



Detained banker 'tortured' in Dubai

By Simeon Kerr in Dubai
Published: June 9 2008

A Pakistani banker detained by the Dubai authorities as part of a corruption investigation at the Dubai Islamic Bank is suing the bank in the US, alleging that he has been tortured and held in the United Arab Emirates without credible evidence against him.

The case offers a rare glimpse into the sometimes murky world of Dubai's justice system, where rumours of disappearances and manipulation of evidence abound.

The bank's investigation is one of a spate of financial and real-estate scandals that could affect UAE's quest to become a business centre adhering to international standards.

Dubai has turned itself into a magnet for international businesses seeking to serve the oil-rich Middle East, but its rudimentary legal system is regarded as a weakness of the emirate's regulatory landscape.

Rafatul Islam Usmani, who was working in structured finance for the bank, is pressing for unspecified damages against his former employer, the Dubai Islamic Bank, the Middle East's third-largest Islamic bank by assets, as well as one of the bank's former employees and a government auditor.

Mr Usmani says Dubai's security forces abused him during an investigation into alleged misuse of the bank's funds in Turkey.

In a complaint filed on June 2, he claims the authorities tortured him to the point that he "confessed to unknown criminal acts", and that they assaulted members of his family and kept hold of his passport.

He has filed the case in Miami under the Alien Tort Claims Act, arguing that the Dubai judiciary is prone to political interference.

Michael Diaz, his lawyer in Florida, says that when he gets more access to his client and receives more information, he may issue an updated complaint broadening the scope of the damages claim to other individuals. They could include the security forces and other government members.

Mr Usmani, who has had only limited access to his lawyers and family since he was detained in late May, denies all allegations of bribery put forward by the authorities, says Mr Diaz.

The Dubai Islamic Bank declined to comment.

A government representative said the bank was currently handling the case itself. Dubai would continue to focus on judicial reform as a central part of the emirate's overall strategy, the official added.

The detention of Mr Usmani comes amid another investigation into alleged financial irregularities at Deyaar, a Dubai developer that is 41 per cent owned by the Dubai Islamic Bank. The bank says it is not involved in any wrongdoing.

Zack Shahin, a US citizen and former chief executive of Deyaar, is one of four people detained in that case over the past few weeks. He denies any wrongdoing.

Mr Usmani, who had been the DIB's vice-president of structured finance, says the current investigation started in early 2007, when the bank received an anonymous e-mail.

This alleged that one of the DIB's business partners, CCH International, might have been violating Turkish law "by paying irregular commissions and obtaining credit facilities through DIB and then lending those same facilities to entities and individuals at very high rates".

Mr Usmani claims that the bank forced him to resign last year, but then rejected his resignation, keeping him as an unpaid employee while the investigation continued.

He says that, in December, he was stopped at the airport from travelling to Pakistan for his daughter's wedding, and then had his passport confiscated by the two individual defendants in the case, Obaid al-Shamsi, a former DIB legal officer, and Mohammed al-Marzouki, a government auditor.