

POSTAL NEWS

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MICROFINANCE

1. Cabinet postpones Thailand Post proposal

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The cabinet yesterday initially rejected a proposal to allow Thailand Post to operate a microfinance business for low-income earners, saying the state enterprise had no experience in that area.

It also said the Information and Communications Technology (ICT) Ministry, which oversees the postal service and proposed the idea, should consult the Finance Ministry about lending regulations before seeking approval again.

Deputy government spokesman Vachara Kannikar said the ICT Ministry reasoned that the 1,200 post offices nationwide would be a good channel for improving low-income earners' access to financial services.

The ministry had indicated Thailand Post would need 50 million baht in registered capital and 500 million baht as cash flow from the government to start the new business.

Mr Vachara said Thailand Post proposed to use the microfinance model of Nobel Peace Prize laureate Muhammad Yunus, who founded the Grameen Bank for poor people in Bangladesh, which enjoys a repayment record of 97.8%.

Finance Minister Korn Chatikavanij said the proposal was accepted in principle, but Thailand Post needs help. The microfinance business carries risks, and loans could become non-performing.

He said Thailand Post needed to find business partners with experience to help it operate the service.

Mr Korn said the cabinet had asked the State Enterprise Policy Office (Sepo) to conduct a study and design a Post Bank subsidiary to serve as Thailand Post's microfinance arm.

He said Sepo may have to hire a consultant to lay out strategies for the Post Bank and look for a strategic partner with microfinance experience to enter into a joint venture with the postal service.

Mr Korn believes the Post Bank has the potential to become a strong microfinance institution due to its vast network of 1,200 branches, much more than the Bank for Agriculture and Agricultural Co-operatives' 900 branches.

Japan's version of the bank, established three years ago, has developed into a major financial institution, he said.

The Post Bank idea also corresponds to the government's attempt to set up a national savings fund, which is now being considered by Parliament, said Mr Korn.

He said the savings fund could be based in the Post Bank.

However, the National Economic and Social Development Board has expressed disagreement with the proposal, saying Thailand Post's objective is to act as a postal service and it has no financial experience.

Thailand Post earlier projected it could show a net profit of 900 million baht from microfinance services this year but sharply reduced that estimate to 258 million after the political unrest in April and May.

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2. Deficiencies overlooked in postal fraud case

Shin Watanabe and Hideki Shiraiwa / Yomiuri Shimbun Staff Writers

The unprecedented scandal involving the alleged falsification of evidence by a senior prosecutor can fundamentally be blamed on the decision to make an arrest without resolving conflicts in the evidence, according to observers.

Why did senior public prosecutors--supervisors of Tsunehiko Maeda, the key figure in the data-tampering scandal--fail to notice the defects in the investigation into the postal fraud case?

On Monday, Maeda was relieved of his post as chief prosecutor at the special investigation squad at the Osaka District Public Prosecutors Office and soon after was indicted on suspicion of destroying evidence.

All signs point to a failure of Maeda's superiors to discover obvious deficiencies in the case that led to the arrest of Atsuko Muraki, a former bureau chief at the Health, Labor and Welfare Ministry. Muraki's acquittal of forging an official document so an

organization could illegally benefit from a postal discount program was finalized last month.

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Arrest despite contradiction

In the beginning of June last year, Hiromichi Otsubo, then the chief of the special investigation unit, brought a "mission launch report" authored by Maeda to then Osaka High Public Prosecutors Office Superintending Prosecutor Takumi Nakao. The two discussed the possibility of arresting Muraki, according to sources.

Otsubo has already been arrested on suspicion of covering up for Maeda, his subordinate. Nakao has quit his job as a prosecutor and is now working privately as a lawyer.

The high prosecutors office approved Muraki's arrest after the two's discussion.

A "launch report" is made by a senior prosecutor such as Maeda before a special investigation department starts a compulsory investigation. The report has an outline summarizing the case, followed by an explanation of the evidence that details confessions, if any, witnesses' accounts and any material evidence. In serious crimes, a launch report goes first to a high prosecutors office via top prosecutors of a district office, and then to the Supreme Public Prosecutors Office.

Before Muraki was arrested in June last year, this particular launch report went to then Prosecutor General Toshiaki Hiwatari.

The floppy disk Maeda allegedly tampered with was seized on May 26, 2009, from the home of former ministry section chief Tsutomu Kamimura at the time of his arrest. Upon examination, Maeda realized a date on one file on the disk contradicted the scenario he had built based on testimonies by witnesses, the sources said.

However, the launch report Maeda submitted did not mention the disk, according to the sources. Neither did Maeda report the contradiction to Otsubo or other superiors, the sources explained. Since launch reports are made to gain permission from superiors, it is not easy to detect deficiencies in an investigation from such reports.

The charge against Muraki was that she had instructed her subordinate to create a forged certificate for a discount postal service. The floppy disk that contained data on the certificate was an essential piece of evidence in the case.

"Even if Maeda didn't tell his superiors about the disk, the chief of the special investigation unit and others should've asked him if there was any such evidence and, if so, about its contents," a person who was once chief of a special investigation unit said.

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Indictment with no questioning

On Muraki's case, the Osaka special investigation unit came up with the scenario that Democratic Party of Japan House of Councillors member Hajime Ishii was asked by an organization claiming to represent disabled persons to help it obtain the certificate, and Ishii then asked the Health, Labor and Welfare Ministry for help. Muraki then instructed Kamimura to create the false certificate, according to the scenario.

However, investigators did not question Ishii before indicting Muraki. After her trial began, it came to light that Ishii was actually at another appointment on the day prosecutors claimed he was asked by the organization to cooperate in the scheme.

According to sources close to the postal fraud investigation, some in the special unit initially thought Ishii should be questioned before Muraki was indicted. However, the Supreme Public Prosecutors Office instructed the special investigators to question him after the House of Representatives election in August, so the questioning was postponed until Sept. 11 last year.

Lawyer Masaru Wakasa, former deputy chief of the Tokyo special investigation unit, described the problems with the arrests and indictments in the case: "When the theory that Ishii was the go-between--the foundation of the case--collapses, the scenario of the whole case breaks down. If prosecutors took the election into consideration, they could've delayed Muraki's arrest."

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Who watches the prosecutors?

Since special units handle cases independently from arrest to indictment, some observers say they are difficult to monitor, compared with cases regularly dealt with by police. During the investigation into the data fabrication case, the Supreme Public Prosecutors Office is expected to look into how these shortcomings can be corrected.

Former members of special investigation units have proposed the following: assigning independent prosecutors by high and supreme public prosecutors offices to check the evidence in cases handled by special investigation units, creating an office to deal with complaints from suspects and witnesses questioned by prosecutors, and other measures.

(Oct. 13, 2010)

3. Royal Mail sell-off to go ahead

(UKPA) – 10 hours ago

The Government will press ahead with controversial plans to privatise the Royal Mail, risking a political row and an industrial dispute with postal workers.

Business Secretary Vince Cable will publish a Postal Service Bill, stressing that at least 10% of the shares in Royal Mail will go to its employees.

The Government will say it plans the largest employee shares scheme of any privatisation for 25 years in terms of the number of workers who will benefit - second only to the privatisation of British Telecom in 1984.

But the move will be fiercely opposed by the Communication Workers Union, which last year successfully fought plans by the Labour Government to part-privatise the postal service.

The annual TUC conference supported an emergency motion from the CWU last month which warned that hundreds of post offices will close and the universal postal service will end if the business is sold off.

CWU deputy general secretary Dave Ward said the Royal Mail was being "set up to fail".

He attacked the previous Labour government for the "disastrous" way it introduced competition into the postal industry, which he said had allowed competitors to take 60% of the Royal Mail's profitable business.

Mr Ward said the threat of competition and the Royal Mail's £8 billion pensions deficit could be tackled without privatisation.

The universal service, under which letters are delivered anywhere in the UK for the same price, would end if the Royal Mail were broken up, the union has warned.

The CWU will be targeting scorers of key marginal parliamentary seats held by Conservative and Liberal Democrat MPs as part of its campaign.

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