

# ADVOCACY AND LEGAL ADVICE CENTER, PAKISTAN

A CASE OF **SUCCESS**  
2010 / 2011



## Foreword

In 2007, Transparency International Secretariat invited National Chapters to inform them of their interest to participate in the DFID's Governance and Transparency Fund. TI Pakistan was one of the National Chapters that showed its willingness and demonstrated the programme's needs. Subsequently, TI submitted a proposal to DFID on behalf of the interested National Chapters which was declared successful.

Advocacy and Legal Advice Centre (ALAC) provides legal advice and assistance to victims and witnesses of corruption. It helps citizens, residents and entrepreneurs, to file and pursue corruption-related complaints, encouraging them to come forward while maintaining strict client confidentiality. These cases are used to identify broader structural, institutional and legal weaknesses that feed into other TI Pakistan projects and initiatives. Thus, ALAC combines a grass-roots empowerment and structural approach in fighting corruption. This double-edged strategy is key to the success of the centers.

ALAC Pakistan has established and maintains a hotline where complainants receive initial legal advice where *prima facie* evidence of corruption exists. Citizens are assisted to articulate, develop and pursue their complaints. TI Pakistan also intervenes on their behalf, writing to concerned officials and their superiors to address the complaints; a practice in which TI Pakistan and ALAC have been highly successful.

The planning stage for the project started at the end of 2008 while the implementation stage began in March 2009. At the end of March, 2011, 2,000 initial contacts had been registered with ALAC. Out of these, 350 cases had been opened. Several complainants had their complaints addressed through the intervention of TI Pakistan. Samples of case studies have been included in this publication.

TI Pakistan is of the view that this centre has made a niche for itself and has become a boon for the victims of corruption in the country.

Saad Rashid,  
Executive Director



# Table of Contents

List of Abbreviations .....	5
Chapter 1 .....	6
Transparency International Pakistan .....	6
Introduction .....	6
The Vision .....	7
Mission Statement .....	7
Aims & Objectives .....	8
Chapter 2 .....	9
Corruption in Pakistan .....	9
Why Fight Corruption .....	9
Defining Corruption .....	11
Key Corrupt Areas .....	12
Public Procurements .....	12
Corruption in Politics and Police .....	14
Corruption in Private Sector .....	15
Chapter 3 .....	16
Project in Focus : Advocacy and Legal Advice Center .....	16
Introduction .....	16
The Goal .....	19

Objectives -----	19
What We Do -----	19
Raising Awareness -----	21
Providing Free and Confidential Legal Advice and Support -----	22
Identifying Corruption Hotspot, Advocating for Change -----	23
Building Partnerships with Government and Civil Society--	24
NGO Network -----	24
Impact -----	25
The Process -----	25
TI-P ALAC : Statistical Profile -----	26
ALAC Pakistan : Most Significant Change -----	31
Chapter 4 -----	33
ALAC Success Stories -----	33
Case 1 – 29 -----	33 -67
Chapter 5 -----	68
Conclusion -----	68

# List of Abbreviation

ALAC – Advocacy and Legal Advice Centre

FIR – First Information Report

MoU – Memorandum of Understanding

NAB – National Accountability Bureau

NGO – Non-Governmental Organization

PAC – Public Accounts Committee

PPRA – Public Procurements Regulatory Authority

PSM – Pakistan Steel Mills

SCP – Supreme Court of Pakistan

TDAP – Trade and Development Authority Pakistan

TI – Transparency International

TI-P – Transparency International Pakistan

# Chapter 1

## Transparency International Pakistan

**INTRODUCTION** Transparency International (TI) today is the largest anti-corruption network acting globally. TI is an International, Non-Political, Non-Partisan, Non-Profit, Non-Governmental Organization which is headquartered in Berlin, Germany. It has over 90 National Chapters (NCs) working around the globe. TI-Pakistan is one of the National Chapter of Transparency International which is based in Karachi.

The original promoters of Transparency International-Pakistan were a group of dedicated professionals who felt that it was the right time to take up the challenge and assist the new Government in its initiative and stated policy of combating corruption in all spheres of the public and private sectors.

Transparency International-Pakistan was recognized as a Chapter-In-Formation in February 2001. Formal Agreements were signed between Transparency International-Secretariat and representative Promoters of the Pakistan Chapter. It was accredited as a full National Chapter by Transparency International, Berlin on 25 October 2005 and was reaccredited in October 2009.

The agreement confirmed the establishment of Transparency International-Pakistan, and allowed TI-Pakistan to act as a National Chapter under the basic guidelines established by the TIS

Transparency International-Pakistan was registered as an NGO in Pakistan under the Trust Act 1882 in May 2002.



## Vision

"To make Pakistan a better country to live in"

## Mission Statement

To mobilize the individual, the organization, the society and the nation; the young and the old, the poor and the rich of all religions; and to bring together, on one platform all those in whose hearts is a fire or even an iota of doing good.

To seek out and form a coalition of all those individuals and organizations that prefer justice and abhor dishonesty and corruption.

Transparency International - Pakistan raises public awareness of the evil influences and effects of bribery and corruption. It assists the Civil Society to play a meaningful role in countering institutional corruption. It advises Government departments and civic agencies on how to take effective steps to prevent and combat corruption. It will try to spell out the standards of ethical conduct expected of officials both in the private and public sectors. Above all it strives to make this world a better place to live in.

In Summary, TI-P:

- Mobilizes individuals, organizations, the society and the nation;
- Brings together the young and the old, the poor and the rich and of all religions;
- Seeks out those who prefer justice and abhor dishonesty;
- Raises public awareness of the evil influences and effects of bribery & corruption

## Aims & Objectives

To curb corruption by mobilizing like-minded citizens through local and national coalitions encouraging the government, government departments, municipalities, civic agencies and private-sector organizations to establish and implement effective laws, policies and anti-corruption programs.

- To promote and strengthen our National Integrity Systems.
- To strictly follow the Principles of Participation, Decentralization, Diversity, Transparency and Accountability
- To strengthen public support for anti-corruption programs and enhance public transparency and accountability in administrative, financial and in all business transactions and encourage all parties in local or national business transactions to operate at the highest level of integrity.

## Chapter 2

# Corruption in Pakistan

### Why Fight Corruption

- Transparency International believes that corruption matters and that fighting corruption is essential for several reasons;
- Corruption has dire global consequences, trapping many millions in poverty, misery and breeding social, economic and political unrest;
- Corruption is both a cause of poverty and a barrier in overcoming it. It is one of the most serious obstacles to reducing poverty;
- Corruption denies poor people the basic means of survival, forcing them to spend more of their income on bribes. Human rights are denied where corruption is rife, because a fair trial comes with a hefty price tag when courts are corrupt;
- Corruption undermines democracy and the rule of law;
- Corruption distorts national and international trade;

- Corruption jeopardises sound governance and ethics in the private sector;
- Corruption threatens domestic and international security and the sustainability of natural resources;
- Those with less power are particularly disadvantaged in corrupt systems. This also reinforces gender discrimination;



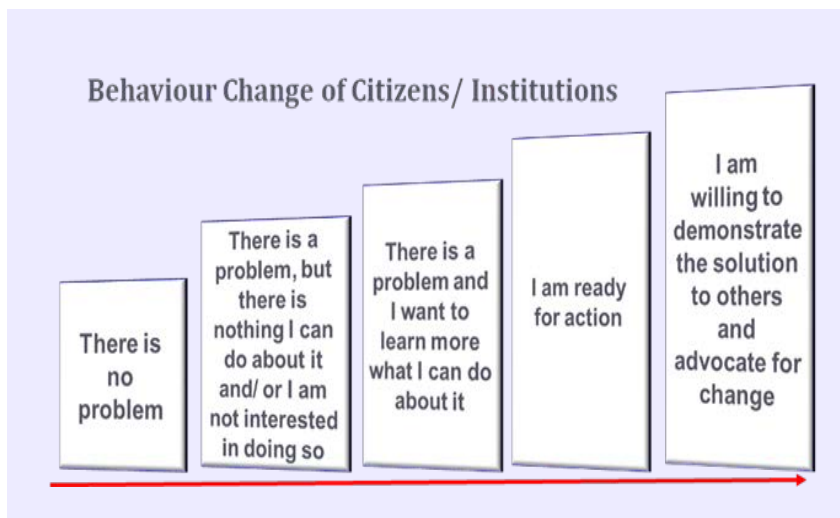


## Defining Corruption

In order to pursue our goals, we define corruption as:

*The abuse of entrusted power for private gain.*

This definition encompasses a wide array of illicit activities that constitutes corrupt behaviour, extending well-beyond bribery into non-monetary rewards. It is insensitive to the size of the corrupt act. In addition, it covers all actors, whether public or private, who abuse their status for personal benefit. While the breadth of this definition makes the scope of our work even more ambitious, we believe it is necessary that our definition captures the many perfidious forms of corruption that plague our societies.



## Key Corrupt Areas

### Public Procurements

**Public Procurement** refers to all contracts made between the government and companies or individuals, normally for the provision of public goods, works and other services.

In almost all countries, public procurement through government contracting represents a large if not the largest percentage of the economy. Pakistan is no exception to this

According to a U4 Paper, in Pakistan public procurements can amount to an astounding 25% of the national budget<sup>1</sup>. Such large financial flows, combined with insufficient safeguards against corruption in procurement processes, mean enormous sums of public funding are misspent by government agencies each year.

Public Procurement and contracting is monitored by TI-P and whenever any violations are found it is brought to the notice of the

relevant organizations. In most cases these violations are rectified. A significant sum has been saved due to TI-P's vetting of tenders. Organizations are starting to realize that signing MoUs with TI-P is beneficial.

TI-P is advocating for increased transparency and accountability in public procurement practices. A key tool adopted by TI-P is the **Integrity Pact**, which seeks to promote transparent procurement practices. The Pact is an agreement from both public officials and bidders that they will not accept or pay bribes.

Integrity Pacts are legally binding contracts; they contain appropriate disciplinary sanctions, such as loss of contract, liability for damages and black listing. The enforcement of Integrity Pacts is strengthened by the role of civil society organisations and representatives who oversee and monitor their implementation.

**TI-P** has organised a monitoring programme to combat corruption in public procurement. Under this programme, the chapter responds to public allegations of corruption and contacts regulatory bodies to follow up on complaints.

*As a result of this programme, top executives in three major corporations were changed, and considerable savings made in public procurement.*

TI-P has also conducted capacity building workshops for public sector officials to train them in preparing compliance documents in line with the regulations established by the Public Procurement Regulatory Authority. Between 2001 and 2002, **TI-P** and the Karachi Water and Sewerage Board implemented a project to introduce an "Integrity Pact" to ensure transparency in the implementation of the Greater Karachi Water Supply Scheme. TI-P has since been made an independent observer by the World Bank in the Sindh Water Improvement project, monitoring the tender process and ensuring and certifying compliance with tendering rules.

## Corruption in Politics and Police

Corruption in government and politics remains a major challenge in Pakistan. Results of the TI Corruption Perception Index 2010 show that the police and political parties are perceived to be the most corrupt.

Political corruption is the abuse of entrusted power by political leaders for private gain. Corruption in politics and government takes many forms, ranging from vote buying and the use of illicit funds to the sale of appointments and the abuse of state resources.

The National Corruption Perception Survey 2010 (NCPS) has indicated that the Police continue to be the most corrupt institution according to Pakistanis.

TI-P cooperates with political parties, parliaments, electoral authorities and other stakeholders to ensure public policy-making is accountable and representative of citizens' interests. To fight corruption in government and politics, TI is working on political party reform and electoral law globally, and joins forces with electoral authorities to ensure fair and corruption-free elections.

**TI-P** has worked with the Government departments to improve transparency and accountability of public funds. TI-P has also met with the high echelons of the government to propose recommendations to improve the country's ranking in the Corruption Perception Index (CPI).



## Corruption in the Private Sector

Home to a number of rapidly developing economies, corruption in the private sector is of key concern to many countries in Asia Pacific, especially Pakistan. Corruption risks in the private sector includes corporate fraud, manipulating accounts, paying kickbacks to public officials and insider trading.

A well functioning private sector can play a pivotal and expanding role in improving social and individual well-being in Pakistan. This can only happen when things are done in a transparent way, enabling the production of economic wealth that empowers people and lifts them out of poverty, expanding access to health care, education and other vital services.

Corruption in the private sector limits its potential to contribute to the well-being of society and runs the risk of enriching a few at the cost of many, recklessly overexploiting the environment and disenfranchising and destabilising society.

**TI-P** encourages companies to adopt TI's policies for curbing bribery in their daily business activities. Seminars and workshops are conducted by the chapter with business leaders to discuss and provide inputs on the issue of corruption in the private sector.

In October 2009, TI-P organized a seminar about corruption in the private sector. It was attended by several high-profile individuals in the private-sector. The minister for finance also spoke on the issue at the event.

# Chapter 3

## Project in Focus: Advocacy and Legal Advice Center (ALAC)

### Introduction

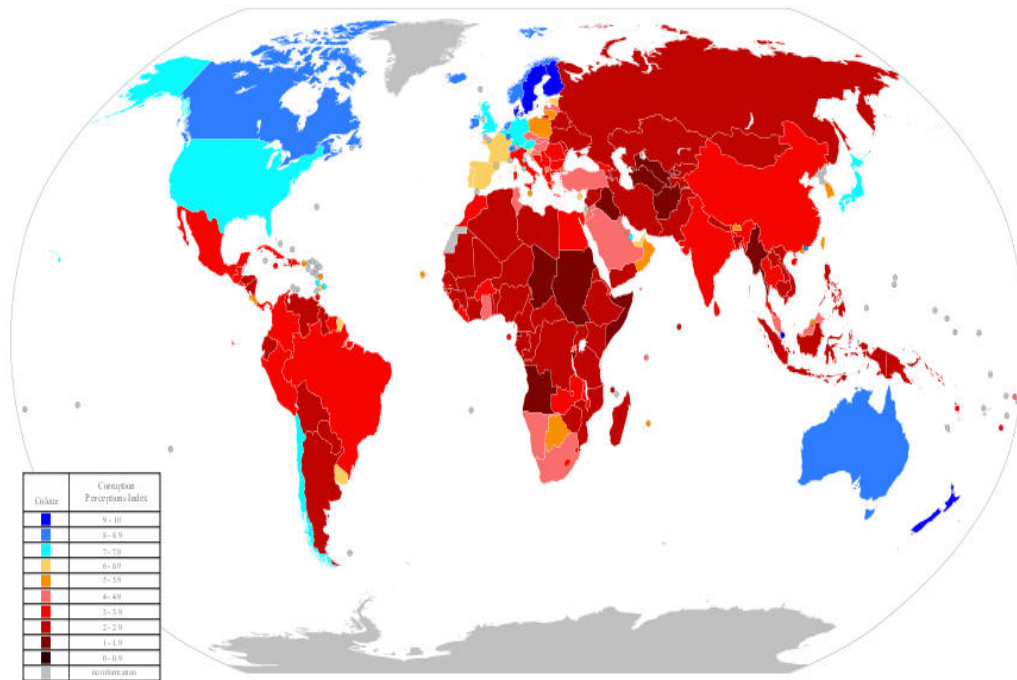
Transparency International's Advocacy and Legal Advice Centres (ALACs) provide free and confidential legal advice to witnesses and victims of corruption. Offering a simple, credible and viable mechanism for citizens to pursue their corruption-related complaints, **ALACs empower citizens in the fight against corruption.** ALACs also play a critical role **identifying corruption hotspots** that demand reform or official action. Collecting and then utilizing the powerful, real-life data gathered by ALACs on the consequences and mechanisms of corruption, Transparency International (TI) chapters, such as TI-P **engage in strategic advocacy** to bring about systemic change in public policy and practice to fight corruption. The ALAC at TI-P was formally launched in March 2009. It is run by the national chapter of Transparency International (TI) in Pakistan, and provides free and confidential legal advice and assistance to victims and witnesses of corruption.

This chapter will highlight the key areas of corruption in Pakistan, and how TI-P has employed ALAC to combat the said consequences and mechanisms of corruption.

Surpassing early expectations, the ALAC model has become one of the most dynamic approaches used across the global TI movement. This rapid growth is evidence of ALAC's practical and results-driven approach as well as their high cost effectiveness.

The ALAC approach is already successfully used by TI National Chapters in more than 40 countries.





## The Goal

The programme seeks to enhance the capacity of victims and witnesses of corruption to redress their grievances and bring about systemic change.

## Objectives

- Establish **an open channel for citizens** (as either victims or witnesses) to voice their complaints about cases of corruption.
- Provide support in such cases. TI-P is not an investigative agency or authority but its aims are to **help citizens take their cases forward to the appropriate anti-corruption authorities or through the media.**
- **Advocate for and support necessary institutional and structural changes** based on evidence from case analyses.

## What We Do

Advocacy & Legal Advice Centres (ALACs) provide legal information, advice and assistance to victims and witnesses of corruption, enabling them to know their rights and pursue complaints. ALACs aim to empower citizens to take up the fight against corruption. ALACs compile and analyses the reported cases of corruption, providing an

important source of information for identifying the soft points in the system that allow corruption to thrive and dig its roots deeper into the country.



ALAC also intervenes on behalf of victims of corruption; taking their concerns, turning them into well formed and grounded complaints and taking them to the offices of the higher authorities.

This information, providing a profile of how corruption actually works, can then also be used to develop advocacy strategies aimed at strengthening the ability and willingness of institutions to act upon corruption-related complaints. In this way, systemic improvements (legal, administrative and institutional) are achievable.

Advocacy campaigns also create a virtuous circle, helping to establish the profile and reputation of the ALACs, which in turn encourages more citizens to join in and take action against corruption. Since its inception, ALAC at TI-P has grown from strength to strength. Dealing with well over 1200 cases at time of publication of this report, it has become a symbol for success and hope for victims and witnesses of corruption nation-wide.

TI-P has launched a hotline with a toll free number (0800-84711) for citizens to call from all over the country. In its first year of operation, the centre was contacted by almost 250 people, with complaints focusing strongly on corruption in property, education and public procurement.

Furthermore, TI-P has assisted the local governments in Karachi and Rawalpindi to set-up electronic complaint centres to report corruption related grievances via e-mail.

## Raising Awareness

Recognising that many barriers exist for poor and marginalised people, ALACs actively engage in outreach and awareness-raising about corruption and ways to fight it. This is achieved through locally adapted approaches including phone-in shows, books, pamphlets, guides to public services, billboards, radio & television advertising and community theatre, NGO and through networks developed with community based organizationd. These activities aim at ensuring that citizens are aware of ALAC services and also know their rights and come forward to report corruption.

ALACs provide free legal advice and support to victims and witnesses of corruption. The toll-free telephone line (0800-84711) that ALAC at TI-P operates is staffed by trained professionals. The centre also caters to walk-in clients. An advisor will take note of the case, receive relevant documentations and provide legal advice and detailed recourse options. Client confidentiality is strictly observed.

ALACs provide free legal advice and support to victims and witnesses of corruption. The toll-free telephone line (0800-847111) that ALAC at TI-P operates is staffed by trained professionals. The centre also caters to walk-in clients. An advisor will take note of the case, receive relevant documentations and provide legal advice and detailed recourse options. Client confidentiality is strictly observed.

The ALAC advisor generally encourages and supports clients to file their complaint with the responsible public agency and will help the client properly present the case. When necessary, the TI-P can also connect people with the media to draw attention to particular grievances.





Advocacy is a central element of the TI-P ALAC project, acting as the link between individual cases and changes at the system level. TI-P harnesses the powerful, real life data gathered by ALAC on the consequences and mechanisms of corruption which represents unique insights about how corruption and rights violations affect people in their everyday life. Analysis of this information can identify ‘soft points’ in the system which allows corruption to flourish. TI-P then uses this powerful information to call for changes in policy and practice and to work with the public sector to implement them. As

ALAC data is based on local complaints from citizens – not merely expert opinion – it has great legitimacy.

## Building Partnerships with government and civil society

In line with TI's approach of constructive engagement, ALAC at TI-P builds partnerships with public authorities and private actors to effect change. It aims to create dialogue, offering informal feedback and working partnerships with government institutions tasked with tackling corruption, institutions such as the National Accountability Bureau (NAB), Public Accounts Committee (PAC) and Public Procurements Regulatory Authority (PPRA). Acting as advisors to citizens rather than investigators of complaints, ALAC seeks to complement government complaint mechanisms rather than to replace them. ALAC makes sure that when complaints reach government agencies; they are well-documented and well-articulated, making them more actionable by authorities. The relationship with government authorities is highly constructive and focused on identifying solutions, for example in multi-stakeholder dialogues, round-table conferences, workshops and meetings with public agencies on 'soft point' issues.

## NGO Network

The TI-P/ALAC 'Transparent NGO Network' is a mechanism that links people and organizations that possess a similar vision and a common goal. The purpose and ambition of this network is to reach out to the grass-root level and disseminate anti-corruption education. This aims to establish a single platform for all NGOs as well as the CBOs, and create an environment whereby the populous can actively participate in working towards a corruption-free society. Through this network NGOs can come together and provide assistance on merit in their area of operation or specialization. TI-P and ALAC would provide advice and assistance to the 'network' and fight for their cases by writing letters to appropriate authorities.

## Impact

TI-P ALAC yields remarkable impact in highly diverse environments. Examples of systemic changes driven by ALACs, include, new administrative procedures, re-tendering on large infrastructure projects, resignations and prosecutions in situations where impunity was rife. Currently ALAC is working on advocating for Whistleblower Protection Laws, which presently do not exist in Pakistan.

## The Process

Operating as a walk-in or call-in corruption complaint offices, ALACs are open to every citizen who may be a victim or witness of corruption. ALACs employ **multi-stakeholder processes** to create dialogue, informal feedback and working partnerships with government institutions charged with anti-corruption. TI-P has developed very functional relationships with government agencies including the judiciary. These relationships are typically underpinned by a memorandum of understanding (MOU).

**ALACs** help citizens to develop, articulate and pursue complaints; as mentioned earlier, they **do not “investigate”** complaints to determine whether they are right or wrong. In other words, ALACs should be considered as a step *prior* to the submission of a complaint to government authorities, not in competition with it.

The ALAC at TI-P helps ensure that government agencies receive well developed complaints that would facilitate their investigative work; thus providing highly valuable services to both citizens *and* government agencies.

## TI-P ALAC Statistical Profile

Since inception in January 2009, ALAC at TI-P has recorded almost 1,200 initial contacts by? (what Late) .The data has been compiled by the ALAC team over the course of its operation.

Globally ALAC has a target of translating 10 percent of initial reports/contacts into cases. ALAC Pakistan has been consistently exceeding this international target by 100 percent. Over 20 percent of initial contacts are cases on file, a far greater percentage of these cases are successes, demonstrating the efficiency and effectiveness of ALAC Pakistan.

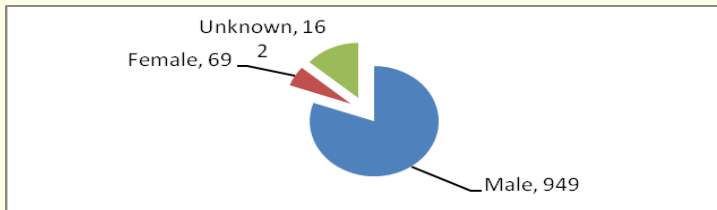


Fig. 4.1 Gender Breakdown 2009-10. Data compiled by TI-P (2010)

ALAC at TI-P has engaged in a broad ranging publicity campaign so that more people can take advantage of its services and contribute to making their society more accountable. Amongst those who responded to the questions about 'how they heard about ALAC', the most popular defined response has been Television advertisements.

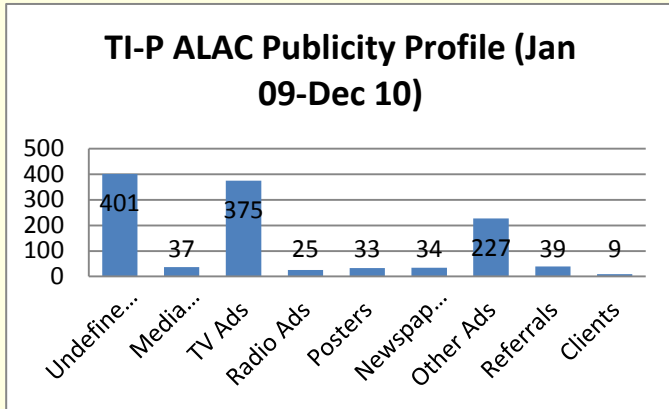


Fig. 4.2 ALAC Publicity profile. Data Compiled by TI-P (2010)

The following is a breakdown of the types of cases initially recorded by the ALAC team. It represents the categorization as represented by those making initial contact.

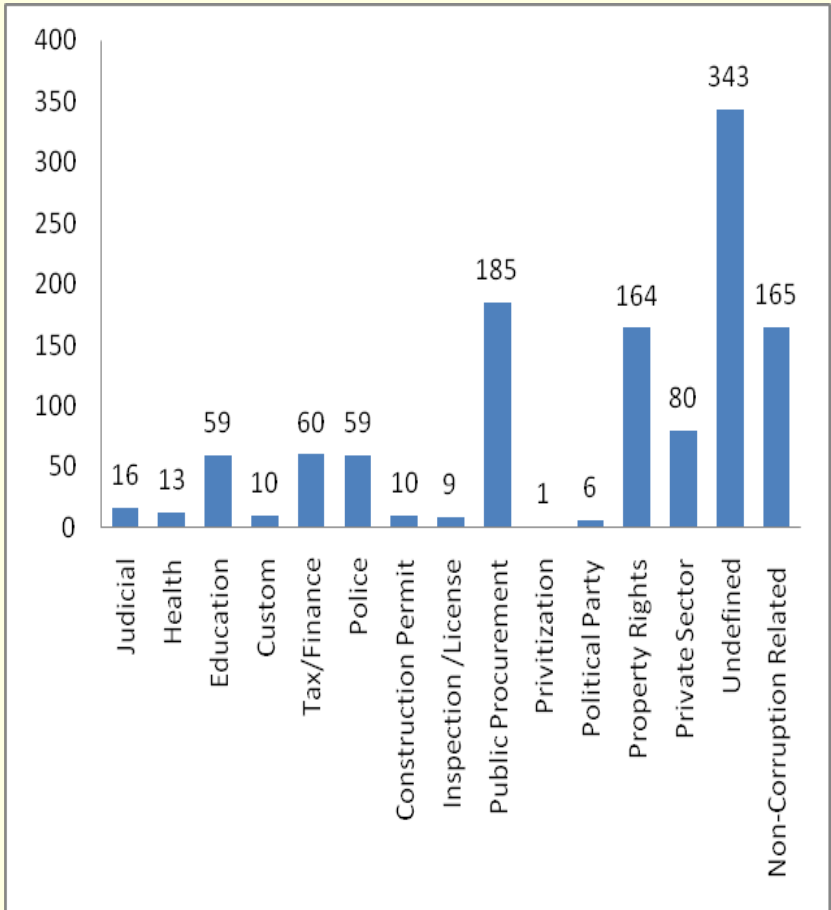


Fig. 4.3 Categorization of Reported Cases – Jan 09- Dec 10. Data Compiled by TI-P (2010)

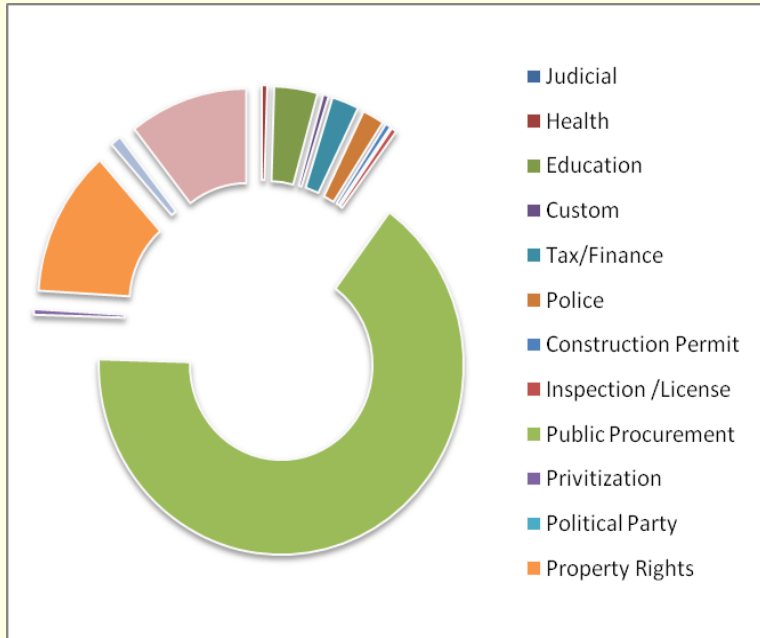


Fig. 4.4 Categorization of Filed Cases Jan 09-Dec 10. Data compiled by TI-P (2010)

ALAC at TI-P in its first year of operation has not only been very popular but also very successful. The project has become one of the cornerstones of the Pakistan chapter. The trend in monthly cases is constantly on the rise, with more and more initial contacts being made every day. This not only signals the popularity and effectiveness of the ALAC project, but also its goodwill and ability to yield successful results that comply with international standards and TI's own mandate.

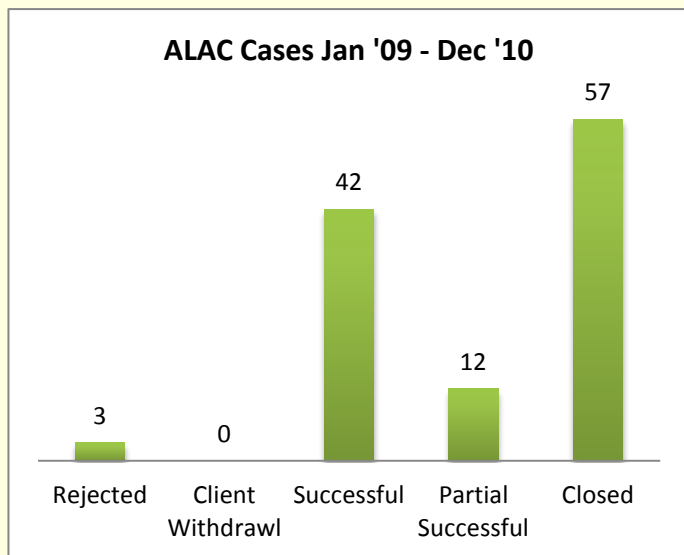
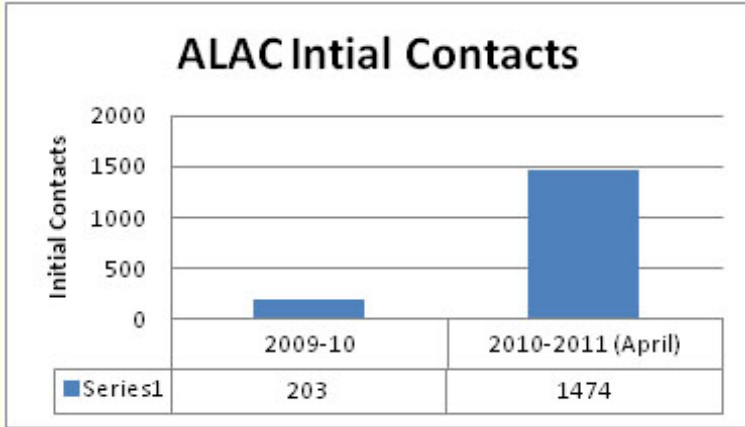


Fig. 4.5 ALAC TI-P Case Files Jan '09-Dec '10. Data Compiled by TI-P (2010)





## ALAC Pakistan: Most Significant Change

Right from the onset, ALAC and TI Pakistan took up the tough charge of empowering ordinary Pakistanis who are victims and witnesses of corruption, to address their grievances in order to bring about systemic improvements in the fight against corruption. Solid groundwork has been laid by the ALAC Pakistan team for further progress.

Adil Gilani, the Chairman of TI Pakistan has been invited several times to speak on television and radio programmes and for his expertise in dealing with corruption in Pakistan. He is consistently cited in national and international newspapers as the spokesperson for TI Pakistan’s activities and achievements.

In addition to operating a legal advice centre, signing MOUs with public and private organizations and overseeing public tendering for several public institutions, ALAC is active in building a network of

NGOs and CBOs to extend its services to the grass-roots, advocating for progressive change and educating the public on how to tackle corruption.

TI Pakistan has also been on the forefront for bringing significant change to the perception of anti-corruption work throughout Pakistan. Citizens and the media have taken queue from TI Pakistan's bold and forward stance and initiated change activities independently and in vast numbers, to bring into light and seek explanation for cases of fraud and corruption in the private and public sectors.

It has become apparent that TI Pakistan and ALAC Pakistan have made remarkable and tangible progress in giving Pakistanis a platform to voice their experiences and confrontation with corruption throughout Pakistan. Real and lasting change is being made every day with the provision of ALAC services to the general public. The following chapter will highlight only a select few stories of resistance and success against the disease of corruption.

# Chapter 4

## ALAC Success Stories

### Case 1

#### *Private Property and Land*

*ALAC ID 405 CASE ID 63*

Property and Land corruption is perceived to be one of the most pertinent amongst respondents of the National Corruption Perception Survey 2010.

Jamil, who is of Pakistani origin and lives in the UK, contacted TI-P in May 2010. He filed a complaint with TI-P about a property that he had purchased from Mirpur Development Authority (MDA) in Pakistan-Administered Kashmir which had been allotted to somebody else even though Jamil had already paid for it. TI-P wrote to the MDA presenting his case and forwarded that letter to other relevant authorities. In response the MDA offered an alternate plot to Jamil, which he refused to accept on grounds of it being of lesser value and not in the same prime location as the original. Jamil then met with the Chairman of the MDA who assured the complainant that the matter would be looked into by him personally. When this assurance bore no response or action TI-P sent a reminder to the MDA, and soon received a reply. In this second response the MDA offered the same rejected alternate plot. In August 2010, TI-P wrote to the MDA again and insisted that the promise to provide the same or alternate plot of equal monetary and amenity value be kept in Jamil's interest.

In September 2010, the MDA replied, stating that they were cancelling the transfer of Jamil's original plot to the second party.

Later that same month, TI-Pakistan received a call from him to report that the MDA had agreed to allot the original plot back to him and that he was now waiting for the 'allotment letter'. During the first week of October 2010, TI-P received a thank-you letter from Jamil expressing his deep gratitude and appreciation for the services that TI-P offered, which led to the success of his complain which had been pending for years.

He filed a complaint with TI-P about a property that he had purchased from Mirpur Development Authority (MDA) in Pakistan-Administered Kashmir which had been allotted to somebody else even though Jamil had already paid for it.

TI- Pakistan wrote a letter to PSM, forwarding copies to a number of regulatory authorities, including PAC, PPRA, NAB, and other relevant agencies.



## Case 2

### *Public Contracting/Procurement*

*ALAC ID 713 Case ID 85* TI-P files more Public Procurement Rules violations than and any other category of case. A complaint from M/S Mansoor Merchandising & Shipping House Pvt. Ltd. (MMSH) Karachi, was received against Pakistan Steel Mills (PSM) while bidding for a number of industrial products including a 'tap-hole mass'. They provided documentary evidence stating that they were the sole authorized agent of M/S Henan MingPing Refractories Co. Ltd. China (HMPR). Despite this information being known to PSM,

they were entertaining another company ‘M/S F.S. Tech’ who claimed that they were the agents of the said Chinese company.

TI- Pakistan wrote a letter to PSM, forwarding copies to a number of regulatory authorities, including PAC, PPRA, NAB, and other relevant agencies. An investigation was carried out by PSM, which even triggered a delegation visit from HMPR to verify that MMSH were in fact their sole agents in Pakistan. Following the exchange of letters and documentation, PSM revealed the truth. The authority letter that M/s F.S. Tech submitted to PSM (a PPRA requirement for a tender), was indeed fake. The tender was awarded to the complainant who was in fact, the lowest bidder

With a combination of daring investigative journalism and pressure from civil society organizations, such as TI-P, and follow ups from investigative authorities, corrupt and non-transparent dealings can be brought to a halt.

## Case 3

*Public Contracting/Procurement*

*ALAC ID 713 Case ID 109*

In an instance of one of the most daring pieces of investigative journalism, a reporter, for ‘The News International’ published an article on 31<sup>st</sup> of May 2010. He wrote that Rasul Bux Phulphoto, a key accused person in the FIR 39/2009 was running the affairs of Pakistan Steel Mills (PSM) as its Managing Director. No restrictions

had been placed on the PSM's business dealings with Riaz Lalljee's Abbas Steel Group (ASG), whose three directors figured as accused persons in the same FIR, known associates of Mr. Phulphoto.

According to the article, Mr. Lalljee was working on an expansion project for PSM for which 'expression of interest' letters had been sought by 4<sup>th</sup> June 2010. The plan included an expansion of PSM production capacity to 3-5 million tons. The News article alleged that some companies had been preselected for the deal in an extremely opaque manner and that other bidders were protesting it.

TI-P wrote a letter to PSM demanding clarification on the FIR nomination and the expansion project being negotiated between Mr. Phulphoto and Mr. Lalljee. In reply to the letter, PSM executives justified the need expansion but also stated that Mr. Phulphoto was not working with PSM anymore and that the post of MD had been abolished.

After TI-P's intervention, negotiation with Riaz Lalljee's ASG were terminated, PSM is in the process of contacting globally renowned steel plant manufacturers for the plan and preliminary work has started in order to firm-up the proposal, only then will the process be allowed to move ahead.

With a combination of daring investigative journalism and pressure from civil society organizations, such as TI-P, and follow ups from investigative authorities, corrupt and non-transparent dealings can be brought to a halt.

She informed TI-P that the excess unit charge issue had been being received.

## Case 4

### *Power Sector*

#### *ALAC ID 635 Case 79*

Routine power outages and tariff rises have become a nuisance throughout the country. It is affecting both industries and private lives, amounting to growing frustrations. This aggravation can occasionally boil into anger, especially when the electricity supplier is overcharging for services accrued.

TI-P received a complaint against Karachi Electric Supply Company (KESC) from Saima, a resident from Karachi. She was being billed continuously since May 2003 for excess electricity units that she had not been consuming.

Saima provided TI-P with evidence indicating that she was charged 18,062 units, which were 8,000 more than the actual meter reading. Upon her request the metre reading was re-taken and a corrected copy of the bill showing 10,062 units instead of 18,062 was updated. This amount was paid for within the due date. When Saima received the bill the following month, she was shocked to see the 8,000 unit excess showing-up on the bill again. This problem remained for the next 7 years.

Upon receiving the complaint, with copies of current and previous bills and letters of complaint that had been addressed to the authorities over the years, TI-P scrutinized the issue. On 28<sup>th</sup> July 2010 TI-P wrote to the CEO of KESC explaining the entire situation



and requested his personal attention in to the matter and that appropriate action should be taken to rectify and address Saima's concerns. Copies of the letter were forwarded to other investigative authorities as well.

KESC investigated the matter and in a letter sent in September 2010, notified Saima and TI-P that the bill issue has now been resolved. TI-P recently followed up on the complainant to enquire about his case. She informed TI-P that the excess unit charge issue had been completely addressed since TI-P intervened and that now regular bills are being received.

## Case 5

### *Public Procurement*

#### *ALAC ID 437 Case ID 64*

ALAC keeps a sharp eye on violations of PPRA rules and actively pursues organizations or individuals who violate them.

A three-day WEXNET-2010 Exhibition was organized by the Trade Development Authority of Pakistan (TDAP) at the Expo Centre in Lahore. WEXNET-2010 was a mega-event, which was held alternately between Karachi and Lahore. The event was being arranged at the Expo Centre Lahore for the first time. It aimed to enhance the activities of women entrepreneurs by empowering them economically and enabling them to contribute more to the overall development of the country.

For the management of this mega event scheduled to be held at the end of May 2010, TDAP invited sealed bids from event management companies/firms. The advertisement was published on 28<sup>th</sup> April 2010.

TI-P received a complaint from M/s Imran Expo Solutions one of the event management companies who participated in the tender. They claimed to be the lowest evaluated bidder.

Representatives of M/S Imran Expo Solutions also stated that after announcing the bids, the authorities made an evaluation report and they requested all the Event Managers to sign all the bids. After 2 to 3 days they called them to discuss their quoted rates. The authorities at TDAP were attempting to negotiate the rates for additional items and were persuading the bidders to revise their additional rates, a clear violation of Public Procurement Regulatory Authority (PPRA) rules 2004.

TI-P scrutinized the matter and wrote a letter to the Chief Executive Officer of TDAP under the terms of the MOU signed with TDAP, and requested TDAP to look into the matter and institute an inquiry as per PPRA Rules which should be completed in 15 days. The inquiry reports to be sent to Secretary of Commerce to make the final decision.

A reply was received from TDAP wherein it stated that the contract was not awarded to anyone and all bids had been cancelled.

This case represents the fact that not all cases work out for the complainants benefit, but nonetheless compliance of the PPRA Rules was ensured. With TI-P's intervention unfair and violations of the PPRA rules were inhibited in the interest of transparent expenditure of tax\_prayer's money.

## Case 6

### *Public Procurement*

#### *ALAC ID 864 Case ID 114*

Compliance of the relevant Public procurement rules is essential while inviting bids. The Traffic Police Department Gujranwala (TPDG) issued a tender notice for the procurement of store items on 1st September 2010 in the Daily Express Newspaper. TI-P noticed a violation of Rule 23 of the Punjab PPRA rules 2009 in the tender advertisement which requires appropriate bidding documents to be made available.

TI-P sent a letter to the Chief Traffic Police Officer (CTPO) notifying him of the violation of the Punjab Procurement Rules 2009 and asked them to re-advertise the pre-qualification notice under the prescribed provincial procedures. Copies of the letter were forwarded to the relevant authorities.

In response to the letter the CTPO Gujranwala replied admitting the violation of the rules citing an oversight on their part as the reason for the error. Following a corrigendum publication the tender notice was re-issued with the appropriate rules being strictly adhered to by the TPDG.

TI-P takes public funds very seriously. With such interventions, Pakistan can move towards a fairer and more transparent society.

TI-P takes public funds very seriously. With such interventions, Pakistan can move towards a fairer and more transparent



## Case 7

### *Education*

TI-P received a complaint regarding Ensign Communiqué run by the Shaheen Foundation of the Pakistan Air Force, which conducts Short-term Skill Development Programmes for the National Vocational & Technical Education Commission (NAVTEC) of the Federal Government. The complaint alleged that Ensign Communiqué was not giving the successful students their Diploma and Stipend. TI-P wrote a letter to the Shaheen Foundation flagging this issue and received a reply stating that they have not received the Stipend from NAVTEC yet but were following it up. Shaheen Foundation had been authorized to give Provisional Diploma's for the time being till NAVTEC issues them and have presently given one stipend from their own resources and would give 2 more on receipt from NAVTEC.

## Case 8

### *Public Procurement/Public Contracting*

A tender notice for the procurement of IT Equipment by Thar Coal & Energy Board (TCEB) did not follow the two envelop process during publication. This action was a violation of PPRA Rules 2004. TI-P wrote to the relevant authorities including PAC, NAB and TCEB referring them to the relevant procurement rules. As a result, the tender notice was scrapped and a fresh notice was published which complied with the Procurement Rules.

## Case 9

### *Public Procurement/Public Contracting*

A tender notice was issued by Sindh Government Hospital Shahdapur which indicated that PPRA Rules 2004 would be applicable. TI-P brought to their attention that this tender has to be issued under SPPRA Rules 2010 and not PPRA Rules to maintain provincial requirements. Following this, the tender was cancelled and a new tender notice was issued which complied with the relevant public procurement rules.

## Case 10

### *Education*

TI-P received complaints about several private schools who were charging over and above the set annual fee which can be raised by up to 5%. One complainant, Naeem, raised an issue with a school which increased the fee by 29.9%. When he brought his complaint before the school, the officials expelled both of his daughters. On TI-P's intervention, the Ombudsman called the school authorities and the education authorities to present the details of the case. The Director Education informed TI-P that they had directed the school to limit the increase in school fee within 5%.

When he brought his complaint before the school, the officials expelled both of his daughters

## Case 11

### *Social wrongs*

Karima, a supervisor of Darul Aman Chakwal (shelter home run by the government) pointed out wrongdoings at the Centre, especially the girls being pushed towards prostitution. Karima had highlighted this case which resulted in an investigation. But instead of punishing the culprits and giving relief to the residents, the previous corrupt staff

has been reinstated. TI-P has sent a letter to the Chief Minister Punjab who took personal interest in this case and directed the AIG (Police) Punjab, DCO Chakwal and Secretary Welfare to investigate.

## Case 12

TI-P received complaints regarding Benazir Income Support Fund, which initiated to distribute a stipend of Rs.1,000 to poor women. Three women, Mariam, Najma and Rabia called TI-P to complain about being rejected from this scheme due to some family member not having a Machine Readable Passport. TI Pakistan called the Director Operation of Benazir Income Support Fund who told us that the rules were being amended and a physical survey will be conducted to nominate the deserving women for the grant.

## Case 13

### *Public Procurement/Public Contracting*

The Ministry of Finance (Internal Finance Wing) floated a proposal for an external consultancy for a feasibility study, which were not transparent and violated PPRA Rules 2004. In addition to pointing out the violation, TI-P sent letter to the Federal Minister of Finance, Islamabad expressing disappointment over the fact that the Secretary Finance, who is also the Chairman of PPRA, did not abide by the PPRA

Rules. TI-P also sent a letter to Secretary Finance Division, Government of Pakistan, Islamabad, informing them of the fact that PPRA Rules were applicable both to PPRA and Ministry of Finance too. TI-P suggested re-inviting the tender and issuing a set of bidding documents. This resulted in the Government of Pakistan Finance Division (Internal Finance Wing) withdrawing/canceling the above tender.

## Case 14

### *Public Procurement/Public Contracting*

#### *ALAC ID 863 Case ID 113*

A complaint was lodged by All Pakistan Contractors Associations (APCA) to PPRA who then forwarded it on to TI-P. APCA stated that HBFC was going ahead with bidding process for the work of construction of two commercial buildings on the amenity plots at Faisal Town Project, Lahore without adopting Pakistan Engineering Council 'PEC' Standard Form of Bidding/Contract documents in letter and spirit regarding bid guarantees. TI-P wrote a letter to the Chairman HBFC informing him about the violation and requested HBFC to postpone the tender and allow bidders to submit bid security according to the PPRA requirements. HBFC replied to TIP positively in its letter in September 2010 and informed that they had taken up the matter regarding submission of Bank Guarantee/Insurance Bond in accordance with the PPRA's Rules. They further informed that the date of tender had been extended and the bidders who had obtained bidding documents had been informed of the change.



## Case 15

### *Public Procurement/Public Contracting*

*ALAC ID 860, Case ID 110*

The pre-qualification option available in Public Procurement Rules 2004 (to be used for special reasons such as procurement of expensive and technically complex equipment, ensure that only technically and financially capable firms with adequate managerial capability) were being misused by Trade Corporation of Pakistan (TCP). TCP had started using this Pre-qualification option in all procurements, which allegedly resulted in cartelization. TI-P reminded the then Chairman TCP which resulted in the elimination of pre-qualification from TCP procurements.

On 9<sup>th</sup> April 2010 TI-P wrote a letter to the newly appointed Chairman of TCP and briefed him about our previous correspondence regarding prequalification procedures.

TI-P also pointed out that awarding of sugar import tender to Ms/ General Trading at \$649/ton, to a company who had previously defaulted on 50,000 tons of Sugar Contract awarded at US \$ 585/ton, and that tender was scraped in April 2010. Since the next tender was given at an additional cost of US \$64/ton, the Exchequer was suffering a loss of Rs.268.8 million. In response to TI-P's letter, PPRA also wrote to TCP requiring them to submit a comprehensive report.

In April 2010 TCP wrote to TI-P assuring its commitment to follow PPRA rules in letter and spirit. The Board of Directors has decided that all future tenders would be restricted to pre-qualified bidders.

TI-P told TCP that it would consider withdrawing from the MOU and disassociate with TCP if it kept on violating the PPRA Rules even when they were repeatedly pointed out to them. TIP's concerns since have been addressed by the Corporation in earnest to the entire satisfaction of PPRA and TI-P. It is because of the efforts made in this regard that the process of procurement is being implemented and is consistent with the PPRA Rules 2004 and the parameters prescribed by Transparency International Pakistan.

## Case 16

### *Land*

*ALAC ID 931, Case ID 174*

The Traffic Engineering & Transport Planning Agency, Lahore Development Authority (LDA) tender notice for Refurbishment & Traffic Management at Basement of LDA Plaza, Egerton Road, Lahore, published in 'Daily Express' on 13th October 2010, was against the Punjab Public Procurement Rules 2009. A minimum period of 15 days is mandatory to submit applications from the date of publication of advertisement notice in press, whereas the procuring agency gave only 8 days, which was a blatant violation of the rules.

TI-Pakistan wrote a letter to the Director Traffic Engineering informing about this violation copies of the letter were sent to the Punjab Chief Minister. The Chief Minister Punjab's Secretariat directed Secretary HUD & PHED to examine the content of TI-P's letter and send a report within 36-hours. In November 2010, the

department of HUD & PHE informed that tenders had been postponed and would be published/advertisement again with a minimum period of 15 days from the date of publication to avoid any violation of PPRA Rules.

## Case 17

### *Public Procurement/Public Contracting*

#### *ALAC ID 990, Case 189*

The 'pre-qualification notice' for Pakistan Security Printing Corporation (Pvt.) Ltd. (PSPC), for manufacturers and contractors for supply of plastic card printing system was published in 'Dawn' on 28<sup>th</sup> September 2010 which was against PPRA Rules 2004, as the set of prequalification documents were not provided.

TI-Pakistan wrote a letter to General Manager Purchase and Sales PSPC about this violation. PPRA also wrote to PSPC with reference to the issue raised by TI-P and asked them to give them a report on this violation. PSPC in their reply to PPRA stated that they had cancelled the tender notices and provided copies of corrigendum published in the newspapers. The case was resolved successfully.



*TI-P Capacity Building and Training on Procurements: Training the trainers workshop, 2009 (Karachi)*

## Case 18

### *NADRA/Ministry of Interior*

In an age of global and regional insecurity, protecting one's own identity is essential. In November 2009, Umar, a resident of Korangi, Karachi contacted TI-P and lodged a complaint against NADRA, a federal department of the Government of Pakistan responsible for issuing identification cards to the citizens of Pakistan. Umar stated that he was a bona fide citizen of Pakistan but had been deprived of his right to obtain his Computerized National Identity Card (CNIC). Even though he had made several visits to the NADRA offices, Umar was not getting a positive response from the officials.

Umar further informed us that he had been residing in Korangi, Karachi since birth, got married and had children born there.

Moreover, he provided evidence of his wife and two of his children that had their CNICs issued which listed him as their husband and father. Despite all efforts, he was not able to get his own CNIC.

TI-P received a letter from NADRA reporting that the case referred had been properly investigated, and NADRA officials admitted that someone else had used Umar's particulars based on his Manual NIC.

Umar said that he was an educated, law abiding citizen and had a good reputation in his neighbourhood. But when he applied for CNIC in May 2005 with the same particulars as his old (manual) NIC, he was informed by NADRA personnel that, worryingly, someone else had already been issued a CNIC with exactly the same details as the him, except for the photograph. He proceeded to flag this issue with NADRA who blocked that CNIC but didn't issue him with his. Umar repeatedly tried to obtain his CNIC but NADRA staff was unwilling to do so. He provided all the documents, fulfilled all the formalities such as verifications, personal inquiry and certificate of Nazim (Mayor) but to no avail. During this time period a concerned department of

NADRA issued a letter in April 2007 with the signature of a manager mentioning that the Umar was a genuine person but even then NADRA refrained from issuing his CNIC.

In May 2009 Umar gave legal notice to the Chairman and Director General NADRA through his lawyer giving 20 days time to NADRA to issue his CNIC. He once again provided all the documentary proofs but after the stipulated time NADRA once again failed to realize the Umar's rights as a citizen. Finally when he learnt of TI-P and

requested for his matter to be formally addressed, to help him in obtaining his CNIC from NADRA.

TI-P scrutinized his documents and with the consultation of its lawyers, in November 2009, wrote a letter to the Chairman NADRA. In this letter TI-P presented the whole situation, requesting him to look into this matter and direct the concerned authorities to act according to the law.

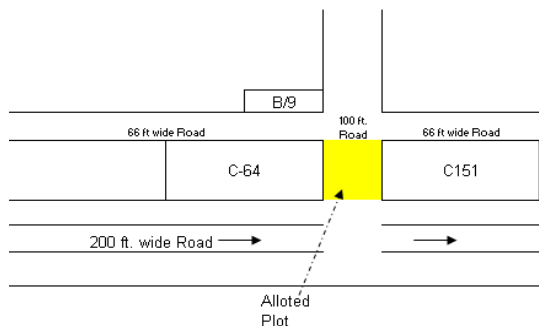
In December 2009, TI-P received a letter from NADRA reporting that the case referred had been properly investigated, and NADRA officials admitted that someone else had used Umar's particulars based on his Manual NIC. The fake person's card had been blocked and CNIC of the complainant had been prepared and sent to the relevant NADRA office, from where he was advised to collect it. The letter also mentioned their regret for the inconvenience faced by the complainant. TI-Pakistan then followed up with the Umar who now possesses his CNIC.

## Case 19

### *Land/Construction Permits/Property Rights*

*ALAC ID 193 Case ID 35*

TI-Pakistan received a phone call from a Farid, who had a complaint against Sindh Industrial & Trading Estate (SITE). He said that SITE had allotted



TI-P received an email from Farid who informed us that the matter has been resolved because of TI-P's support and communication. The encroachment had been removed and the road restored.

a plot on a 100ft. wide road in the industrial area which had been serving as a major thoroughfare. Farid provided the copy of the site plan. It could be easily determined from the plan that allotment of the plot completely blocked the smooth flow of the heavy traffic, causing difficulties to the citizens.

TI-P wrote to the MD SITE, Karachi informing that SITE had illegally carved a plot on a 100ft road, which was adjacent to plot C-64 (adjacent to the plot of the complainant). TI-P informed him that Farid had written to the relevant office regarding this issue but no action had been taken by the SITE authorities. TI-P requested the Chairman SITE to look into the matter and if found correct, take action and direct the concerned staff to resolve it under the law.

SITE then took action and in April 2010, TI-P received an email from Farid who informed us that the matter has been resolved because of TI-P's support and communication. The encroachment had been removed and the road restored. Traffic was flowing freely on it. This has been a great success for TI-P and its mission.

### *ALAC ID 114, Case 024*

In November 2009 TI-P received an email from TI-Germany forwarding a complaint from Ayesha, a resident of Lahore. When the matter was scrutinized, TI-Pakistan found that complaint was about the installation of illegal noisy gas generator as well as the theft of gas by two of her neighbours. Due to the installation of heavy gas generators on either side of her property Ayesha (including other neighbours) had been experiencing low gas pressure. Most of the time, they could also smell gas leakages. Ayesha stated that she had gone from pillar to post i.e. Environmental Protection Department Lahore, Sui Northern Gas Company Lahore, Environmental Tribunal, Lahore with her complaint. Sadly all of her efforts were in vain. On the other hand not only these departments, but also the ruling party in Punjab and the Punjab Police distorted facts and fully protected those who were continuously responsible for the public nuisance and theft of publicly owned gas.

When Ayesha lodged a complaint at Environmental Protection Department (EPD), they gave on and off notices to both residents of the said houses and directed them to appear before them. But the accused residents abused the staff members/Inspection team and allegedly tore the notices. According to a concerned official of EPD:

After receiving the email TI-P first scrutinized the matter and then contacted Ayesha and took note of her grievances thoroughly. Based on the evidence, TI-Pakistan wrote a letter to the Chief Minister Punjab and Inspector General Punjab Police bringing the matter to their notice and requested them to investigate it. TI-P also sent a reminder the following month to the Secretary to Chief Minister of



Punjab requesting him to look into the matter and direct concerned authorities to take appropriate steps to resolve it.

In February 2010 Secretary to the Chief Minister Punjab wrote a letter to the Secretary Environment, with a copy to TI-P, in which he informed that Chief Minister Punjab desired to initiate appropriate legal actions against the complaint.

She contacted TI-P in June to convey her gratitude.

The Environment Protection Department Lahore replied to Secretary to the Chief Minister Punjab in which he was informed that the matter had been investigated and site inspection had been conducted through District Officer (Environmental) Lahore in presence of the parties. They were also heard personally. Upon this investigation a direction was passed against the respondents. Relevant portion of the direction is:

***“Adopt appropriate remedial measures for controlling noise pollution generated due operation of power generator installed within the premises of your residence so that noise level should not cause discomfort to the complainant and to the satisfaction of this agency or Stop the operation of pollution generated activities.”***

Thereafter the compliance of this EPO was checked by them and it was found that one of the complainant’s neighbours had moved their generator to the rear of the house. But the other neighbour had failed to comply with the directives of EPO. Hence a complaint against this neighbour was instituted in Environmental Tribunal Lahore for prosecution.

In March 2010, TI-P received a letter from Environmental Protection Agency in which it was informed that the case was pending for

adjudication against non-complying neighbour in the Environmental Tribunal Lahore.

Later in March, a reminder letter was sent from Chief Minister (CM) Punjab Secretariat to Secretary Environment asking to inform the CM about the action taken.

Thereafter in the month of April 2010, Ayesha appeared at the hearing of this case in Environmental Tribunal and got relief in her favour. The Honourable Environmental Tribunal was pleased to direct the respondent for removal of the heavy gas generator. Eventually Ayesha got justice. She contacted TI-P in June to convey her gratitude to TI-P.

## Case 21

### *Power Sector*

Sara, a resident of Karachi, had some discrepancies in her electricity bill charges. It was discovered that her electricity meter had been faulty since 2006. Even though, she had applied to get a new meter fitted several times, no action was taken by KESC apart from charging her an “average bill” as a result of her complaints. It wasn’t until July 2010 that KESC installed a new meter at her property. However, the first bill she received after the installation was an extortionate Rs. 68,000, an amount far higher than the actual consumption. She lodged yet another complaint with KESC, subsequently, she was asked to pay Rs. 10,000 and was told her bill was under process. The following month she was billed for another Rs. 68,000 and after

following-up with yet another complaint, she was asked to pay Rs. 4,000 until the processing of her bill had been completed.

Subsequently, Sara contacted TI Pakistan in September 2010 with her case; ALAC wrote to the Chairman of KESC and requested his attention be brought to the Sara's issue and complaint. ALAC requested KESC to look in to the matter and provide some clarity for the discrepancy in billing, and if found to be unjustified, recommended immediate rectification to the issue. Later, in the same month, KESC wrote back to ALAC and reported that the original meter at Sara's property was indeed faulty and that she had been using electricity without a meter; KESC had told her to clear all her dues. Sara, at the receipt of this notification from KESC, denied any wrongdoing and wrote to ALAC once again to show proof that she had been informing KESC of the fault in her original meter and had sent several requests to replace it; KESC had had not taken any appropriate steps to attend to the matter, instead they had been sending her "average bills". In light of the information provided by Sara, wrote to KESC yet again and recommended that that the matter be finalized. This back and forth resulted in KESC considering Sara's plea to be partially correct and her bill was revised with in a net allowance (credit) of Rs. 47,948 that had been proposed by the management. Sara paid off the remaining dues and the case was resolved successfully.

KESC wrote back to ALAC and reported that the original meter at Sara's property was indeed faulty..

## Case 22

### *Judiciary*

Hamid had been an employee at TNT Courier Services for 18 years, when he was dismissed from his job without being provided with appropriate and due reasoning. He grew unsatisfied with the decision of TNT and filed a case against the company in the Lahore Labour Court.

He alleged that there had been an incredible 25 hearing as of date, and TNT's lawyers had been using delay tactics by attending only one of these. Hamid grew depressed and uncomfortable with the situation, he only sought justice and hiring a high-profile lawyer was out of his pocket's reach.

When he referred the matter to TI Pakistan's ALAC, the team thoroughly studied his case and requested the Honourable High Court in Lahore for an early disposal of Hamid's case. In May 2010, at the request of ALAC, the Honourable High Court directed the concerned Labour Court to honour the dictates of the National Judicial Policy and ensure the decision to the case within the target date.

ALAC's involvement in the matter proved to be worthwhile and fruitful when the Lahore Labour court successfully dealt with the delay in case proceedings.

May directed the concerned Labour Court to honour the 2010, at the request of ALAC, the Honourable High Court dictates of the National Judicial Policy and ensure the decision to the case within the target date.

## Case 23

The authorities took notice of ALAC's letter and CDGK issued the Regularization Letter to Saleem.

### *Land*

In April 2010, Saleem, on behalf his brother-in-law Abid, contacted ALAC about a quarter that he had owned and had lived-in for 40 years. The quarter was allotted by the government to Abid, in 1971 and now wanted to get it regularized. Following his application for regularization in December 2009 to the City District Government Karachi (CDGK), the quarter was regularized. The file was even sent to the Recovery Department for calculation of dues, which were then cleared by March 2010. The only thing remaining was the final letter of regularization, but mysteriously the file, now, "could not be untraced".

Saleem and Abid physically went to the concerned office of CDGK and witnessed that the staff were not following the appropriate steps and were deliberately protracting the case. These tactics, widely perceived to be prevalent in many government departments, are adopted to solicit a bribe.

Abid was limited by his old age and ill health and could not sustain the stress of visiting the CDGK office daily and get caught up in the vicious bureaucratic cycle, yet they both were men of principles. Saleem then contacted ALAC on behalf of Abid to aid in the resolution of this issue.

After assessing the case in point, ALAC wrote to the Deputy District Officer (land) Korangi Town to look into the matter, there was no response or acknowledgement from the DDO. ALAC, then, wrote to him again and reminded them to execute the necessary steps to resolve the issue. Persistence paid off; the authorities took notice of ALAC's letter and CDGK issued the Regularization Letter to Saleem. They both expressed their satisfaction and gratitude to ALAC for its role in the resolution of the case.

## Case 24

*"I went there to renew my passport on Sept 19, 2009. There are touts [agents] sitting in the vicinity of the office. They charge Rs. 600/- (other than the govt. fee) from every person for the token (bribe).."*

### *Passport Office*

Applying for a passport in Pakistan can be a stressful experience. Citizens usually face various difficulties and are often forced to pay a bribe - to obtain what is their right - in one form or the other.

Obaid, from Jehlum, reported his experience at the Regional Passport Office Jehlum to ALAC when he found it difficult to get his passport without having to bribe some official. He wrote:

*"I went there to renew my passport on Sept 19, 2009. There are touts [agents] sitting in the vicinity of the office. They charge Rs. 600/- (other than the govt. fee) from every person for the token (bribe). Only the person who has paid them*

*token money can enter the office, and those who haven't have to stay outside for hours. After 25 entries of persons who have paid token money only 3 persons who didn't pay the token money can enter for the process. Similarly the chalan forms for the passport application are not available in the National Bank Branch for the fee deposit, but they are available from the tout [agents] for the charges of Rs. 50/- to Rs. 100/-"*

Obaid alleged that such systems of bribery are organized and have made their way to all regional passport offices. He suggested ALAC take some action to put an end to this unlawful practice.

ALAC forwarded this matter to the Federal Investigation Agency (FIA), and recommended that they direct their attention to this matter, and if found to be true, to take the appropriate action under the governing laws. Following ALAC's letter, the FIA directed the Immigration and Passport Office to take the necessary action, as required.

## Case 25

### *Land*

*DHA builders Emaar (Crescent Bay), Meinhardt (Creek Marina) told to follow rules.*

TI Pakistan received a number of complaints against the allegedly illegitimate activities of foreign builders and developers who are perceived to be 'cheating' the public due to weaknesses in regulatory

framework. TI-P has written several letters to Emaar (Crescent Bay), Meinhardt (Creek Marina) and DHA Karachi to respond to the allegations leveled by their own customers. Despite considerable response time given to them, they had failed to issue any statements.

The silence from Emaar, Meinhardt and DHA Karachi drove TI-P to approach Sindh High Court (SHC) for its attention. Emaar and Meinhardt have more than 500 clients in Karachi, and both projects had been on hold for 3 years (Creek marina) and 2 years (EMAAR), but buyers were forced to pay monthly installments, or else pay penalty of Rs 9 million.

Transparency International Pakistan has requested the SHC to take action on this petition and eliminate fraudulent practices by builders in DHA Karachi, regulated by DHA, and order that 'the builders in DHA such as Emaar project Crescent Bay and Meinhardt project Creel Marina and others, charge only 4 percent of the installments paid by buyer in case of cancellation of the booking either by buyer or the builder, and in case of delay builder shall pay to the buyer interest at the current bank interest rate on all amount to buyer for the period of delay.'

In March 2010, Sindh High Court has ordered two builders having mega projects in the Defence Housing Authority to follow the rules of the Defence Housing Authority and the Clifton Cantonment Board and put their model agreements on their websites accessible to the general public.

Transparency  
International  
Pakistan has  
requested the SHC  
to take action on this  
petition and  
eliminate fraudulent  
practices by builders



### *Land*

#### *Posting of NOC at KBCA website*

#### *Karachi Building and Control Authority (KBCA)*

Transparency International Pakistan had been receiving numerous complaints about the unethical business practices of many builders and land developers. The public had suffered losses to their investments/properties. The illegal acts of the builders demanding extra payments, not allowed under rules, on the pretext of inflation, which sometimes amounted to even 100 percent of the booked cost of the units.

TI-P filed a petition in the Sindh High Court (SHC) requesting that the interest of the general public, while dealing in real estate development be safeguarded by the regulatory authority KBCA. The public had lost trust in such development work by the various builders who had turned the development business into a criminal activity. All these wrong doings, TI- P said, were being committed against the Karachi Building and Town Planning Regulations, 2002 and Karachi Building and Town Planning Regulations (Amendment) 2005, which protects the buyer's as well as builder's interest. According to these regulations every builder/developer is required to take NOC from KBCA. TI-P informed SHC that, unfortunately, these regulations had never been truly implemented due to the influences and vested interests of powerful individuals and organizations.

The case proceeded in SHC, and in September 2009, the Court ordered KBCA to post all documents relating to

building/development Projects on its website within one week. This marks the success of TI-P's advocacy activities in Pakistan.

## Case 27

### *Land/Public Procurement*

#### *National Insurance Company Limited (NICL)*

TI Pakistan received a complaint that NICL had, in the Daily Nation (newspaper) on 1st February 2010, invited objections on the purchase of 803 kanal-19 Marla land by National Insurance Corporation Limited (NICL). Transparency International Pakistan, in response, submitted its objections on the purchase of this land by NICL. In May 2010 TI-P wrote a letter to its chairman and highlighted the violation of Public Procurement Rules 2004 in procurement of lands/office space which would result in the loss of billions of rupees to the public exchequer. A copy of this letter was sent to the Registrar Supreme Court.

No response had been received from NICL, and Supreme Court, in October was pleased to order the case to be represented as a Suo Moto action. Supreme Court of Pakistan, then, passed the following order regarding the sale of 803 canals of the land situated at Mouza Toor Wraich, off Ferozepur road, Tehsil Cantt Distt, Lahore:

The chairman of NICL and other concerned persons are responsible for the misappropriation of the money taken out from NICL account which ultimately belongs to exchequer and they have indulged in corrupt practice.

The entire amount of Rs 5.9 billion was deposited with the Government Treasury.

An amount of Rs 1.6 billion was paid to the seller without first finalizing transfer of the property in the name of NICL by registered sale deed and mutation entries were also not made in its favour.

The chairman of NICL and other concerned persons are responsible for the misappropriation of the money taken out from NICL account

which ultimately belongs to exchequer and they have indulged in corrupt practice.

The order directed the Secretary Commerce to lodge a criminal case with FIA in respect of these transactions against Ayaz Khan Niazi, Chairman, NICL and all the concerned persons. It also directed NAB to freeze the accounts of the seller. The entire amount of Rs 5.9 billion was deposited with the Government Treasury.

TI-P and ALAC are proud to have the trust and the ear of the Pakistani people and its branches of government.

TI-Pakistan is always eager to support public organizations in their capacity building and assist them by providing a better understanding

### *Procurement*

#### *Deepening & Widening of Port Qasim Navigation Channel*

Port Qasim Authority (PQA) is primarily a service oriented organization. It provides shore based facilities and services to international shipping lines and other concerned agencies in the form of adequate water depth in the channel, berths/terminals, cargo handling equipment, storage areas and providing facilities for safe day and night transit of vessels.

In September 2009, Port Qasim Authority (PQA) requested TI Pakistan to give their views on the technical evaluation report, condition of quoting of dredging in foreign currency US\$, and the tender date, vide PQA letter . TI-Pakistan is always eager to support public organizations in their capacity building and assist them by providing a better understanding of Public Procurement Rules. In a meeting held on September 15, 2009 TI-Pakistan gave briefing on the matters pointed out by PQA. TI-Pakistan was of the view that improved understanding on these issues could save PQA billions of rupees, and expected PQA to act upon it.

TI-Pakistan recommended that the letters of withdrawal of payment should be sent to all the consortium parties in their individual capacities and asked them to respond in 6 days. By this action PQA would remove the impression of cartelization by bidders, and save the time of retendering, as well as the benefit of saving if parity rate of US\$ and Euro could have been higher in case of retendering. But in its September 2009 letter TI-P showed its concerns in these manners:

*“It is unfortunate that the recommendations of TI-Pakistan have been sought, but not acted upon, which has resulted in delaying the works, which subsequently cost billions of rupees additional expenses to PQA. Deepening & Widening of Port Qasim Navigation Channel is a serious example of such a case.”*

Later in September 2009, DG Tech, a member of the consortium, wrote a letter to TI-P and expressed their gratitude, but informed TI-P it would be impossible to write a letter to those parties at their individual capacity as they had already signed MoU for joint venture consortium. DG Tech then requested TI-P for advice on how to resolve this issue. TI-P again in its reply letter gave some recommendation on how to resolve the issue. Subsequently, the recommendations were followed by PQA which saved Rs. 1.0 billion in public funds. In their letter sent in October 2009, they expressed their gratitude:

*“Due to such valuable advice of TIP, PQA is likely to save over Rs. 1.0 billion, which otherwise would have been payable had the condition of the bidders for payment in Euros has been accepted PQA, therefore appreciates the valuable assistance extended by TIP in this respect and is looking forward for similar help in future as well, ensuring transparency, cost effectiveness and prudence in procurement.”*

# Chapter 5

## Conclusion

ALAC and TI Pakistan have very quickly come to be recognized as leaders in anti-corruption pressure-group activities, legal advice services and as the one clarion voice advocating for such change on behalf of the victims and witnesses of corruption in Pakistan.

ALAC has consistently delivered on its set objectives and is constantly learning to facilitate adaptation to changing needs of the public and the environment. In addition to highlighting legal, administrative and institutional weaknesses that allow corruption to flourish, ALAC has also trained CBOs in the rural areas and smaller towns to develop capacity and to undertake the objectives of ALAC in their area of influence.

With the support of the public, who benefit from ALAC and its work, and the partner community, ALAC and TI Pakistan will continue to serve to fulfil its mandate and provide an even more effective public complaints mechanism to instil a culture of accountability in Pakistan.

