



11<sup>th</sup> July, 2013

Mr. Saud Ahmed Mirza  
Director General,  
Federal Investigation Agency,  
Office of the Director General,  
Islamabad.

Sub: Multi-Billion Scam in the Employees Old Age Benefit Institution (EOBI) – SUO  
MOTO Action by the Supreme Court of Pakistan.

Dear Sir,

Transparency International Pakistan is in receipt of Chief of Staff to DG FIA letter No. PS/DG/FIA/2013/667 dated 10-07-2013, regarding the Supreme Court directions in the above case.

At the outset, TI-Pakistan would like to point out that, as discussed with you on telephone, you know TI-Pakistan personally that TI-Pakistan is not an investigation agency, and is only whistle blower, and works with government departments to reduce the corruption.

Further this is also to state that TI-Pakistan is working under Constitutional rights given under Article 19A of Constitution of Pakistan.

Article 19-A makes the right to access of information pertaining to a public authority a fundamental rights Justice Syed Mansoor Ali Shah in his landmark judgment *Ataullah Malik v. Federation of Pakistan* laid down the following:

*“Right to information is another corrective tool which allows public access to the working and decision making of the public authorities. It opens the working of public administration to public scrutiny. This necessitates transparent and structured exercise of discretion by the public functionaries. Article 19-A empowers the civil society of this country to seek information from public institutions and hold them answerable”. PLD 2010 Lahore 605*

TI-Pakistan is not a complainant, and most of its letter consists of complaints received at TIP, or violations noted from tender advertisements/news reports, and are addressed to the department, and normally copies are forwarded to Chairman, Public Accounts Committee, Director General NAB, Registrar, Supreme Court of Pakistan, Auditor General of Pakistan, Managing Director PPRA and sometimes to Prime Minister also. Copies were in past also forwarded to DG FIA, but due to negative attitude of DG FIQ, Secretary Interior and Minister Interior, FIA copies were discontinued.

Regarding allegations of violations of EOBI, we are enclosing 11 letters/reports which were sent to EOBI/PPRA.



In letter sent by EOBI to Auditor General Pakistan EOBI specially dated 26-5-2010 **Annex-A**, Mr Zafar Gondal has himself informed the Auditor General of Pakistan, Chairman, Public Accounts Committee, Principal Secretary to the Prime Minister, Secretary Ministry of Labour and Manpower, Chairman NAB, Managing Director PPRA and all Members of the Board of Trustees of EOBI and the Minister for Labour and Manpower **that EOBI investment in property is not to be governed under the Public Procurement Ordinance 2002 and Public Procurement Rules 2004.** Quoted below is what he has stated;

*"It is essential to highlight that investing in the Project is an investment in the context of the Investment Rules, rather than a public procurement governed by the PPRA Ordinance and the PP Rules, since it does not entail a public procurement of goods, works or services. Thus, the legality of any investment made by EOBI in the Project must be gauged against the provisions of the Investment Rules as opposed to the PPRA Framework."*

TI-Pakistan also enclosed the EOBI's Minutes of Meeting dated 10-5-2012 **Annex-B**, in which the Board of EOBI has considered scrapping the DHA-ELYSIUM deal as stated:

***"Agenda Item No. 10. To Consider and Allow Scrapping of the Investment Proposal in DHAI-ELYSIUM JV Project, Islamabad.***

***46. The Chairman EOBI, shared with BOT members that Elysium did not honour their commitment made at the time of Investment proposal such as;***

- a) Size of the Allotment Certificates (residential plots) is 8 Kanal.***
- b) The DHAI-Elysium JV, on the written request, after 12 months, will buy back the files or the plots allocated in lieu thereof, as the case may be, for a minimum selling price of Rs. 30.00 million (Rupees thirty million only) ensuring 30% profit to EOBI. The amount will be paid within 30 days of the written request. If payment is not made within 30 days, DHAI Elysium JV, will pay interest on such sum @ KIBOR plus 2% on a weekly basis from the due date until the date of payment.***

***47. It was agreed that Elysium Holding Pakistan Limited would provide the following documents before the agreement to purchase was signed:-***

- a) Mutational records of 17,500 Kanal in the name of DHAI, mentioning land records number, area of land, khasra number and date of transferring in name of DHAI;***
- b) Financial feasibility (Projected Cash Flow)***
- c) Corporate written guarantee by DHAI to buy back the files by DHAI Elysium JV."***

In view of above, it is requested that the FIA investigation may be carried out without involving Transparency International Pakistan as it is not a investigating agency nor it has the mandate to investigate.

Also enclosed is copy of the letter sent to Supreme Court in the 'NICTL Suo Moto Case 18 of 2010 ((Suo Moto action regarding violations of Public Procurement Rules, 2004 in procurement





loss of billions of rupees of exchequer case by National Insurance Compant Ltd.)), on 10<sup>th</sup> July 2013, ( **Annex-C**) regarding the Auditor General Special Audit report of NICL, which was conducted under Supreme Court orders in 2011. A number of recoveries are to be made beside the lands deal, like investment recovery of millions of rupees loss due to imprudent investment of Rs. 2.00 billion in JS Principal Fund recovery of Rs. 255.243 million and loss due to imprudent investment in First Dawood Investment Bank Limited, recovery of Rs. 100 million. FIA is requested to take action on the AGP reports also and get all the recoveries made according to the Supreme Court Orders. .

We appreciate the gesture of FIA to get the information from Transparency International Pakistan regarding this case, and ready to assist FIA in providing all documents in connection with this Corruption case as well as in other Corruption case, which has been reported by TIP.

With Regards,

  
Syed Adil Gilani  
Adviser

Encl:

1. EOBI letter dated 26-5-2010 **Annex-A**,
2. EOBI's Minutes of Meeting dated 10-5-2012 **Annex-B**
3. TI-Pakistan letters dated 11-7-2012, 29-6-2012, 19-6-2012, 21-5-2012, 3-03-2012, 5-10-2011, 21-5-2010, 27-09-2010, 14-9-2009
4. TIP letter to Supreme Court of Pakistan dated 10<sup>th</sup> July 2013 regarding NICL. **Annex-C**.

Copies forwarded for the information of:

1. Secretary to the Prime Minister, Islamabad,
2. Minister of Interior, Islamabad
3. Registrar, Supreme Court of Pakistan, Islamabad.
4. DG (A&P), NAB, Islamabad
5. MD, PPRA, Islamabad