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Vietnam loses aid funding worth £4m on football bets

By Jan McGirk, South-east Asia Correspondent

Vietnam's ruling Communist Party is set for a change of guard after a betting scandal which has touched the highest echelons of the government.

Both President Tran Duc Luong, 68, and Prime Minister Phan Van Khai, 72, are expected to announce their retirement when Vietnam's 10th National Congress ends next Tuesday. Their anticipated exits follow an explosive series of corruption revelations after the news that more than 200 civil servants embezzled £4m in government funds - much of it foreign development grants - to gamble on mainly European football matches.

General Secretary Nong Duc Manh told more than 1,100 delegates that the party's Central Committee must "seriously make a self-criticism" for allowing corruption to "threaten the survival of our regime". Analysts predict that Mr Manh, until recently considered a certainty for a second term as party head, may become the most senior figure brought down by the scandal.

The Transport Minister, Dao Dinh Binh, was compelled to resign two weeks ago, an extremely rare move in the Vietnamese politburo.

Flush with development grants from Japan and the World Bank, Vietnamese officials have found it increasingly hard to resist the urge to bet. Aid money was diverted to football bets, real estate deals and bribery.

The scandal unravelled earlier this year with the confession of Bui Tien Dung. Before his arrest in January, Mr Dung served as general director of project management unit 18, an infrastructure division under Vietnam's Ministry of Transport. In a single month-long losing streak last year, he placed bets worth £1m, including £180,000 on a Manchester United-Arsenal game, and £150,000 on a Barcelona-Real Betis match. Earlier winnings had been lavished on mistresses.

An office computer log showed almost 200 ministry employees followed suit and wagered online with government funds earmarked for bridges and roads. Mr Dung took pride in loaning out his department's luxury vehicles to cronies.

Mr Dung, who had accumulated nearly £5.6m in savings, equivalent to 158 times his bureaucrat's salary, has since been jailed on charges of gambling, deliberated wrongdoing and offering bribes.

Meanwhile, the highways of Vietnam remain as full of holes as the excuses Mr Dung came up with to explain how the aid money entrusted to him vanished. He had personally controlled 70 per cent of the country's transport budget and frittered much of it away.

Eventually Mr Dung confessed to betting government funds worth £4m on football alone. Mr Dung's boss and patron, Nguyen Viet Tien, a former deputy transport minister, was pressured to turn himself in after the scandal broke.

A top public security ministry investigator, Major General Cao Ngoc Oanh, insisted that anti-corruption officers spurned the proffered bribes: "I was never so silly as to handcuff Bui Tien Dung with one hand and take his money with the other," the investigator said.

Sports gambling is now an obsession across Vietnam, not just in government offices. It has become so widespread that the national sports ministry may introduce a legitimate system for football bets, to take the lucrative trade out of the hands of cyber-bookmakers and touts, and generate money for the state.

Meanwhile, a Communist government that labelled gambling as a scourge continues to promote its own national lottery as a civic duty, under the slogan "The lottery is useful for both the country and the individual family."