  |
| 27 | Developing 6 <sup>th</sup> of October city center | The project of turbid water line in 6 <sup>th</sup> of October     | 140 million pounds |
| 28 | Executive center for sanitary drainage projects   | The project of supplying Kafr Al-Sheikh with potable water         | 45 million pounds  |
| 29 | Arab Contractors                                  | Al-Waraq Bridge  | 900 million pounds |
| 30 | Al-Nasr Housing Company                           | The project of Muharram Bey Bridge                                 | 65 million pounds  |
| 31 | Arab Contractors                                  | Al-Waraq Bridge  | 170 million pounds |
| 32 | The Executive                                     | Al-Maadiyah Bridge   | 60 million pounds  |

|    |  |  |                    |
|----|--|--|--------------------|
|    | Organization for sanitary drainage projects in Cairo |  |                    |
| 33 | Center of building Cairo                             | Al-Ibrahimiyyah Tunnel   | 30 million pounds  |
| 34 | The Executive Organization for sanitary drainage     | Al-Maadi Tunnel  | 200 million pounds |
| 35 | Center of building Cairo                             | NA tunnel  | 60 million pounds  |
| 36 | Ammar Office for engineering constructions           | Sports ....□For Mazari' Dina                                   | 95 million pounds  |
| 37 | Mr/ Rashid Abu Khadra                                | Abu Al-Lu'Lu'ah Hotel  | 8 million pounds   |
| 38 | Ministry of Housing in United Arab Emirates          | Cultural Center in Ra's Al-Kheima city United Arab Emirates in | 400 million pounds |
| 39 | Dubai city municipality                              | The project of planning and developing Al-Tadaghah region      | 10 million pounds  |
| 40 | Private property                                     | An administrative housing building                             | 8 million pounds   |
| 41 | An administrative housing building                   | Private property   | 2.5 million pounds |

|    |  |  |                    |
|----|--|--|--------------------|
| 42 | A group of housing buildings                                 |  | 50 million pounds  |
| 43 | A commercial housing building                                | Real Estate Bank                               | 11 million pounds  |
| 44 | Regional Control Building for West Delta Region              |  | 90 million pounds  |
| 45 | Al-Zohour Club complex                                       | Al-Zohour Club residential society             | 40 million pounds  |
| 46 | 6 <sup>th</sup> October Workers Residential Bloc             | 6 <sup>th</sup> October City Hall              | 110 million pounds |
| 47 | 6 <sup>th</sup> October international fair centre            | 6 <sup>th</sup> October fair marketing society | 40 million pounds  |
| 48 | Hamed bin Khalifa Al-Thani's residential complex, Doha-Qatar | Hamed bin Khalifa Al-Thani                     | 360 million pounds |
| 49 | Al-Shorouq gardens' project                                  | Co-operative Building Society                  | 90 million pounds  |
| 50 | Green Waha project   | DH Co. for real-estate investment              | 34 million pounds  |
| 51 | Canadian embassy building                                    | Canadian government                            | 20 million pounds  |
| 52 | Helipolis Club   | B O T System                                   | 400 million pounds |
| 53 | Antiquities reparation,                                      | Egyptian Contracting companies                 | 15 million pounds  |

|    |   |                                 |                    |
|----|---|---------------------------------|--------------------|
|    | restoration project                                       |                                 |                    |
| 54 | The restoration of Al-Azhar mosque                        | Egypt's endowment ministry      | 100 million pounds |
| 55 | The project of restoring the wall of Mohammed Ali Citadel | Supreme Antiquities Council     | 15 million pounds  |
| 56 | The project of restoring the mosque of Hafs Bint Omar     | Egypt's endowment ministry      | 2 million pounds   |
| 57 | Utex factory  | Utex company                    | 25 million pounds  |
| 58 | Injazat Plastic Factory                                   | Injazat Company                 | 10 million pounds  |
| 59 | Carmen Factory for paper products                         | Arab company for paper products | 10 million pounds  |
| 60 | Gold Star factory for domestic devices                    | Ahmed Bahgat & partners Co.     | 4 million pounds   |

Although all the aforementioned represent a very minute part from the empire of Civic office, yet there are very important questions in dire need to be propounded for all who are concerned.

How can this miraculous office be a consultant to a giant company like Arab Contractors Company? It is enough to mention that among the achievements of such a company was establishing the High Dam.

How Civic Company can revise the designs of projects built in 1990 then it becomes

the re-examiner of the designs in 1997?

All these infringements, then the minister was not enlisted in corruption circle although he implicated the so-called company in every domain related to engineering.

How was the amount of losses that hit the competitive companies?

The empire of Civic becomes a scoop:

Along with all these corruption acts and infringements, there had to be a devoted press to handle this case. Al-Arabi and Sawt Al-Ummah newspapers have issued the investigations; here are the most important quotes in the reports:

1) Sawt Al-Ummah dated on 11 November 2002:

- A potential smashing issue in People's Assembly: Ibrahim Solaiman assigns governmental projects estimating 7 billion pounds to a lucky company.
- Al-Badry Farghaly interpellates Ibrahim Solaiman about the secret relations with Enviro Civic Company.
- Al-Badry Farghaly asks wondering, did all prominent companies vanished to assign 7 billion pounds to a company like Enviro Civic.
- Sawt Al-Ummah mockingly commented that the plane of Envirocivic was able to penetrate the tunnels; Al-Ibrahimiya Tunnel, Victoria Tunnel and Quisna Tunnel.

The newspaper continues to mock that Company by saying that the company's luck was a big one that it was able to win the opportunity of repairing Al-Azhar Mosque, which was able to survive steadfastly for thousands of years, but after reparation, the UNESCO exempted the historical mosque from the list of international antiquities besides the Fatimid Mosque, the fence of Muhammad Ali's citadel.

Al-Badry Farghali is an independent member from the commons declared that he prepares a smashing issue in the parliament about the relationship between the Minister and the company aforementioned.

**An incident** took place and signifies the absolute corruption that fears no one. It is the incident of seizing the villa of the consultant Yehia Ar-Refa'i and counselor Medhat

Sirag Ad-Din by the center of Burg Al-Arab city affiliated to the Minister of housing.

**Second incident:**

In this incident, the accusation is giving facilities and help to enable a businessman to seize 1800 acres, where the price of the one meter costs 50 pounds, yet the investor paid 5 pounds only. This means that he paid 38 million pounds. After that the business man sold the land with a price of 225 pounds for meter, so the price of the land estimated 2 billion pounds.

Although the Central Auditing Organization pointed to this incident, yet none of the officials in the ministry moved to stop the disaster, and His Excellency the Minister did not try to restore the right of the state from the investor.

**Third Incident:**

Like other incidents, this incident is the usurpation by the business man Muhammad Abu Al-Einin for 500 feddans owned by Misr Al-Gadida Company in Misr-Ismailia Road. The case was submitted to judiciary in a lawsuit and remained for 4 years circulating the courts; the number of the lawsuit was 5377 for the judicial year 50.

The minister of housing exerted relentless efforts to bring a presidential resolution that may grant the complainant company an alternative piece of land. The Minister allocated an alternative land in Al-Qahira Al-Gadida. Moreover, he tried to persuade the board of directors of the company to accept the current solution in return for disclaiming the lawsuit. And on the other hand, he persuaded the shareholders in the company to forget the stolen land.

**The fourth incident:**

This incident is related to the project of constructing a water lift station in Abbasia and Darasa that cost 160 million dollars while he said that it cost 210, one asks then about the difference in costs which is not a little one about 50 million dollars. There is another similar incident; the costs of the reparation works at Al-Azhar mosque estimated according to the ministry's report 44 million pounds while Civic spent 100 million



pounds. Who is right and who is wrong then?

#### **Fifth Incident:**

The disaster of repairing Sakr Quraysh buildings:

This will be an evident incident to shut the curtains over the most abominable disaster in history in the time where this minister took charge of the ministry and the scandal of this office. All forms of corruption and despotism were crystallized in this story and it became an example for those who make good use of their positions to fulfill their own whims.

Details show that there was an agreement that the under liquidation consultancy projects for Sakr Quraish society would be assigned to Civic office. This was how Hasan Shabana tried to seek the minister's favor and to guarantee being a member in the union although he is 80 years old.

The conclusion is that Mr, Hasan Shabana wanted to give the bid to Civic office. In fact, the Administrative Censorship hatched the plot and discovered that there was a wangling in the documents. The Administrative Censorship pointed out there was a necessity to carry an open bid then there was a fraudulent play in favor for Civic. The office was able to obtain the bid illicitly; all these actions were according to the orders from His Excellency the Minister. Profits were hypnotizing in favor of the office. By this, money of orphans and widows went to waste because of glutton of owning money even if it were through illicit means.

Sakr Quraish buildings were repaired by twice the cost of construction. For example, one block costs 1.7 million pounds and reparation costs 1.7?! Then the single block costs 2.14 million pounds. In that way, ministerial corruption continues taking place.

#### **The Sixth Incident:**

Allocating Estates

Suddenly, Dr. Ibrahim Solaiman was able to hold both ministries the ministry of housing and building and the ministry of new urbsn communities under his control after Hasaballah Al-Kafrawy left the cabinet in 1995.

Over night, Ibrahim Solaiman became the real responsible for all lands and Estates in Egypt; we mean the process of selling the lands in very cheap prices, but for needy people with high prices. Then collecting sums for that pays much.

We will take these two incidents as evidences for this disaster:

Related to the allocation of 547 feddans for a business man who is the owner of Kunuz Company for antiques in Zamalek, and the partner of Farag Ar-Raeas in the warrant of Mitsubishi. The allocated land was located on Al-Fayoum desert road, far from the Shooting club about 3 km, and in front of this land the Autos trade intersects with and Al-Munib Bridge that overlooks on the beauty of the pyramids.

The neighbors of this land are Wady El-Nile Company and the society of actors.

Papers that prove that the one meter was sold by 50 pounds for the owners while for other people it was sold by 150 pounds for the meter. These prices were known to the aforementioned man, but were not known for others. It is worthy to mention that a part of this land of 39 feddans known to be stone quarries. However, overnight this part increased to include 168 feddans and was sold for 50 pounds per meter to Ad-Dhabiya Company for Real Estate Investment. The smell of the scandal came out, yet the minister started to agree with the businessman on altering the documents of allocating the land.

Allocating Rio Beach in Marina giving it to an unknown person from the common people, yet some rumors say that this man is a relative for one of the official. By this, the man was able to win the beach in Old Marina at the end of Yusuf Idris Street. This Beach brings million pounds daily in summer every year however, what added yeast to the broth, is that Al-BEhaira Beach as well was hired to the same man.

These issued allocation decisions during the time that the minister spent in his position, were a great reason that stood behind the losses for Egyptian Banks. One of the famous decisions was to allocate the lands owned by Ahmad Bahgat, where the ministers applied loans from this commission about 2.9 million pounds.

### **The Seventh Incident:**

#### **Calling off the bid**

This incident is regarded as a crucial evident for corruption within this administrative body. It is represented in the calling off bids as he wishes.

For example, this action caused the cancellation of the role of the General Authority for Roads and Bridges in Egypt since this authority was responsible for carrying out such projects before this minister became in charge of the ministry of housing. Achievements of the authority were known to every body but when this minister came, the Authority retired. This is exemplified, when he forced the project of establishing Kafr Az-Zayat Bridge to be transferred from the charge of the Ministry of Transportation to the Ministry of Housing, which led to the cancellation of the bid because he wanted the bid to be given to Hasan Alam Company which was a dear one to the minister.

### **Eightieth incident:**

Power and Corruption

We have handled the issue of corruption inside the ministry, but now it is time to reveal the corruption of His Excellency the Minister.

#### **1-Damaged Pipes Deal**

At the beginning, there was a complaint sent by Subcontracting Company as it complained that there was a recurrent burst in the GRP pipes in many places. Instead of inquiring about the complaint, the company was astonished to find the minister deciding punishments against the company and taking back all projects assigned to the company as a kind of terrorizing the company.

At that time, head of the Administrative Control Authority, Hitler Tantawy interfered and assured that the case is a technical one and needs a specialized committee and an integral one and there is no objection that the Administrative Control Authority participate as a representative member in the committee to follow the procedures, besides calling for the help of a specialized equipment and labs. Prime Minister decided to interfere as well to settle the dispute by closing investigation and elucidating that he commissioned two specialized bodies, one is domestic while the other is foreigner, to carry out technical tests for compatibility on the pipes. The premier said that this step aims keeping the public fund. He added that there are five national companies produce different types of those pipes and there can be a research on choosing one of those variant types of pipes in case defects are detected in the aforesaid pipes and causes bursting.

The question is why the government stands dead silent in front of this minister? This negligence ignited the disaster to occur, when national projects in sanitary drainage and potable water became flooded with the GRP pipes which start bursting three months after operation. This was approved in the letter from the head of the board of directors of the national authority for potable water and sanitary drainage in August 1998, where he appealed to the head of the great projects sector in Arab Contractors company to take necessary precautions when using high density polyethylene pipes and when using GRP pipes by making their capacity accept 10,000 Newton.

While every one shows no heed, all considerations were popping up, among the evident examples on this, we mention the following:

10) Water line of Sahil Shamali /Adhbaa in Ras Al-Hikmah in Alamin burst and the pipes diameter was 1000 mm. This area witnessed several bursts in pipes in 98 and 99 respectively. Consequently, Alexandria water utility decreased the pressure from 6... to 1..

2) Al-Alamin line till 148 km, witnessed recurrent bursts although it was the line in

operation since 1998, other pipes burst at 104 km. After days but at 106 km another burst took place, followed by others at 145km, then 123 km. In 1999, burst took place in Water line of 10<sup>th</sup> of Ramadan city that extends to Al-Shuruq city. Note worthy, the diameter of the pipe was 90cm and length was 25 km.

Committees were formed and concluded that in its delivered reports that there was a clear defect that Al-Obor water line was unable to skip it. The technical committee has held its first session where, it concluded that responsible officials are to update technical descriptions for using the pipes

On the same days, members and head of the committee had signed papers about the updated descriptions and accordingly, a ministerial resolution number 277 in 14/8/2000 was issued to start work on updating. However, works of updating have stopped after 14 months for unknown reasons.

Did the problem of pipes end up?

The scandal of pipes became open. Galal dowidar the editor on chief in Al-Akhbar newspaper was the first to open the hot issue in four episodes discussing the case and arguing with the minister and the premier.

The beginning was in November 2002, the editor en chief asked about the required transparency in combating corruption, the editorial needs in fact to be read, he says, "Last months, many recurrent bursts took place in different pipes for potable water that are fabricated from a specific material which led to the misery of many citizens in Aswan, Assiout and Port Said.

As a result of these recurrent accidents, a dispute flared up among the executing specialized companies who enjoy big expertise in this field, despite all accusations, yet all are attributed to fabrication defects in the pipes. Besides, the fabricating company did not move to take an action for correcting the defects because there was a full dependence on Arab Contractors Company"

The issue was a very big one and the documents available in Galal's hands were many, so he wrote for the third time that there is a necessity to open an

investigation to deduce the real facts from the issue. This was because the accused Arab Contractors company directed a new accusation for the Minister of Housing."

Galal's words were as follows:

"When I issued the statement of the Minister of Housing Dr. Muhammad Ibrahim Solaiman- in respect of the problem of the pipes in many national projects for water and sanitary drainage, I was keen to elucidate that the issue will not be closed until all facts become clear for the sake of the common weal. I was eager in this commentary to assure that the aim for opening this issue not to charge any specific body but, to open the issue of the bad fabrication for a specific type of pipes used in some national projects. It is necessary to take measures to stop wasting the public fund and the delaying of such projects.

Although I was clear in my first article titled, " Necessary transparency", yet the statement of the minister focused on acquitting Arab Contractors Company part, because it is regarded as a national project that deserves all appreciation for its achievements and projects. This means that any charge against the company was not intended at all.

Again, to ascertain the right of the reader to grasp all facts and to leave no room for gossip, I issue today the commentary I received from the contractions company accused of being the real one responsible for the problem, not for the problem of bad fabrication.

## **2) The Second Element**

### **Screams in vain**

In Al-Arabi newspaper in 14 September 2003, under the title of, "Out of Courtesy", the following documents were delivered to us:

New Scandals in the commission of damaged pipes, Mahmoud Al-Asqalani wrote,

"The recurrent bursts and collapses to the sanitary drainage and potable water pipe lines in Cairo and other governorates did not affect the Minister of Housing Muhammad Ibrahim Solaiman to stop dealing with the producing company for GPR pipes although the premier had sent samples for examination on both the domestic and foreign level, however, no result came up till now. The question is, were really samples sent to labs or not? The minister did not reply up till now even if the results were bitter ones."

Al-Arabi has exposed the issue supported by documents that there was a kind of swindling practiced over the Egyptian Code Company, from the facts in the journal, that assured that there were intentions to enlist descriptions in favor for one company only; the company who produced the damaged pipes, so it was not only GPR pipes which caused several collapses but others as well. The committee approved that these pipes-while the reporter was not present and with an individual resolution from the head of the committee's part, Ahmad Abd Al-Warith- that the descriptions submitted were for another non produced pipe which is CCP. Al-Arabi had issued the journal endorsed by the head of the committee only and not by the reporter.

Because wasting public fund was a hobby for the Ministry of Housing, Al-Arabi had to cover the whole story and that the ministerial decision of commissioning the accused company with the works was endorsed by the Minister himself.

### **The Ninth incident:**

This is another form of corruption which we show His Excellency the Minister. This incident is a strange one and its title is, "Occupying two Islands", it suits a movie story full of suspense where residents in the islands were surprised by a ministerial decision to overrun them. The island became a toy in the minister's hand to do whatever he wants in and to agree with some businessmen and the premier to seize it.

Displacement of Families, dispossession and destroy peace among residents of the

island:

Jazirat Al-Dahab is about 377 feddans according to figures issued by Giza governorate in 1996 which points that 124 feddans are owned by people. Jazirat Al-Dahab is affiliate to Jazirat Al-Waraq on the administrative level and the census of the two islands was 3500 homes and increases daily.

The Minister was able to get a decision from the premier and got the approved of the People's Assembly to seize possession of 1600 acres from Al-Dahab and Al-Waraq islands.

However, the quick action taken by the press had good influence to stop this disaster. Press has handled the issue and people of the two islands flared and made demonstrations in Al-Waraq and Imbabah. Meetings were held with the governor of Giza who discovered that project was endorsed without his recognition and as well of the member in the People's Assembly who discovered the same fact and was astonished to find a resolution of number 542 for the year 2001. This means there were acts of forgery and fraud beside the administrative corruption.

And as a reply against the growing protest against him, the minister tried to prove his innocence. After that, Dr. Ibrahim Darwish submitted a memorandum to the General Prosecutor calling for investigation yet; it was filed for unknown reasons. The minister claimed that the state was the real owner for the islands and there was no any private ownership for the lands and he added that these islands were not present but they ensued after building the High Dam. However these claims were faked one as these islands were present from million of years according to what Al-Maqrizi said.

#### **Documents of the Case:**

Sessions of People's Assembly from 3<sup>rd</sup> of June 2001 to 7<sup>th</sup> of June in 2001

Premier's decree number 542 for the year 2001

More than 20 notices sent to the Speaker.



This episode ended with no solution although the status of the two islands is up to owners.

The Question is, why the minister leaves all these issues without accountability?

What is the minister interest in that, not to speak about the usurpation of the land owned by people?

### **The Tenth Incident:**

The issue of demolishing A;-Nuqrashi Villa:

This villa dates back to early 19<sup>th</sup> century and it was located in Al-Iskandar Al-Akbar Street in Heliopolis.

The Saadi party bought this villa after the assassination of Al-Nuqrashi Pasha for 4,000 pounds. Al-Nuqrashi Pasha was living in it as a lessee and it was titled for his son and daughter who leased the villa later on to Shell Company for Petroleum to be the headquarter in Egypt.

The company remained as it is until it was sold to a Sheikh who was said to be an influential man who demolished the villa then established a huge concrete tower.

This was a great disclosure that a historical villa belonging to an important historical figure in Modern Egypt and was known as an honest and creative minister.

Why did the minister keep silence in front of this scandal? Why did not he call for investigations with the officials in this company and punish them for their indulgent in such crime?

The fact is that the minister himself is an accomplice in the crime and was harboring the Sheikh who demolished the villa.

### **Who was the real responsible?**

Sawt Al-Ummah newspaper why there was a breach for the General Prosecutor's resolution of the prohibition of demolishing villas and palaces? And who was the lady who raised signboard with the names of the designer and the consultant contractor?

His Excellency did not reply as if the issue is not his. Moreover, he was satisfied with the reply of his assistant as if the matter is a normal one and it is the right of any citizen to

breach rules. The issue of the villa ended up which was one day a historical antiquity and long live Ibrahim Solaiman!

### **The Eleventh Incident:**

Dr. Ibrahim Solaiman razed 129 blocks in Al-Qatamiyah region for the sake of golf players, he felt no sorry for making thousands of families homeless as he issued several decisions heedlessly to prepare artificial lakes, waterfalls and irrigation systems for playgrounds. Immediately, Dr.Ibrahim Solaiman issued demolition decisions, according to Al-Wafd newspaper in 19 June 1997, where he ordered the removal of blocks in Al-Qatamiyah region. Noteworthy, costs of these buildings were 50 million pounds.

Some people at the beginning that these decisions were because of defects in concrete blocks or the buildings was made by spoiled cements, or the blocks were incompatible with technical descriptions yet the surprise that the reason behind the decisions were none of the aforementioned ones. The ministerial decisions were quietly different. It seems to be that the minister feared that such blocks may bother the habituates of the golf hills, so he decided to destroy them especially when we know that this region was being prepared to include villas and palaces for VIPS.

In November 1996 Dr. Ibrahim Solaiman issued a decision for removing 129 blocks and 2548 apartments established over an area of 50 feddans, south the project of golf region. These blocks are owned by the General Authority for the Co-Operation of Building and Housing affiliate to the Ministry of Housing. While the executing companies are two independent contracting companies. One of the two companies was a business sector company called The ready-made houses company and was assigned with building 112 blocks while the other blocks about 17 blocks was assigned to a private contractions company called Misr Al-Ulya Company.

The first company built about 70% from its works which means that the company has established several blocks, therefore, the blocks are not occupied. The other company has finished establishing 17 blocks but utilities are not available yet; therefore, it is not

occupied as well.

Suddenly, decisions were taken to stop working in these blocks and no body at that time understood the reason behind this resolution.

The reason of the golf playgrounds never crossed the mind of any one. The minister responded to the people who have certain powers to remove the built blocks and eradicate their existence so as not to bother the inhabitants of the villas and palaces located in the Golf land or the people who frequent these playgrounds from the VIPS.

The consultant office of Dr. Qasim Al-Sunni was satisfied by making a passing checkup for 17 blocks only out of 42 one assigned to the company. He concluded that all executed works in the 17 blocks shall be demolished. Noteworthy, the 17 blocks were in the phase of the cornerstones and the remaining blocks were in the phase of concrete structure. Despite these facts, the weird decree was issued for demolishing the 129 blocks.

At the same time, a consultant group was formed and includes four professors from the faculty of engineering in Cairo University had made a report about 70 blocks and a study about the compatibility of these blocks before resuming the process of completion, the bureau then made office had made the study as follows:

Experts in the office have checked mallets used by using samples from the concrete taken from some of the constructing elements. It was found that all corner stones are compatible and satisfactory besides; the ground can afford all weights above them.

The report concluded the compatibility of 67 blocks out of 70 ones. Survey operations proved that all security labs are more than that mentioned in the Egyptian descriptions.

Then the report was sent to the minister of housing in October 1996.

For unknown reasons, the first report that recommends the demolishing of the blocks became the superior. The strangest thing is that the minister did not resort to another third body to judge before issuing the decision of demolishing and he did not even discuss the matter with the concerned consultants who were his colleagues in the Faculty of engineering.

Although Dr. Qasim Al-Sunni recommended the demolishing of 420 blocks while the

consultant committee concluded that 69 blocks were compatible out of 70 one - notice the vast variance- yet there are completed 17 blocks and given to the Authority of co-operation in building and housing, besides the contractor had taken all his dues and that indicates that the authority approves the compatibility of the blocks and validity. Despite all these facts, the 17 blocks were included in the decree of execution.

The center of housing and building research joined the play:

The center had checked up blocks and among which 27 blocks from that checked by Jesk Committee and 14 blocks from those checked by Dr.Al-Sunni and other 4 ones checked by the research center. The center had decided the demolishing of all blocks.

It seems that Dr.Ibrahim Solaiman was panting for executing the blocks before waiting for the final results about the compatibility of the blocks. Al-Akhbar Newspaper on 29/11/1996 had published the decree of demolishing and removal for the 129 blocks although the research center did not present its report before 11/12/1996.

The General Prosecutor had issued a decree to stop the decision of demolition for 129 blocks until the technical survey completes. Months passed for the survey works and the committee did not submit the result of their works about the compatibility or incompatibility.

Al-Wafd newspaper asked whether the minister wash his hands from the crime and declared that no decision was taken for executing the 129 blocks in Al-Qatamyah? Then, why did he remains deadly silent in confronting what the newspapers have issued without replying?

Why did he sit on his hands until the General Prosecutor Interfered?

The most important question; who is going to bear all these vast costs? The minister or people? And who will be affected?

The decree of demolition and removal for 129 blocks specialized for low-income people in Al-Qatamyah was not for the sake of rich people from the inhabitants of golf area or the visitors, there was another crime committed in front of the officials' eyes but they did not take an action. However, no one took an action:

Then-Al-Wafd newspaper asked; for whose sake did the decision of removal issued

according to no rational reason.

This incident comes in the episode of wasting the public fund that binds severe punishments by the virtue of law and this is a kind of distorting Egypt's fame.

### **The Twelfth Incident:**

From where Mr. Minister did you get all this vast wealth?

Dr. Ibrahim Solaiman owns 6 palaces. From where did he get all this fortune although his salary as a minister can not enable him to buy an apartment in Heliopolis?

Suddenly, Dr. Ibrahim Solaiman became an owner of 6 first-class palaces.

Suddenly, the minister abandoned his pledge of fulfilling the dreams of low-income people by providing them with apartments to live in, instead he started to demolish the blocks of poor people and build villas over their wreck besides, he became a rival to the private sector in establishing private apartments that the price of each may increase to be more than 150,000 pounds, and his sole aim was facilitating the purchase of state owned lands and giving them to investors and VIPS who sell these lands later on with astronomical rates.

In October 1993, Dr. Ibrahim Solaiman assumed the responsibilities of the ministry of building, while eng-Salah Hasaballah Al-Kafrawy was the minister of housing. Two years later, the two ministries became merged in one ministry and the leader was Dr. Muhammad Ibrahim Solaiman. The name of the ministry was the ministry of housing and urban communities.

No sooner had he assumed the ministerial position, than he clashed on one of the touristy resorts in Marina where very important people in Egypt live. He decided to build villas and palaces in the empty spaces between the villas.

All protested against the minister's policies because the owners of the established villas said that they paid heavy costs in such villas and especially in that resort which is characterized by spaces between edifices and that gives privacy to these people. At that time, Al-Wafd newspaper interviewed the minister about the problem but he justified this action by saying that he is not the minister of Marina and "we are facing many confrontations to provide poor people with humble apartments." He said.

All people applauded his speeches and said that they were not in need for establishing villas or palaces, but they would be greatly satisfied to find a humble apartment to live in rather than living in gravestones, tents and scattered areas.

However, what the entire minister stated were mere words for local consumption and he did not fulfill his promises.

No sooner weeks had passed than the minister started demolishing 47 blocks particularized for needy people which the blocks were looking over the golf playgrounds in Al-Qatamiyah region. He substituted these blocks by villas and first-class apartments, the price of each exceeds 150,000 pounds. Moreover, the minister issued a decision to stop working in 129 blocks of low price housing category although they were approximately finished because they overlook the golf playgrounds.

Unfortunately, up till now no body asked the minister about wasting 50 million pounds; the costs of these buildings.

Concerning Marina, all people thought that the minister would publicize for the empty spaces for any one buys them or gives better prices, but in both cases all payments will be given to the state in order to spend them in building houses and homes for people of low income, yet nothing from that happened.

All these empty spaces were sold to VIPS and state officials for low prices. Then many villas and palaces were established over these lands. Moreover, the minister seized a piece of land for him and established a first-class palace for him and looks over the sea immediately. The other side of the palace looks over an artificial lake and the palace is surrounded by a garden, fence and trees that make the palace a distinguished one in front of the other palaces. Moreover, the palace has a garage can admit 4 cars.

The Minister's palaces are located in:

1)Palace Lisan Al-Wazir

It is located in Lisan Al-Wazir region in Abu Sultan in Ismailia governorate. It is located immediately beside the great lakes of al-Murra. The palace consists of two floors and a garden the looks over the other side of the lakes. Moreover, there is a garage and a harbor

for small yacht.

## 2)Jazirat Al-Shair Palace

It is located in Al-Qanatir Al-Khairyah which is considered as a great architectural achievement, as the front of the palace is made of the colored glass while the rest of the palace was made from the colored metal glass which is very expensive. The palace looks immediately over the Nile River and surrounded by beautiful gardens however, it is established over a muddy soil.

## Misr Al-Gadida Palace

It is located in Al-Oroba street in Heliopolis. It consists of three floors, and established over an area of 4000 feddans, surrounded by a big garden with two entrances; one in Al-Oroba street while the other in Nakhla Al-Mutai'i. It is the place where the minister lives now.

Beside all the other palaces, he possesses many pieces of lands in Marsa Alam in Red sea region.

## 4-Palace in former Al-Iskandar Al-Nuqrashi Street

## 5- Ibrahim Solaiman in Al-Oroba street

## 6) Al-Wazir Palace in Marina near Alexandria

## Conclusion:

Corruptions plagued society.....Citizens can not obtain their rights save by bribery.

Roots of corruption extended to include all places, bodies, authorities, and administrations who were supposed to be honest and independent places. For many years, Egypt becomes at the bottom of corruption combating countries list.

Human Resources reports issued by UN and international and domestic bodies show that the real besets in the way of investments in Egypt. The Egyptian Government does not take measures to combat corruption. Reports reveal that most of corruption issues over the last years were as a result of rivalry between VIPS and people of interests and not because of combating corruption. UN Combating Corruption

Conference reports show that if the rate of corruption discovered is 10% then the secret crimes estimates 90% and this percentage does exist in Egypt and in every body, authority and administration to the extent we are living now the most flourishing era of corruption in Egypt to the extent it became a common and ordinary phenomena.

Last five year, governmental corruption extended to many bodies even corruption combating bodies.

The honoree head of the club of judges consultant Yehia Al-Refa'ie says:

Corruption and corruptors are the inevitable symptoms of dictatorship that is represented in one figure possessing all powers according to his position, so we find in every body of the state a small dictator overshadowing the big one.

The government despite the sufferings fro corruption, is keen to hide the corruption cases and consequently all political systems in the state became ones. Rich people became richer out of ill gains while poor people became poorer.

This weak political regime reflects itself in all domains either economic or social and as a result, corruption groups increased especially when law became in favor for the political elite and the parliamentary members. The executive bodies who are commissioned with implementing law are themselves who are breaching law.



## **Talaat Hamad file**

### **Minister of Cabinet Affairs**

Name: Talaat Sayid Ahmad Hamad

Date of birth: 1934

Qualification: Bachelor of Law, Ain Shams University in 1955

Previous jobs: Assistant for General Prosecutor then a head of court then secretariat for the specialized national councils then a minister of cabinet affairs in 14/1/1996.

### **Incidents:**

At the beginning, Mr. Talaat was a prominent figure in the field of judiciary and he was firm in his decisions. After he became an assistant for the general prosecutor he was promoted then to be the head of Giza court. He became a secretariat for the specialized national councils. It was said that he may be appointed to be the next minister of justice. Then he became a minister for cabinet affairs in Al-ganzouri government.

Talaat Hamad became a prominent figure, he became leader of a bloc inside the cabinet that included as well Mr.Ibrahim Solaiman the minister of housing, it was said that Talaat was the one who protected the position of many ministers among them was Ibrahim Solaiman. This block tried to gain power over all affairs inside the cabinet through Mr. Talaat who made good use from the relationships with Dr.Kamal Al-Ganzouri. This bloc included Dr.Ismail Salam as well but he left this bloc.

Talaat was a very strong character inside the cabinet who orders people and all in return must abide by his decisions. He used to issue resolution from his office and all resolutions prevail on all. All tried to win his satisfaction as he was a powerful man.

The episode of corruption of Talaat Hamad starts as follows:

Al-Osboa newspaper said that Talaat Hamad had seized more than 200 feddans in Nubaryah.

2) His notorious relationships with business men and rich people

Al-Osboa newspaper said in 27/2/1997:

"Again Talaat Hamad disappears

Talaat Hamad did not show up recently and it was said that he had evidences and documents that charge many people and no body dared to talk with him. Talaat Hmad said these statements that offended many people inside the Fisher Club Talaat Hamad tried to contact many authorities to deny that statements but in vain.

Talaat Hamad left the ministry without shaking hands Al-Ahrar newspaper in 6/10/1999

The story of the land that Hamad tried to sell instead of establishing a potable water station in Daqahliya . Al-Ahali Newspaper in 20/10/99

Al-Osboa Newspaper said the following:

-Tension between Talaat Hmad and the administrative censorship in 25/10/1999

- Try Talaat Hamad! Using powers in Daqahliya

A secret commission for the sake of Mobinil. 25/10/1999

- Try Talaat Hamad! How did he obtain a housing floor costs 4 million pounds .05/11/1999

- Head of The legislative committee calls for investigation according to what was published in Al-Osboa 20/12/01999

- Former minister challenges judiciary and supports Al-Sanakshy on the expenses of the public fund 32/1/2000

-Talaat Hamad seizes 100 millions from Al-Sharq For Insurance Co. 31/1/2000

-Talaat Hamad is the reason behind the unconstitutionality of Non-Governmental organization laws. 5/6/2000

Sawt Al-Ummah says:

Al-Badry Farghali reveals the reality of wasted 2 billion pounds

Talaat Hamad's gang corrupted the navigational transport 18/7/2001

-Secrets from the empire of Talaat Hamad 22/10/2001

## **Details for the case of Talaat Hamad**

In 10/10/1999 Talaat Hamad was not from the ministers of Atef Obeid government

In 25/10/1999 Al-Osboa Newspaper led a campaign against Talaat Hamad called "Try Talaat Hamad"

The first of this episode was the details of How Hamad conspired against the head of the administrative censorship the brigadier general Ahmad Abd Al-Rahman, the details are as follows:

Mustapha Bakry wrote in Al-Osboa newspaper that he wrote from two years warned against Talaat Hamad and dedicated this call for every concerned body. He added that he expected that President Mubarak would inquire about the matter and will not remain silent. He said, "I was quite certain that Talaat Hamad will flame up with rage and this matter would end very grievously by exempting the pmier Al-Ganzori at that time, and indeed it happened."

Ahmad Abd Al-Rahman was the head of the administrative censorship and was commissioned with checking files. It happened that he was surprised that one of the officers came to him and gave him three huge files For Talaaat Hamad. He immediately sent them to Dr.Kamal Al-ganzouri however; Ahmad Al-Rahman was surprised to find Talaat Hamad among the ministers of the government.

Talaat Hamad Knew what Ahmad Abd Al-Rahman did against him but he decided to exempt him , indeed it happened.

In the second episode of Al-Osboa Campaign against Talaat Hamad:

Using powers in Al-Daqahliya Region

A secret Commission for Mobinil's sake

Al-Mansura governorate suffers water pollution due to the presence of a cement factory near the Nile River. From a period of time the government seized a piece of land of 14 feddans to establish a water purification station to save citizens from pollution then it

compensated the land owners.

This piece of land is located in a very important place which is the Nile River. Talaat Hmad interfered for the benefit of his brother to restore the land for the real owners. Talaat filed a bill against the government in the interest of the owners.

However, he was sure that this bill would be of no benefit because it was filed after the legal period for objection which is 60 days, yet he found that it is a necessary justification.

Talaat Hamad called the Governor of Al-Daqhliya telling him that his brother Muhammad will visit him demanding execution for his requests and the governor replied him that he would execute them if they are in accordance with law. Muhammad Hamad went to the governor and demanded the restoration of the land; the government replied that the land was taken for the common weal. Muhammad Hammad flamed up with rage telling him, "You do not know who my brother Talaat Hammad is." The former replied him, "And you do not know who Fakhr Al-Din Kalid"

Few days and the land was in the hands of the owners and it was sold to every one can buy.

The governor ordered stopping all violations on the land but Talaat Hmad called the governor and told him that the resolution was to be arrested by the premier. Consequently, the minister had to obey the premier.

The governor held an urgent meeting with leaders at al-Daqhaliya governorate then they decided to sit in inside the headquarters of the governorate. Then the governor sent a fax to the premier explaining the matter. The premier issued a decision that the land shall be for common weal.

### **Strange incidents**

Talaat Hmad had made gains through one phone call. These gains estimated by 800% in a period of less than one year where Sawiris group was able to obtain in the trade of mobiles. We are in 2006, 10 years after the telecom company set up the mobile network with up to 80000 subscribers in this service.

In 1997, a decree ordered giving the mandate to a private company under pretext of

achieving the principle of competition and improving the service; meanwhile, the service of the telecom administration turned with its subscribers into a shareholding company with L.E. 600mIn capital with contribution of the administration, public sector banks, social insurance fund to buy 70% of its shares, about 42 million shares.

Meanwhile, a Talaat Hamad phoned the National Bank, the secretary of the shareholders, and ordered him to pay back the share prices paid by the public sector banks and the telecom administration and the social insurance fund in 375 piasters per share and replace them with Sawiris Group and allow it to buy 42 million share for only 275 piasters per share while the tender price for these shares was L.E. 13011. This means Sawiris Group paid L.E. 115.5 mln for shares whose actual price is L.E. 462mIn, given that the share price is only L.E. 11, to gain more than L.E. 347mIn tirelessly.

#### **Treatment for free:**

Talaat Hamad's second wife who is a mother of two children used to receive a free treatment on the expenses of the state in USA for two years. Besides, she had to travel with private doctor from Al-Qasr Al-Eini who is Madiha Khattab in time thousands of citizens wait for free treatment for years in the governmental hospitals.

#### **Corruption inside the Holding Company for Biological Products & Vaccine**

Notices by censorship bodies accuse Dr. Al-Abadi of committing financial and administrative violations and estimate million pounds.

- Importing blood extracts from countries that is prohibited to import from.

- Circulating imported and domestic insulin refills without testing them.

- Importing expired vaccinations for infantile paralysis.

- Packages of Milk for infants from Belgium are not accordant with laws.

- Central Auditing Organization: The capital of vaccination company is (-ve 218 million pounds)

- Assigning orders with direct command with no organizational regulations for the

projects of the company

Vaccines from an authority to company

These were the the main violations that appeared in the holding company for biological products and vaccine affiliate to the ministry.

It is worthy to mention that this company holds the first responsibility in importing vaccines and biological products against many diseases among which infantile paralysis, milk for infants, and blood samples..etc

We shall handle this case in details:

**First incident:**

Importing expired polio vaccines and storing them besides milk of infants and biological products:

The administrative censorship had elucidated many fact related to the holding company for biological products and vaccine and all affiliates. The most prominent of these violations was importing polio vaccienes shortly before the expiration date matures then storing the vaccines instores for long periods to be used later. Then the company imported milk for infants without abiding by regulations and instructions and wasting public fund.

It was approved that the Central Auditing Organization had obsereved concentrations for infantile paralysis estimate 24 million pounds and expired according to importers' bill during the years 2003/2004 since the company had imported infantile paralysis vaccines called "black" from Pofarma Company in Indonesia. The quacity of the vaccine was about 20 million doses for 56 million pounds in 1992 although this was not registered.....

According to the ministry of health. It was discovered that all of these quantities were not in use until they expired in August 2003. Also reports showed that the center of infantile paralysis had imported 6.5 million doses from smith cline for 4.1 million pounds and all of these doses were not in use until they expired in February 2004.

They imported quantities of polio concentrations were 20 million dose for 14.1 million pounds in November 2003 and they were not used until the expiration date in October 2004.

Reports showed the approval of some imported types from biological products and vaccines. This approval was from the chairman of the Holding company for biological products and vaccines due to the dire need for this as well as the approval on some vaccines that they were to expire two days later by the virtue of an examination certificate from the producing company then they were not re-examined by the national authority for censorship over organic products. The central Auditing Organization called for identifying the responsible for this and abiding by rules and regulations.

Reports show that there was an importation for 10 -dose polio vaccine for 477 thousand dollars. It was discovered that the date of expiry and the date of production were not pinned over the refills and there was no thermal guide on the refills.

Censorship reports assured that the Ministry of Health had commissioned the holding company for importing 4.5 million refills (Bumil) where the price of one refill is 9.5 pounds in 5/10/2003 costing 42.70 million pounds according to the offer presented in the general tender for the Ministry of Health although conditions for importation were not present for the holding company among which the lack in branches in all governorates and the unavailability of stores that meet the technical and healthy conditions for good storage besides the conditions of transportation that can fit distributing milks and the good expertise in the field of distributing milks with developed means which guarantee quick importation.

Infants milk (Agilac) was imported from the Belgian Company Faska for 2.3 million pounds and since that the package was kept in customs until registration in the ministry of health besides importing human Albumin 20% and anti rit although there is ban for buying blood extracts from England because they are hazardous substances. The costs were 10.5 million pounds besides forging a contract with Acadima International Company for a commission of 3% of the value of the local sales in accordance to the co-operation protocol in the field of human insulin IN 4/2/2006 because it is a famous company in this field. Moreover, Acadima Company was established and registered in the commercial register before two weeks of setting the protocol.

These were the reports of the central auditing organization. Later, we shall display the reports of the administrative censorship authority related to the refusal of reelecting Mr. Al-Abadi for the leadership of the company of biological products and vaccines. The reports are as follows:

Administrative Control Authority has revealed many violations, the most prominent of which was importing infantile paralysis vaccines shortly before they expire, importing infants milk without abiding by rules and private instructions, wasting money in imported milk packages, allowing blood packages from countries that there is a rule of ban for importing from them besides circulating local and foreign insulin refills in markets without testing them by specialized bodies.

The Administrative Censorship Authority checks every bits and pieces in the company especially when the authority detected several grave violations in the era of Dr. Al-Abadi between en 8/3/1996 until 3/ /

**These violations include:**

**First Violation:**

The head of the holding company of biological products and vaccines Dr. Al-Abadi imported packages of milk from Belgium without abiding by regulations and instructions that organize this operation , consequently, a great costs were wasted and that estimated 299 thousand Euro for the one package.

Information showed that during January 2005, Al-Abadi agreed with Egyco Farm Company the AGENT for the Belgian Company Fasca to produce infants milk in the form of an economical box which weight should be 32.1 grams and then to be packed inside aluminum friable bags.

During February 2005, Al-Abadi had issued a decision to import from Faska company through direct agreement to pay 290 thousand euro for 3.493976 million box of the afore said product.

During February and March 2005, Alexandria port received 4 packages of milk powder for



the holding company. The samples inside packages showed that the date of production during February and March 2005 and valid for three years, then it was discovered that the company did not re-register the product before completing the procedures of importing depending on the first registration by the supplying company, however, the registration by the supplying company was for a different kind of box that weights 450grams. Noteworthy, this different kind was put in a tin during 2003. Moreover; the receiving company did not apply for an endorsement for importation by the Ministry of health before importing the product from the Belgian company according to the ministry's instructions. In addition, the aforesaid product was incompatible with the standardized Egyptian descriptions number 20270 for the year 91 and number 2613 for the year 2003 that are related to the validity of infants' milk of 18 months old and not 3 years old as noted in the data of aforesaid packages.

Technicians and specialists assured that there is no validity for infants' milk that lasts for three years this is according to producing countries to guarantee the stability of the chemical component of the milk that may become noticeable after 18 months of production. Among the conditions as well is the best storing and distribution. These conditions were not met as the product was packed in foil bags that are extremely noxious on public health.

### **Second Violation:**

Al-Abadi had allowed packages of blood derivatives (human albumin) to the country without following necessary procedures for the endorsement of the ministry of health.

Investigations indicated that in 10/8/2005, when the inspectors of the central administration for pharmaceutical affairs were passing by the stores of the holding company, they discovered packages of h.a blood extracts. The inspectors reckoned the bottles and found them to be 61.200 bottle and the operation number was 139063 and 139113. Thirty samples were takes for examination in the authority of censorship and medical researches. The holding company pledged not to withdraw the products. However, in 31/8/2005 the administration of pharmaceutical inspection checked the aforesaid

package and officials discovered that the sent package is by Anamco company and for the holding company for biological products. It was discovered that officials in the holding company have taken back all the quantities and even the relevant documents from stores although they pledged not to react. They justified this action that they had dispute with Anamco Company and their company, then the products was exported once more. In 11/9/2005 The son of the former chairman of the Biotechnology company affiliate to the holding company for biological products and vaccine Dr. Ihab Ahmad Hamdi was summoned to be asked about the way that these packages were imported without any endorsement from the Ministry of Health then being allowed to the country without a customs release certificate. Al-Abadi in fact sent the package back to Switzerland fearing any offence.

### **Third Violation:**

The collaboration of Dr. Abadi with the former chairman of the Egyptian company for biotechnological industries the Ahmad Hamdi in helping the later to make gains from his position as follows:

In accordance to the date of 15/12/1991, A contract for a limited company was forged between:

- 1) Muhammad Afifi Al-Sayed
- 2) Tariq Shakir Muhammad
- 3) Rawiyah Shakir (wife of Ahmad Hamdi)

The goals of the afore said company was to market and fabricate medical equipment under the name of Advanced Technology and Marketing Company. In 29/5/1995 a concession contract was forged where afore said partners had transferred 5400 allot in the aforesaid company to Dr. Ahmad Hamdi Abd Al-Latif. In 21/7/2004 the later tranfered all his allots to his son Dr. Ihab.

Al-Abadi made use of the late forged contract between the holding company and Atamco company owned by Ahmad Hamdi in 98 in importing goods from Atamco company to the holding company as a kind of trust for selling these goods in the outlets of the holding

company in return for a distribution price agreed between the two parties. This agreed price is not specified in the contract. Perhaps, specification did not take place as a kind of delusion to in order to buy the necessities from vaccines of the holding company without any adherence to law number 89 for the year 98 concerning bids and tenders.

The amount of transactions between the Holding Company and Atamco estimated the following:

In 2001, the amount was 3.633418 million pounds.

In 2002, the amount was 483.718 thousand pounds

In 2003, the amount was 1.436151 million pounds

In 2004, the amount was 724.684 thousand pounds

#### **Fourth Violation:**

The holding company had provided markets with some refills from the local and imported insulin without testing them under the sponsorship of the authority of censorship and medical researches, besides not abiding by procedures and necessary precautions that protect the health of patients.

In 26/1/2006, a report by the central administration for the pharmaceutical affairs was received that showed that when inspectors from the local administration were inspecting, they noticed that stock of insulin in the company was zero although there were 50 thousand ... Producing... from the new made product and was approved and sold in markets without collecting any samples from them to be examined.

#### **Fifth Violation:**

Assigning project by direct order and the absence of organizing regulations for the projects of companies in sales and stores.

The reports by central auditing organization indicated that there were some projects assigned through direct orders by the authority previously and before transferring them to a holding company or an affiliate company through limited tenders or by the previous prices of importation. All this without any invitation to open tender which means they were not

accordant with article 1 in law number 89 for the year 98. In addition, other projects were assigned by the holding company without determining the standardized descriptions set in the conditions guide despite the presence of many consultants for the one project and the making amendments most projects that were implemented and assigning additional and new jobs for money exceeding the contract money.

After reckoning consultancy fees, it was discovered that the price was estimated by 12.8 million pounds related to the company of biological products and vaccines and the blood services, beside there was entire halt in some projects, ending contracts with contractors and amending the advantages for the other projects due to the lack of preparation for necessary studies about the scope of need for such projects, methods for finance. This indicates that there is great failure in feasibility studies prepared for these projects.

Information indicates as well that there were stops in several projects from 98 to 2006.

The report pointed out the company resorted to expanding the field of import rather than developing the national production and making good use of available human and mechanical powers.

Bonus rates estimated 17 million pounds that indicates an increase by 360% of the employees' salaries which is not in accordance with applied regulations in that matter.

### **The Sixth Violation:**

The company's functioning capital is (-218 million pounds):

The Central Auditing Organization assured that the holding company for biological products and vaccine suffers many problems because of financial violations and the apparent accounting breaches. The report added that the capital of the company according to a last report in 2004 was -218 million Egyptian pounds and that the company depends on loans and overdrafts in financing the commercial activities. Notices in report indicated that financial sheets for the holding company and companies affiliate thereto that in the period between 19/7/2003 and 30/6/2004 there were clear evidences about the company among which, reservation on the system of financial account registration, lack of internal censorship over all projects of the company in addition to the lack of organizational

regulations for all projects in the company and the random decisions inside the company.  
The organization discovered that there were no account books in the company , but the organization was able to discover the accounts of the company:

Outstanding accounts is 172078675 debtor

Investment body is 218277316 debtor

Clients payables and Accounts receivable are 158457625

Suppliers 292695848 debtor

**Secret Corruption**

**Ability to Metamorphose and Adapt**

According to the Transparency International Secretariat

The definition of **Corruption is the abuse of entrusted power for private gain** This represents the very evil of the era, as it hinders solving problems and results in demolishing effects in many poor parts in the world and affects the social justice and equal opportunities

The secret corruption is that kind of corruption that prevails within community without being able to arrest it and detect it although it is clear in all categories of society and takes various forms. Moreover, it possesses high abilities to change itself and adapt with society and with legal and administrative developments. Corruption can elude from justice and detection, and still all accurate data about corruption are not available and sufficient.

Deep look in the amount of corruption in Egypt, one discovers the following:

There are about 80 cases before courts and investigation bodies now, they fluctuate between stealing public fund, running away with the money of depositors and banks, commissions, land trading, tenders, bribery, allowance of carcinogenic substances, selling subsidized products in black markets and corruption in press bodies. These cases estimate approximately 20 billion pounds.

In the last annual report for Transparency International Secretariat, Egypt occupied number 72 in the list where all precedent countries in the list are the less corrupted countries, while Egypt is followed by more corrupted countries. The list included 159. The list showed many countries rather than Egypt suffer less corruption; they are 7 Arab countries; Oman 29, UAE30, Qatar 33, Bahrain 36, Jordan38, Tunisia 43, Kuwait 45. The report included as well 6 African countries are classified to be less in the rate of corruption rather than Egypt.

Transparency International Secretariat was established in 1993 by co-operatively by the minister of justice in Bangladesh Kamal Hussein, the international attorney Frank Vogel

and a journalist called Henzrig alzahrest. The main target of this organization was to fight silence against corruption, be aware of its bitter reality, form a coalition against corruption, and attract media to handle its cases and reveal its dangers especially in developing countries. Berlin was chosen to be the main branch. In 1995 the first regulation for corruption was set according to classifications and positions. In the first International Anti-Corruption center, the late Peruvian president Alberto Fugimori was exposed. By the end of 1997, 38 local branches were formed for the international organization and the organization became more fit with the professional characteristics. In 1995, a list was made for bribers. In 2002, the organization became a recognized one and has about 100 branches all over the world.

The Egyptian economic researcher Abd Al-Khakiq Faruq elucidated that corruption in Egypt became a big coalition in Egypt since 1982 and still ongoing. He assured that the amount of corruption in Egypt estimates 70 billion pounds (40% of GDP). He pointed that there are 4 mechanisms for this corruption: First; is represented in the presence of corruptive policies for authorities and members working there, for example the press-authorities and bodies, judicial bodies and People's Assembly and Shura Council. The second mechanism lies in the presence of bodies for corruption and adopt customary rules. The third mechanism is represented in the contacts between these bodies and the political ruling elites.

The fourth mechanism attributed to the low income of low standard people and this force all to give gratuities which is the legal equivalent for bribery. The fifth mechanism is the corruption of censorship on both; the official and public levels. Abd Al-Kahalig Faruq added that the amount of corruption differs from one sector to another, for example in, the investments in the sector of imports and exports estimated in the last 30 years about 80 billion dollars, the commissions' rate in this sector reached 2 billion dollars (300 million pounds annually). He said that about 34 billion pounds were wasted in the form of commissions and in the privatization system, where 194 companies were sold with 6.616 billion pounds which is lower than the real price.

Consequently, a mafia for corruption was formed within banks that caused the wasting 60 billion pounds. Besides, the amount of drugs trafficking is 10-12 billion pounds annually.

He wanted to point that there is a phenomena of giving commissions for great figures in the process of obtaining signatures that estimated in 1979 about 300 million dollars, while corruption among clerks and teachers estimated 18 billion pounds.

Abd Al-Khaliq Faruq said, "There is a gap in penal codes in respect of defining the corruption especially the definition of bribery which the clerk obtains in return for performing certain task. Complains in police stations were about 10 million complaints against corruption, according to the Central Auditing Organization.

One of the members in People's Assembly had submitted a request to investigate about the losses in the balance of payments that reached I billion and 500 million pounds annually, which represents a grave wasting for the public fund.

Similarly, The Central Auditing Organization assured that the censorship bodies failed in confronting corruption, pointing that the number of corruption cases during 2005 was 27,593 cases inside the body of the state, among these cases about 10.853 penal cases like embezzlement and malversation.

It is enough to say that such sum is capable of solving the problem of unemployment for more than 1 million young men and establishing about one thousand schools, besides, this amount of money can solve the problem of the public deficit in the budget. Some reports attribute the deterioration in conditions to the lack of transparency, increase in the rates of bribery and the increase in diseases stemming from environmental pollution.

Secret Corruption includes many phenomena among which, according to this research, the following:

- Acting as mediators for some people

- Bribery



Abuse of power

The intervention of security men in the public life

The effects of secret corruption in society.

### **Acting as mediators for some people**

It is regarded as one of the elements of secret corruption, firstly; due to the spread in society to an extent it became a custom, secondly, due to the hard efforts to grasp this corruption as it is some kind of an oral process.

This is exemplified in a very vital sector that is health sector; one finds that treatment which is a right for every citizen became afflicted with the phenomena of mediation, starting from the approvals to be treated on the expenses of the state to the undergoing of operations and surgeries. In a scoop about hospitals, it was evident that the role of mediation plays a very important role in hospitals and their affairs. Any patient who has someone as mediator can receive better treatment than that patient who has not any kind of mediation.

Al-Munira public hospital is a great example, patients complain that the public hospital changed to a private clinic since all patients are relatives to the working doctors or employees, however this hospital can not be compared to any hospital as it serves various categories of people in poor areas like Al-Sayida Zeinab and Al-Qalaa and other poor areas.

However, the strangest thing in such kind of corruption is the disputes between doctors that affect badly the treatment of patients in the hospital. It happened that a lady called Magda Muhammad Ali went to the physiotherapy department to treat her daughter, and when she went to Al-Munira hospital, doctors refused to treat her daughter in the physiotherapy department as there were disputes between departments, and she pointed that the physiotherapy department treat the children who are transferred from the department of pediatrician and rheumatoid badly. This woman spent more than two

months trying to solve the problem. She found no way out but to resort to the ministry of health to save her daughter. This story is repeated with many people like Reda Ahmad, Galila Muhammad, Zeinab Atia and many others. When any one visits the place of the hospital, you find these ladies lie down crying for their harsh circumstances that prevented them from having good treatment in hospitals. This misery is concocted by a secret mafia and controlled by nurses and workers, beside the competition between doctors that changed public hospitals to private clinics as if it were a service the doctor gives a to a patient instead of being publicly owned by all citizens.

This all-embracing corruption that does exist in the health sector forced many doctors to form a movement that aims reforming in health sectors and to inhibit any violations inside hospitals:

"Doctors for Change called for establishing censorship bodies from doctors, hospitals, units and health authorities. The movement assured that this step is extremely important to look for the rights of the doctors and patients. It will reveal all forms of corruption and negligence that are besets in front of providing good medical services and defames medicine.

The movement threatened that it will resort to hunger strikes and sit-in if there will not be an increase in the salary of doctors and ameliorating their standards and keeping their face among society and to stop all fake pledges.

Nepotism becomes clear in another field, however sensitive it is, it plays role in the matter of electing certain persons to gain power to the extent it reached the sector of judiciary. Some members gained leading positions although they failed in their university studies, but mediation helped them to assume their positions.

The misery continues when clever students in the faculty of law are exempted from being employed in judicial bodies. However, the strangest thing is that one of the nominees was from the affiliation system and chosen for these posts although he failed in two subjects in the faculty of law, commercial law and Procedural Law.

So it is not strange that some of the selected men for this posts commits a violation, as

a 9-years old girl dies because of a gunshot bullet in her head, because a head of the administrative prosecution was celebrating his promotion by using his gun. The crime was committed by a 22-years old law graduate young man who celebrated his appointment in the Administrative Control Authority, by shooting in the air; the prosecution heard three witnesses including the defendant's brother and the defendant was arrested.

Not to speak of course about the sons of professors, especially in faculties like the faculty of medicine, as they have better chances than others to be appointed as demonstrators in faculties. These phenomena prevail as well in many state authorities and bodies, where the priority for the sons and relatives of official plays an important role.

### **Bribery:**

In Egypt, bribery has many euphemistic names and definitions to alleviate the harshness of the legal categorization. Of such terms tips, gratuity, administrative fees, or commission. In a field scientific study about bribery in Egypt, it showed that only 5% of crimes can be discovered, while other crimes are carried out secretly under the pretext of different names. Common law in our plundered Egypt does not inhibit corruptors but punishes who can not hide his/her crime.

Sometimes bribes exceed million of pounds and may take other forms as well like gifts and jewelries. The most famous of these cases was that of the consultant of the late minister of agriculture Yusuf Wali, Mr. Ahmad Abd-Al-Fatah who was arrested in 2004 in the very act when he was taking a bribery of 1 million pounds as first deposit. "Officials in the authority of administrative censorship had arrested the consultant of the minister of agriculture who was as well the late president of the authority by the very fact taking a bribery of 2 million pounds from one of the famous business men in return for allocating lands controlled by the ministry of agriculture. Moreover, he was found taking one million

pound as first deposit from one of the business men inside one of the great hotels in Cairo looking over Nile. The first general attorney in the prosecution of the Egyptian State Security Mr. Hisham Badawy accompanied the officials of the authority of administrative censorship while arresting Dr. Ahmad Abd-Al-Fatah.

A notice was sent to the General prosecutor Maher Abd Al-Wahid to be informed with the violation.

Information were available before the officials in the authority of administrative censorship that Dr. Ahmad Abd-Al- Fatah was indulged in bribery case for a big amount of money from some business men in return for meeting their interests related to the ministry of agriculture because he was the consultant for the minister of agriculture. The charged consultant demanded two million pounds as bribery from Dr. Saad Abdullah in return for completing all procedures for dedicating a huge piece of land. When the head of the authority of administrative censorship was notified, he immediately called for legislating all procedures and applied for the permission of the general state prosecution to continue the to take the legitimate procedure to arrest the charged consultant red-handed. The team of the authority of the administrative censorship started collecting all information and evidences and pursuing his steps, over-hearing his calls. When the charged consultant had fixed an appointment and determined a specific place as not to keep away all suspicions about him. Officials in the authority of administrative censorship surrounded the place secretly with several leaders from the general prosecution, then they arrested the convict while he was taking the bribery. The convict was astonished that he was trapped easily. Officers of the administrative censorship lead him to file a proces-verbal for taking bribery, and then he was brought before the prosecution of the Egyptian State Security that started interrogating him. Documents and files charging him were found inside his office. It was revealed that he owns several apartments in the same tower.

Another incident, when an employee in the ministry of endowments accepted a bribe of 400 pounds in order to help in transferring one of the employees working in the directorate.

One of the Imams of a mosque, called Mursy Muhammad Mursy was working in North Sinai has submitted a request to the employee personnel services in the directorate of endowments in Sharqiya where he wants to be transferred to Sharqiya, so he had to give a bribe to one of the employees of 400 pounds. A committee of the authority of administrative control in Sharqiya was formed to arrest the charged employee red-handed while taking a bribe from an imam of a mosque.

### **Abuse of Power**

There are many forms of abusing power according to the privileges given to any employee.

Due to the presence of the efficient censorship, the corruption in the issue of abusing power inflates. For example, some may receive facilities from the body where he works for free, like what happened in the project of a computer for every pupil. It happened that the minister of education Dr. Youssry Al-Gamal sent a petition to the authority of the administrative censorship and included a report showing the head of the fund of supporting and financing for educational project "Ferhad Muhammad Ali Al-Ahdan had abused his position and seized 878 computers for no return through the contraction on the two projects that estimate L.E. 166.257mln. Ferhad had distributed these free computers on some workers in the fund and other bodies for no return or legal evidence. The head of the authority of administrative censorship the consultant Mahmoud Al-Amrousy has decided to transfer the petition to the head of the technical office in the authority, consultant Tawfiq Al-Munufi. The report of the administrative censorship showed that the fund had made contractions with 9 companies in 20 november 2002 to import computers for 2850 per computer. The contract showed that the fund had obtained a computer for every 50 computers as included in the deal, then these contracts were amended as a result of liberating the exchange rate and the inflation of prices so that the price of one computer became 3200, however, the new contracts did not mention any importation for computers for free.

It was discovered that the number of computers supplied by the virtue of the first

contracts were 800 computer for free. Then 302 computers were distributed on clerks working in the fund, where every one had obtained 5 computers for free, 10 computers were given to the envoy of the ministry of finance Nahed Muhammad Hussein and as well Duaa Abd Al-Sadiq. Also, clerks had given 100 computers as a contribution to be used in the fund, and other 5 machines given to Misr Bank the breanch of Mustapha Kamel for free by the virtue of the endorsement given by the head of the fund of supporting and financing educational projects, and in accordance to a request submitted by the bank seeking hurry in completing the contractions related to the project.

Although the fund had afforded all administrative fees, yet there are still 383 computers were not distributed. The report showed that while examining the contract forged by the fund, it was discovered that the aggregate total of the contractions was 9 million pounds and 257 thousands (2375 pounds per computer) and the fund had obtained 77 computers for free in accordance to the contract that gives 2 computers for free in return for 100 computers. Besides, two clerks in the ministry of finance obtained 2 computers. The report concluded that the total of the distributed computers for free estimated 1,072000 pounds. The report revealed other violation that the process of contraction was carried out verbally not as prescribed by law of bids and auctions, consequently, the prosecution started investigation.

The matter of abusing power extended to involve also a policeman and a chief justice who accepted bribery in order to arrest judgment for some people. It happened that Giza court of penalties had delayed the trial of the chief justice of Damanhour court, an owner of a restaurant and a policeman because the chief justice did not attend. The prosecution charged the three men for demanding and accepting bribe. The prosecution had subjugated the charged men to be tried because from July till August 2003 the chief justice demanded from the second convict who is the owner of a restaurant Tariq Arafa 10 thousand Euro in order to facilitate the procedures of allowing him inside the country without being arrested to apply a judgment in absentia. The third convict who was a policeman called Muhammad Abd-Al-Hamid helped them. All were arrested, tried and

they were sentenced from 6 months to 6 years imprisonment. They had to pay a bail as well. After the verdict was issued they decided to appeal before the court of cassation. The policeman was exempted from his position. The court session was presided by counselor Al-Jiushi Amin Al-Deeb and membership of Hassan Mousa and Salah Mostafa. Another famous case called the case of the Parliament members in Fayoum who used their parliamentary immunity to seize state-owned lands in 2002. The General Prosecution accused the former head of the authority of educational buildings Muhammad Al-Zuhairy and the head of Public Notary Ahmad Subhi Mahmoud also another two members Bahaa Al-Din Al-Hussein Al-Miligi and Hussein Ewis and other members of facilitating the usurpation of state -owned land in Fayoum and forgery in official documents and wasting public fund. The court of penalties sentenced them for jail between 5 to 15 years and to pay fine of 3 million pounds and 160 thousands besides obliging them to give back an equal amount of money to the state treasury .

### **Interference of Security in public life :**

Security forces and powers permeate in the lives of people starting from employment in posts to the interference in vocational syndicates and clubs. The interference of security men in universities is a very clear example for their interference in all other activities in society.

In a human rights watch report, it handled the matter of security interference of security in universities and showed that all quelling procedures practiced by governmental and non-governmental bodies had affected all basics of life in universities, even the process of teaching, researches, protests inside the university. The censorship prevent professors from teaching certain books, besides, conditions to obtain permissions for carrying out surveys stand as obstacles in front of research in the social sciences. Usually, security forces quell demonstrations severely inside the university. Their practices strangle the freedom of speech and the exchange of ideas which deprive Egyptian students of better education, besides it deprives Egyptian researchers to

improve their knowledge in their domains.

The organization still observes in the report and shows that all powerful bodies in Egypt participate in weakening the academic freedom in the country, where security forces detain activist students under no legal pretext because they dare to elect themselves in student elections or demonstrate inside university, sometimes they face torture.

The government restricts freedom through the appointed deans and the strict laws.

While the interference of non-organizational bodies comes from the part of the conservative Islamists whose religious motives overwhelm their political activities. This category terrorize students and professors by various methods among which lawsuits and physical tortures. The violations in academic freedom escalated as a result of constitutional restrictions in Egyptian University; consequently, education in Egypt became unpromising. Authorities control the process of appointing the teaching staff and their promotions, they adopt strict system in education and therefore creativity is massacred in all university grades starting from admission tests to obtaining the PhD degree. Besides, this strict system deprives students from choosing their academic interests. Poor financial support as well resulted in deterioration of university utilities and forced professors to seek other places for teaching.

Human Rights Watch visited Egypt in 2003, the committee met with students and professors. However the security forces interferences did not end up. For example, in 2006, security objections in Bani Suaif University caused the cancellation of the council of the teaching staff club who were elected recently, and included a number of professors belonging two various political currents. Consequently, the head of the university Dr. Ahmad Refaat appointed another council other than the elected one and it didn't include the elected members.

Many cases where security forces interfere in refusing the appointment of someone are observed. Always, reasons behind this interferences are security ones. A group calling for the independence of universities revealed much interference from the security forces for example they interfere in the simplest forms of activities like the scientific research



and the travels for education abroad for professors. This group revealed about two cases where the security forces interfered to prevent Engineer Mustapha Ahmad Nash'aat from occupying the Opposition of demonstrator in the Cairo Faculty of Engineering, he was a clever student and he won the second position.

The other case for a student called Abdullah Ibrahim Zanuni who was a student in Al-Minya faculty of agriculture when the security forces refused his appointment as a demonstrator at the faculty.

Security forces interfered to prevent one of the professors to travel in a scientific errand because the security requests from the person nominated to travel to submit an application expressing the degree of the security approval regarding the nominated person before the university approves it!

This group (9 March group) was formed in autumn 2003 and includes many University professors. The aim of this group was to call for the independence of universities. The group derived its name from the date of 9<sup>th</sup> of March where Ahmad Lotfy Al-Sayed resigned from the presidency of the university in 1932 as a kind of protest because Dr. Taha Hussein was fired from his position. The group of 9th March was edifying about the dangers of the lack of academic freedom and sends petitions protesting to the leaderships of the universities about the interferences of security in the process of education.

### **Effects of Hidden Corruption on Society:**

Secret corruption affects negatively the society; it results in poverty, monopoly of power and wealth and the injustice between classes.

A deep look in the report of development, one sees that Egypt occupies the position 120 out of 177 countries in the countries of average development. The paradoxical thing is that a country like Cuba occupied the position number 52 despite the economic sanctions imposed on the country since the sixties. However, the report of the

International Bank showed that 52% of Egyptian population lives under the poverty line. UN report showed that 5.2 million Egyptians live in abject poverty and about 9 million families live with the social solidarity monthly salary that does not exceed 100 pounds while about 30% of poor children suffer anemia. An expert in Al-Ahram center for political studies Ahmad Al-Sayed Al-Naggar said that the official data about the distribution of income showed that the richest 10% of people enjoys 20% of income while the poorest 10% of people takes 2% only of income. However, this data excludes two important sources for income which are the incomes out of corruption and that stemming from black economy like smuggling, prostitution and drugs trafficking. Penury led to many phenomena like committing suicide as a result of unemployment, the inability to afford living and depression.

We shall handle some cases as follows like:

Committing suicide

Bribery to gain interests

Greetings in Newspaper

### **Committing Suicide:**

Committing Suicide because of Poverty and Unemployment:

Any one reads the daily news about crimes and accidents gets shocked from the rate of suicide cases and will feel depressed from the reasons of committing suicide as they are not traditional ones like the psychological disturbances or family problems; however they are new ones like penury and unemployment.

A lady decided to end her life in Qanatir Boline city, she seized the opportunity that the house is void of people, she tied her legs, threw kerosene over herself then she stroke a match until she died. She did so because she could not afford the fees of her treatment and her kids. A notice was sent to the head of Al-Bihaira Security Muhsin Hafzi from the husband Refa'I Hussein (68 years old) a retired watchman, saying that his wife Mabroka

Ibrahim Abd Al-Salam that she burnt herself because she could not afford the fees for her treatment and her children as well. Investigations about the accident showed that Mabroka is a mother for two boys and two girls who are married; she had a feeling that she became a burden for her family so she committed suicide, the prosecution investigated into it.

Another case for committing suicide due to failure in providing the necessary fees for marriage; It happened that a notice was sent to the head of Al-Minya security from people in Manshaat Al-Azhari village saying that a young man strangled himself. Investigations showed that Muhammad Makhluaf Muhammed (20 years old) strangled himself at night because he failed to persuade his father to help him in buying jewelries for his fiancé. The father said that he is only a worker in a mosque and is a family provider for a very big family and that he can not help his son. The young man ended his life at night and when his mother woke up she discovered the accident. The corpse was sent to the forensic teams to know the causes of death.

#### Suicide because of depression:

Depression may result of corruption which put forth some values and ideas that deal with mediation and power. Besides, depression comes when the society evaluates man not according to his efforts and intelligence but evaluates man according to his wealth and powers.

A young man from Al-Daqahliya called Abd Al-Hamid Sheta represents a clear evidence for depression. He decided to commit suicide as officials refused to appoint him as a commercial representative because his social standard was not fitting although he was clever and successful in all fields. Al-Ahram newspaper covered the accident as follows: Abd Al-Hamid had three brothers, and was famous for his success and intelligence. His eldest brother Al-Sayed has a Bachelor in French language since 1993 and he won the second position, while the second brother Reda is in the final year in the faculty of medicine, he is clever and his total in General Secondary Certificate was 101% all his

grades in faculty are excellent. While Abd Al-Hamid the youngest brother was able to get a total of 85% in General Secondary Certificate in the department of literature in 1995. However, he committed a grave mistake when he responded to the requests of his mother to repeat the last year in General Secondary Certificate. He chose to enroll in the faculty of education at the same time will repeat the final year in the G.S.C. And after he repeated the final year he was able to enroll in the faculty of economics and political sciences in 1996.

From the first years, he influenced greatly his colleagues and professors because he was a clever and brilliant student.

The researcher Reda Atia who befriended Abd Al-Hamid closely said that his friend was younger than him by 5 years, but he was a brilliant student and when he graduated and started his career they discovered how deep cultured was he to the extent he became their reference in everything. He was known to be persistent man but very kind with family and friends and obedient to his professors. Since his graduation in 2000 he used to work for 18 hours a day daily. He was a good reader, diligent researcher, fluent in languages and after graduation he took courses in the French language on his own expenses, then he joined another center to learn German language as well. He used to spend all his salary and the money he takes from researches in buying encyclopedias and in providing his family and he was clever in computer skills as well? However, were there any signs for his determination to commit suicide after his exemption from the list of commercial representatives?

The resolution of exemption for Abd-al-hamid was not the first depression for him, but there were many cases that depressed him like that when they refused to appoint him as a demonstrator though his brilliance. Even studies' centers refused to appoint him but for part time only. When the ministry of foreign trade publicized for its need for commercial representatives in 2002, he decided to submit his papers and spent a whole year studying, passing oral and written exams in political and economic sciences, languages and computer. He was able to pass all exams easily, and then he was chosen

from among 43 applicants. All his colleagues were convinced that he was the right man for the right job and he would receive easily his job. Never has it passed the minds of his colleagues that he would be exempted in the final step, but it seems that this resolution shocked him severely that he lost his nerves and lost hope. Abd-Al-Hamid used always to say that "last thing man can lose is hope", he used to give this wisdom to his brother Reda who grieved severely for losing his brother who used to provide him and help him. Abd AL-Hamid in his last call with the brother's wife left his well saying to her "send my greetings to my mother and father, try to tell Sayed to take care of Reda. When their brothers knew about this phone call they sank in deep anxiety. After that they tried to call him on his cellular phone but in vain. His brother Reda traveled to Cairo for his brother's home near Cairo University. His mate "Maged" told him that Abd Al-Hamid left home and did not return. Reda waited for his brother till the next day but he did not come. Reda went to look for his brother in libraries and research centers that abd-Al-Hamid used to frequent them but also in vain. Reda was told by one of his brother's colleague who was accepted in the commercial representation that his brother was exempted in the last moments. Reda realized for the first moments that his brother might have flared with anger and he may have isolated himself elsewhere.

Reda never thought that that his brother committed suicide because he was about to receive his masters about (The role of the constitutional court in the political reformation in Egypt) under the supervision of Dr. Ibrahim Darwish the professor of constitutional law and political systems in FEPS, so his brother can not disappear. However, the uncles of Reda called him to come to AbdAl-Hamid's home in Cairo to receive his corpse as it was found floating in front of Al-Qanatir Al-Khairiyah lake. In utter breakdown, Reda received his brother's corpse and the medical report that showed that the reason behind death was asphyxia of drowning.

Does commercial representation represent the end of the world?

"Why did not you accept him despite his brilliance?"

The commissioned minister Said Qasim and the head of commercial representation

replied that as a head for the committee supervised exams where only 43 succeeded among them Abd-Al-Hamid, he took the applications and gave to the security bodies, and the security said that Abd-Al-Hamid (is not accepted from the security part).

Said Qasim said as well that Abd-Al-Hamid was not the cleverest applicant, and his position was not number one as some newspaper rumored and his results were mediocre especially in computer.

What about accepting the nephew of the commissioned minister in commercial representation?

He replied that his nephew indeed succeeded because there is no law that prohibits that. However, there are many facts not shown in the story of Abd Al-Hamid, among which is that he won 6 certificates from IBM center in (windows, dos, net, access and excel project) and his grades were excellent. Another fact that Abdo-Hameed had no relatives, till the fourth degree, who were previously convicted in criminal or political cases; the most serious facts related to students and pupils of his village Meet Al-Faramawi, who are have become completely convinced that the qualifications of climbing the ladder in life don't include, nowadays, educational distinguishing, integrity, hard work and honest life.

## **2-Giving Bribes to Gain Rights**

Corruption reached the extent of paying a bribe in return for receiving a paper or financial allocations in a government service, giving a bribe for receiving your rights.

The case is so prominent in the contracting field and construction companies in repetitive manner that has become a habit.

Counselor Maher Abdol-Wahid ordered referring 6 Housing Ministry leaders who are in jail and seven company owners and workers in them to Cairo Criminal Court for giving and receiving bribes up to L.E. 300000 in return for paying the private companies' allocations in the Ministry, L.E. 30mln. The defendants were: Mostafa Ayman Al-Adawi, the deputy general executive manager of the state-owned Nasr Contracting Co. and Mohsen Mohamed Galal, the chairman of company's bridges sector and Saad Mabrouk

Afify the company's executive chief and Saeed Mohamed Khedr, the Upper Egypt executive chief in the Housing Ministry and Mhamed Atef Radwan, the ministry's projects executive chief in the northern coast, and Saeed Labeeb Morqos, the projects manager in the Nile public company for roads and bridges; they received bribes from defendants: Fawzi Abdou "owner of a private contracting company" and Kamel George Habash "owner of a private contracting company", with mediation of four other defendants working in the two companies. The investigations of the administrative control authority concluded that the public employees committed outlawed crimes of bribery; counselor Hisham Badawi, a public lawyer in the State Security Prosecution issued a permit of recording the phone calls between the suspects; defendant Saeed Khedr, the Upper Egypt executive chief was caught red-handed while receiving a L.E. 5000 bribe from defendant Kamel George Habash in a restaurant in Nasr City last June; the briberers and the mediators confessed to the incidents of the bribery. The investigations were carried out by chief prosecutors Amr Farooq, Khaled Al-Shalaqani and Abdol-Khaleq Abed.

There is another case in Toshka project: Giza Criminal Court issued its ruling regarding Toshka case, of sentencing Sami Atiya, the general executive manager in the project to 10 years in prison with hard labor and paying L.E. 100000 fine and the criminal fees and confiscating the sum of the bribe and the golden bracelet; also it sentenced Mohamed Hassan Ahmed, Accounting general manager, to 3 years in prison with hard labor and paying L.E. 20000 fine and fees; the court acquitted Abdol-lateef Ibrahim Mostafa, contractor, of the charge of giving a bribe for admitting and disclosing the incident (...); the State Security Prosecution had arrested Sami Atiya Mitawli, a projects general executive manager in Toshka project, accusing him of demanding and taking a bribe from contractor Abdol-Lateef Ibrahim Mostafa, in return for finalizing measures of paying his allocations in the project; the investigations of the State Security Chief Prosecutor, Mohamed Nour Al-Deen, revealed that the contractor tabled a request to Toshka project officials, to carry out diggings in Toshka valley; the defendant offered

making the tender be his and increasing the metres of diggings, in return for a bribe and the contractor agreed. The investigations added that the first defendant demanded Mohamed Hassan Ahmed, Accounting Manager, participate with him in finalizing the allocations of the contractors, in return for sharing the sum of the bribe.

The ruling brief said that the case papers were full of technical and verbal evidence that the crimes committed by the defendants took place; the court said: the bribery crime is the most serious wrongdoings afflicting public posts; it is the highest form of corruption that can destroy the state services; after the court got convinced that the first and second defendants are trading the public post, and both of them maintained meetings and phone calls with the third defendant to receive cash money and material presents, doing this for a long period of time, thinking that they won't be held accountable and won't be punished, and Satan lured them to commit their evil deeds, while Allah has been All-Seeing. The court said that it acquitted the third defendant as prescribed in the text of article 109 bis in the penal code of acquitting the briber or mediator in case of confession or disclosing the crime to authorities; the court was convinced that the defendant's confessions were true, complete and identical with all the bribery incidents without any deviance or contradiction.

The contractor admitted that he gave the first defendant L.E. 190000 and a L.E. 3000-golden bracelet; and he gave the second defendant L.E. 40000; the court said in its ruling that it ordered confiscating all the cash and material bribery money sequestered with the defendants; as for the money sequestered in the house of the second defendant, it isn't part of the bribe; so, it isn't included in the confiscation ruling as prescribed by article 110 of the penal code; the court responded to the defence challenging that the records were fake, by saying that it got convinced while sequestered items were received that the records are valid, and that there is no evidence in the papers to uphold the defence claims.

### **Greetings Ads**

The advertisements published in newspapers, to congratulate ministers or leaders of



religious and national feasts and of remaining in their posts and that the political leaders' choice was right when they chose them, are considered a kind of hidden corruption and social hypocrisy; it is also a limitless waste of public money specially in the cases of advertisements of greetings published in the government institutions as their costs will be of course from the budget of the institution.

Living in Egypt , Living with corruption .  
[http://miloflamingo.blogspot.com/2004/08/livingwith corruption.html](http://miloflamingo.blogspot.com/2004/08/livingwith%20corruption.html) : . 1 2006

2 2006  
7 2006  
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6 2000.

Kligaard, R. 1998. "International cooperation against corruption" Finance and Development  
376

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<http://free.egyptians.4t.com/alfasad.htm>

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Read about Omar Effendi deal in Egyptian newspapers from March 2006 till now. We depended- on reading about this deal on newspapers of Al-Ahram, Al-Araby Al-Naseri- Al-Ahaly- Elosboa- Al-Masry Al-youm- Al-Dostour- Al-Ahram Al-Araby magazine

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| 12        | 2006 | 43501 |     |      |    |
| 12        | 2006 | 43501 |     |      |    |
| 12        | 2006 | 43501 |     |      |    |
| 21        | 2005 | 43265 |     |      |    |
| 21        | 2006 |       |     |      |    |
| 6         | 2006 | 662   |     |      |    |
| 5         | 2006 | 661   |     |      |    |
|           | /    | /     | 680 |      |    |
| 24        | 2006 | 680   |     |      |    |
| 24        | 2006 | 680   | 28  | 2006 | 21 |
| 24        | 2006 | 680   |     |      |    |
| 24        | 2006 | 680   |     |      |    |
| 23        | 2006 |       |     |      |    |
| 19        | 2006 | 585   |     |      |    |
| 24        | 2006 | 680   |     |      |    |
| 17        | 2004 | 42835 |     |      |    |
| 24        | 2006 | 680   |     |      |    |
| 1         | 2006 | 657   |     |      |    |
| 24        | 2006 | 680   |     |      |    |
| 2         | 2006 | 568   |     |      |    |
| 23        | 2006 |       |     |      |    |
| 16        | 2006 | 641   |     |      |    |
| 26        | 2006 | 58    |     |      |    |
| 11        | 2006 | 667   |     |      |    |
| 14        | 2006 | 669   |     |      |    |
| 20        | 2003 |       |     |      |    |
| 24        | 2006 | 680   |     |      |    |
| 24        | 2006 | 680   |     |      |    |
| 24        | 2660 | 680   |     |      |    |