



9<sup>th</sup> April 2013

Principal Secretary to the Prime Minister,  
Prime Minister House,  
Government of Pakistan,  
Islamabad.

**Subject: IHC Orders of Award on Unsolicited Contract to NLC as illegal and  
allegations against Two Caretaker Ministers**

Dear Sir,

Transparency International Pakistan in continuation to its letters dated 6<sup>th</sup> April 2013 on the doubtful past record of blatant breaking of prevalent law by two caretaker Ministers as Head of Organizations or Contractors to Government Department prior to joining the Caretaker Government, causing billions of rupees loss to exchequer. Further evidence of illegal acts committed by PSO Chairman, who is now care taker minister of Petroleum, in awarding various Contracts without tender are given below. Award of such contracts even by a prime minster to NLC were declared illegal by Islamabad Hugh Court, and on Monday 8 April 2013 a division bench of the Islamabad High Court (IHC) dismissed the intra-court appeal of former prime minister Raja Pervez Ashraf against the cancellation of two contracts awarded to NLC of two road projects worth over Rs 9 billion.

The court had declared that assigning work to NLC was illegal and unconstitutional, offensive to the universally accepted principle of fairness, honesty, transparency, openness and was a result of colorable exercise of authority, irrelevant considerations, naked corruption, polluted mannerism, offensive to public exchequer and an infringement of constitutionally guaranteed fundamental rights. It was also declared that assigning work to NLC was a glaring example of discrimination, favoritism, nepotism, ulterior motives and "stinking approach" to advance personal agenda.

In Dawn of 9<sup>th</sup> April 2013, following report is published. Annex-A

***Cancellation of road projects: Ex-PM's appeal dismissed***

*ISLAMABAD, April 8: A division bench of the Islamabad High Court (IHC) on Monday dismissed the intra-court appeal of former prime minister Raja Pervez Ashraf against the cancellation of the contract of two road projects in his constituency of Gujar Khan. On March 28, Justice Shaukat Aziz Siddiqui of the IHC cancelled the contract awarded to the National Logistics Cell (NLC) for the construction the Mandra-Chakwal and Sohawa-Chakwal roads in Mr Ashraf's constituency (NA-51).*

*The judge also directed that the Rs3.5 billion released to the NLC for the projects be returned.*

*Referring the matter to NAB for an investigation, the court also recommended that electoral authorities consider "whether in the light of the observations made in the*



*judgment Raja Pervez Ashraf can be believed as sagacious, righteous, honest, upright, trustworthy and Ameen."*

*It may be noted that on April 7, the returning officer for NA-51 rejected the nomination papers of Mr Ashraf after a complainant cited the judgment of the IHC and a Supreme Court order in the rental power project (RPP) case.*

Under the Chairmanship of the caretaker Minister in 2012 a new culture violation of Public Procurement Rules 2004 was introduced in multi billion unsolicited contracts in Pakistan State Oil. The PSO Board awarded two unsolicited Contracts, one to PNSC, the Contract of Affreightment (COA) signed between Pakistan State Oil (PSO) and Pakistan National Shipping Corporation, and the other was the \$5 billion dollars 5 years contract of PSO to M/s Bakri Trading for blended oil supply, and fuel additive contracts etc.

TIP has received another complaint stating that the AGP reports, by Director Commercial Audit submitted on 19 November 2012, reports following irregularities by the Minister as Chairman PSO.

**Irregular award of perks and privileges to the Chairman Board of Directors- 2.492 million**

*According to the Ministry of Petroleum & Natural Resources letter No. 5(7)/2008-Gas, dated July 30, 2011, the Chairman, BoD/BoM are eligible for the following perks and privileges as approved by the Cabinet:*

- i) Rs. 25,000 per month as cooperation.*
- ii) 1300 cc car with a driver as transport facility (POL as per company's rules)*
- iii) Office accommodation within the premises of the company with one Secretary.*

In Pakistan State Oil Company Limited (PSO), Board of Management (BoM) in its 199<sup>th</sup> meeting held on February 09, 2012 approved the following perks and privileges for the Chairman PSO w.e.f September 01, 2011:

- i) One (01) Car with a full time driver along with petrol card;
- ii) One (01) ESCORT Car with driver and petrol card;
- iii) Two (02) guards mornings and two (02) guard's night at residence;
- iv) Two (02) gunmen 24 hours;
- v) Chairman's travel (both domestic and international) will be business class;
- vi) Limitless cell phone facility (one number).

During 2011-12, an amount of Rs 2,491,925/- has been incurred on the above facilities as detailed below:

No.	Facility	Amount(In Rupees)
1	Honorarium	473,548
2	Hiring of Guards (Supervisors, Guards & Gunman	617,384
3	ESCORT car with driver	251,593
4	Travelling ( domestic and International)	1,027,819
5	Cell Phone	121,581
	Total:	2,491,925





Audit report has recommended:

- i) Forthwith discontinuation of the perks & privileges in excess of the entitlement.  
Fixing of responsibility on the person(s) at fault.
- ii) Recovery of expenditure incurred on provision of excess perks & privileges from person (s) at fault.

A person as a Minister in a caretaker setup, which is supposed to be fair, impartial, honest and of integrity, shall not be allowed, who has committed violation of laws in PSO in award of Contracts, used exchequer money illegally for personal use over and above the sanctioned perks, not given to previous Chairman PSO, Mr. Nazim Haji. Annex-B .

Transparency International Pakistan request the Prime Ministers to take notice of the allegations against the two Caretaker Ministers who it is alleged in the past government rule, got away with the violations committed, causing loss to the exchequer, and are liable to be investigated by NAB under its law. Their role as Minister in Charge of the very same ministries where they have said have acted illegally, is a blatant Conflict of Interest and they may misuse the august office to manipulate their respective offices to suppress their criminal acts. When an elected Prime Minister can be declared liable to be taken action by NAB for a crime committed, why the Care Taker Prime Minister is tolerating Ministers who had committed same illegality.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.

With Regards,

Syed Adil Gilani

Advisor

Copies forwarded for the information with request to take action their mandatory power to:

1. Chairman, NAB, Islamabad.
2. Minister of Law, GoP, Islamabad,
3. Registrar, Supreme Court of Pakistan, Islamabad.
4. Chief Elections Commissioner, Islamabad.
5. Chairperson, CCP, Islamabad.

6 April 2013

## **A case of a self-proclaimed minister**

From the Newspaper | [Khawar Ghumman](#)

**ISLAMABAD, April 5: While the government is yet to notify the portfolio of Sohail Wajahat H. Siddique, he claimed that he had been given the charge of ministry of petroleum.**

On Friday, during the cabinet meeting, Mr Siddique took the cabinet members by surprise when he introduced himself as the minister for petroleum.

Neither the media wing of the prime minister secretariat, nor the cabinet division which actually notifies portfolios of the ministers, were aware of Mr Siddique being given the charge of the petroleum ministry.

On Wednesday, Prime Minister Mir Hazar Khan Khoso allotted portfolio to all 13 members of the caretaker federal cabinet except Mr Siddique.

Later on, it emerged that Mr Siddique was a sitting chairman of the Pakistan State Oil's board of directors because of which he could not be given the charge of a ministry.

A government official added that Mr Siddique's close contacts with Asim Hussain, former minister of petroleum, had also caused the delay in allotment of his portfolio.

When contacted, media wing of the prime minister secretariat said no notification had been issued regarding Mr Siddique's selection as minister of petroleum. A similar response was given by the cabinet division, where an official said the division was yet to notify his department.

Despite repeated attempts, Mr Siddique was unavailable for comments.



4/x/10

Mr. Nazim F. Haji

Chairman – PSO

Karachi

**Subject: Privileges of Chairman – Pakistan State Oil**

Dear Sir:

It gives me immense pleasure to share with you the privileges available to the Chairman of Pakistan State Oil.

The honorarium and privileges of Chairman, PSO are:

- i. Honorarium: Rs. 40,000 / month
- ii. Motor Vehicle: 1300 cc car
- iii. Driver: Driver is provided by the company and in lieu of the company driver, Rs. 6,500/ month is reimbursed
- iv. Security Guard
- v. Cellular phone with reimbursement of actual bill up to a maximum limit of Rs. 4,000/- per month including rentals
- vi. Office accommodation within the premises of the company with one secretary
- vii. Economy Plus Class travel and 5 Star hotel stay on overseas and domestic travel on business

We would be pleased to provide you with any further information required in this regard.

Sincerely,

Mir Shahzad K. Talpur  
Company Secretary