

Synopsis of

Criminality Exposed

Colombo Hilton Hotel Construction

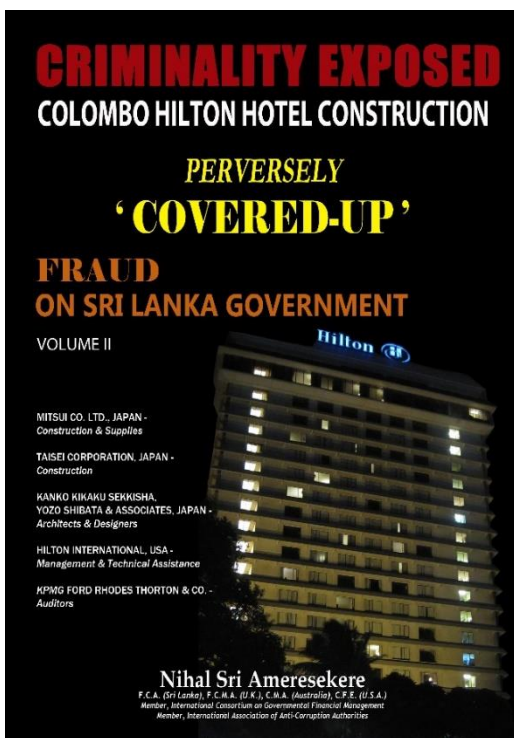
Perversely

‘COVERED-UP’

Fraud on Sri Lanka Government

Google Books – [‘Colombo Hilton Hotel Construction - Fraud on Sri Lanka Government - Vol. 2 - Criminality Exposed, but Perversely Covered-up’](#)

<http://www.consultants21.com/page-1-derivative-actions-in-law.php>



Size - 8.25" X 11" – Pages 804

In this series of Books by the Author on fraud, corruption and economic crime, this voluminous Book, concerning the colossal fraud perpetrated on the Government of Sri Lanka, had been disclosed with deep-detailed investigations into the construction of the Colombo Hilton Hotel by Mitsui & Co. Ltd., and Taisei Corporation of Japan, on a ‘turnkey’ fixed-price basis, based on Sri Lanka Government Guarantees given to them, with Architectural Plans prepared by Japanese Architects, Kanko Kikaku Sekkeisha, Yozo Shibata & Associates, with a fraud schemingly and secretly perpetrated.

The Author sets out in the first Chapter a brief Synopsis of the civil prosecution he had successfully instituted. To comprehend the full facts contained in this Book, it would be necessary to read the first volume by the Author on this colossal fraud, titled - ‘Colombo Hilton Hotel Construction - Fraud on Sri Lanka Government – Vol. 1 – Sri Lanka’s First Derivative Action in Law’.

In this Book the Author goes on to expand on the role played by Hilton International US and the Japanese Architects, Kanko Kikaku Sekkeisha, Yozo Shibata & Associates, disclosing that the Hilton Hotel Project and the Architectural Plans had been finalized, with Technical Assistance from Hilton International US, in addition to the Management of its Operations by them.



Management Agreement

FOR THE

HILTON INTERNATIONAL, COLOMBO

This Book discloses the attempts made by the Directors of Hilton Hotel owning Company, Hotel Developers (Lanka) Ltd., (HDL), to prevent this fraud being discovered and exposed. This had included objections to a physical engineering examination called for by HDL Director M.T.L. Fernando, Senior Partner, Ernst & Young, Chartered Accountants, in the context of suspicious issues which had been raised by the Author, HDL Director, and the absence of Specified Bills of Quantities and Final Measurements, in which circumstances, the Author, HDL Director, had refused to make payments on the Loans provided by these Japanese Companies against the Sri Lanka Government Guarantees. Only 'Medical Certificate' type Completion Certificate and Final Certificate had been given by Japanese Architects, Kanko Kikaku Sekkeisha, Yozo Shibata & Associates – viz:



KANKO KIKAKU SEKKEISHA
Y. SHIBATA & ASSOCIATES ARCHITECTS & DESIGNERS

30th April 1987

Mitsui Taisei Consortium,
Hilton International Colombo Project,
Lotus Road,
Colombo 1,
Sri Lanka.

Dear Sirs,

COMPLETION CERTIFICATE
HILTON INTERNATIONAL COLOMBO

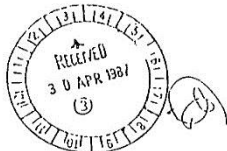
This is to certify that the work stipulated in the Agreement for construction of Hilton International Colombo, by and between Hotel Developers (Lanka) Limited, Colombo, Sri Lanka; and the Consortium comprised of Mitsui & Co. Limited, Tokyo, Japan and Taisei Corporation, Tokyo, Japan; dated 31st January 1984, has been practically completed on 30th April 1987.

The Defects Liability Period shall be two year from the above practical completion date and shall be applicable to all work executed under the contract.

Yours faithfully,

KANKO KIKAKU SEKKEISHA
Y. SHIBATA & ASSOCIATES
ARCHITECTS & DESIGNERS


Yozo Shibata
ARCHITECT



cc: Hotel Developers (Lanka) Limited,
16, Alfred Place,
Colombo 3,
Sri Lanka.



KANKO KIKAKU SEKKEISHA
Y. SHIBATA & ASSOCIATES ARCHITECTS & DESIGNERS

August 25, 1988

MITSUI TAISEI CONSORTIUM
Hilton International Colombo Project
Lotus Road
Colombo 1
SRI LANKA

Dear Sirs:

FINAL CERTIFICATE (Called for in paragraph (3), clause 16 of
General Condition of Contract for Construction
of Hilton International Colombo.)

HILTON INTERNATIONAL COLOMBO

This is to certify that all necessary defect works has been executed during the liability period (one year from the practical completion on April 30, 1987), according to the agreement for construction of Hilton International, Colombo, by and between Hotel Developers (Lanka) Limited, Colombo, Sri Lanka; and the consortium comprised of Mitsui & Co. Limited, Tokyo, Japan and Taisei Corporation, Tokyo, Japan.

((3) Final Certificate of Clause 16 - Completion Certificate)

Yours faithfully,

KANKO KIKAKU SEKKEISHA
Y. SHIBATA & ASSOCIATES
ARCHITECTS & DESIGNERS


Yozo Shibata
ARCHITECT

Note: defect works has been executed except the resurface of tennis court which is scheduled as the attached letter dated August 20, 1988 by Mitsui Taisei Consortium.

cc: Hotel Developers (Lanka) Limited
16 Alfred Place
Colombo 3
Sri Lanka

Shockingly, K.N. Choksy P.C. M.P., a Director of HDL, had opposed such physical engineering examination, and had endorsed the full payment to these Japanese Companies, even in the absence of Specified Bills of Quantities, Final Measurements and the original Schedule of Equipment, Furniture, Fittings, etc., which had been insisted upon by the Author, HDL Director, as a pre-requisite for making any payment – viz : Letters of K.N. Choksy P.C. M.P.

TEL. NO. DIRECTOR DE SILVA PAVANATHAN
 597673.
 597673.
 Telephone JAYASEKERA
 COLOMBO 7

TEL. NO. DIRECTOR DE SILVA PAVANATHAN
 597673.
 597673.
 Telephone JAYASEKERA
 COLOMBO 7

K. N. CHOKSY
 597673.
 597673.
 Telephone JAYASEKERA
 COLOMBO 7

TEL. NO. DIRECTOR DE SILVA PAVANATHAN
 597673.
 597673.
 Telephone JAYASEKERA
 COLOMBO 7

8th. August, 1988.

Cornel L. Perera, Esqr,
 Chairman, Hotel Developers (Lanka) Ltd,
 Colombo.

Hotel Construction
Completion Certificate.

As requested by the Board, I have considered Clause 16 "Completion Certificate" relating to the Building. The Board desires to know the advisability for the Board to have an examination and report on the building done by an independent architect or engineer not connected with the construction, with a view to ensuring that the construction is in conformity with the contract and sound etc. In other words, whether the Board is obliged to do this for the protection of its own interests and/or the interests of the shareholders.

In my view, this does not appear to be necessary. Clause 16 requires the Architect to carry out an "Inspection on Completion" and to issue the Completion Certificate if satisfied after such inspection that the construction work is acceptable. This the Architect has done. The Architect is the owner's agent and technical adviser for this purpose, and his inspection and certification is an adequate protection to both the Board and the shareholders that the construction is in order in every respect. The Board is entitled to rely on the Architect's certificate.

It is only if the Board has some good reason or cause to doubt the architect's competence or integrity would the Board be under a duty by shareholders to obtain an independent report. Otherwise, the Board will not only be under no requirement to do so but will also not be justified in incurring further expenditure to obtain a separate report. Furthermore, so far as the contractors are concerned, they will not be bound by such a report.

Please table the above at the next Board meeting.

K. N. Choksy
 (Director)

RECEIVED

28th. February, 1990.

H. Ogami, Esqr,
 Executive Director

(Y:Ref:HDL/B-280).

Dear Sir,

COMPLETION CERTIFICATE.

I have considered your letter to me dated 21st. February, 1990 giving cover to the Memorandum dated 13/12/89, submitted to the Board by Mr. Nihal Sri Amerasekera (Director).

I have considered the Certificate of Practical Completion dated 10/4/1987 and the Completion Certificate (Final Certificate) dated 25/8/88 issued by the Architects under Clause 16 of the General Conditions of Contract.

These Certificates are in accordance with the General Conditions of the Contract. The Completion Certificate expressly states that all necessary defective work has been executed during the defects liability period. The two Certificates are adequate coverage that the Hotel construction work is in conformity with all the stipulations of the Contract, and the owner will be justified in making the balance payment to the contractor in pursuance of these Certificates.

In regard to the necessity/advisability of obtaining a Completion Certificate from a third-party Architect, I have already advised by letter dated 8th. August 1988 that this is not necessary.

Please table this letter at today's Board Meeting.

Yours faithfully,

K. N. Choksy
 (Director)

The Japanese Architects, Kanko Kikaku Sekkeisha, Yozo Shibata & Associates had evaded answering questions submitted to them by the Author, HDL Director, and so also had Hilton International evaded answering questions, which had been likewise submitted to them by the Author, HDL Director – viz:



KANKO KIKAKU SEKKEISHA
 Y. SHIBATA & ASSOCIATES ARCHITECTS & DESIGNERS

June 20, 1990

Mr. Nihal Sri Amerasekera F.C.A., F.C.M.A.
 Director
 HOTEL DEVELOPERS (LANKA) LTD.
 c/o Colombo Hilton
 Echelon Square
 Lotus Road
 Colombo 1
 SRI LANKA

Dear Sir:

Subject: CONTRACT FOR DESIGN AND SUPERVISION
HILTON INTERNATIONAL COLOMBO

With reference to your letter dated June 5, 1990, we have already provided the clarifications which you have sought to us by our letter dated March 1, 1990 and March 5, 1990. This assignment has been completed by us in terms of our agreement with H.D.L. We have duly submitted to you the final certificate of completion thereon.

Kindly note that we have fulfilled our all contractual responsibility with regard to this project.

Very truly yours,

KANKO KIKAKU SEKKEISHA

Kenzo Watanabe
 Kenzo Watanabe
 Architect
 Executive Director



KANKO KIKAKU SEKKEISHA
 Y. SHIBATA & ASSOCIATES ARCHITECTS & DESIGNERS

September 20, 1990

Mr. Nihal Sri Amerasekera FCA, FCM
 Director
 HOTEL DEVELOPERS (LANKA) LTD.
 c/o Colombo Hilton
 Echelon Square
 Lotus Road
 Colombo 1
 SRI LANKA

Dear Sir:

Subject: HILTON INTERNATIONAL COLOMBO

With reference to your letter dated 30th August 1990, we wish to inform you that we have nothing to further add to our letter to you dated 20th June, 1990.

Very truly yours,

KANKO KIKAKU SEKKEISHA

Kenzo Watanabe
 Kenzo Watanabe
 Architect
 Executive Director



INTERNATIONAL

Ref: W/W/gc
3rd July 1990

Mr Nihal Sri Amerasekera FCA, FCGA
Comindtax Management Service Ltd
16/4 Sri Vipulasena Mawatha
Colombo 10
Sri Lanka

Dear Sir,

Our corporate offices have now been relocated to England so unfortunately your letter was delayed.

I have checked our files without success as during our move not all documents were relocated. In the case of Hilton International Colombo we have all mechanical and electrical drawings on micro film but not architectural.

The Forecast of Income and Expenses would not have come from the Technical Services Department but if you have a specific question regarding this issue I could forward it to the relevant people.

Would C. Itoh & Company Ltd be of any help to you regarding the drawings?

Yours faithfully,

BILL WEBSTER
Vice President
Technical Services

HILTON INTERNATIONAL

International Court 2/3 Rhodes Way Marlow Bucks MK20 49RT England

Telephone (0528) 31333 Telex 917867 Fax (0528) 303548

Hilton International Co. Incorporated with limited liability in Delaware, USA. Head Office: 625 Third Avenue New York NY 10158 USA.

Consequently upon representations being made by the Author, HDL Director, to R. Paskaralingam, Secretary Ministry of Finance / Secretary to the Treasury, this controversial matter had been referred to J.F.A. Soza, retired Supreme Court Judge, to whom the above representations and other information provided by the Author, HDL Director had been tendered, including evidence of the cannibalization of the original Architectural Plans, and the material discrepancies in the number of Floors and Rooms.

J.F.A. Soza retired Supreme Court Judge had given an unilateral Report, without conducting any inquiry or even without having heard the Author, HDL Director, who had raised such issue of fraud perpetrated, thereby acting against principles of natural justice. J.F.A. Soza retired Supreme Court Judge had questionably endorsed that full payment be made to these Japanese Companies, as according to him there had been no irregularities in the implementation of the Hilton Hotel Project, which the Author, HDL Director, had outrightly rejected – viz : Extracts from Report of J.F.A. Soza

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

- 14. In this situation the Government is bound to honour its Letters of Guarantee.
- 15. I would therefore advise that there have been no irregularities in the implementation of the Hilton Hotel Project.

J.F.A. Soza

Retired Supreme Court Judge "

It was thereafter that Author, as HDL Shareholder, had successfully instituted civil proceedings by way of a derivative action in law and had succeeded in obtaining Enjoining Orders / Interim Injunctions preventing any payments to these Japanese Companies by HDL and/or the Government of Sri Lanka under the Government Guarantees, with the Supreme Court subsequently affirming the Interim Injunctions and holding that there is a serious *prima-facie* Case of fraud, with every success of being proven by the Plaintiff Author. *Shockingly, the Plaintiff Author, HDL Director, giving details, discloses that there was a risk of threat to his life in the circumstance of this litigation.*

After the issue of Interim Injunctions by the District Court of Colombo, K.N. Choksy P.C., M.P., had intervened to compromise the Officials of the Ministry of Finance and the Hon. Attorney General, and to garner support for the Leave to Appeal Applications made to the Court of Appeal of Sri Lanka by these Japanese Companies, challenging the District Court Order.

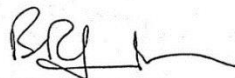
Shockingly, Addl. Director General Urban Development Authority (UDA) Prasanna Gunawardena had promptly given a Letter stating that he is 'fairly confident' that there had been no wrong-doing. In such circumstances, the Hon. Attorney General T.J. Marapana P.C., through Addl. Solicitor General Shibly Aziz P.C., and HDL Director K.N. Choksy P.C., M.P., through Nihal Fernando, Attorney-at-Law, had appeared in the Court of Appeal to support the Leave to Appeal Applications made by these Japanese Companies, without they having participated in the District Court Inquiry or having filed any papers in the Court of Appeal. – viz: Extracts of UDA Letter

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

3.0 Considering matters above, we are fairly confident that the Approved Plans - a Certified Copy of which is available with us - are the Plans submitted in 1983.

4.0 We had brought the matters mentioned above to the notice of S/PP&I who had instructed us to communicate this information to you and through you to the Attorney General to set the records straight & correct any misconception.

I shall be thankful if this information could be conveyed to the Attorney General. Please contact me on tel. 685539 for any clarifications in this connection.



Prasanna Gunawardena,
Addl. Director General (Planning & Operations),
URBAN DEVELOPMENT AUTHORITY.

PG/ja.

In the next Chapter, the Plaintiff Author, HDL Director, details out attempts made by him to prevent the HDL Board of Directors and its Auditors KPMG Ford Rhodes Thornton & Co., Chartered Accountants certifying as correct on 28.11.1990, the HDL Annual Accounts as at 31.3.1990, whereas previously in September 1990, the District Court of Colombo had already issued Enjoining Orders, preventing any payments being made to these Japanese Companies by HDL and/or by the Government of Sri Lanka under the Government Guarantees, in circumstances of fraud adduced before Court.

Notwithstanding the gravity of the facts in the Plaintiff in the District Court of Colombo, with documentary proof thereof, and disregarding the objections by the Plaintiff Author, HDL Director, Auditors, KPMG Ford Rhodes Thornton & Co., Chartered Accountants had proceeded to certify on 28.11.1990 as audited HDL Accounts as 31.3.1990, against which the Author, HDL Director had promptly got an Enjoining Order from the District Court of Colombo enjoining the said Annual Accounts of HDL, leading to the final removal of KPMG Ford Rhodes Thornton & Co., Chartered Accountants, as Auditors of HDL, as decreed and ordered by the Commercial High Court of Colombo, Sri Lanka.

With change of the Government of Sri Lanka in 1994, the new President Chandrika Kumaratunga appointed a Special Presidential Commission, comprising Supreme Court Judge Priyantha Perera, as Chairman, and Appeal Court Judges, Hector Yapa and Niniyan Jayasuriya, as Members, thereof.

Special Presidential Commission



Justice H.S. Yapa

Justice P.R.P. Perera

Justice F.N.D. Jayasuriya

This Special Presidential Commission was assisted by the Criminal Investigation Department of the Sri Lanka Police, Solicitor General and other Officials of the Attorney General's Department. The Commission had recorded the evidence of 24 Witnesses, including the Plaintiff Author, with documentary evidence, and had also obtained an Investigative Report from a Panel of 3 Chartered Architects. Upon such evidence of fraud perpetrated on the Government of Sri Lanka, the Commission had issued in December 1995 Charge Sheets on 4 persons on grounds of fraud against the Government of Sri Lanka.

Sinhala and Tamil versions of this Report will be printed separately.



SESSIONAL PAPER No. I - 1997

**FOURTH INTERIM REPORT
SUBMITTED TO HER EXCELLENCY
THE PRESIDENT BY THE SPECIAL
PRESIDENTIAL COMMISSION OF
INQUIRY, 1995 APPOINTED TO
INQUIRE INTO ALLEGED
MALPRACTICES IN CERTAIN
GOVERNMENT BODIES**

Printed on the orders of the Government

2nd March, 1997

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THE REPORT OF ALLEGED MALPRACTICES IN CERTAIN GOVERNMENT BODIES

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Appendix III

Witnesses who have testified before the Commission

Inquiry No. 1/95 - Hilton Hotel Project

- | | |
|------------------------------------|-------------------------------|
| 1. Mr. Nihal Sri Amarasekera | 13. Mr. Prasanna Silva |
| 2. Prof. K. K. Y. W. Perera | 14. Mr. G. P. S. U. de Silva |
| 3. Mr. K. M. I de Silva | 15. Mr. Nihal Fernando |
| 4. Mr. Ranjith de Silva | 16. Mr. Prasanna Gunawardena |
| 5. Mr. Abeysondera Wickremasuriy | 17. Mr. Ananda Rajakaruna |
| 6. Mr. Ratnamalala Munasinghe | 18. Mr. G. L. D. de Silva |
| 7. Mr. H. P. Siriwardena | 19. Mr. Gamini Edirisuriya |
| 8. Mr. A. J. M Sulaiman | 20. Mrs. Y. P. Kulendran |
| 9. Mrs. Malani Jinadasa | 21. Mr. K. Shanmugalingam |
| 10. Mr. G. B. de Alwis Seneviratne | 22. Mrs. V. M. Y. Casiechitty |
| 11. Mr. K. D. Mahipala | 23. Mr. A. B. Senearatne |
| 12. Mr. R. K. D. L. Perera | 24. Mr. Suren Wickremasinghe |

Significantly, one of the Charges pertained to the abovementioned HDL Audited Accounts of 31.3.1990 audited and certified by KPMG Ford Rhodes Thornton & Co., Chartered Accountants *viz*:

“disregarding the discrepancies, shortcomings and irregularities which were brought to the notice of the Board of Directors, and wrongfully attempt to approve as authentic the Annual Accounts of the said Company for the year ended 31st March 1990 and endeavour to take action to adopt the Accounts with the object of suppressing the aforesaid fraudulent acts and omissions.”

In perpetrating this colossal fraud, it had been discovered that the original Architectural Plans had be so adjusted, with the original copy of the Architectural Plans of the Hilton Hotel at the HDL Head Office having been mysteriously borrowed by the Japanese Architects, Kanko Kikaku Sekkeisha, Yozo Shibata & Associates, and during that very time, the Hilton Hotel Construction Site Office shockingly had caught fire one night, with it being reported that all equipment, including Plans and Documents, had been completely destroyed.

It was disclosed before the Special Presidential Commission that the Police Report on the fire said to have been given by the Colombo Fort Police had been a fabrication, as per the evidence given by the Colombo Fort Police.

Fabricated Police Report

Page 03

Atten: Taisei Corporation,
Hilton International Colombo Project,
Echelon Square,
Colombo 1.

With reference to your letter dated the 19th October, 1985, with respect to the fire which occurred at your office, we wish to state that we have conducted our investigations as to the cause of this fire and the extent of the consequential damages.

The result of our investigations clearly point out that it was an electrical wire shortage and this was established by Electrical Superintendent Mr. *[Signature]* of Ceylon Electricity Board of Sri Lanka.

As regards the extent of the damages, the report submitted to us by you has been found to be completely accurate and honest. Therefore, we, the Fort Police, hereby certify and endorse your report, to be used by you, as evidence to the relevant authorities, Government Departments and also, your Head Office in Tokyo.

[Signature]
Gilbert - Kadenpahan

The Panel of 3 Chartered Architects appointed by the Special Presidential Commission comprised Prof. Nimal de Silva, Upali Iddawala and Dudley Waas, who had submitted their Investigative Report on the Architectural Plans and the construction of the Hilton Hotel. Their Report disclosed discrepancies in the number of Room Floors and Rooms, and also that the Monthly Progress Reports submitted to the Tourist Board by HDL had been changed at one point of time to reduce the number of Hotel Rooms, thereby disclosing the truth, given under the very hand of these Japanese Companies.

Affidavit of Panel of Chartered Architects



AFFIDAVIT

I, Prof. Nimal De Silva of 105, Hunupitiya Lake Road, Colombo 2, being a Buddhist do solemnly, sincerely and truly hereby declare and affirm as follows;

I, Upali Iddawala, Chief Architect and Additional Director, Department of Buildings, Sri Jaywardenapura, Kotte, being a Buddhist do solemnly, sincerely and truly hereby declare and affirm as follows;

I, Dudley Waas of 31, Gregorys Road, Colombo 7, being a Christian (RC) do hereby make oath and state as follows :

We are the above named declarants;

- (1) We have been appointed as a Panel of Architects to execute a local investigation, inspection and survey of the Colombo Hilton Hotel, by the Special Presidential Commission of inquiry 1995.
- (2) Accordingly, we have carried out the above commission issued to us by the SPC aforesaid.
- (3) We hereby submit our report on the findings of the investigations carried out and observations made on the activities pertaining to the construction of Colombo Hilton Hotel.

Signed on the 14th day of November 1995 in Colombo.

Prof. Nimal De Silva

Upali Iddawala

Dudley Waas

Before me

Justice of the peace

D. G. WEERAMANTRY B.A. (Lond)
(JUSTICE OF THE PEACE)
COLOMBO.

During the proceedings, the Special Presidential Commission drawing attention to the Supreme Court Rules for Attorneys-at-Law, had issued Postscripts reprimanding K.N. Choksy P.C., M.P., for making untrue, erroneous and false statements in his Written Submissions tendered to the Commission.

The Special Presidential Commission had also examined the final Settlement Agreements, which had been formulated by Hon. Attorney General, Shibly Aziz P.C., submitted to the Commission by Solicitor General, P.L.D. Premaratne P.C., and had examined the Author Plaintiff on the said Settlement Agreements, which were to be executed between the Secretary to the Treasury on behalf of the Government of Sri Lanka, Mitsui & Co., Ltd., Taisei Corporation of Japan, HDL and the Author Plaintiff.

It had been disclosed that on the Author Plaintiff's insistence, that Mitsui & Co. Ltd., and Taisei Corporation had written-off in June 1995 on their Claims from the Sri Lanka Government 10 years' accrued interest and 30% of the Capital, with the unwritten-off balance being re-scheduled over a further period of 16 years, at a reduced rate of interest of 5.25% p.a. This write-off had amounted to 62% of the Claims made by these Japanese Companies on the Sri Lanka Government Guarantees, and had then amounted to Jap. Yen. 17,586 Mn., then US \$ 207 Mn., or SL Rs. 10,200 Mn.

As stated in the Settlement Agreements, the Government of Sri Lanka had admitted that the above had *immensely* benefited HDL and the Government of Sri Lanka. This write-off at value as at 30.6.2016 at AWFDR amounts to Rs. 89,177.3 Mn., and the re-scheduled balance amounts to Rs. 51,451.8 Mn.

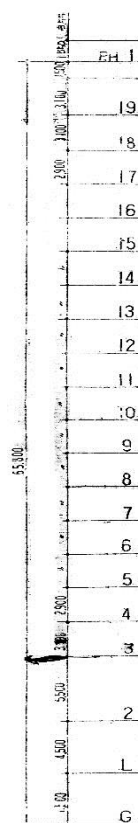
Accordingly, with the approval of the Special Presidential Commission and the Cabinet of Ministers, the Secretary to the Treasury A.S. Jayawardena, acting on behalf of the Government of Sri Lanka had executed in June 1995 these Settlement Agreements, which had been prepared and approved by the Hon. Attorney General.

Thereafter, in May 1996 *irrefutable* evidence of criminality had been disclosed and established before the Special Presidential Commission. It had been proven beyond any reasonable doubt before the Special Presidential Commission, that the Cross-sectional Sheets of the original Architectural Plans had been replaced with new Cross-sectional Sheets, giving new 'elevations' of the respective floors, and two of the Floor Sheets, and the Basement Sheets Nos. A -01 to A-07 of the original Architectural Plans of the Hilton Hotel had been removed with the available Plans, only commencing with Sheet No. A-08.

The 'elevations' denoted on the Floor Plan Sheets did not match with the corresponding 'elevations' of the respective Floors depicted on the Cross-sectional Sheets, which was undisputed evidence of criminality of cannibalization of the original Architectural Plans, also with the height of floors being reduced from 3.0 meters to 2.9 meters.

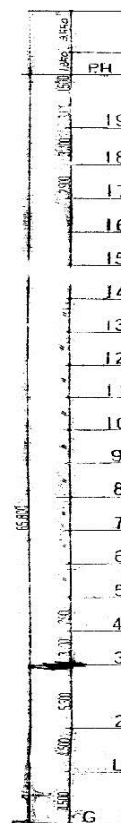
Original Plan Elevations

A-28



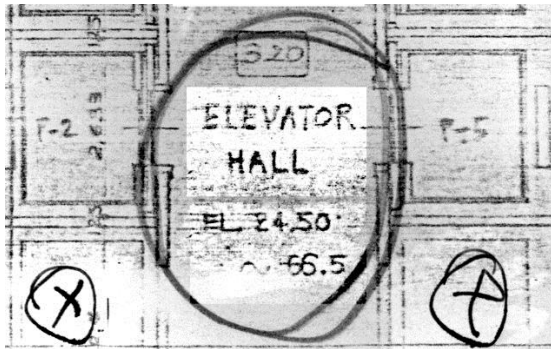
Fraudulent Plan Elevations

A-29

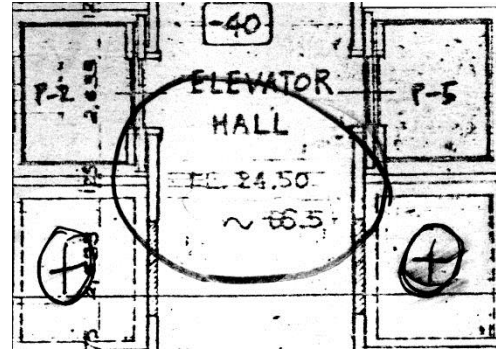


As a result of such cannibalization, the 3rd and 4th Floors were shown to be at the *same* 'elevation' of 24.5 meters, whilst the 19th Floor and the Roof of the 19th floor were shown to be at 'elevations' of 72.7 meters and 72.0/72.5 meters, respectively, *whereby the Roof was depicted to be below the 19th Floor ! - viz:*

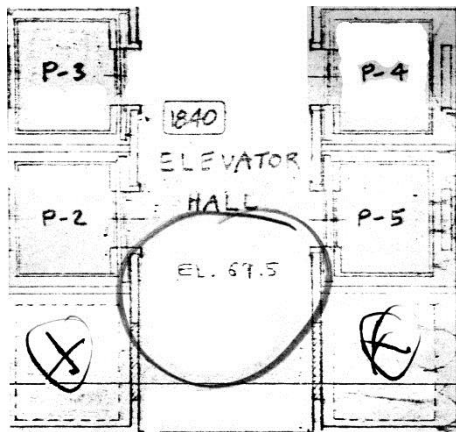
3rd Floor



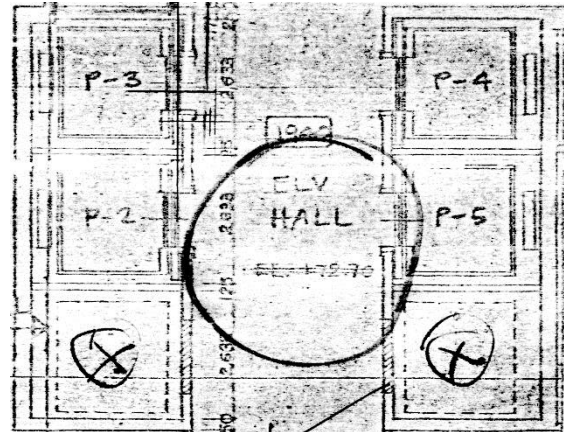
4th Floor



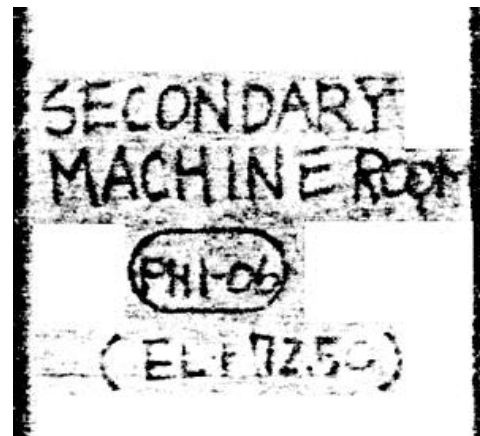
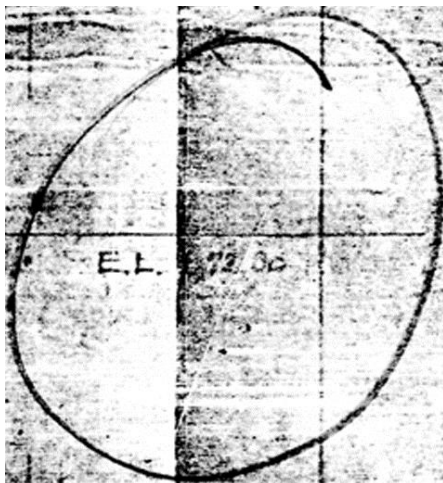
Fraudulent 18th Floor



Fraudulent 19th Floor Elevation Deleted

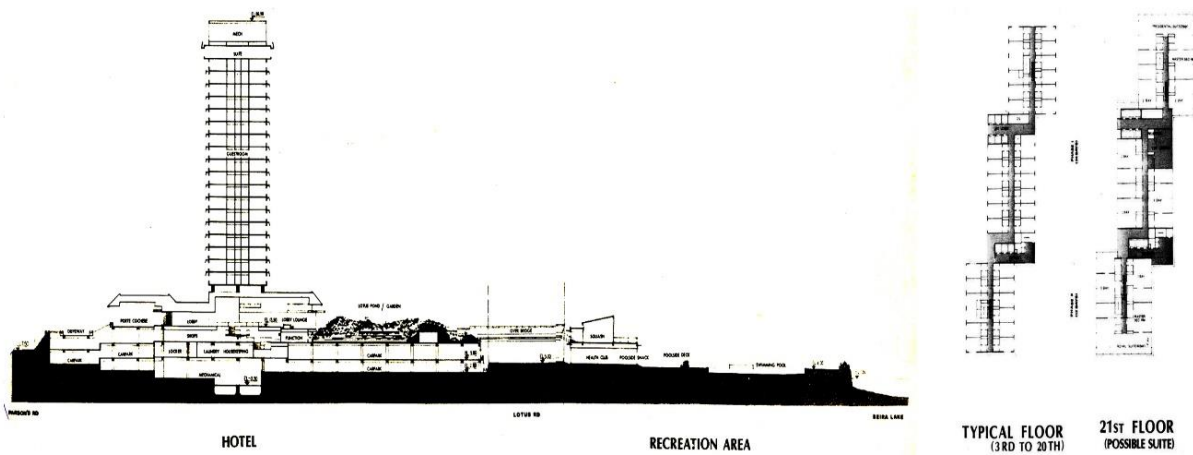


Some Elevation Levels of Roof Top – 72.0 Meters / 72.5 Meters

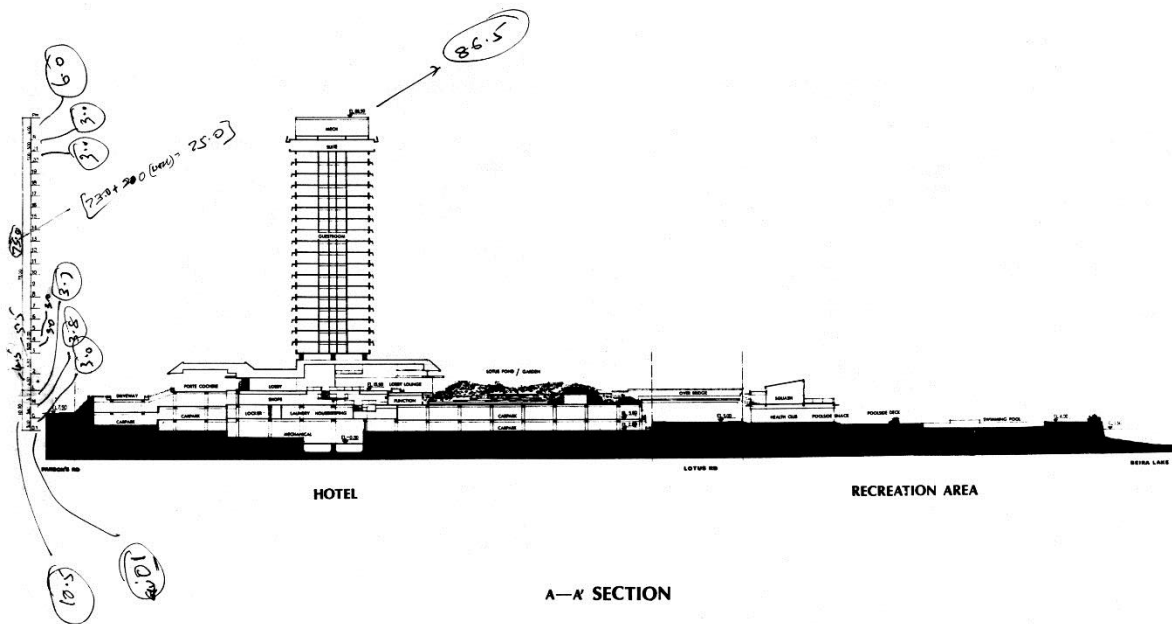


With the disclosure of the foregoing undisputed evidence of criminality, the Special Presidential Commission observed that such was an intrinsic, inherent, impossibility for the UDA even to have approved such an Architectural Plan !

The 'elevations' depicted on the Floor Plan Sheets were identical to the 'elevations' on the corresponding Floors shown in the Cross-Sectional Sheets in the original Project Plans of the Hilton Hotel, thereby well and truly establishing the criminality of cannibalization of the original Architectural Plans. The Basement Sheets had been removed – viz:



Perspectives, Cross-sectional & Floor Layout Sheets as per Project Plans for Colombo Hilton Hotel



COLOMBO HILTON INTERNATIONAL

KANKO KIKAKU SEKKEISHA
YAMADA KIKAKU GOTO HONPOKUSHA LTD. JULY 1988

The above flagrant cannibalization and the consequent adverse effect on the Profitability Projections formulated by Hilton International based upon the original Architectural Plans are well exposed in this Book, with data and sections of the Plans reproduced.

Furthermore the investigative Report on these Architectural Plans done by Shelton Wijayarathne Williams & Associates, Chartered Architects, filed by the Plaintiff Author in the District Court of Colombo, also well and truly corroborated such evidence of criminality before the Special Presidential Commission – viz:

Shelton Wijayarathna, Williams & Associates

Chartered Architects, Engineers & Surveyors

176/44, Thimbirigasyaya Road,
Colombo 5.

Our Ref :-

Your Ref -

Phone - Colombo - 583851

- 589748

Kandy Branch - 22566

Telex - 21537 METALIX CE

22933 METALIX CE

FAX - 94-1-580721

22nd August 1990

Mr. Nihal Sri Amerasekera,
Director Hotel Developers (Lanka) Ltd.
Comindtax Management Service Ltd.
167/4, Sri Vipulasena Mawatha,
Colombo 10


Dear Sir,

HILTON HOTEL COLOMBO

As requested by you we have studied and examined the Plans, Drawings and other data in the following two sets of Architectural Plans.

XX

This had shocked the conscious of the Special Presidential Commission to pose the question as to how the UDA had approved such cannibalized Plans in the very first instance, and observing that UDA could not have ever done so. Later the UDA accepting such serious fraud had prepared a set of Measured Drawings of the Hilton Hotel, as per correct areas, measurements and elevations, as per the actual Hilton Hotel construction – viz:

<p>සහජීවන සංවර්ධන හා ජලමිලිතයාදන අමාත්‍යාංශය நகர அபிவிருத்தி மற்றும் நீர்வழங்கல் அமைச்சு MINISTRY OF URBAN DEVELOPMENT & WATER SUPPLY</p>		<p>නාගරික සංවර්ධන අධිකාරිය நகர அபிவிருத்தி அதிகாரசபை Urban Development Authority</p>
<p>දුරකථන 2875916 2875911 2875918 2875652 ලැයිස්තු 2875637 දුරකථන 2875919 2875920 2875944 2875333 ලැයිස්තු 2875637 දුරකථන 2873647 2873649 2873651 ලැයිස්තු 2875637 වෙබ් අඩවිය www.uda.lk</p>		<p>6 හා 7 වැනි මහල, සේනවිරාජ, සේනවිරාජ 6, 7 ஆம் மாடிகள், "செந்திரியா", சென்னை 6 & 7 Floors, Senthirapaya, Senthirapaya</p>

My No. 04/01
3rd August 2005

Mr. Nihal Sri Amarasekera
Chairman
Public Enterprises Reform Commission in Sri Lanka
11-01, West Tower
World Trade Centre
Echelon Square
Colombo 01.



Dear Sir,

RE - MEASURED DRAWINGS OF COLOMBO HILTON

This is further to the discussion I had with you regarding the above.

I have to inform you that the detail drawings of the Colombo Hilton Hotel are not available at the Urban Development Authority (UDA) since they had been handed over to the Special Presidential Commission of Inquiry, 1995 on 03rd April, 1995.

I am forwarding herewith the letter issued by the said Commission confirming the receipt of same.

Yours faithfully,


K.V. Dharmasiri
Director General
URBAN DEVELOPMENT AUTHORITY

With the foregoing facts of criminality being well and truly established before the Special Presidential Commission, and these Japanese Companies having been unable to explain the same, L.C. Seneviratne P.C., who appeared for the Japanese Architects, Kanko Kikaku Sekkeisha, Yozo Shibata & Associates had informed the Commission that he would not appear for them anymore.

As per original Architectural Plans of August 1983 filed with the UDA and approved – Floor Elevations

	<u>Mt.</u>	<u>Mt.</u>	
Middle Tower Machine Room-Roof Top Wall Height	2.0 – Total Height With Wall	+ 86.5	
Machine Room on Middle Tower, [including Air Gap For Noise Control]	6.0 – Machine Room Roof Slab	+ 84.5	
21 st Floor Height	3.0 – 21 st Floor Roof	+ 78.5	
20 th Floor – 21 st Floor	3.0 – 21 st Floor	+ 75.5	
19 th Floor – 20 th Floor	3.0 – 20 th Floor	+ 72.5 –	+ 72.5 Elevation given in A23 as Machine Room alleged Floor Level [+ 72.7 Elevation in A22 <i>[alleged 19th Floor]</i>
18 th Floor – 19 th Floor	3.0 – 19 th Floor	+ 69.5 –	+ 69.5 Elevation in A21 <i>[alleged 18th Floor]</i>
17 th Floor – 18 th Floor	3.0 – 18 th Floor	+ 66.5	+ 66.5 Elevation in A20 <i>[alleged 17th Floor]</i>
16 th Floor – 17 th Floor	3.0 – 17 th Floor	+ 63.5	
15 th Floor – 16 th Floor	3.0 – 16 th Floor	+ 60.5	
14 th Floor – 15 th Floor	3.0 – 15 th Floor	+ 57.5	
13 th Floor – 14 th Floor	3.0 – 14 th Floor	+ 54.5	
12 th Floor – 13 th Floor	3.0 – 13 th Floor	+ 51.5	
11 th Floor – 12 th Floor	3.0 – 12 th Floor	+ 48.5	
10 th Floor – 11 th Floor	3.0 – 11 th Floor	+ 45.5	$66.5 - 24.5 = \frac{42}{3} = 14$ Floors
9 th Floor – 10 th Floor	3.0 – 10 th Floor	+ 42.5	i.e. 4 th Floor to the 18 th Floor
8 th Floor – 9 th Floor	3.0 – 9 th Floor	+ 39.5	
7 th Floor – 8 th Floor	3.0 – 8 th Floor	+ 36.5	
6 th Floor – 7 th Floor	3.0 – 7 th Floor	+ 33.5	
5 th Floor – 6 th Floor	3.0 – 6 th Floor	+ 30.5	
4 th Floor – 5 th Floor	3.0 – 5 th Floor	+ 27.5	
3 rd Floor – 4 th Floor	3.0 – 4 th Floor	+ 24.5 –	+ 24.5 Elevation in A20

2 nd Floor – 3 rd Floor	5.5 – 3 rd Floor	+ 21.5	} + 8 <i>Lobby Lounge + 13.5</i> + 2
Lobby Floor – 2 nd Floor	4.5 – 2 nd Floor	+ 16.0	
Mez. Floor – Lobby Level	3.7 + Lobby Level	+ 11.5	
Ground Floor – Mez. Floor	3.8 Mez. Floor	+ 7.8	
Car Park Level – Grd. Floor	3.0 Ground Floor	+ 4.0	
	Car Park Level	+ 1.0	<i>[+ Car Park Levels + 2.8 & + 5.8 and small Mechanical Level – 0.50]</i>

Cannibalized Fraudulent Plans – Floor Elevations

	<u>Mt.</u>	<u>Mt.</u>	
Machine Room on Middle Tower only – Height	5.0 i.e. Roof Slab on Middle Tower Machine Room	+ 77.8	– But in A23 Middle Tower Roof Top Elevation + 77.0
Air-Gap Area above 19 th Floor Roof For Noise Control	1.5 i.e. Machine Roof Floor	+ 72.4	
19 th Floor Height	3.1 i.e. 19 th Floor Roof	+ 70.9	
18 th Floor – 19 th Floor	3.1 i.e. 19 th Floor	+ 67.8	– But in A22 19 th Floor Elevation + 72.7
17 th Floor – 18 th Floor	2.9 i.e. 18 th Floor	+ 64.7	– But in A21 18 th Floor Elevation + 69.5
16 th Floor – 17 th Floor	2.9 i.e. 17 th Floor	+ 61.8	– But in A20 17 th Floor Elevation + 66.5
15 th Floor – 16 th Floor	2.9 i.e. 16 th Floor	+ 58.9	
14 th Floor – 15 th Floor	2.9 i.e. 15 th Floor	+ 56.0	
13 th Floor – 14 th Floor	2.9 i.e. 14 th Floor	+ 53.1	Note:
12 th Floor – 13 th Floor	2.9 i.e. 13 th Floor	+ 50.2	66.5 – 24.5 = <u>42</u> = 14.5 Floors 2.9
11 th Floor – 12 th Floor	2.9 i.e. 12 th Floor	+ 47.3	<i>This cannot be</i>
10 th Floor – 11 th Floor	2.9 i.e. 11 th Floor	+ 44.4	
9 th Floor – 10 th Floor	2.9 i.e. 9 th Floor	+ 41.5	
8 th Floor – 9 th Floor	2.9 i.e. 8 th Floor	+ 38.6	
7 th Floor – 8 th Floor	2.9 i.e. 8 th Floor	+ 35.7	
6 th Floor – 7 th Floor	2.9 i.e. 7 th Floor	+ 32.8	
5 th Floor – 6 th Floor	2.9 i.e. 6 th Floor	+ 29.9	

4 th Floor – 5 th Floor	2.9 i.e. 5 th Floor	+ 27.0
3 rd Floor – 4 th Floor	3.1 i.e. 4 th Floor	+ 24.1 – But in A20 4 th Floor Elevation + 24.5
2 nd Floor – 3 rd Floor	5.5 i.e. 3 rd Floor	+ 21.0 – But in A19 3 rd Floor Elevation + 24.5
Lobby Floor – 2 nd Floor	4.5 i.e. 2 nd Floor	+ 15.5
As per KKS SHEET A28	Lobby Level	+ 11.0

Having obtained Government Guarantees from the Sri Lanka Government on the basis of the Profitability Projections, which had been prepared on the original Architectural Plans and by so cannibalizing them, a major fraud had been knowingly and willfully perpetrated on the Government of Sri Lanka and the public of Sri Lanka. As a consequence, the legal reality was that the Sri Lanka Government Guarantees therefore stood null and void and of no force or avail in law.

- “(ii) Profitability Forecast & Cash Flow Projections for **456 Rooms** prepared and forwarded by Mitsui in **March 1983** and **October 1983** in agreement and in conformity with the above, except increasing the Average Room Rate, as per Hilton International's letter dated 31.3.83 (now marked P7(a)), obviously submitted in concurrence with Mitsui.

No. of Rooms (Room Days) Available (For Year) i.e. 456 Rooms x 365 days	166440	166440	166440
Room Occupancy	65%	70%	75%
Average Room Rate - US\$	73.00	78.84	85.15
Room Revenue - US\$ '000	7898	9185	10629
Total Revenue - US\$ '000	15486	18010	20841
Gross Operational Profit - US\$ '000	6194	7563	8962
G.O.P. Rate	40%	42%	43%
Net Funds Available - US\$ '000	5180	6403	7651

- Reworked Revised Profitability & Cash Flow Projections prepared and formulated by Mitsui in February 1988 for consideration of Long Term Debt Re-scheduling after query was raised in relation to the Number of Rooms, reducing the computation to **387 Rooms**. Relevant extracts are given below:

No. of Rooms (Room Days) Available (For Year) i. e. 387 Rooms x 365 Days	141255	141255	141255
Room Occupancy	20%	30%	40%
Average Room Rate US\$	40.0	50.0	60.0
Room Revenue - US\$ '000	1130	2119	3390
Total Revenue - US\$ '000	4800	5298	7614

Gross Operating Profit - US\$ '000	0	350	1904
G.O.P. Rate	0	0	25%
Net Funds Available - US\$ '000	0	0	1421

Significantly, Cornel & Co. Ltd., by its Affidavit dated 21.7.1995 in D.C. Colombo Case No. 4414/Spl sworn by C.L. Perera at paragraph 56, 59 and 60 had corroborated thus:

"56. I further plead that as the Supreme Court has already observed that prima facie fraud has been established and in any event, in all probabilities the alleged fraud to have been committed by the Mitsui and Taisei will be established in the action and in that event, the H.D.L. will not have to make any payment to Mitsui and Taisei and the guarantee given by the Government of Sri Lanka can be set aside or cancelled or revoked.

59. I further state that the Supreme Court of this country had already observed that prima facie fraud had been established on the part of Mitsui and Taisei and that in all probabilities that the fraud committed by the said Mitsui Taisei will be established in the said Case No. 3155/Spl. instated by Mr. N.S. Ameresekere as representing HDL.

60. I further state that since the matters stated in Case No. 4392/Spl., are the same as stated in Case No. 3155./Spl., the said Case No. 4392/Spl., there is a strong likelihood of this action also being successful and the Government of Sri Lanka will be retrieved of all burdens under the said guarantees "P15" and "P16". "

Upon such *corroborative* evidence being disclosed, Chairman-Justice P.R.P Perera of the Special Presidential Commission, could not help, but *involuntarily spontaneously observe* that this was a '*black case*', as *black* as the case of the Buddhist Priest Talduwa Somarama Thera, who was sentenced to death, for having shot dead on 25th September 1959 Sri Lanka's then Prime Minister S.W.R.D. Bandaranaike, father of President Chandrika Kumaratunga.

The daily proceedings before the Special Presidential Commission had been re-produced in this Book by including therein the media reports published, from which the daily evidence and proceedings are well and truly extensively disclosed in this Book.

Regretfully, amidst social, political and diplomatic pressures, the Special Presidential Commission Warrant was not extended in its very final stages by President Chandrika Kumaratunga for unknown reasons.

However, very much later in 2004, President Chandrika Kumaratunga had confided in the Author, that Justice & Constitutional Minister G.L. Peiris had brought K.N. Choksy P.C., M.P., then an influential Member of the Opposition United National Party (UNP) to meet her, and he had assured her to extend unstinted support of the UNP for the draft Constitution of August 2000 to be enacted in Parliament of Sri Lanka.

Thus in these circumstances, she had not extended the Warrant of the Special Presidential Commission on the premise that the Constitution was more important, than the Special Presidential Commission investigation into this colossal Hilton Hotel fraud. Ironically, Opposition UNP did not so support and the August 2000 draft Constitution was rejected in Parliament of Sri Lanka !

Daily News

The English Daily with the largest circulation in Sri Lanka
Friday, June 07 1996

In bid to expedite solution to ethnic problem

Prof. Peiris has a 'cordial and fruitful' meeting with Ranil

In an effort to speed up the political process to work out a solution to the ethnic problem, Justice and Constitutional Affairs Minister Prof. G. L. Peiris had a meeting with Opposition and UNP leader Ranil Wickremesinghe on Monday.
"It was a cordial and fruitful meeting... We surveyed the progress made so far, the procedure that should be followed and how to prepare for the

balance work", Prof. Peiris said.
He told yesterday's press conference at the parliamentary complex that he reiterated to Mr. Wickremesinghe the president's position that a bipartisan approach should be adopted in finding a solution to the ethnic problem.
Question: In view of the government's accusation (Contd. on page 12)

The Island

Friday, June 21st 1996

Choksy's proposal under review to break deadlock in select committee

By Suresh Mohamed
A proposal made by UNP MP K. N. Choksy that devolutionary arrangements should be set up in Article 76 of the Constitution is being looked at carefully by the government to break the deadlock in the Parliamentary Select Committee on Constitutional Reforms, on the fundamental question of the nature of the state.
Sri Lanka is a unitary state as enshrined in Article 2 of the Constitution. Some representatives of political parties in the SC have indicated serious difficulties in departing from this principle. They are rightly opposed to its status being changed. Justice and Constitutional Affairs Minister, G. L. Peiris disclosed.
"They want this unitary status to continue.

SC deliberations had reached a very critical and sensitive stage. This fundamental problem is an impediment to rapid progress in the discussion. The government is happy about the proposal made by Mr. Choksy that Article 76 of the Constitution be amended to set up the devolutionary arrangements. Then Article 2 which deals with the unitary state will be subject

to Article 76. Prof. Peiris told journalists at yesterday's Cabinet news conference at the Sri Jayawardenepura Parliamentary complex.
He said that he discussed this matter with the President.
The government's view is that this proposal must be looked at carefully to break the deadlock and find a way out of this impasse. This matter was also discussed with the Opposition leader.
Prof. Peiris explained that he is working with Attorney General Sarath Silva and the legal draughtsman Hain Abeysekera to develop constitutional provisions on this line. This will be developed and placed before the SC within the next three weeks.
"We don't want Continued on page 3

PARLIAMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

THE CONSTITUTION OF THE REPUBLIC OF SRI LANKA

A
BILL

to repeal and replace the Constitution of the Democratic Socialist Republic of Sri Lanka

Presented by the Minister of Justice, Constitutional Affairs, Ethnic Affairs and National Integration and Deputy Minister of Finance on 03rd August, 2000.

Ordered by Parliament to be printed.

[Bill No. 372]

PRINTED AT THE DEPARTMENT OF GOVERNMENT PRINTING, SRI LANKA
to be purchased at the Government Publications Bureau, Colombo 01
Price : Rs. 140.00 Postage : Rs. 19.50

Thereafter President Chandrika Kumaratunga regretting the foregoing action had directed the Inspector General of Police in writing on 5.3.2004 and 8.3.2004 to investigate and take immediate action into the foregoing colossal fraud – viz:



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இலங்கை சனாதிபதி
President of Sri Lanka

March 5, 2004

Mr. Indra de Silva
Inspector General of Police.

Criminal prosecution against K.N. Choksy P.C., M.P. and R. Paskaralingam for fraud perpetrated on the Government / cover-up thereof

I refer to the contents of the attached Letter dated February 18, 2004 on the above subject, forwarded to the Hon. Attorney General, with copies to you and the CID.

I also refer you to the previous Letters referred to therein, Letters dated December 18, 2003, December 22, 2003, December 24, 2003 and January 5, 2004 forwarded to the Hon. Attorney General, with copies to you and the CID.

I also draw your attention to the Hon. Attorney General's Letter dated December 23, 2003, informing that he had called for the relevant particulars from you.

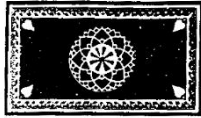
I hereby direct you to forthwith investigate the aforesaid matter and take warranted action, strictly enforcing the rule of law and forward me a report thereon immediately.

Chandrika Bandaranāyake Kumaratunga

P.S. Please inform me by this evening the names of the officers you have assigned for this investigation



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இலங்கை சனாதிபதி
Democratic Socialist Republic of Sri Lanka



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இலங்கை சனாதிபதி
President of Sri Lanka

"March 8, 2004

Mr. T. I. de Silva
I G P
Police Headquarters
Colombo 01

1. **Criminal prosecution against K.N. Choksy P.C., and R. Paskaralingam for fraud perpetrated on the Government / cover-up thereof**
2. **To charge P.B.J. Douglas Peiris under the provisions of the Immigrants and Emigrants Act in the Appropriate Magistrate Courts**

I refer to your reply dated 05th March 2004 to my directive on the above issues and bring to your notice the following facts.

1. The Hon. Attorney General by letter dated 23rd December 2003 (copy attached) had intimated that he had called for relevant particulars from you, in the context of the complaint made, clearly to take action thereon.

In reply thereto, by letter dated December 24th 2003, (Copy attached) the Hon. Attorney General had been informed that the relevant records and documents are with Addl. Solicitor General, Mr. Saleem Marsoof, who had handled this inquiry.

I am also advised that the Secretary of the Special Presidential Commission had forwarded the records and documents of your Department, into this inquiry, to the Archives Department, from where you could retrieve them.

I hereby direct you to proceed with this matter, obtaining the relevant records and documents from the Addl. Solicitor General and/or the Archives Department.

XX

I hereby direct you to proceed with the investigations in this matter strictly enforcing the rule of law. Please take action today and report to me tomorrow - Wed. 10 March.


Chandrika Bandaranaike Kumaratunga



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இலங்கை சனநாயக சோசலிசக் குடியரசு
Democratic Socialist Republic of Sri Lanka

The criminal investigation by the CID was conducted by then Superintendent of Police A.R. Waidyalankara, but had not been concluded for some mysterious reasons, with him having endeavoured to photocopy voluminous documents, which could have been obtained on a Court Order and with the Attorney General's Department stalling, as disclosed in this Book. Representations to the National Police Commission had not borne any results.

ආ. ප. අංකය } ප. ප. අංකය } 534 P.O. Box No. } විද්‍යුත් තැපෑල } "සෙක්‍රිම" තැපෑල } "සෙක්‍රිම" කොழும்පු Telegram } "SECRIM" COLOMBO ආකේෂ අංකය } ප. ප. අංකය } 422176 Fax No. }	 ශ්‍රී ලංකා පොලීසිය இலங்கைப் பொலிசு SRI LANKA POLICE අපරාධ පරීක්ෂණ දෙපාර්තමේන්තුව குற்றவியல் புலனாய்வுத் திணைக்களம் CRIMINAL INVESTIGATION DEPARTMENT සිරිවැටි මහල, නව මහ ලේකම් කොට්ඨාසය 4 ஆம் மாடி, புதிய செயலகக் கட்டிடம் 4th Floor, New Secretariat Building කොළඹ 1, ශ්‍රී ලංකාව කොழும்පු 1, இலங்கை Colombo 1, Sri Lanka	CLASSIFICATION  මගේ අංකය } C.C.I.H.I 2886/05 எனது இல } My No. } ඔබේ අංකය } உங்கள் இல } Your No. } දිනය } 27.12.2005 திகதி } Date }
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"Mr. Nihal Sri Ameresekere
 167/4, Sri Vipulasena Mawatha
 P.O. Box 1796
 Colombo 10.


Dear Sir,

**CRIMINAL PROSECUTION AGAINST MR. K.N. CHOKSY P.C. M.P.
 & MR. PASKARALINGAM & OTHERS**

I make reference to your letter dated 21.12.2005 on the above noted investigation.

2. The contents of your letter is noted and your assistance rendered so far is highly appreciated.
3. However the investigation has come to a standstill due to the non availability of the documents relating to the alleged transactions. As instructed by you in your letter dated 08.11.2005 Mr. S.K.P. Bambarenda was contacted and he confirmed that the relevant documents were handed over to Department of National Archives in early 2002, which was earlier denied by Director National Archives by her letter dated 05.08.2005.
4. Mr. S.K.P. Bambarenda's Stance was conveyed to the Director, Archives once again personally and the Director had agreed to conduct a further search in this regard. A reply is being awaited.

Yours faithfully


 A.R. Waidyalankara
 Supdt. Of Police
 Criminal Investigation Department

Copy: Deputy Inspector General of Police
 Criminal Investigation Department

"

My No. C.85/04/CM

19.10.2006

Director
 National Archives Department
 No. .7, Reid Avenue
 Colombo 7.

**Re - Documents of Investigation carried out by
Special Presidential Commission 1995 re - Hilton Hotel Project**

Reference the Application made, supplying photocopying paper for the obtaining of the aforesaid documents.

Since there had been a delay in obtaining these documents, it has not been possible to carry out investigations. It has been reported that my Officers having met you have had discussions on several occasions in this regard and it would be greatly appreciated if the said documents be expeditiously delivered.

Sgd.
Director / Criminal Investigations
Seal of A.R. Vidyalankara
Senior Superintendent of Police
Criminal Investigation Department
Colombo 1.

cc: Nihal Sri Ameresekere, No. 167/4, Sri Vipulasena Mawatha, Colombo 10."

Even with Lalith Weeratunga, Secretary to President Mahinda Rajapakshe having addressed the Hon. Attorney General C.R.de Silva P.C., in this regard, nothing happened, disclosing the socio-political realities. Those who perpetrated this colossal fraud on the Government of Sri Lanka and the people, those who colluded or aided and abetted therewith and those who shamelessly covered-up, got off scot free !



ජනාධිපති කාර්යාලය
சனாதிபதி அலுவலகம்
PRESIDENTIAL SECRETARIAT

මගේ අංකය
எனது இல.
My No. } SP/4/12
ඔබේ අංකය
உமது இல.
Your No. }
කොළඹ 1.
கொழும்பு 1.
Colombo 1.

March 15, 2007

Hon. Attorney General
Attorney General's Department

Mr. Nihal Sri Ameresekere has been repeatedly writing to me in regard to what he considers to be a major fraud in the construction of the Colombo Hilton. He also contends that the Supreme Court upheld that there was a major fraud in the construction and had further made an observation that the government should not be indifferent.

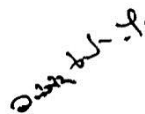
Mr. Ameresekere further laments that his numerous complaints to the CID has gone unheeded. I wish to seek your advice as to what action the government of Sri Lanka should take on this matter, as Mr. Ameresekere emphasizes that a major fraud has been perpetrated on the government of Sri Lanka.

Lalith Weeratunga
Secretary to the President

Copy: Mr. Nihal Sri Ameresekere
Business & Management Consultant
167/4, Sri Vipulasena Mawatha,
Colombo.

AR/C/MrN8/A/m/07/153

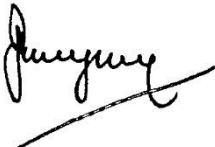
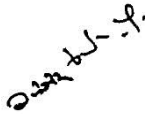
The Author had brilliantly compared the detail proceedings of the above endeavours to prosecute a major colossal fraud, with the haste in which the Presidential Candidate, then Major General Sarath Fonseka, who had contested President Mahinda Rajapakse had been hastily charged, with Court Marshals promptly constituted in haste on comparatively much lesser offences, *inter-alia*, of 'conflict of interest' and 'violation of procurement guidelines'.

31 st March 2010	<p>Commander of the Army</p> <p>To be tried by General Court Martial</p>  <p>MAHINDA RAJAPAKSA President of the Democratic Socialist Republic of Sri Lanka</p>
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CHARGE SHEET – No. II

The Accused O/50536 General GSC Fonseka RWP RSP VSV USP rcds psc is charged with:

<p>1ST CHARGE Sec 109 (e) of the Army Act</p>	<p>DISGRACEFUL CONDUCT</p> <p>In that you O/50536 General GSC Fonseka being an officer of the Regular Force of the Sri Lanka Army whilst on active service being the Commander of the Sri Lanka Army served as Chairman of the Tender Board pertaining to the procurement of 5KVA Generators (50 Nos) under reference No. DPC/2008/2.14.1-86 from M/S British Borneo Defence - Australia through M/S Hicorp (Pvt) Ltd., and awarded the tender to the British Borneo Defence - Australia through M/S Hicorp (Pvt) Ltd., on or about 28th day of February 2008 in the knowledge of the fact that your son-in-law Danuna Thilakaratne had an interest or concern with the M/S Hicorp (Pvt) Ltd., aforesaid which relationship if disclosed, would have required you to disassociate yourself from the tender process in accordance with paragraph 1:4:2 and 1:4:3 of the Procurement Guidelines of 2006, and that you concealed the said relationship up to the date of your retirement on the 14th November 2009 and thereby you did commit a fraudulent act punishable under Section 109 of the Army Act No. 17 of 1949 (Chapter 357) of the Legislative Enactments of Sri Lanka (Ceylon)</p>
<p>2ND CHARGE Sec 109 (e) of the Army Act</p>	<p>DISGRACEFUL CONDUCT</p> <p>In that you O/50536 General GSC Fonseka being an officer of the Regular Force of the Sri Lanka Army whilst on active service being the Commander of the Sri Lanka Army served as Chairman of the Tender Board pertaining to the procurement of VHF Direction Finders (03 Nos) under reference No. DPC/2008/2.14.1/502 from M/S British Borneo Defence - Australia through M/S Hicorp (Pvt) Ltd., and awarded the tender to the British Borneo Defence - Australia through M/S Hicorp (Pvt) Ltd., on or about 23rd day of July 2008 in the knowledge of the fact that your son-in-law Danuna Thilakaratne had an interest or concern with the M/S Hicorp (Pvt) Ltd., aforesaid which relationship if disclosed, would have required you to disassociate yourself from the tender process in accordance with paragraph 1:4:2 and 1:4:3 of the Procurement Guidelines of 2006, and that you concealed the said relationship up to the date of your retirement on the 14th November 2009 and thereby you did commit a fraudulent act punishable under Section 109 of the Army Act No. 17 of 1949</p>

<p>24th March 2010</p>	<p>(Chapter 357) of the Legislative Enactments of Sri Lanka (Ceylon)</p> <p>To be remanded for trial by General Court Martial</p>  <p>J. JAYASURIYA USP ndu psc Lieutenant General Commander of the Army</p>
<p>31st March 2010</p>	<p>To be tried by General Court Martial</p>  <p>MAHINDA RAJAPAKSA President of the Democratic Socialist Republic of Sri Lanka</p>

In addition to the foregoing, the Author had revealed in details the endeavours made by him to have the Securities & Exchange Commission (SEC) to take action in terms of the law, which they too had shockingly stalled on, notwithstanding HDL having been a listed public company.

Such conduct of the SEC had been castigated by then Hon. Attorney General T.J. Marapana P.C., in including the following Condition in Settlement Agreements entered into as referred to above, with subsequent Hon. Attorney General Shibly Aziz P.C., and Solicitor General P.L.D. Premaratne also affirming .

- “5. The Government shall and will take appropriate independent actions on the conduct and actions of the Securities and Exchange Commission of Sri Lanka and/or Members of its Commission and the Colombo Stock Exchange and/or of its Directors, in relation to the representations made by Mr. Ameresekere to the said institutions on matters pertaining to HDL, which matters Mr. Ameresekere also reserves the right to pursue.”

Finally, the Author discloses that notwithstanding the President of Institute of Chartered Accountants of Sri Lanka (ICASL), being an *ex-Officio* Member of the SEC and thereby having been privy to the totality of the facts as had been placed before the SEC, and disregarding the aforesaid appalling conduct and actions of a Member Firm KPMG Ford, Rhodes Thornton & Co., Chartered Accountants, the ICASL had not taken any action, whatsoever, there into disregarding the Author’s representations.

Shockingly on the contrary, ICASL had endeavoured to ‘whitewash’ *vis-à-vis* this colossal white collar crime and fraud, K.N. Choksy P.C., M.P., a primary wrong-doer Director of HDL due to socio-political compulsions by inviting him as the Chief Guest for ‘the Awards for Excellence in Annual Reports & Accounts’ - a *despicable* act condemned by the Plaintiff Author Director of HDL.

Attempt to whitewash by ICASL



THE PRESIDENT & COUNCIL
OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF SRI LANKA
cordially invite

.....*Mr. N. S. Amarasekera*.....

to the
CEREMONIAL AWARDS PRESENTATION
OF THE
COMPETITION FOR AWARDS FOR EXCELLENCE
IN ANNUAL REPORT & ACCOUNTS - 1992

by
the Chief Guest
HON. K N CHOKSY
Minister of Constitutional & State Affairs

at the Auditorium of the Institute
on Thursday, 14th October 1993 at 6.30 p.m.

(Invitees are kindly requested to be in their seats by 6.15 p.m.
and bring this invitation with them)

RSVP: Aroka
Tel: 586256, 585451, 500265
ICASL, 30 A, Malalasekera Mawatha,
Colombo 7

DRESS:
National or Lounge

Charge Sheet against K.N. Choksy P.C., M.P., a Director of HDL issued by the Special Presidential Commission

INQUIRY NO. 1/95

NOTICE UNDER SECTION 9 OF THE SPECIAL PRESIDENTIAL COMMISSION OF INQUIRY LAW

TO : MR. KAIRSHASP NARIMAN CHOKSY

You, whilst holding the office of Director of Hotel Developers (Lanka) Ltd., which was the owning Company of the Colombo Hilton Hotel and the Company responsible for the construction of the said Hotel by Mitsui and Taisei Corporation of Japan, did or omit to do, between 19th December 1986 and 10th June, 1993 the following acts -:

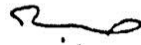
- (1) deliberately and wrongfully fail and neglect to take action to ensure that the construction of the said Hotel was in accordance with the original Architectural Plans dated 15.08.1983 and the schematic design plan of 1980 marked as P4 and P4A, notwithstanding the fact that these matters were specifically brought to your notice by Nihal Sri Amarasekera, a Director of the said Company,
- (2) wrongfully oppose the recommendation made by the Government Nominee Director, M.T.L. Fernando to have an independent physical examination of the said Hotel carried out to ascertain whether the said Hotel had been constructed by the contractor in accordance with the original Architectural Plans dated 15.08.1983 and the schematic design plan of 1980 marked as P4 and P4A,
- (3) notwithstanding the serious discrepancies and queries that had surfaced at the meetings of the Board of Directors of the said Company and the objections raised by several Directors to the payments to be made to the contractors, collusively act together with Cornel L. Perera and persuade and/or induce the Secretary, Ministry of Finance, R. Pas-karalingam, to make a payment of US Dollars Two Million (US \$ 2,000,000) to Mitsui & Taisei Corporation of Japan,
- (4) disregard the discrepancies, shortcomings and irregularities which were brought to the notice of the Board of Directors, and wrongfully attempt to approve as authentic the Annual Accounts of the said Company for the year ended 31st March 1990 and endeavour to take action to adopt the accounts with the object of suppressing the aforesaid fraudulent acts and omissions,

(5) Notwithstanding the serious discrepancies, shortcomings and queries that had surfaced and disregarding the objections raised at the Meetings of the Board of Directors of the said Company for the making of any payment to Mitsui & Taisei Corporation of Japan, issue a Letter dated 28.02.1990 addressed to H. Ogami, representative of Mitsui & Taisei Corporation, inter-alia, stating that, the two Certificates (of conformity) issued by the Urban Development Authority are "adequate coverage that the Hotel construction work is in conformity with all the stipulations of the Contract, and the owner will be justified in making the balance payment to the contractor" and thereby attempt to wrongfully and deliberately facilitate the making of the full payment to Mitsui & Taisei Corporation of Japan, which was detrimental to the interests of the said Company and/or the Government of Sri Lanka,

The aforesaid acts of commission and/or omission on your part were fraudulent and were detrimental to the interests of the said Company and/or the Government of Sri Lanka, in its capacity as the major Shareholder, causing financial loss and damage to the said Company and/or the Government of Sri Lanka.

Having regard to the matters set out hereinabove, you are hereby required to show cause as to why you should not be found guilty of misuse or abuse of power and/or corruption and/or the commission of fraudulent acts in terms of Section 9 of the Special Presidential Commission of Inquiry Law No. 7 of 1978, as amended.

BY ORDER OF THE COMMISSION



SECRETARY

My No: SPC 95/PIQ/1/95

12th December, 1995

Inquiry No. 1/95

TO: MR. KAIRSHASP NARIMAN CHOKSY

NOTICE UNDER SECTION 9 OF THE SPECIAL PRESIDENTIAL
COMMISSIONS OF INQUIRY LAW.

The Commission has directed me to forward to you the original Notice in Sinhala in terms of Section 9 of the Presidential Commissions of Inquiry Law No. 7 of 1978, which is annexed hereto.

You are also informed that there is an error in Count 5 of the Notice served on you on 8.12.1995 (English Copy). This error has now been rectified. The correction being, in Count 5, in lieu of the words

" (of conformity) issued by the Urban Development Authority"

the following words are substituted:

"dated 10.4.1987 and 25.08.1988 issued by the Architects Kanko Kikaku Sekkeiysha".

Count 5 of the said Notice in its corrected form is attached herewith.

BY ORDER OF THE COMMISSION



(N A Obadage)
SECRETARY TO THE COMMISSION