

Post Office Pension Scam

1. National Accountability Bureau, in the month of February 2005, unearthed a mega financial fraud in disbursement of pension payments to the military personnel at GPO Peshawar. During the investigation, shocking revelations surfaced. It was glaringly noticed that the Pakistan Post Office Department, Pakistan Military Accounts Departments and AGRP did not fulfill their responsibilities in this whole affair, Due to NAB's investigation, the number of pensioners at GPO Peshawar dipped down from 35000 to 13000, consequently sizeable amount of 94.6 million rupees was saved during the first six months of investigation in the same GPO. These figures could be mind boggling if all the 82 Pension Disbursing Offices of Pakistan Post are considered.

2. NAB, in view of its national responsibility, constituted a committee under section 33C of NAO for prevention of corruption in the departments involved in pension payments, budgeting, accounting, verification and disbursement. The committee under the chairmanship of Director General NAB(F), comprised of experts from Auditor General of Pakistan, Controller General of Accounts, Pakistan Military Accounts Departments, State Bank of Pakistan, Pakistan Post Office Department and NAB.

3. The committee has completed its task. It has attributed this mega financial scam to the inharmonious relationship between the Pakistan Post Office Department, Pakistan Military Accounts Departments and Accountant General Pakistan Revenue. The committee has assiduously delved on the issue and has drafted recommendations in three parts to be implemented at various levels of the state's machinery. It has also specified monitoring time frame for implementation of recommendations. The committee urges that there is a pressing need to build and implement simple and effective rules, regulations and procedures regarding the process of Budgeting, Accounting, Auditing, Verifications and Disbursement of Pension to Military Personnel. The committee has accordingly carved the procedure for Budgeting, Accounting, Auditing and Verification to be adopted by the concerned departments.

4. The following milestone achieved under the recommendations made through the Prime Minister Secretariat by the NAB.

- a. **Computerization of Military Pension Payment System of GPOs.** Out of 82 GPOs the computerization of the military pension payment system of 78 GPOs have been completed.

- b. **Completion of Military Pension Payment Leaders / Audit Registers by Controller Military Pension (CMP) Lahore.** CMP Lahore has completed the audit registers of military pension payments with reference to missing / incomplete accounts.
- c. **Strengthening of Pension Sub Offices (PSOs).** 21 Pension Sub Offices (PSOs) established at various Army Regimental Centers have been strengthened by providing additional staff, computers, fax machines, photo-state machines and other equipments etc.
- d. **100% Post Audit.** 100% post audit of military pension payment vouchers is being carried out by CMP Lahore.
- e. **Provisions of Computer Hardware for Computerization of Military Pension Payments.** Pakistan Post has provided necessary hardware to CMP Lahore required for computerization of military pension payments as per existing contract agreement executed between Pakistan Post and GHQ.
- f. **Verification of Military Pensioners.** One time verification of active military pensioners have been carried out by District Armed Services Boards.
- g. **Use of Prescribed Forms.** Pakistan Post has started the use of prescribed forms / payment vouchers as per the existing contract agreement between GHQ and Pakistan Post.
- h. **Post Audit Objections.** The settlement of post audit objections and the recovery of over paid amounts by GPOs has been accelerated.
- j. **Military Pensioners Data Base at CMP Lahore.** The data base has been designed and developed. Conversion of manual record into IT medium has been accomplished. First stage verification from audit registers has also been done. Second stage verification with data pick up form is in progress and is likely to become operational by end of January, 2010.