



**TRANSPARENCY
INTERNATIONAL-PAKISTAN**

5-C, 2nd Floor, Khayaban-e-Itehad, Phase VII,
Defence Housing Authority, Karachi.
Tel: (92-21)-35390408, 35390409, Fax: 35390410
E-mail: ti.pakistan@gmail.com
Website: www.transparency.org.pk

1st April, 2010

General Ashfaq Parvez Kayani
Chief of Army Staff,
Pakistan Army,
Rawalpindi.

Sub: Pakistan Armed Forces reputation is at stake due to the action of a few Army Officers of DHA, HIT, FWO, NLC and other Army procuring agencies in violation of procurement rules

Respected Sir,

Transparency International Pakistan in a number of letters, latest being on 14th February 2010, and initial letters was sent in September 2009, TIP has informed the COAS about corruption incidents in Armed Forces Procurement, and specially in DHAs at Islamabad, Lahore and Karachi.

A letter sent to the Administrator DHA Islamabad on 27 March 2010 is enclosed, which contains following two blatant violations being committed by DHA Islamabad. PPRa has also asked for clarification from DHA Islamabad on 1.4.2010, on these violations. (copy attached).

1. According to DHA Islamabad Ordinance 2007, DHA Islamabad has not been authorized to make Construction Byelaws and shall follow CDA Construction Byelaws. Article No. 8 of Defense Housing Authority Islamabad Ordinance 2007, Powers, duties and Function of Executive Board, clause 8 (2) (a) states *'Provided that in such schemes in Islamabad Capital Territory, the Authority shall observe the Rules, Regulations, Byelaws etc. framed by CDA.'*

DHA Islamabad may be ordered to use the above rules, and observe Byelaws of CDA in all its construction projects, including compliance of EPA Act.

2. Further, Article No. 8 of Defense Housing Authority Islamabad Ordinance 2007, Powers, duties and Function of Executive Board, clause 8 (2) (f), on page 5 states *'DHA can enter into contract or any type of arrangement with any local or foreign entity for carrying out the purpose of this Ordinance. Government Rules on the subject will be observed.'*

DHA Islamabad may be ordered to observe Public Procurement Rules 2004 in all procurements.

But Administrator DHA has been committing gross violation of DHAO 2007, Article 8(2)(f), and refusing to comply Public Procurement Rules 2004, which are the only Federal Government Procurement Rules w.e.f 9 June 2004.

S.R.O. 432(I)/2004.- In exercise of the powers conferred by section 26 of the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002), the Federal Government is pleased to make the following rules, namely:-
1. Short title and commencement.-

(1) These rules may be called the Public Procurement Rules, 2004.



51. Overriding effect.-

The provisions of these rules shall have effect notwithstanding anything to the contrary contained in any other rules concerning public procurements:

Sir, this is to be noted that any violation of these 50 rules amounts to mis-procurement under rule 50, quoted below.

50. Mis-procurement.-

Any unauthorized breach of these rules shall amount to mis-procurement.

TIP repeats that Corruption is a cancer, and corruption by Armed Forces officers endangers the very existence of the Country. This may result in the procurement of sub standards arms due to conflict of interest, and for personal gains over the national cause by a few individuals. Indian Armed Forces are also not free from this cancer, but there actions are taken against such elements

TI Pakistan expect from you a definite change in procurement culture of Armed Forces which according to Law of the Land shall only be based on the Public Procurement Rules 2004, as no one is above Law, and DHA Ordinance 2007 makes it mandatory on DHA Islamabad to observe these rules.

Yours sincerely,

Syed Adil Gilani
Chairman,

Copy forwarded for the information and necessary actions to

1. Chairman, PAC, Islamabad
2. Ch. Ahmad Mukhtar, Federal Minister for Defence, Ministry of Defence, Rawalpindi.
3. Mr. Tanwir Ali Agha, Auditor General Pakistan, Islamabad
4. Chairman, NAB, Islamabad
5. Secretary, Defence Division, Pak Secretariat - II, Rawalpindi
6. Managing Director, PPRA, Islamabad.