

# THE POLITICS OF AWARDS

**How Sant Singh Chatwal got the Indian establishment to honor him, and how the Akali leadership has been no different**

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India has courted massive dishonor for itself, thanks to poor selection of individuals on which it conferred its national honors, the Padma awards. While in the past too, many people of shady credentials have gotten these awards, the decision to give a Padma Bhushan this year to US based controversial hotel magnate Sant Singh Chatwal has landed the ruling Congress in a major controversy.

While most of criticism centered around the fact that India's CBI had filed four charge sheets against the hotelier for an alleged \$9-million fraud case connected with the State Bank of India and Chatwal was even briefly arrested in Mumbai before he got bail and left the country, what is not being talked about is his silence on many key issues.

For example, we do not know what was Sant Singh Chatwal's stand on Operation Bluestar, the Indian Army's attack on Sri Akal Takht and Sri Harmandir Sahib? We have no idea about Chatwal ever expressing a view on Operation Woodrose. What does the Sikh community know about Chatwal's stand on the Sikh aspirational struggle of 1980s and 90s?

Also, even as Chatwal had spent days behind bars in 1997, it was Prakash Singh Badal who was quick to confer upon him the award of Order of the Khalsa in 1999 during the tercentenary celebrations of Khalsa. What service to the Sikh community had Chatwal rendered for such an honor? The Sikh community must ask these questions of the Akalis. Ironically, it is Badal's alliance partner BJP that is today questioning the award given to Sant Singh Chatwal.

Chatwal was among 17 Non-Resident Indians whose names were recommended by an Indian selection panel and sent to India's President Pratibha Patil for approval. It is true that Chatwal was acquitted by the special Mumbai court in one case in 2008 but what is also true is that he got away because of political management of the CBI.

Chatwal, who recently announced that his Hampshire Hotels would set up 25 hotels in India by 2011, has remained a powerful fundraiser for former US President Bill Clinton and Hillary Clinton. In India, as the Congress party came under fire for the Padma Bhushan to the hotelier, the Government argued that there is nothing adverse on record against him.

But sections of the media, led by Indian Express that dug out



Sant Singh Chatwal was recently busy doing a great favour to India, helping buy Mahatma Gandhi's memorabilia on March 5, 2009 in New York City. How he did it? Well, you see him here with Tony Bedi (Center) and Atul Kumari (Right), both representatives for winning bidder and liquor baron Vijay Mallya. Less said about the company Chatwal keeps, the better.

**What was Sant Singh Chatwal's stand on Operation Bluestar, the Indian Army's attack on Sri Akal Takht and Sri Harmandir Sahib? His view on Operation Woodrose? What does the Sikh community know about Chatwal's stand on the Sikh aspirational struggle of 1980s and 90s? Soon after Chatwal had spent days behind bars, Prakash Singh Badal was quick to confer upon him the award of Order of the Khalsa in 1999. What service to the Sikh community had Chatwal rendered for such an honor?**

Chatwal's past and the cases, exposed how there was nothing adverse because two successive Directors of the CBI rejected the advice of a string of investigators — including a Special Director and Joint Director — and decided not to appeal his discharge.

No wonder, you have never heard Sant Singh Chatwal blasting the CBI for letting off Jagdish Tytler or going slow on cases against Sajjan Kumar; after all, Chatwal himself is the beneficiary of such benevolence of the CBI.

Chatwal was an accused in the CBI's records for 14 years, the agency had filed two chargesheets naming him as accused; sent Letters Rogatory abroad; even sent a probe team to the US and put Chatwal and his wife behind bars from February

2 to February 5, 1997. On May 30, 2007 and August 10, 2008, former CBI Director Vijay Shankar and the agency's present Director Ashwani Kumar respectively signed orders saying there was no need to challenge the discharge of Sant Singh Chatwal and his co-accused.

This, in effect, closed the principal case of bank fraud in which Chatwal had been embroiled for over a decade.

Along with four others, Chatwal was charged with being part of a "criminal conspiracy" to defraud the Bank of India's New York branch to the tune of US \$8,992,815 (Rs 28.32 crore). In all, four chargesheets were filed by the CBI, with Chatwal named as accused in two. The trials in the other two cases are still in progress. On



January 24, 2007, the special judge issued a discharge order ruling that there was "insufficient evidence" and no "criminal mens rea" could be established.

But CBI records reveal that: • Special Public Prosecutor Beena Raizada, the agency's Superintendent of Police Rajesh Nirwan and Deputy Inspector General A M Prasad said, on the record, that an appeal should be filed.

• The CBI then sought the opinion of E E Karthak, General Manager, Reserve Bank of India, who also said that an appeal should be filed in the High Court.

• U S Dutt, CBI Joint Director, in his opinion dated May 9, 2007, described the alleged fraud as a "gross violation of banking norms"

and strongly called for challenging the discharge order.

At this stage, the Chatwal case took a turn remarkably similar to what happened in a string of "politically sensitive" cases. The agency armed itself with the "opinion" of S K Sharma, the CBI's Director of Prosecution, to move to bury the case. On May 17, 2007, Sharma gave a five-page opinion ending with the clincher: "I am not able to find any flaw with the discharge order by the court to recommend revision..."

Despite this, the very next day, CBI's Special Director M L Sharma took a contrasting view: "On balance I am of the view that we may have the impugned order taken up in the High Court by filing a revision petition."

And on May 30, then Director S Vijay Shankar signed off: "I tend to agree with the view of the DoP that there is no flaw with the correctness of the discharge order and the matter be allowed to rest."

Similar was the journey towards burial in the second chargesheet.

Here, too, the CBI was sharply divided on what to do when the discharge order came on March 31, 2008 on grounds that "sufficient proof" could not be placed before the court and that the statement of a key player was not recorded.

• The agency's Deputy Legal Advisor, Deputy Inspector General and Additional Legal Advisor all opined in favour of an immediate appeal.

• This was backed by Joint Director U S Dutt who on June 24,



Each of the men at the helm in CBI who helped Chatwal were also the men who cleared the clean chits that the CBI prepared for Jagdish Tytler and others. Are you in any doubt about how the CBI manages to act to shield the guilty instead of bringing them to book? Men like Chatwal, who are and were in powerful positions, and were expected to raise their voice, were instead busy twisting the procedures and taking help of the CBI bigwigs to escape the full force of the law.



2008 wrote: "I agree with the opinion of DLA, DIG and ALA for asking for a revision in this case."

• Once again, DoP S K Sharma took the contrary stand. On July 24, 2008, he said: "...considering the merits of the accused, I agree with special counsel that there is no manifest illegality or the order is not patently erroneous so as to justify interference by a review court." On August 10, 2008, CBI chief Ashwani Kumar, barely a week after he took charge, endorsed Sharma's decision.

Each of these people have headed the CBI at the time when the agency was supposed to be moving full steam ahead in cases against Sajjan Kumar, Jagdish Tytler and others. Are you in any doubt about how the CBI manages to act to shield the guilty instead of bringing them to book?

Men like Chatwal, who are and were in powerful positions, were expected to raise their voice; instead, they were busy in twisting the procedures and taking help of the CBI bigwigs to escape the full force of the law. One statement by Chatwal that CBI was guilty of gross misconduct in trying to give a clean chit to Tytler and claiming that it was not possible to get witness Jasbir Singh to testify would have pressurised the agency, but Chatwal was busy getting the agency to let him off the hook in fraud cases at that time.

The ruling establishment loves such people. Prime Minister Manmohan Singh and his PS TKA Nair attended Chatwal's son's marriage that was so extravagant that Discovery Channel thought it fit to telecast its recording under the banner "Big Fat Wedding". What kind of message does the Government of India want to send to the people by honoring such worthies?

Chatwal, said the government, helped India swing the Indo-US nuclear deal. But there are two questions: The nuclear deal is a divisive issue, and within India, there is no unanimity on this. The Sikhs opposed the deal, at least wide sections of the community did. Why should the deal be made a criteria?

But here is more: even here, New Delhi courted more shame. While the Ministry of Home Affairs of India claimed that Chatwal was a "tireless advocate of India's interests in the U.S." and had been "an active member of the NRI community in the U.S. in securing support for the nuclear deal among the members of the Congress of the United States", the Indian Embassy in Washington DC, which presumably had first-hand knowledge of the NRI community's advocacy, declined to nominate him when asked by the Prime Minister's Office to do so.

Clearly, the controversy surrounding his financial dealings in India and America was a problem.

Ironically, at that time, Chatwal was being considered for the Padma Shri, a lower category of award than the Padma Bhushan he was given later.

You know who was pushing Chatwal's name for the award? Samajwadi Party's Amar Singh. The Samajwadi Party was supporting the Congress-led UPA government in New Delhi on the nuclear deal and the SP leaders, in turn, were grateful to Chatwal for bringing Bill Clinton to Lucknow for a function in 2005. But the embassy in US said Chatwal's contribution was much less than that of other Indian-Americans and



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awarding him would demoralise the others.

Clearly, New Delhi has now sent a message that India did not regard lack of transparency in financial dealings as a disqualification for its highest honours.

When the Federal Deposit Insurance Corporation (FDIC) in the U.S. sued him for recovery of \$12 million he borrowed from First New York, a bank of which he was a director and which subsequently went bankrupt, Mr. Chatwal testified that he had assets of only \$2,600 and a cash balance of \$100. He said the multi-million dollar luxury penthouse he lived in belonged to his brother, to whom he paid a monthly rent of \$5,000, "pursuant to an oral sub-lease," out of the \$6,700 he and his wife earned every month as employees of a hotel and restaurant respectively.

In sum, the FDIC wryly noted, Chatwal "has managed to continue living in luxurious style in the same penthouse apartment he resided in at a time he claimed a net worth of tens of millions of dollars without adequate explanation of how his family's limited income is able to support such a lifestyle."

The FDIC, a government agency which guarantees the safety of deposits in banks and is a key part of the regulatory machinery for the U.S. banking system, said Chatwal, as a director of First New York, "participated and knowingly engaged in the practice of ... extending poorly underwritten loans to Bank directors and their related entities which involved more than the normal risk of repayment, resulted in unsafe concentrations of credit for the bank and violated the bank's internal lending policies."

Despite taking the stand in 1997 that the \$12 million debt Chatwal owed was "non-dischargeable," the FDIC changed tack in December 2000, one month before Bill Clinton demitted office, agreeing to a settlement of \$125,000.

To the simple, innocent Sikh masses who were happy to see a turbaned man among the list of awardees, we can only say that among the excuses and explanations that India's Home Ministry was able to muster to defend the award to Chatwal was the fact that

he was also "honoured with the Rajiv Gandhi Award in 2005."

How many Sikhs in the first place will accept an award in the name of Rajiv Gandhi? How many will feel honored by such an award? And to top it all, so badly was that award managed that none other than Rajiv Gandhi's daughter intervened to get the award discontinued. Even now, the Congress party has made it clear that it had nothing to do with and had "no connection whatsoever" with Chatwal and it was purely a government decision to award him the Padma Bhushan.

But what is strange is the fact that while the BJP has raised such a ruckus over the honor given to a tainted Chatwal, Parkash Singh Badal, an alliance partner of the BJP, is silent. He should either condemn the honor given to Chatwal, or he should defend Chatwal since it was his decision to give him the Order of the Khalsa. As for Chatwal, he can still do his best to retrieve some good name: he must ask his good friends the Clintons to get the world community to probe the Chattisingpora killings of the Sikhs on the eve of the visit of then President, Bill Clinton, to India. He must work with the administration in the United States and use his links and friendships with the people in the right places to ensure that New Delhi is made responsive on issues of genocide of the Sikhs, the continued denial of justice to the victims of the 1984 pogroms, the state sponsored restrictions on religion, the rising wave of Hindutva in India, the reprisal terrorism now being backed by many Hindutva minded organizations and sundry other issues. How about starting a movement to get the RSS banned and its assets frozen in the western world where the Chatwals can play such a meaningful role? If Chatwal wants the community to stand by his side, he will have to do the least minimum for it. Courting the powerful and working for the haves will never get you the support of the marginalized. The only way he can earn real goodwill is to stand on the side of the truth.