



ACF Report # 177

How Sri Lankan government has failed in investigating into corruption allegations

Some investigations haven't started - Finalized documents in AG's drawer

Putting an end to bribery and corruption and punishing those engaged in serious financial crimes during the previous regime were the top election promises of the United National Front for Good Governance (UNFGG) government. The civil society that ensured the UNFGG victory was keen on implementing a proper mechanism to prevent corruption because an election victory and a change of a regime was not adequate to end the culture of corruption in Sri Lanka. Anti-Corruption Front (ACF) commenced its operations on 14 January 2015 in a bid to assist in ending corruption which has become a part of our culture.

When ACF requested the Sri Lankan citizens to provide information on financial crimes from 2008, over 4000 responded within the first 30 days. Allegations of bribery, corruption and misuse of public property dominated these complaints. ACF investigated and authenticated these complaints with the assistance of experts who joined us voluntarily.

ACF has tendered 512 verified complaints to six institutions that deal with corruption in Sri Lanka, including FCID, CID, Bribery Commission and PRECIFAC. However the progress made on these complaints have been painfully slow and our inquiries have shown that most of the investigations have not gone beyond the AG's Department. Thus investigations on most of these allegations of financial crime have not even reached the second stage of inquiry, i.e. taking legal action. Therefore it is evident that the values President Maithripala Sirisena spoke of during the international anti-corruption summit in London are not been practiced in Sri Lanka.

ACF has noted that in the first six months of the new government, significant progress was made regarding investigations on corruption. However that anti-corruption drive has slowed down drastically. The inefficiency of the AG's department and the influence of several cabinet

ministers, who have links to the AG's department are the main reasons for this. ACF attempted to expedite the legal process by exerting significant pressure on the former AG, however that attempt ended in failure. Our next attempt was to ensure that credible and independent persons are appointed to the AG's department, however it seems that that attempt might also fail.

1. It can be assumed that AG's department has direct links to a number of individuals who have been accused of financial crimes.
2. Those accused of corruption have been able to influence groups working to prevent corruption and political parties
3. Investigations against high profile persons have stalled. For example the six investigations on former chief presidential aid Gamini Senarath have stalled.
4. Those accused of financial crimes have been able to stall investigations through bribery.

Cases which have been submitted by the FCID to AG

Case	Persons Involved & Amount	Current Status
1. Investigations into Financial irregularities in the Sri Lanka Tourism Development Board of the Ministry of Tourism revealed that SLR 5.7 Million had been misappropriated.	<ul style="list-style-type: none"> - Former Head of the Tourism Development Board Mr. Bashwara Senanka Gunatilaka - D.S. Jayaweera <u>SLR 5.7 Million</u>	<p>Charges are to be filed under the Public Property Act</p> <p>- Delay in AG Department</p>
2. The Ministry of Economic Development initiated a program called “Yali Pubudamu” or Rise Again in which there were financial irregularities.	<ul style="list-style-type: none"> - Former Minister of Economic Development Mr. Basil Rajapaksa - Mr. Liyanage (Ministry) <u>Amount Undisclosed</u>	<p>Status of charges and indictments unknown</p> <p>- Delay in AG Department</p>
3. Financial irregularities during the appropriation of Sri Lankan Insurance back to the government.	<ul style="list-style-type: none"> - Former Secretary to the Ministry of Finance Mr. PB Jayasundara <u>Amount Undisclosed</u>	<p>Status of charges and indictments unknown</p> <p>- Delay in AG Department</p>
4. The misappropriation of SLR 4.8 Million at the State Engineers Cooperation by its former chairman.	<ul style="list-style-type: none"> - Mr. Raj Edirisuriya <u>SLR 4.8 Million</u>	<p>Status of charges and indictments unknown</p> <p>- Delay in AG Department</p>
5. Violating tender procedures when awarding the contract to obtain diaries worth over SLR 1.4 Million by the Ministry of Housing and Construction.	<ul style="list-style-type: none"> - Former Minister of Housing and Construction Wimal Weerawansa - Former secretary of the Ministry of Housing and Construction Mr. PH Wimalasiri <u>SLR 1.4 Million</u>	<p>Status of charges and indictments unknown</p> <p>- Delay in AG Department</p>
6. Case Number B26907/3/15 at Colombo M.C in relation to irregularities in housing deals connected to former Minister of Housing and Construction Mr. Wimal Weerawansa	<ul style="list-style-type: none"> - Former Minister of Housing and Construction Mr. Wimal Weerawansa - Mr. B.K.J.K.Perera <u>Amount undisclosed</u>	<p>FCID has completed investigation.</p> <p>- AG’s advice unknown</p> <p>Status and progress of case in Colombo MC is unknown</p>

7. Process followed by the Minister of Housing and Construction Wimal Weerawansa to award control over a land worth SLR 306 Million to his wife Mrs. Shashi Weerawansa.	<ul style="list-style-type: none"> - Former Minister of Housing and Construction Wimal Weerawansa - Mrs. Shashi Weerawansa the Wife of Former Minister Wimal Weerawansa - Mr. C.S.Ranasinhe. <p><u>SLR 306 Million</u></p>	<p>FCID investigations are complete</p> <ul style="list-style-type: none"> - AG's advice unknown <p>Note - Mrs. Weerawansa is also under investigation for passport fraud and BOI company related fraud.</p> <p>Case number B/40/2015 at Kaduwella M.C. re Land purchases, involving Mrs. W.Weerawansa,</p>
8. Financial irregularities in the MILCO Company of the Ministry in relation to SLR 60 Million.	<ul style="list-style-type: none"> - Suspects undisclosed <p><u>SLR 60 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
9. Financial irregularities in the "Isurumath Nivahanak" project conducted by the Divineguma Department under the Ministry of Economic Development involving SLR 2990 Million.	<ul style="list-style-type: none"> - Former Minister of Economic Development Mr. Basil Rajapaksa - Former Ministry Secretary Dr. Nihal Jayatilaka - Director General of the Divineguma Departme Mr. RAA Ranawaka <p><u>SLR 2990 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
10. Financial fraud during a national meeting of the Divineguma Department in 2014 for obtaining and using SLR 63.7 Million without Treasury approval.	<ul style="list-style-type: none"> - Former Ministry of Economic Development Mr. Basil Rajapaksa - Former Ministry Secretary Dr. Nihal Jayatilaka - Director General of the Divineguma Departme Mr. RAA Ranawaka <p><u>SLR 63.7 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
11. Illegally diverting and utilizing SLR 19.4 Million (US\$ 15,000) of fund suspected to be from the Sri Lankan Ports Authority to the Pushpa Rajapaksa Foundation at the Main Branch of the Peoples Bank of Sri	<ul style="list-style-type: none"> - Mrs. Pushpa Rajapaksa the wife of former Minister Basil Rajapaksa - Mr. Mahendra Prabath Rajasinghe 	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department

Lanka.	<ul style="list-style-type: none"> - Mr. NB Nandasiri Yapa - Manabarana Wanigasekara <p><u>Amount Undisclosed</u></p>	
12. Defrauding the Cabinet of Ministers and the Sri Lankan State by forcibly acquiring the Ceylinco – Helsmeier Project and establishing the Sink Lanka Hotel Project under Number 43 of the 2011 revival of underperforming enterprises initiative.	<ul style="list-style-type: none"> - Mr. Gamini Senarath the former private secretary to former President Mahinda Rajapaksa. - Mr. Kuda Balage Jinadasa - Mr. Neil Bandara (secretary Ministry of Law and Order) - Mr. Ajith Nivaard Cabraal the former Governor of the Central Bank of Sri Lanka. <p><u>Amount Undisclosed</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
13. Case Number B25389/1/15 at Colombo C.M. Court connected to Money Laundering by former additional secretary to former president Mahinda Rajapaksa Mr. Gamini Senarath * Case could be in reference to number 12 case of corruption on list	Mr. Gamini Senarath the former private secretary to former President Mahinda Rajapaksa.	<p>FCID has completed investigation.</p> <ul style="list-style-type: none"> - AG's advice unknown <p>Status and progress of case in Colombo MC is unknown</p>
14. Case No. 474/2015 at Fort M.C. dealing with Hedging Fund involving SLR 200 - 700 Million	<ul style="list-style-type: none"> - Mr. Ajith Nivaard Cabraal the former Governor of the Central Bank of Sri Lanka. - Former Secretary to the Ministry of Finance Mr. PB Jayasundara - Mr. Ashantha De Mel former head of the Ceylon Petroleum Corporation - Mr. L. Karunaratna <p><u>SLR 200 – 700 Million</u></p>	<p>FCID has completed investigation.</p> <ul style="list-style-type: none"> - AG's advice unknown - Status and progress of case in Fort MC is unknown
15. Case No. 24327/2015 at Chief (Unknown) M.C.(3) in relation to irregularities of Lanka Hospital shares amounting to SLR. 600 million	<ul style="list-style-type: none"> - Former Secretary to the Ministry of Defense Mr. Gotabhaya Rajapaksa, - Mrs. Roshini Cabraalis the wife of former Central Bank 	<p>FCID has completed investigation.</p> <ul style="list-style-type: none"> - AG's advice unknown <p>Status and progress of</p>

	<p>Governor AN Cabraal</p> <ul style="list-style-type: none"> - Mr. Nalaka Godahewa - Mr. Dilith Jayaweera - Mr. M. Medihewa - Mrs. Varuni Amunugama, - Mr. DPY. Wijesinghe <p><u>SLR 600 Million</u></p>	case in MC is unknown
16. Investigations of the Mayor of Hambanthota Mr. Eraj Ravindra Fernando on financial irregularities in relation to SLR 17,592,903 worth of state money obtained using false names to provide pay for security guards through a security company owned by a politician while providing security to the Peliyagoda Fish Market.	<ul style="list-style-type: none"> - Mr. Eraj Ravindra Fernando the Mayor of Hambanthota. <p><u>SLR 17 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
17. Obtaining and paying SLR 2,821,538 without the consent of the Ministry Secretary to owners of Rice Mills who were not registered with the Paddy Marketing Board and submitting false names by Paddy Marketing Board Chairman Mr. KB Jayasinghe.	<ul style="list-style-type: none"> - Chairman of the Paddy Marketing Board Mr. KB Jayasinghe. - Mr. SKP Noor Mohamed Rafeek <p><u>SLR 2 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
18. Criminal activities in relation to the obtaining of 14,000 Carrom and Checkers worth SLR 39 Million by the Ministry of Sports and using this for Presidential Election activities illegally during the Presidential Elections.	<ul style="list-style-type: none"> - Suspects undisclosed <p><u>SLR 39 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
19. Financial fraud committed under sections 14 and 15 of act by using 573 workers from the Ports for election activities during the 2014 Uva Provincial Council and 2015 Presidential Elections while paying them full salaries and overtime payments.	<ul style="list-style-type: none"> - Sathosa Chairman - Sathosa Deputy Director Brigadier Nandana Mallawarachchi - Former Minister of Sports Mahindananda Aluthgamage <p><u>Amount Undisclosed</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department

20. Case number B22467/1/15 at Colombo Chief M.C. regarding Money Laundering by former Minister Mahindananda Aluthgamage amounting SLR 3 – 27 Million	<ul style="list-style-type: none"> - Former Minister Mahindananda Aluthgamage <p><u>SLR 3 – 27 Million</u></p>	<p>FCID has completed investigation.</p> <ul style="list-style-type: none"> - AG's advice unknown <p>Status and progress of case in Colombo Chief MC is unknown</p>
21. Spending SLR 91 Million without following proper procedures on the DA Rajapaksa Museum including using state land through the Urban Development Authority under the Ministry of Defense and Urban Development.	<ul style="list-style-type: none"> - UDA Official Harshan De Silva - Former Secretary to the Ministry of Defense Mr. Gotabhaya Rajapaksa <p><u>SLR 91 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
22. Investigations on financial irregularities in MBSL Rathpath Company amounting to SLR 423 Million.	<ul style="list-style-type: none"> - Mr. PD Kumara Lorenz Gajanayaka - Board of Management <p><u>SLR 423 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
23. Selling a part of the land belonging to the Dalada Maligawa (Temple of the Sacred Tooth Relic of the Buddha) amounting to SLR 26 Million and not transferring this amount to the Temple account.	<ul style="list-style-type: none"> - Head of the Temple or the Diyawadana Nilame Mr. Nilanga Daala Bandara <p><u>SLR 26 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
24. Obtaining 31 vehicles from the Peoples Leasing Company on lease and not paying the monthly installments and not paying the interest accrued by not paying monthly installments.	<ul style="list-style-type: none"> - Former MP Sajin Vass Gunawardena - Mr. Gamini Senarath the former private secretary to former President Rajapaksa <p><u>Amount Undisclosed</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department - Attempt being made to make Sajin Vass a State Witness
25. Violating tenders procedures from the Ministry of External Affairs by purchasing two super luxury buses amounting to SLR 35,900,000 and utilizing these vehicles illegally.	<ul style="list-style-type: none"> - Former Chief Minister of the Uva Province Mr. Shasheendra Rajapaksa - Former MP Sajin Vass 	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department

	<p>Gunawardena</p> <ul style="list-style-type: none"> - Brigadier HDG Ranasinghe <p><u>SLR 35 Million</u></p>	
26. Fraud in relation to utilizing SLR 282,750,000 to obtain 66 vehicles under lease from the Peoples Leasing Company and pricing the vehicles above the market price.	<ul style="list-style-type: none"> - Former Secretary to the President Mr. Lalith Weeratunga <p><u>SLR 282 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department - Files referred to in the AG's Department as "Uncle's Files"
27. Case Number B25166/3/15 at Colombo Chief M.C. TRC and Teleshan TV Network in relation to the distribution of Sil Redi during the 2015 Presidential Election	<ul style="list-style-type: none"> - Mr. Anusha .Pelpita - Mr. Shan.Wickremasinghe, owner of Teleshan and brother of PM Ranil Wickramasinghe - Former private secretary to former President Mahinda Rajapaksa Mr. Lalith Weeratunga - Ven.V.Somananda Thero. <p><u>Amount Undisclosed</u></p>	<p>FCID has completed investigation.</p> <ul style="list-style-type: none"> - AG's advice unknown <p>Status and progress of case in Colombo Chief MC is unknown</p>
28. Requesting SLR 6.4 Million to approve building on a private land and obtaining SLR 1.5 Million as bribery.	<ul style="list-style-type: none"> - Former Chief Minister of the Western Province Mr. Prassanna Ranatunga - Mrs. Moreen Ranatunga the wife of the former Chief Minister. <p><u>SLR 6.4 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
29. A breach of trust in relation to the <i>art work</i> of an Sri Lankan Artist of National heritage amounting to SLR 37 Million	<ul style="list-style-type: none"> - Prof. Albert Dharmasiri <p><u>SLR 37 Million</u></p>	<p>Status of charges and indictments unknown</p> <ul style="list-style-type: none"> - Delay in AG Department
30. Case number B323/15 in Tangalle M.C. about Carlton Pre-school construction involving State Eng. Corporation Staff amount to SLR 35 million.	<ul style="list-style-type: none"> - Information on suspects unknown – connected to Rajapaksa family from State Engineering Corporation. <p><u>SLR 35 Million</u></p>	<p>FCID has completed investigation.</p> <ul style="list-style-type: none"> - AG's advice unknown <p>Status and progress of</p>

		case in Tangalle MC is unknown
31. Case Number 8674/15 in Pugoda M.C. regarding Economic Development Projects	<ul style="list-style-type: none"> - Former Minister of Economic Development Mr. Basil Rajapaksa - Mr Thirukumar Nadesan the husband of former MP Nirupama Rajapaksa, cousin of former President Mahinda Rajapaksa. <p><u>Amount Undisclosed</u></p>	<p>FCID has completed investigation.</p> <ul style="list-style-type: none"> - AG's advice unknown <p>Status and progress of case in Pugoda MC is unknown</p>
32. Case Number B22468/1/15 in Colombo Chief M.C. on Wealth acquired of Dr. Priyath Bandu. Wickrema.	<ul style="list-style-type: none"> - Dr. Priyath Bandu Wickrama was the former head of the Sri Lanka Ports Authority <p><u>Amount Undisclosed</u></p>	<p>FCID has completed investigation.</p> <ul style="list-style-type: none"> - AG's advice unknown <p>Status and progress of case in Pugoda MC is unknown</p>
33. Case Number B9825/15 at Kaduwela M.C. regarding CSN Channel involving ITN Directorate & Staff.	<ul style="list-style-type: none"> - Son of former President Mahinda Rajapaksa Mr. Yoshitha Rajapaksa - Mr. Nishantha Ranatunga - Other CSN and ITN Staff members. <p><u>SLR 200 Million + Unknown</u></p>	<p>FCID has completed investigation.</p> <ul style="list-style-type: none"> - AG's advice to proceed under money laundering and fraud crimes. <p>Suspects have been charged and arrested without bail and are being investigated.</p>
34. Case Number B35/15 at Kaduwela M.C. regarding the ownership of the building given to the Marriot Hotel in Dubai through Sri Lankan Businessman Mr. N. Lokuwitharna connected to former President Mahinda Rajapaksa amount to between SLR48 - 190 Million	<ul style="list-style-type: none"> - Former President Mahinda Rajapaksa - Sri Lankan Businessman Mr. N. Lokuwithana owner of textiles and buyer of the Ceylon Steel Corporation plant. <p><u>Amount Undisclosed</u></p>	<p>FCID has completed investigation.</p> <ul style="list-style-type: none"> - AG's advice is unknown <p>Progress of case in Kaduwela MC is unknown.</p>

35. Case Number B27453/1/15 at Hultsdorf M.C. about Lanka Logistics Arms imports irregularities	<ul style="list-style-type: none"> - Mr. Gotabhaya Rajapaksa, - Mr. PB Jayasundara - Mr. Mohan Peiris - Mr. Jaliya Wickremasinghe. <p><u>Amount Undisclosed</u></p>	<p>FCID has completed investigation.</p> <ul style="list-style-type: none"> - AG's advice is unknown <p>Progress of case in Hultsdorf MC is unknown</p>
36. Case Number 14. B/663/15 at Fort M.C. on Bank of Ceylon, Seychelles and transfer of funds and setting up of "Shell Companies".	<ul style="list-style-type: none"> - Unknown members and connections of former President Rajapaksa's family. <p><u>Amount Undisclosed</u></p>	<p>FCID investigation status unknown</p> <ul style="list-style-type: none"> - AG's advice is unknown <p>Progress of case in Fort MC is unknown</p>
37. Greek Bonds purchase through Ajith Nivaard Cabraal in Petition Colombo M.C of 15.8.15 involving SLR 1257 Million	<ul style="list-style-type: none"> - Mr. Ajith Nivaard Cabraal the former Governor of the Central Bank of Sri Lanka. <p><u>SLR 1257 Million</u></p>	<p>FCID investigation status unknown</p> <ul style="list-style-type: none"> - AG's advice is unknown <p>Progress of case in Colombo MC.</p>
38. Petition accepted in Supreme Court on 6.8.2015 regarding Vehicle Permits abuse	<ul style="list-style-type: none"> - Suspects unknown 	<p>FCID investigation status unknown</p> <ul style="list-style-type: none"> - AG's advice is unknown <p>Progress of case in Supreme Court</p>

Anti-corruption Front
Press Statement

May 16th, 2016