



May 02, 2023

Syed Murad Ali Shah,
Chief Minister Sindh,
CM House
Karachi.

Subject: Complaint Against the Allegation of Violation of SPPRA Rules 2010 and Misappropriation of Government Funds in Procurement of Veterinary Medicines, Equipments and Instruments to support livestock farmers by Fisheries and Livestock Department, Government of Sindh

Dear Sir,

Transparency International Pakistan has received a complaint on the allegation of violation of SPPRA Rules 2010 and misappropriation of government funds in procurement of veterinary medicines, equipments and instruments to support livestock farmers during the financial year 2022-23 by fisheries and livestock department, GoS (**Annex-A**).

The complainant has made the following allegations that;

1. In June 2022, heavy monsoon rains/devastating floods throughout Sindh province, claimed loss of animals – a major resource of livelihood in rural areas.
2. Loss of animals health and productivity led to severe shortage of milk and meat in the province.
3. To cope up with the situation, in November 2022, Government of Sindh declared emergency to support livestock farmers and released billions of rupees to Livestock and Fisheries Department, Government of Sindh to support poor farmers in rain affected areas of Sindh.
4. The administrative department declared emergency and the Directorate Animal Husbandry Sindh under “Direct Procurement” has purchased low grade veterinary medicines and equipment.

HB-0106								
A03927- Purchase of Drug and Medicines	Nov 2022	Dec	Jan 2022	Feb	Mar	Apr	Released Bud. Balance	Total Released Budget
	120,000	0	141,100	0	0	4,25,600	4,887,300	9,403,000
HB-0101								
Purchase of Drug and Medicines	Nov 2022	Dec	Jan 2023	Feb	Mar	Apr	Released Bud. Balance	Total Released Budget
	0	0	621,500	0	0	0	207,500	829,000
HB 0109								
Purchase of Drug and Medicines	Sep 2022	Nov	Jan	Feb	Mar	Apr	Released Bud. Balance	Total Released Budget
	37,509,500	72,007,450	5,176,130	39,024,250	0	0	789,330	154,506,660
Cost of Other Stores		10,215,500	489,350	3,566,000	0	0	3,150	14,274,000
HB-0110								
Purchase of Drug and Medicines	Sep 2022	Nov	Jan	Feb	Mar	Apr	Released Bud. Balance	Total Released Budget
	0	0	475,000	0	0	0	162,000	637,000
HB-0113								
Purchase of Drug and Medicines	Sep 2022	Nov	Jan	Feb	Mar	Apr	Released Bud. Balance	Total Released Budget
	0	6,069,160	0	0	0	0	2,023,640	8,093,000



5. The contract on "Direct basis" has been awarded to a company deemed close to the Director Husbandry Sindh, which is a clear violation of Conflict of Interest and Sindh Public Procurement Regulatory Authority Rules (SPPRA) 2010.
6. Directorate Animal Husbandry has also utilized the budget of all the four quarters and has issued supply orders without inviting tenders and in violation of SPPRA Rules;
7. Directorate Animal Husbandry has also issued advance payments to the selected firms in violation of SPPRA Rules 2010, despite of which, none of the medicines have been received by the department.

Transparency International Pakistan's Comments

Transparency International Pakistan has reviewed the allegations of the complaint, prima facie, allegations seem correct. Following are TI Pakistan comments:

1. SPPRA Rule 10 (quoted below) requires all procuring agencies to upload contract award agreements along with rates/prices quoted/BOQ on the SPPRA website, including Contracts awarded under Direct Contracting under emergency (COVID-19, Floods etc).

10. Transparency. - The procuring agency shall, immediately upon award of Contract, make the evaluation report of the bid, and the contract agreement public through hoisting on the Authority's website as well as on procuring agency's website, if the procuring agency has such a website;

2. Rule 10 has been incorporated with a view that the rates, prices and monthly remuneration of consultants/experts are to be known to the public, whereby public can scrutinize any overpriced rate/purchase by comparing prices for similar procurements by different departments. According to SPPRA Rule 56, non-compliance of any of SPPRA Rules amounts to mis-procurement.

3. According to SPPRA Rules 2010, Rule 2, General Provisions;

2(l) "Conflict of Interest" means where an official of the procuring agency engaged in the procurement process has a financial or economic interest in the outcome of the process of procurement, in a direct or an indirect manner;

The allegation of awarding contract on direct basis to a company close to the official of the department amounts to violation of SPPRA Rules 2010, Rule 2(l) and must be investigated.

4. According to SPPRA Rules 2010, Rule 2, General Provisions;

2(q) "corrupt and fraudulent practices" includes the offering, giving, receiving, or soliciting of anything of value to influence the acts of another party for wrongful gain;

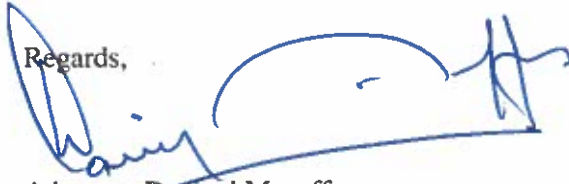
Transparency International Pakistan Recommendations

Transparency International Pakistan requests the Chief Minister Sindh to look into the serious allegations of misappropriation of government funds/corruption in light of SPPRA Rules 2010, and if found correct, invite public tender in compliance with SPPRA Rules 2010 and take action against those involved.

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



Regards,


Advocate Daniyal Muzaffar,
Trustee/Legal Advisor
Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. PSPM, PM House, Islamabad
2. Chief Secretary Sindh, Karachi
3. Secretary Livestock and Fisheries Department, Government of Sindh, Karachi
4. Chairman, Prime Minister Inspection Commission, Islamabad
5. Chairman Public Accounts Committee, National Assembly, Islamabad
6. Director General, NAB, Karachi
7. Auditor General Pakistan, Islamabad
8. MD, SPPRA, Karachi
9. Registrar, High Court of Sindh, Karachi

Note:

This is to clarify that Transparency International Pakistan is not the complainant. It acts as whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, Justice Syed Mansoor Ali Shah in his landmark judgment in case of Ataulah Malik v. Federation of Pakistan includes following order;

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.

Annex-A

To,

The Secretary to Government of Sindh,
Livestock and Fisheries Department, Karachi.

The National Accountability Bureau Karachi.

The Chairman Transparency International Pakistan. ✓

The Chairman Inquiries and Anti Corruption Establishment Sindh.

The D.G NAB Islamabad.

The Chief Secretary govt of Sindh.

The Honorable Chief Minister

The Auditor general of Pakistan, Islamabad.

The Auditor general Karachi Sindh.

The Deputy Director Anticorruption Hyderabad.

Subject: CORRUPTION / MISS-APPROPRIATION OF GOVERNMENT FUNDS IN
PROCUREMENT OF VETERINARY MEDICINE, EQUIPMENT'S AND
INSTRUMENT IN THE CURRENT FINANCIAL YEAR 2022-2023.

Respected Sir,

I am writing this letter to inform and express my deep concern and sorrow over the corruption and malpractices of misappropriation and embezzlement made in the funds released for support of poor farmers in rain affected areas of Sind. Previous year, due to long-lasting and heavy monsoon rains /devastating floods throughout the Sind province, claimed lot of losses in shape of death of animals that are major source of livelihood in rural Sind, as well as loss of their health and productivity led to a severe shortage of milk and meat in the province. Consequently, in order to cope with the situation, government declared emergency to support livestock farmers and released billions of rupees to Livestock Department Sindh.

In the situation of national emergency that had caused mortality of thousands of poor people and millions of their animals, every person contributed from their heart and soul but instead of providing real support to livestock farmers,

Director Animal Husbandry Sind DR.HIZBALLAH BHUTTO has taken this all situation as final opportunity to improve his wealth and status. Billions of rupees have been misappropriated and from this corruption money, Mr. HIZBULLAH BHUTTO has purchased property of billions of rupees after joining as Director Animal Husbandry. Recently, he has purchased a bungalow of Rs. 70 million at Gulistane-Sajjad, Qasimabad, Hyderabad.

As we know that the administrative department declared emergency in the month of November, 2022. Emergency means quick response, but this corrupt person purchased low grade veterinary medicines and equipment from his friends' companies and utilized all four quarters of budget and issued supply order to these firms without any tender process and also issued advance payments to the firms with 60 % commission as bribe and has misappropriated all non-salary funds like purchase of medicines. It is regret to inform that still the procured medicine after advance payment to the firms are not received yet, which comes under misappropriation of funds and also violation of SPPRA rules.

The details of utilization of funds are given as under:

HB-0106								
A03927- PURCHASE OF DRUG AND MEDICINES	NOV 2022	DEC	JAN 2023	FEB	MAR	APR	Released Bud. Balance	Total released Budget
	120,000	0	141,100	0	0	4,254,600	4,887,300	9,403,000
HB-0101								
PURCHASE OF DRUG AND MEDICINES	NOV 2022	DEC	JAN 2023	FEB	MAR	APR	Released Bud. Balance	Total released Budget
	0	0	621,500	0	0	0	207,500	829,000
HB-0109								
PURCHASE OF DRUG AND MEDICINES	SEP 2022	NOV	JAN	FEB	MAR	APR	Released Bud. Balance	Total released Budget
	37,509,500	72,007,450	5,176,130	39,024,250	0	0	789,330	154,506,660

COST OF OTHER STORES		10,215,500	489,350	3,566,000	0	0	3,150	14,274,000
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HB-0110

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HB-0113

PURCHASE OF DRUG AND MEDICINES	SEP 2022	NOV 2022	JAN	FEB	MAR	APR	Released Bud. Balance	Total released Budget
	0	6,069,360	0	0	0	0	2,023,640	8,093,000

HB-0111

COST OF OTHER STORES		10,215,500	489,350	3,566,000	0	0	3,150	14,274,000
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HB-0111								
PURCHASE OF DRUG AND MEDICINES	SEP 2022	NOV 2022	JAN	FEB	MAR	APR	Released Bud. Balance	Total released Budget
	0	1,016,750	108,500	344,050	0	0	32,700	1,502,000

Keeping in view above facts, it is requested to launch an enquiry against him for his corruption (advance payment to the firms) and losses to livestock of province. Moreover, property registered to him and his family, now and before his directorship, may be compared and he may further be inquired that how he has purchased that much property for him, his family members, and his girlfriends.


 DR. UBAID MEMON
 Senior Veterinary Officer
 0333-4399115

To,

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Livestock and Fisheries Department, Karachi.

The National Accountability Bureau Karachi.

The Chairman Transparency International Pakistan. ✓

The Chairman Inquiries and Anti Corruption Establishment Sindh.

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