

Scenario 214

JIT's DAY-TO-DAY PROBE - II

REHMAN MALIK - CUNNING & UNRELIABLE:

On 12th July 2017; daily newspaper 'the Express News' published some facts with the following caption: **Rehman Malik 'cunning and un-reliable'**, JIT report declared.

The JIT report says that the former minister lied about submitting tax records of Sharifs' London flats to NAB.

The damning report prepared by the Joint Investigation Team [JIT] probing the Sharif family's offshore accounts and alleged corruption, also took former **interior minister Rehman Malik in its folds, declaring him "cunning and unreliable"** on the basis of his statements to the JIT.

According to *Express News*, the JIT probing Panama Leaks case declared **Malik unreliable for giving statements to mislead the investigation while he had not brought with him any proof of corruption against the Sharif family.**

According to the JIT report:

"Declaring Malik cunning, unreliable and politically motivated, the JIT report says that the former minister lied about submitting tax records of Sharifs' London flats to the National Accountability Bureau [NAB] and that his aim was only political point-scoring.

Malik, who belongs to the Pakistan Peoples Party [PPP], did not have any evidence of Sharif's money trail; he didn't contribute anything to the JIT's investigation and his claim of giving tax documents to NAB was also false."

Rehman Malik, then a sitting senator of the PPP, appeared before the JIT on 23rd June 2017. Talking to media reporters before heading to the JIT, the PPP leader told them that he had turned up in his capacity as FIA's former Additional DG who had, along with a team of 10 investigators, completed the report about the Sharif family's offshore dealings. He also carried briefcases, claiming that the same were '*full of proofs.*'

Senator Rehman Malik had told the media persons gathered outside the Judicial Academy that:

"[On 23rd June 2017];he had confirmed every word of the 200-page report that he had prepared regarding Hudaibiya Mills and Sharif family's alleged money laundering. He had also presented the JIT with a copy of the letter he had written to the then president Rafiq Tarar."

Malik expressed confidence in the JIT, stating that "*...the team was comprised of professionals. If they ask for my help in the future as well, I will appear before the JIT.*"

PML[N] leaders, in a press conference after the submission of the report, announced that the party would contest the report in the court, and also labelled it '**worthless trash**'.

On the same day of 23rd June 2017 and during **EID holidays**; a four-member probe team, headed by FIA Anti-Corruption Wing Director Maqsoodul Hassan, conducted its investigation into the SECP in regard to the JIT's allegations of tampering in their records.

The allegation of record tampering was levelled by the JIT against the SECP, the corporate sector regulator; records and witness statements were scrutinised at FIA HQ. The team was formed on the directives of the apex court bench. The team's first order of business was to meet Muzzafar Ahmed Mirza, SECP's Chief Prosecutor and head of its Prosecution and Legal Affairs Division. Mr Muzzafar was asked to remain available during EID holidays and ensure that officials of the law department were present, along with all the relevant records.

The accusation of record-tampering was levelled against incumbent Chairman SECP Mr Hijazi; was alleged that he closed an inquiry of money laundering by Chaudhry Sugar Mills — owned by the Sharif family — with retrospective effect. The FIA officials came prepared and knew where to start. Within minutes of taking charge, Mr Arsalan, Deputy Director Enforcement

in SECP, was called to answer some questions; his interview lasted for about four hours.

SHARIFs' SUGAR MILLS IN FRAUD CLAIMS:

In its response to the JIT's allegations, submitted to the Supreme Court, the SECP maintained that investigations against Chaudhry Sugar Mills were completed in 2013, before the incumbent government came to power. But a startling revelation was made by Maheen Fatima, the current Director of the Internal Audit and Compliance Department, before the JIT and the FIA team — that she had initiated investigations against Chaudhry Sugar Mills in 2011, but the case was suddenly closed in 2016.

In her statement to the JIT, which was also repeated in front of the FIA team, Ms Fatima claimed that the investigation into money laundering by Chaudhry Sugar Mills was dumped in May 2013, just after PML[N]'s success in general elections. In view of these contradictory statements, FIA examined one Abid Hussain, who was heading the Enforcement Directorate in 2011 and was currently the Executive Director of the Corporate Supervision Department in the SECP's Company Law division.

In addition, the then acting SECP Chairman Tahir Mahmood — who was later working as Commissioner of the Company Law Division — was also asked if the investigations against Chaudhry Sugar Mills were finalised in 2013 or not. Another officer, Ali Azeem, who was Executive Director in 2016, told the FIA team that the Chaudhry Sugar Mills case was closed in 2013 as referred to the official statement submitted by the SECP to the Supreme Court.

But it was clear from the statements that after Mr Hijazi took over as the Chairman in December 2014; he reshuffled executives in the commission ***and closed the sugar mills inquiry after the Panama Papers case surfaced in April 2016.***

On 30th June 2017; Chairman SECP Zafar Hijazi asserted that money laundering did not come under the purview of his organisation and that he was not to be held responsible for tampering of records by subordinate officers — as alleged by the JIT; see an official statement by Hijazi:

"Since the inquiry proceedings are continuing, I am not supposed to give any version publicly. Once the inquiry is complete, I will definitely explain my position publicly to my countrymen.

I've to merely say that anti-money laundering proceedings and the proceeding under Section 263 of the Companies Ordinance 1984 are two entirely different matters and should not be mixed."

Chairman Hijazi claimed that he was not aware that records related to the Chaudhry Sugar Mills Ltd [CSML] had been tampered with or that there had been any irregularity. Secondly:

"...the head of any organisation is not supposed to be aware of deficiencies or shortcomings in a particular case file nor he can be considered responsible for any such deficiency or wrongdoing."

However, FIA had caught him for tampering of the SECP records related to the CSML and seized the records to be placed before the Supreme Court bench. The SECP Chief said: *"I have explained my position to the FIA team which is also reflected in media reports."*

FIA and the JIT had concluded that the SECP's inquiry proceedings in the CSML case were closed in 2016, **but the records were backdated**. The discrepancy was there but to be ascertained that who did it. The JIT's report dated 12th June 2017 said that it had been revealed during the examination of witnesses from the SECP that **Mr Hijazi was instrumental in closing the investigation of a money laundering case against the CSML**. The report said:

"This investigation was commenced in the year 2011 but was closed in the year 2016, in back date with effect from 8-01-2013, at the sole behest of the SECP chairman. This act of backdated closure of the investigation apart from being patently malafide, is also a criminal act....It was executed by Mr Ali Azeem Ikram, Executive Director, SECP.

Incidentally, the said Ali Azeem Ikram was initially nominated by SECP's Chairman so as to be a member of the present JIT. It seems that the nomination of said Mr Ali Azeem Ikram to be a member of the present JIT by the Chairman SECP had been made with a clear intent to subvert the investigations of the JIT."

Later that day, the FIA team probing alleged record tampering by the SECP finished its work with the IT Department of the corporate sector regulator. FIA had confiscated certain hardware, including the laptop issued to Chairman Hijazi; to ensure the security of data on the whole network.

[SECP's software operates from abroad and the data is protected at five levels. The FIA personnel took email records of several executives who were investigated earlier, while the option to delete previous records has been blocked in the emails of many officers.]

Meanwhile, the FIA told about the conclusion that:

"...they [SECP's crew] have all acknowledged that the closing note in the case of the CSML was penned in 2016 in the office of SECP Chairman Zafar Hijazi retroactively.

This was a serious crime, which also proves harassment of SECP officers & employees because they were made to sign it under duress."

The closing note was made by Maheen Fatima, the officer assigned to the money laundering case involving the CSML, while it was signed by Ali Azeem, the [then] head of the enforcement department in 2013. This was contrary to the written reply given by the SECP to the Supreme Court.

Let us re-visit the said SECP case from another angle.

In its complaint before the apex court, the JIT alleged that SECP Chairman ordered closure of an investigation into money laundering allegations against the Chaudhry Sugar Mills Ltd [CSML] owned by the Sharif family. The '**JIT complaint**' also alleged:

"c. It is respectfully pointed out that the orders of the Chairman SECP to tamper the record and close Chaudhry Sugar Mills investigation of money laundering in back date, was executed by one Mr Ali Azeem Ikram, Executive Director, SECP.

d. In the above context, one can now appreciate as to the backdrop in which the 'WhatsApp call controversy' was stirred at the behest of the Chairman SECP, attempting to drag the learned Registrar of this honourable court, when in actuality the learned Registrar, on his own volition, had no role in the matter."

The fact remains that the money laundering probe initiated against Chaudhry Sugar Mills [CSML] in 2011 on a tip of coming foreign exchange equivalent to Rs:1.5 billion from UK against dubious & bogus consignments for export of SUGAR. It was closed in May 2013 but it was not reflected in

both the files of the case maintained by the SECP. There were two files maintained at Corporate Supervision Department [CSD] of SECP with regard to CSML. One of these files was regarding the anti-money laundering investigation in the shape of letter written to UK CA and the other file was the routine examination file.

The relevant note portion in the anti-money laundering investigation file shows that the case was closed in May 2013. However, the same note was not written on the routine examination file. The evidence available on record contained letters for closure to UK CA in 2013, relevant note portion of anti-money laundering investigation file and non-inclusion of export sales regarding observation in the Section 263 order, which demonstrate that the matter was already closed.

However, in June 2016, former head of CSD Ali Azeem Ikram was called in the incumbent Chairman Hijazi's office where Tahir Mehmood, Commissioner [CLD], Abid Hussain and Ms Maheen Fatima, Director CSD were already sitting and files of CSML were lying open on Chairman's table.

The Chairman directed the officers to immediately put a backdated note in the file to confirm closing of inquiry on the relevant date. Following chairman's alleged pressure, Ms Maheen Fatima was said to have prepared the note with her signature.

The note was signed by Ali Azeem Ikram while Abid Hussain reported the compliance of the same to Tahir Mahmood, Commissioner CSD for onward confirmation to the chairman that his directions had been complied with.

[The main issue should have been the 'compromised closure' of the inquiry in May 2013 just when the owners of CSML, the Sharifs, came in power after general elections. Who had ordered for closure of the enquiry and for withdrawal of the letter written to the UK Corporate / Central Authority?]

No one bothered to know in FIA or the JIT that what the nature of enquiry was; see below:

Director Enforcement of the SECP had written a letter to Central Authority of UK's Home Office that Chaudhry Sugar Mills' two transactions of Rs:73,97,00000 & 69,99,94000 [circa Rs:740m & Rs: 700m respectively] of year 2009 were not properly recorded in Mills' accounts and registers. It

was asked that what exports were done against those hefty amounts.

Every sane person knows that CSML's sugar was never exported to UK. In UK, sugar is always cheaper than in Pakistan. It was a proved case of forgery, fraud and illegal claim-back of hefty amount of subsidy on about Rs: 1.5 billion.]

In 2011, inquiry against Sharif's CSML was started on the above narrative which every one ignored and was abruptly closed when Sharifs came in power in May 2013.

But the CSML has been in the dubious dealings because of the fact that all state departments in Pakistan knew that the business belonged to the powerful family of Sharifs. See the latest episode in that respect:

[Latest Sugar Export Subsidy Scam;

On 22nd May 2017; *M/s Chaudhry Sugar Mills has approached Appellate Tribunal Karachi Customs appealing against the order of Collector Customs Adjudication, which charged the sugar mill for making fake export GDs [Goods Declarations] and making paper export of 5420 MT of sugar to Afghanistan.*

The above mentioned 5420 MT of sugar, which supposedly had been exported to Afghanistan, was later recovered from a warehouse in Peshawar.

*FIR was lodged against M/s Chaudhry Sugar Mills for their involvement in the sugar export subsidy scam. They evaded duty / taxes and fraudulently availed **huge amount of export subsidy** in respect of fake exports of sugar to Afghanistan.*

Assistant Collector Custom Station Torkham constituted an audit team which retrieved data from PRAL pertaining to the export of Sugar for cross verification of the exports with manual record maintained by the Customs staff at Torkham.

The team upon scrutiny found that Goods Declaration [GDs] were available in the manual record but found tampered with in PRAL system with the connivance of PRAL staff.

The fraud aimed at availing huge amount of subsidy of inland freight of Rs:2.0 per Kilogram and cash subsidy on export of Sugar at the rate of Rs:8.0 per kg allowed on export of Sugar as per decision by Economic Coordination Committee of the Cabinet [ECC], the FIR said.

It was interesting to note that despite being nominated in the FIR, none from the M/s Chaudhry Sugar Mills joined the investigations.

*Subsequently, Customs Adjudication ordered confiscation of sugar recovered from the warehouse; **also ordered recovery of 15% advance payment** as the sugar was not actually and factually exported to Afghanistan.*

Customs Adjudication ordered the concerned authority to refund the amount of FED if paid on account of sugar neither actually exported to Afghanistan nor sold in the local market.

Chaudhry Sugar Mills was also ordered to pay EDS at 0.25 percent and WHT at 1.0 percent of the export proceeds received on account of sugar recovered from the warehouse. The recovered sugar from warehouse was auctioned by the Customs in routine process.

M/s Chaudhry Sugar Mills filed an appeal before the Appellate Tribunal challenging Adjudication order; M/s Chaudhry Sugar Mill was twisting the facts to cover up their wrongdoings. At the time of alleged fraud, sugar prices were on higher side in Pakistan and the accused planned to multiply their profits by claiming export subsidy, evade FED and selling sugar in local market at higher rates.]

PM's CHILDREN BEFORE THE JIT:

Meanwhile the JIT summoned PM Nawaz Sharif's daughter, Maryam Safdar, to appear before it on 5th July 2017, a move that the PML[N] termed as an '**egoistic decision**', but agreed to comply with the summons.

Maryam Safdar was the seventh member of Sharif family summoned in connection with the investigation into money laundering allegations. The JIT had already summoned her brothers Hussain and Hassan on 3rd & 4th July respectively. Other family members of the Sharif family who had appeared before the JIT included PM Nawaz Sharif, his brother Punjab CM

Shahbaz Sharif, the PM's son-in-law retired Captain Safdar and the PM's cousin Tariq Shafi.

The JIT complained about the media for hampering its investigation in its report submitted to the apex court and **highlighted comments made by 22 journalists, four politicians and three legal experts in 29 different talk shows.**

PML[N] leadership had already decided to comply with every direction of the JIT. Then Maryam was in UK to attend the graduation ceremony of her son. PML[N] held that her name was not mentioned in the operative paragraph of the SC's judgement of 20th April, but she was called because her name was there as respondent no:6 in the original petition.

A controversy developed that the PM's daughter **"has received cash gifts from her father in substantial amounts on various occasions... receipt of gifts from the father does not necessarily make respondent No.6 [Maryam] PM's dependent in the legal sense of the word."** But the fact remained that her husband Capt Safdar, when appeared before the JIT on 24th June 2017, left some questions unanswered; so Maryam's presence was considered necessary.

On 28th June 2017; the JIT examined the record received from the Habib Bank and Federal Board of Revenue [FBR]. The Habib Bank provided records related to the loans which the Sharif family had procured for Hudaibiya Paper Mills, while the FBR provided the team wealth statements and tax-related details of Sharif family members.

On 29th June 2017; NAB's first chief, Gen Munir Hafiz, appointed in 1999 by Gen Musharraf, testified before the JIT; he shared details of the Hudaibiya Paper Mills, Ittefaq Foundries and Raiwind assets references, prepared by NAB against PM Nawaz Sharif and other members of his family.

[Referring to Malik Asad's report titled **Sharifs to confront 'evidence' given to JIT by FIA's ex-official** as appeared in daily 'Dawn' dated **1st July 2017:**

Four members of the Sharif family will confront the evidence of alleged money laundering provided against them by a former deputy director of the Federal Investigation Agency [FIA] to the Joint Investigation Team [JIT] constituted by the Supreme Court in the Panama Papers case, Dawn has learnt.

*Sources privy to the development said that the FIA's former deputy director, Inam R. Sehri, has submitted a 248-page report about **fictitious bank accounts** allegedly used by the Sharif family for money laundering and a report regarding investigation into the **construction of a motorway** to the JIT.*

Mr Sehri was among those about 87 officers who were sacked by the PML[N] government in 1997 [because of investigations into corruption of Sharifs].

*In consecutive interviews on TV channels recently, **Mr Sehri claimed that Mr Sharif terminated his service because he investigated cases of Hudaibiya Mills and the Lahore-Islamabad Motorway [against Sharifs].***

Though the JIT has so far not summoned Mr Sehri, its members or supporting staff might visit the UK to record his statement in the coming days. The Supreme Court has directed the JIT to complete its investigation and submit a final report by July 10.]

On 2nd July 2017; the JIT recorded the statement of a former Chairman of NAB regarding the Hudaibiya Papers Mills case. Lt Gen (rtd) Syed Amjad spent almost an hour with the JIT members and answered their questions; he took no questions from the media on his arrival at the JIT HQ or while leaving.

As NAB Chairman, Gen Amjad had approved the Hudaibiya Paper Mills money-laundering reference against the Sharif family in 2000. The reference was initiated on the basis of a confessional statement from Ishaq Dar, later the finance minister. In his statement, Dar had admitted his role in laundering money to the tune of \$14.86 million on behalf of the Sharif family through fictitious accounts.

In the final reference – approved by Gen Amjad's successor Gen Khalid Maqbool – the NAB had named Nawaz Sharif [PM], Shahbaz Sharif [CM], Abbas Sharif [PM's other brother now late], Hussain Nawaz [PM's son], Hamza Shahbaz [CM's son], Shamim Akhtar [Sharif brothers' mom], Sabiha Abbas [Late Abbas Sharif's wife] and Maryam Nawaz [PM Nawaz Sharif's daughter] in the case.

On 3rd July 2017; as the probe into allegations against the Sharif family entered its last week, the PM's younger son, Hassan, and Finance Minister Ishaq Dar appeared before the JIT for answering; Dar disowned the con-

fessional statement he signed in year 2000 linking the Sharif family with money laundering in the Hudaibiya Paper Mills case.

Speaking to reporters after his third appearance at the FJA, Hassan said he had been kept waiting for hours and then questioned for a long time, while adding that: **"I provided them with each and every detail of my business, including loan agreements with different banks."**

Finance Minister Ishaq Dar, who addressed a press conference outside the Federal Judicial Academy— frequently, resorted to personal attacks on the PTI chief in his speech. After an appearance before the JIT, he slammed PTI Chairman Imran Khan, terming him a liar and challenging him to present himself for accountability. While wiping his tweeted face occasionally, Ishaq Dar roared against Imran Khan:

"How much will you lie? You should be ashamed of conducting politics on the basis of lies. With what face did you file a petition against Nawaz Sharif under Article 62? Look at yourself first.

Imran Khan — even if no one else knows, I know. My love-hate relationship with Imran Khan is very old, but [right] now I am disappointed ... In 1993, when I was president of the Lahore Chamber after resigning from the Investment Board, he used to come to my office in the chamber as well as my private office. He would sit with my two sons and wait for me [to ask for donations].

How has he become the second richest parliamentarian? He is not the son of an industrialist, like Nawaz Sharif is. He [Imran Khan] is three times richer than I am, and I am a chartered accountant, I have a value. My juniors from 40 years ago are asking between Rs:20-25 million a month. How do you have three times the assets [I do]; when will you present for accountability?

In 2008, he [Imran Khan] asked my son for a donation for the Shaukut Khanum Hospital ... When I found out that Khan sahab has gambled with the money given to him through donations and zakat, my trust was broken.

Let's talk about morality: this man has ruined the morality of the youth that supports him. The things he says, he should adhere to them first. He should tell us where his loyalties lie: with Pakistan, with Muslims, or with Jews or Christians?

Last year, he was proudly supporting Zac Goldsmith for mayor-ship [of London] and I was supporting Sadiq Khan. Support your brothers and sisters in Pakistan.

*Unfortunately, he has not learnt any lessons ... Unfortunately; his brain is set on one thing. He has been restless since the general elections [2013]. First there were the **dharnas**, and then he filed this petition.*

Khan knows he cannot win the election. Even when Gen Musharraf was in power, he would kiss his feet. You are a liar - you are an illiterate, cowardly tax thief."

The Finance Minister Dar, while briefing the media about his JIT appearance, denied claims he had been summoned by the JIT thrice before but had failed to appear due to prior commitments; the first notice he received was dated 28th June 2017. Dar claimed that he answered the questions they [the JIT] asked because **he believed whatever the situation was; it was transparent.** He further urged that:

"Today, I have given the JIT an account for every rupee.

*As far as the JIT's credibility is concerned, they will have to prove it. The confessional statement [**in the Hudaibiya Paper Mills case**] is not written by my hand.*

It has no evidentiary value — I did not make that decision."

Dar also said that if Khan's sister's name had been mentioned in the documents for **Niazi Services** and they were summoned as Maryam was, it would hurt him too. He requested the SC to look into the matter and asked the JIT to revise its decision and send Maryam Safdar a questionnaire at her house as opposed to asking her to appear before the JIT.

HUDAIBIYA MILLS AFFAIRS:

[Going back] **On 25th April 2000;** just a few months after Gen Musharraf's military coup that toppled Nawaz Sharif's second government – Senator Ishaq Dar, who was incarcerated at the time, got recorded a confessional hand-written statement before the magistrate in which he claimed

that the **Sharif brothers used the Hudaibiya Paper Mills** as a cover for money laundering during the late 1990s.

Gen Musharraf government had instituted a money laundering reference against PML[N] leaders Nawaz and Shahbaz Sharif in year 2000 on the basis of that statement recorded by one of their trusted lieutenants, Senator Dar; [*daily the 'Dawn' dated 13th November 2009 is referred*].

However, the said reference was shelved after the Sharif brothers went into exile in December same year, 2000. Gen Musharraf government tried to reopen the reference in mid 2007 after Nawaz Sharif announced his return to the country but the situation [and tables too] turned around completely due to CJP Iftikhar Chaudhry's changed mood.

The confessional statement of Senator Ishaq Dar was recorded before a district magistrate in Lahore. He was brought to the court from jail by one Basharat Shahzad, an Assistant Director of FIA. The said deposition was an **'irrevocable statement'** as had been recorded under section 164 CrPC.

Senator Ishaq Dar has always been regarded as one of the closest aides of the Sharif family, and was also a relative as his son had married to Nawaz Sharif's younger daughter. However, his confessional statement always remained a key document in the NAB records as un-deniable proof against the Sharifs about their alleged involvement in money laundering.

At one point in the 43-pages statement, Senator Dar said that:

"On the instructions of Nawaz Sharif and Shahbaz Sharif, I opened two foreign currency accounts in the name of Sikandara Masood Qazi and Talat Masood Qazi with the foreign currency funds provided by the Sharif family in the Bank of America by signing as Sikandara Masood Qazi and Talat Masood Qazi.

.....that all instructions to the bank in the name of these two persons were signed by him under the orders of 'original depositors', namely Mian Nawaz Sharif and Mian Shahbaz Sharif.

The foreign currency accounts of Nuzhat Gohar and Kashif Masood Qazi were opened in Bank of America by Naeem Mehmood under my instructions (based on instructions of

Sharifs) by signing the same as Nuzhat Gohar and Kashif Masood Qazi."

In the said statement Mr Dar deposed that besides these foreign currency accounts, a previously opened foreign currency account of **Saeed Ahmed**, a former Director of **First Hajvari Modaraba Co** and close friend of Dar, and of **Musa Ghani**, the nephew of Dar's wife, were also used to deposit huge foreign currency funds "**provided by the Sharif family**" to offer them as collateral to obtain different direct and indirect credit lines.

Senator Dar had disclosed that the Bank of America, Citibank, Atlas Investment Bank, Al Barka Bank and Al Towfeeq Investment Bank were used under the instructions of the Sharif family. Interestingly enough, Ishaq Dar also implicated himself by confessing in court that he — along with his friends **Kamal Qureshi** and **Naeem Mehmood** — had opened fake foreign currency accounts in different international banks.

Mr Dar said an amount of \$3.725 million in Emirates Bank, \$ 8.539 million in Al Faysal Bank and \$2.622 million etc [**totalling \$14.86 million**] were later transferred in the accounts of the **Hudaibiya Paper Mills**. He said that the entire amount in these banks finally landed in the accounts of the said [Hudaibiya] paper mills.

The Hudaibiya Paper Mills case remained pending in the National Accountability Bureau [NAB] for decades; still not taken up. Later, Senator Dar alleged that the signed statement was extracted from him under duress.

However; the same newspaper, daily the '**Dawn**' dated **2nd February 2017** told the whole country that during the course of the Panama Leaks case hearing in the Supreme Court, the NAB submitted details pertaining to Ishaq Dar's same confessional statement in the Hudaibiya Paper Mills reference as an important piece of evidence.

Following are the further excerpts from that confessional statement, in connection with the **Hudaibiya Papers Mills Limited** [HPML] case, Senator Dar said that:

"...he had good relations with Masood Ahmed Qazi since in 1970 and during his stay in London in early 1970s, he was staying with the Qazi family at Ilford, Essex (1970-72).

....that Masood Ahmad Qazi belonged to a middle class family and he used to treat me as one of his family members. As far as their

financial status in the year 1992 is concerned, according to my information there was no significant improvement in the previous status of that middle class family.

*..... that he [Mr Dar] established a Modarba company named **First Hajveri Modarba Company [FHMC]**, a Non-Banking Financial Institution [NDFI] in 1990 and the company started its functions next year with a paid up capital of Rs:150 million.*

....that Nawaz Sharif had been his batch mate at Govt College Lahore during 1964 to 1966; however, we had no intimacy at the time. He came closer to Sharif family in 1990 after he [Mr Dar] was being recognised at the national level, particularly for his suggestions on national budgets.

....that he introduced the Qazi family with Nawaz Sharif and Shahbaz Sharif in 1990 at a function in Lahore.

"...that in early 1992, Mian Nawaz Sharif, who was then prime minister of Pakistan, contacted me and requested to provide credit line of approximately Rs:100 million to the business concerns of his family, from my Modarba...."

He asked me to open / operate foreign currency accounts in their names in different banks with the foreign currency funds provided by the Sharif family."

*".....that he [Mr Dar] had reservations in opening / operating these **Benami Accounts** but he was assured by Nawaz Sharif that all the foreign currency accounts got complete immunity against any enquiry or investigation by any department or agency."*

"It was further decided that the foreign currency accounts in the name of first two persons will be operated by me, where as for the rest of two Benami Accounts, Naeem Mehmood, a director of my company had to operate and sign the instructions under my supervision [and as per Sharifs' instructions]."

..... that several other accounts were also opened / operated by him and Naeem Mehmood in the same manner.

....that in a meeting called by Shahbaz Sharif in early 1998, he said that the Sharif family had decided to liquidate / get en-cashed all

*these foreign currency accounts due to **aftermath of Qazi's scandal in [international] press.***

....that following the presentation of details of transitions and other financial matters, they [Sharifs] made all this arrangement as they could not have explainable sources of these funds which ultimately landed in one of their companies."

[If] the said Statement was taken under duress: Defence Minister Kh Asif said the confessional statement of Ishaq Dar was obtained under duress and that he himself [Kh Asif] was a witness of the torture faced by Dar. Kh Asif, while talking to **Geo News**, said:

".....On February 11, 2000, we were shifted to Chamba House and later transported to Attock Fort.

Being a political worker I don't think that it would be decent for me to describe my ordeal and what I faced when I was imprisoned after Gen Musharraf's coup in October, 1999. But I want to mention that Dar was held at his house till February 2000, and subjected to interrogation multiple times during this period.

.....that during the course of interrogations and detentions, several employees of Ittefaq Foundry were also kept along with them in detention centres. These employees were also subjected to torture and we used to listen their screams till late in the night.

When they were tortured to reveal information about the businesses of Ittefaq Foundry, they put all the blame on Ishaq Dar. As a result, the investigators used to torture Dar more.

.....that on the morning of February 8 or 9, 2000, I met him [Dar], he had lost more than 30 pounds of weight; he was [Mr Dar] a professional, not a political worker so forcing him into issuing a statement was not a big deal.

He praised Dar for facing immense pressure for a considerable duration of time. I do believe Dar showed steadfastness and tackled the pressure well. He was detained for 23 months; later it was proved that the statements were taken under duress.

I was imprisoned in a 4 by 6 feet cell, in solitary confinement; the confessional statements were taken under such conditions. No one

was able to bear the pressure Dar was facing. A person always used to point a gun at us, even when we went to do ablution or for a walk. Dar was among those who were subjected to this extreme psychological torture.”

LET ONE ASSUME that the confessional statement of Ishaq Dar dated 25th April 2000 was got recorded under duress but the question before the honourable judges remained that:

- *.....whether the contents of Dar’s statement were true or not.*
- *.....whether the fake accounts opened for the persons mentioned therein or not.*
- *.....whether enormous amounts of money were deposited in those accounts or not.*
- *.....whether the signatures of A/C opening forms were originally done by Qazi family members or the same were done fake; who did that job.*
- *.....whether the persons [Qazi family] knew that A/Cs were being opened in their names; what monetary benefit they got.*
- *How many transactions done in each account.*
- *.....whether loans from other banks were obtained against deposits made into those fake accounts.*
- *Where the deposits & loans finally sent; to Hudaibiya Paper Mills or somewhere else.*
- *.....whether those fake accounts were shown or mentioned in some company’s portfolio or annual accounts report, or any tax return or some Annual Audit Report.*

The answers to the above questions were to be found out and recorded by the investigation agencies like FIA or NAB. FIA had done its part of duty but only up till ending 1996 during the PPP’s 2nd regime under supervision of Gen Naseerullah Babar – after that THUSS.....

Cases with FIR nos:12/94 & 13/94 were ALREADY registered in the FIA HQ in connections with all those facts mentioned in Ishaq Dar’s said affidavit [which was got recorded five years later]; BUT fake accounts were already un-earthed, copies of fake cheques, transactions and pay-outs were already procured, statements of Qazi family members AND of the concerned bank officers were already obtained, copies of Foreign Exchange Bearer Certificates [FEBs] initially for \$7,50,000 for each A/C, were already obtained from the bank records etc.

When in early 1997, PML[N] came in power with heavy mandate, the investigations into the Sharifs affairs not only shelved but were put into reverse gear – allegedly files were also removed from FIA.

All those officers who were doing investigations into the cases concerning Sharif Family's domain were sent home in April 1997, fictitious cases and enquiries were instituted against them and Ehtesab Chief Saifur Rehman was asked to twist the officers.

The final reports of the above cases u/s 173 CrPC were sent to the Banking Tribunal for trial. Nawaz Sharif '***managed to get acquittal orders***' for all the said cases through usual gimmicks of '***chamak***' from the court ***where a retire judge was made to decide all cases on the same one day; same 17 pages order for each case with a difference of first one order sheet only*** – it was a glaring example of mockery of justice in Pakistan.

After Gen Musharraf's take over in October 1999, the cases against Sharifs were re-opened but this time the same were handed over to newly re-formed National Accountability Bureau [NAB].

The first Chairman NAB Gen Munir Hafeez was entrusted to proceed in those cases ***but in ending year 2000, when the negotiations between Gen Musharraf and Saudi Prince Muqran started for release of Nawaz Sharif and Shahbaz Sharif, the NAB's files were sent to the cold storage.***

PTI's original petition had also prayed for disqualification of Finance Minister Ishaq Dar on charges of allegedly facilitating the Sharif family in money laundering of Rs:1.2 billion. The scam re-surfaced to limelight when the bench – headed by Justice Asif Saeed Khosa – took up Panama Leaks.

During the hearing, the SC bench directed NAB Prosecutor General to ask NAB chairman to appear before the court after thoroughly studying the case record. Legal experts believed that the court would ask NAB to reinvestigate the case, in which Prime Minister Nawaz Sharif was nominated as an accused; and to file appeal against the LHC acquittal order.

It was eminent that the Sharifs could face embarrassment; likewise, Dar's investigation could also be reconsidered. What would be the fresh stance of Dar if the SC directed NAB for reinvestigation whereas recorded statements of those, whose accounts were used for money laundering, were already available on FIA's record?

On 20th February 2017; the SC reached the facts that the NAB had established 17 years ago that PM Nawaz Sharif's family and Finance Minister Ishaq Dar received over Rs:1.2 billion **'through illegal and fraudulent means'** and were liable to be tried under anti-corruption laws.

NAB had established in the year 2000 the allegations against Sharifs; while the Prosecutor General NAB Waqas Qadeer Dar submitted the records of two references including the **Hudaibiya Paper Mills** scam and the alleged **illegal construction of the Sharif family's Raiwind estate** in the ongoing Panama Leaks case in the apex court.

As per documents, PM's late father Mian Sharif, his sons CM Shahbaz Sharif and the late Mian Abbas Sharif, Hussain Nawaz, Hamza Shahbaz and daughter Maryam Nawaz; and one Haroon Pasha had been accused of **'receiving ill-gotten money in the Hudaibiya Paper Mills'** case. The ending remarks of the Final Report were as under:

"It has been established that offence of corruption and corrupt practices defined under NAB Ordinance 1999 has been committed by these persons.

"It has been established that the directors of the company are in possession of voluminous ill-gotten money retained by them by opening non-bonafide fraudulent accounts in the name of non-residents and used the same for availing various financial benefits for themselves and their other business concerns."

The FIA investigations had also established that members of Qazi family deposited this money into Hudaibiya Papers Mills accounts. Ishaq Dar had stayed with the Qazi family during his studies in UK [1970-72]. Thus, in their affidavits, members of the Qazi family had accused Dar of breaching their trust and misusing their passports for **opening bank accounts without their permission**.

Highlighting apparent lacunae in the acquittal of the Sharifs by the Lahore High Court [LHC] in 2014, the SC wondered how Rs:1.2 billion were still **"unaccounted for"** and why NAB had not filed an appeal against the LHC verdict. In 2014, the LHC had quashed that Hudaibiya Mills reference against the Sharifs; the decision was not appealed by NAB.

VICTIMISATION & HATRED & REVENGE:

PML[N] ministers left no stone unturned to prove the JIT's probe into the PM Sharif family's affairs as '**beyond jurisdiction**' that it was a conspiracy by '**unknown forces**' playing against democracy and Pakistan. Their main emphasis remained on the theme that:

"After their [Imran Khan & PTI] sit-ins and allegations of rigging failed, our opponents brought up this Panama Leaks issue against us, which was not even acknowledged by Panama itself.

....that nothing happened to leaders of other countries whose names appeared in the leaks; Pakistan's prosperity is perturbing its enemies."

As the JIT probe into offshore properties of PM and his family was approaching completion, PML[N]'s six hawks from Islamabad [Danayal Aziz, Talal Chaudhry, Kh Asif, Saad Rafiq, Abid Sher Ali & Maryam Aurangzeb] and one from Lahore [Rana Sanauallah] continuously went more aggressive to speak against PTI and its chief while hitting Khan below the belt with frequent attacks on his personal past life. The general populace didn't approve it at all.

On 2nd July 2017; for instance, two PML[N]'s ministers went on the offensive claiming '**the party was being victimised under a campaign of revenge**'. In fact it was PM's strategy of confrontational politics to pre-empt any '*unfavourable scenario*' that could emerge when the JIT would submit its final report to the SC bench on 10th July 2017.

Speaking at an Eid Milan party for PML[N] workers in Lahore, Railways Minister Saad Rafique said that the ruling party was continuously being made a target of '**hatred and revenge**' but by whom - he didn't come openly. He complained that the PML[N] was never appreciated for its good work while urging:

"I ask journalists and intellectuals, who else can compete with PML[N] when it comes to bringing prosperity and progress?"

[Basically he was pointing towards 5 years era (2008-13) of the PPP during which all indicators of good governance had declined to alarming levels and that was why PML[N] was voted in by the people.]

No one listens to us when foul language is used against us. We also struggled for democracy, then why should we not be given respect? Please, do not target us without extending proof.

PML[N]'s opponents should wait a few months, till the completion of the government's tenure."

While concluding his address, Saad Rafiq passed on certain warnings to the Pak-Army [GHQ] which he believed were weaving 'conspiracy' against the PML[N]. He said that:

"....let the democracy prevail; the people will resort to violence and the political leadership will not be able to do anything [then].....PML[N] will not fall alone. Those pulling it down will fall with it."

Speaking to the media separately, Minister of State for Water and Power Abid Sher Ali said the business activities of the PML[N] leadership were being unfairly linked with corruption. He also added:

"Neither Gen Musharraf, during his nine-year rule, not the PPP, in the five years that followed, could produce any evidence that the PML[N] leadership was involved in corruption. Our leadership is clean and all conspiracies against it will be similarly foiled."

For Minister Abid Sher Ali, SC's cognizance and JIT probe into PM Sharif family affairs were ***non-issues***.

However, the general populace were able to understand that there were 15 references ready in NAB in the year 2000 against Sharifs and that was why they preferred to leave the country and politics for TEN years through their Saudi counterparts.

The Pakistani nation also knew that during 5 years PPP rule, nothing moved against the Sharifs because of the '***Friendly Opposition Pact***', widely known in Pakistan's history as '***Meesaq e Jamhooriat***' which even continued to prevail during PML[N] era in May 2013 onwards.

In Islamabad, PML[N]'s central chapter told the media that the party leadership had decided to organise workers' conventions in Punjab, to mobilise support ahead of the completion of the Panama Leaks probe. The pitfall pointed out:

"....we are flexing our muscles—just in case the JIT will pinpoint glaring contradictions in the statements recorded by members of the Sharif family. This is the real problem."

There might be contradictions which could entail repercussions and consequences."

Another PML[N] leader held that the concerns grew when the JIT went on to summon more members of the Sharif family, including the premier's daughter Maryam Nawaz and her husband Captain Safdar, along with incumbent and former top officials of the National Accountability Bureau [NAB] and the SECP etc.

The PML[N] thought it was going to be over after the prime minister, his sons, CM Shahbaz Sharif and Tariq Shafi were summoned but more people appearing before JIT could result more chances of contradictions. Apart from the political measures, the party had also resorted to populist measures by visibly reducing load-shedding; perhaps the election campaign had started much earlier.

Speaking to the media, Punjab Law Minister Rana Sanaullah confirmed:

"The situation we are in is hurting millions of PML[N] supporters. We are angry and this anger is a reflection of public sentiment. But we will follow the course of law in compliance with the top court's orders and would never take the law into our hands."

On 3rd July 2017; Federal Minister for Railways Saad Rafiq's statement came in the follow-up of PML[N] leader Nawaz Sharif's claim in which he termed the scandal was nothing but a **"conspiracy against Pakistan"**.

Bastian Obermayer, **the German investigative journalist**, who was one of the reporters who unearthed the Panama Papers scandal, termed Railways Minister Saad Rafique's remarks and criticism as **'NON-SENSE'**. He tweeted:

"With all due respect: this is nonsense. PM of Iceland resigned, so did ministers, 100+ Panama Papers investigations worldwide & more to come, the reporter, who co-authored **The Panama Papers: Breaking the Story of How the Rich and Powerful Hide Their Money.**"

MARYAM APPEARS BEFORE THE JIT:

Earlier, in May that year [2017], the German investigative journalist had once responded to PM's daughter, Maryam Safdar, who had called the exposé a '**crap**', saying it had been trashed in the rest of the world. Obermayer's tweet-answer was:

"Journalism isn't about bringing down a government. It's about telling the truth. Like it or not. (& Panama Papers isn't only about Pakistan, btw)."

On 5th July 2017; Maryam Safdar attended the JIT panel at the FJA with her brothers, her husband Captain Safdar, son-in-law Raheel Munir and State Minister for Information Maryum Aurangzeb. After being questioned for a couple of hours, Maryam declared that her father, Nawaz Sharif, was the only politician who could stand for civilian supremacy and the rule of law in the country. She also said:

"If someone thinks we had no option but to face the JIT, I must tell you that we could have taken refuge behind immunity and legal exemptions. I will prove myself to be my father's strength, not his weakness whatsoever."

Her parting shot left many wondering whether this was Pakistan's first glimpse of a new face on the political scene.

NAB Chairman Qamar Zaman Chaudhry also appeared before the JIT on the same day and was questioned in connection with the closure of the Hudaibiya Paper Mills case file, since it was during his tenure that the bureau's prosecutor general had opined against appealing the Lahore High Court order directing NAB to quash the reference.

Lady SSP Saluted Maryam Safdar: On that day Maryam Safdar appeared before the JIT amidst extra state protocol that created another debate on social media challenging Maryam's designation to enjoy such privilege. When Maryam reached Federal Judicial Academy, one lady SSP Arsala Saleem of the Islamabad Police saluted her and accompanied her to the investigation room. This act of SSP was widely criticized by the politicians, media personnel and civil society, as Maryam was holding no official post except that she was daughter of the prime minister.

Journalist Kamran Shahid of 'Dunya News TV' wrote: ***"When law goes down! Arrival of first daughter, lady officer salutes and then went down to pick paper dropped by Maryam Nawaz."***

Sindh Assembly Deputy Speaker Shehla Raza said:

"She [Shehla Raza] was once taken from court to jail without lady police. She asked if she was not a daughter of someone while writing - Shame shame shame."

On the occasion, stringent security measures were taken in the Federal Capital to avert any untoward incident by deploying over 3,000 security officials. Entry of irrelevant people was prohibited within one kilometre radius of the JIT's premises FJA.

Next day; a lawyer sent a legal notice to SSP Arsala seeking an 'explanation' and an 'apology' within 15 days for saluting a person who was not holding any public or government office. Lawyer Amna Ali in her legal notice to SSP Arsala wrote: ***"Please find the legal notice on behalf of taxpayers, citizens of Pakistan."***

In the notice, Amna Ali said that as a citizen, and a member of Islamabad Bar Association and Islamabad High Court Bar Association, she had personal and public reservations over the salute and asked under what authority SSP Arsala had undertaken the action for a person who didn't hold any office and was called by the JIT as an accused and that [SSP's salute] action ***"created agony and mental shock to public at large"***.

Amna Ali, the lawyer, sought an explanation from the lady police officer especially being a civil servant who was serving as an SSP in the ICT police, fetching salary, allowances and other facilities from the tax payers' money of the citizen of the country.

After ten days, the **'New York Times'** dated **15th July 2017**; predicted Nawaz Sharif's ill-fated ending while referring to Imran Khan's opinion:

".....in a highly anticipated corruption casehe [PM Nawaz Sharif] is gone - the long, dark night is finally over – [Imran Khan successfully hit him]."

But the PML[N] stalwarts held that a verdict resulting in such a removal would be ***"a judicial coup."***

Daily NYT wrote that since more than a year, Nawaz Sharif had been mired in a bruising controversy over revelations that his family owned expensive residential properties in London through offshore companies. ***"Show the receipts"*** had become a street slogan all over the country.

NYT opined that the controversy was a stroke of luck for Mr Khan which had been taken through successful trial in the top court of Pakistan ending with Nawaz Sharif's disqualification, with one justice equating him to a **"godfather of [Italian like] Mafia"** on 20th April 2017.

After meeting his party leaders the same day, Mr Sharif had opted to stay in office at any cost but Imran Khan held that then there would be criminal proceedings against the prime minister because **the whole family lied to the apex court; the whole defence had been a fraud.**

The investigation was particularly damaging for Nawaz Sharif's daughter, Maryam, who was being portrayed as his political heir and the future prime minister of Pakistan **BUT she did blunder while producing a forged trust deed about the London apartments.**

*[The Feb 2006 document claimed that she was only a trustee and not owner of two offshore companies that bought the apartments but investigators said it was typed in **Calibri font**, which was not commercially available to the public until January 2007.]*

As per **prophecy of daily NYT** dated above, the SC judges, after having gone through the investigative [JIT] report **"....will immediately remove Mr. Sharif under Article 62 and 63 of the Constitution, which calls for the disqualification of any lawmaker found to be dishonest."**

The NYT held that Nawaz Sharif had tense relationship with the Pak-Army thus a conspiracy was allegedly being hatched against him; PML[N]'s loyalists had alleged that the country's spy agencies provided the investigation team with unassailable and convincing evidence against Sharifs.

Nevertheless, Imran Khan was also sure when he said that:

*"I hope next week is his [Nawaz Sharif's] last week. You know that **Elton John song 'Goodbye, Yellow Brick Road'** — I am hoping there will be a big goodbye reception for Nawaz Sharif in Islamabad next week."*

AND it happened so.....