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TERROR-FINANCING IN KARACHI

TALIBAN's FLURRY IN 2014 & AFTER:

Five months of the Karachi operation led to the arrest of 568 TTP members, since September 2013 till ending January that year. That included the detention and custody of 296 people affiliated with the MQM, 101 with links to the Awami National Party [ANP] — a secular Pashtun political party — and 171 members of Lyari gangs allegedly associated with the PPP.

Sharfuddin Memon, Adviser to the Sindh's chief minister on security issues, however, claimed the operation had led to a 50% drop in assassinations and kidnapping for ransom in the city; police morale was high but the conviction rate for serious crimes was just 5%. The law enforcing agencies [LEAs] were not feeling shy to deal with the Taliban insurgency as well.

Taliban factions were mainly based in districts with a majority population of Pashtuns; these areas that encircled the city included Baldia and the Sindh Industrial Trading Estate to the west and Gadap in the north. However, the residents in these areas were upset to feel that TTP's hold had gotten stronger over the past year where other crime had been seen low.

In addition to the main TTP faction from the Mehsud tribe of South Waziristan in the FATA, long established in Karachi, the city got increasingly plagued by other TTP factions from the Mohmand tribal area and the TTP Swat. Islamist militants also had influence over some non-Pashtun districts of the city, such as Lyari in the southwest where TTP ally *Lashkar e Jhangvi* [LeJ] had got a strong base.

In early 2014, the TTP dominated 33 of Karachi's 178 administrative units—known as union councils but then continued expanding in shanty settlements that merge into the surrounding desert. The militants were getting more educated recruits [due to acute unemployment], including non-Pashtuns, and spreading to neighbouring areas outside Karachi, including Hub to the west and Jamshoro to the northeast.

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The Taliban milked money mainly from their own communities; on a monthly income of Rs:40,000, TTP used to take a levy of Rs:1,000 @2.5% called as 'Islamic Rate'. Concrete blocks made for use in construction, a major business in the Pashtun areas, were then sold for Rs:18 each, of which three rupees used to go to the Taliban. The businessmen held that TTP's hold had hardened day by day over the past year.

Referring to 'the New York Times' dated 11th August 2014:

"Till ending July 2014, Karachi's embattled police force had lost its 100th police officer in that year; during the year 2013 there were 166 police deaths, which was itself a record.

Since decades, the ethnic politics, sectarian militancy and old-fashioned criminal gangs had been contributing to that grim situation - but much of the toll came from the city's newest force for violent chaos, the Pakistani Taliban [TTP]."

On 7th August 2014; the Taliban claimed their 102nd police victim, the official sources of police notified. Gunmen ambushed the victim, Sajjad Abbasi, a 35-year-old constable dressed in civilian clothing, as he pulled into a gas station on his motorcycle. It was the fifth police death at the Pirabad police station that year.

Attacking on the security people in uniform, whether in army or police, had been the TTP's most effective strategy to spread terror in less time – all their history in FATA borders stands witness to it. They applied the same approach here in Karachi. In the sprawling Pashtun slums on the city's eastern and northern flanks, Taliban militants gunned down police officers, assaulted poorly defended police stations and sent suicide bombers to assassinate top police commanders.

Ghulam Qadir Thebo, the Karachi's Police Chief, once told media:

"It's a very serious threat; the Taliban are well trained and well organized, with a network that is linked to global jihad – however, the new threat has spurred our lower and mid-ranking police "

Security was quickly made tight at police stations and around police officers' homes. More than 1,000 former soldiers were inducted into the force. Officers mounted a series of hard-hitting operations, in conjunction with the paramilitary Rangers and intelligence services that hit the Taliban hard amidst usual baseless accusations of brutality.

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The growing spate of killings on both sides dictating a shadow war that, till then, was limited to Karachi's Pashtun neighbourhoods. Laurent Gayer, French author of book, "Karachi: Ordered Disorder and the Struggle for the City" once spoke to the media:

"It's about territorial control; the Taliban have taken over areas, brought in their people and established strongholds. The question is how far they can go."

"In many ways, Karachi has become an adjunct of the conflict in the tribal belt. The city's militant factions are organized according to conflict-hit Waziristan, the Swat Valley and Mohmand."

The circumstances around made the Taliban powerful players in the city's already complicated mosaic of violent gangs linked to crime, politics and ethnic groups. *Taliban attacks killed 80 Pashtunes, including 17 of-fice bearers of ANP*, and largely driven it from the city. They attacked vaccination teams like in FATA and the police were subjected to unprecedented assaults.

The Police Station Mominabad was bombed three times in six months. One policeman was killed and two others were wounded in an attack in June [2014]; in July, a police inspector was shot dead as he travelled to work. The authorities responded by raising the station walls and installing surveillance cameras; yet several officers had applied for a transfer.

Even the traffic police came under fire; on 30th June two traffic officers were shot dead in Orangi area of Karachi.

The police were constrained by intense politicization in their ranks [*senior officers are often chosen for their allegiance to a political party in whole Pakistan*] — while the force remained dismally understaffed. Karachi had just one active-duty police officer for every 1,524 inhabitants. Of the city's 27,000 officers, including clerical staff members, about 8,500 were then permanently engaged in "VIP duty" — guarding businessmen, politicians and government officials.

Hassan Abbas, author of 'The Taliban Revival' said in an interview:

"Experts have long called for an overhaul of the police force as an urgently needed step to bolster Pakistan's stability. The people of Pakistan are resilient, but state institutions are failing them."

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On 14th April 2015; five militants of the then freshly formed Al-Qaeda in Indian Subcontinent [AQIS], including its Karachi Chief and Deputy Chief, were killed in an encounter in Orangi Town Karachi. The police had unearthed a bomb-making factory and seized a huge quantity of explosive material, three suicide jackets, laptop and some documents during the raid which was conducted on information about the hideout of AQIS militants in the Khairabad area.

The suspects were involved in the suicide attack on Rangers' officials at *Qalandria Chowk* in North Nazimabad a month earlier and were planning further attacks on security agencies.

[Later, on 18th August 2015; two alleged AQIS militants were also killed in the city's *Gulshan e Iqbal* Block 13D; *an ISI officer had lost his life in the said operation.*]

On 5th June 2015; the Inter-services Public Relations [ISPR], marking the Zarb e Azb Operation's first anniversary, interalia, said:

"Zarb e Azb has shattered the Taliban's control & command system, affecting the activities of their Karachi factions. The Operation disrupted the Taliban militants' free Karachi-Miranshah movement by destroying their offices and compelling them to flee the area."

However, the analysts claimed that actual action against the TTP in Karachi started after the attack on Army Public School in Peshawar in December 2014. Most of the key Taliban commanders and supporters in the city were killed by the Rangers after the Peshawar attack. The elderly figure of Pashtun Business Community in Karachi held:

"We haven't seen the Taliban killing anyone or asking traders for extortion in the last six months. The TTP militants have disappeared and the residents of Pashtun neighbourhoods are now feeling secure."

However, now police and other law enforcement agencies harass the community on the pretext that they have been involved in providing financial support to the TTP.

We have been forced to pay millions of rupees as protection money to avoid being targeted by the TTP, mainly because of the failure of the government to provide them security."

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Referring to Zia Ur Rehman's essay appeared in 'the News' dated 14th July 2015:

"...that even a number of police officers in Taliban strongholds paid 'protection money' to local TTP leaders during their control."

It was astonishing but the fact remained that during those days, four factions of the TTP, as detailed earlier also, were operating in Karachi city.

The TTP South Waziristan faction was led by Khan Said alias Sajna and mainly comprised Mehsud militants. The group was then working independently after leaving the TTP in May 2014. His associate Wali headed the group in Karachi but Khan Zaman alias *Goonga* was the operational commander in the city; later the law enforcement agencies, in the ongoing crackdown, killed many of their key leaders and militants, forcing them to go into hiding or flee the city.

The key TTP leaders then killed in Karachi included Abid Mucharr, Abid Chota, Zikria Mehsud, Mufti Javed, Khazan Gul, Zahidullah, Ubaidullah, Amir Zada and Khwajlak. Khan Zaman and Wali's whereabouts were not known till July 2015 while the Rangers were after them.

Another faction of the TTP Mehsud militants was led by Sheharyar Mehsud, who was the successor of Hakimullah Mehsud in Waziristan; one Daud Mehsud, a former policeman in Karachi, was then heading the group in the city. The group was weakened in Karachi because of their fighting with militants of the TTP Sajna faction; then most of them left Karachi.

The TTP Swat chapter was loyal to the organisation's central chief, Maulana Fazlullah. In Karachi, their organisational set-up was very secretive and mainly involved in the killing of Awami National Party [ANP] leaders and policemen in the West district.

The TTP Mohmand faction that renamed itself the *TTP – Jama'at Ahrar* after parting ways with the main TTP in 2014 was led by Abdul Wali alias Omar Khalid Khurasani. The group had otherwise gone weakened because of the killing of their key leaders and supporters in Zarb e Azb main operation; its existence in Karachi was not known till mid 2015 at least.

On 29th September 2015; four Taliban terrorists involved in police officials' killings were arrested with the help of intelligence agencies; govern-

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ment weapons were also recovered from them. The arrested suspects were involved in killing four police officials in Korangi among others.

On 9th May 2016; the Taliban claimed responsibility for killing prominent blogger and rights activist Khurram Zaki, who was gunned down in Karachi. He was killed just after he had twitted on Sadiq Khan MP, on winning his London Mayor elections:

Qari Saifullah, a purported spokesman for the Hakimullah Mehsud group of the TTP, said in a statement that Zaki had been targeted for criticizing a prominent cleric Maulana Abdul Aziz associated with Islamabad's Red Mosque.

Zaki was riddled with bullets while sitting in a roadside cafe in Karachi's northern district, who was then leading a campaign against Maluna Abdul Aziz for the latter's alleged support for militancy.

TERROR ACCOUNTS FROZEN:

The Pakistan Rangers reinforced their on-going National Action Plan [NAP] Karachi operation against militants and criminals in Karachi in mid 2014 making it a part of *Operation Zarb e Azb*. More intensified in early 2015 after Peshawar Army School massacre, but the ruling PPP and the MQM both parties kept on increasingly saying *'it appears to be aimed at them'*.

The intelligence agencies and the Police in Karachi maintained that *'many criminals have powerful political protection'*. A list consisting of the names of 350 high level figures including corrupt government officials and politicians was purposefully made open in media as the ongoing targeted Karachi operation was set to enter its second phase.

On 25th March 2015; Pakistan government resolved to freeze a number of accounts used to funnel Rs:10.2 billion in cash to terror and Anti-Money Laundering [AML] suspects, officials overseeing the National Action Plan [NAP] told the media. Law enforcement agencies also recovered Rs:101.7 million either from clerics or workers of banned organisations.

Those actions — taken with the assistance of the State Bank of Pakistan — were part of the overall efforts to throttle the flow of foreign funding to terrorists and proscribed organisations in the country.

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Nine days after militants mounted a bloody attack on the Army Public School in Peshawar, on 16th December 2014, the government formulated the action plan in a bid to purge the country of all kinds of terrorism. The National Counter Terrorism Authority [NACTA] was asked to move ahead under UN Security Council resolutions 1267 and 1373; Pakistan was bound to stop terror funding.

The plans were also in hand to establish global sanctions regime against designated individuals and entities associated with notorious global terror networks. The civilian and intelligence agencies had already arrested 150 people, half of them clerics, in violation of laws dealing with *hawala*, *hundi*, suspicious transactions and anti-money laundering by registering cases against 130 individuals who were getting money from foreign countries including Iran, Saudi Arabia, Nigeria, Australia, the US, the UK, Hong Kong, Qatar, the UAE and Kuwait.

"The said Terror Funding Drive was launched all over Pakistan. The Law Enforcement Agencies [LEAs] held 83 people and registered 64 cases under hawala and hundi, 50 people were apprehended and 57 cases were registered under anti-money laundering and 17 were detained and nine cases registered under suspicious transactions.

Crackdown against those who delivered hate speeches and violators of loudspeakers, the law enforcement agencies registered 5,017 cases against clerics while 4,647 of them were arrested.

Over 3,758 clerics were held in Punjab, 508 in Khyber PK, 197 in Sindh, 94 in Islamabad, 86 in Balochistan and 30 clerics were detained in Gilgit-Baltistan. Police had confiscated more than 1,466 instruments from several mosques and madrassas across the country; 40 shops were also sealed that were selling and distributing hate material.

Senator Tahir Mashhadi of MQM believed that a better financial regulation system could lead agencies to choke terror funding. Meanwhile, the security agencies held 29,612 suspects who had alleged links with banned outfits since the crackdown started after 16th December 2014.

The law enforcement agencies questioned 0.32 million suspects in more than 27,000 raids across the country. The Khyber PK police took the lead over other provinces by arresting over 16,813 sus-

pects while the security agencies detained 3,466 suspects in Balochistan."

On 7th May 2015; formal approval was given for the next phase of the Karachi operation in which economic terrorism was to be rooted out and corrupt high-ups including bureaucrats and politicians were aimed at to face the legal consequences. National Accountability Bureau [NAB] and Federal Investigation Agency [FIA] were green signalled in that connection. Chairman NAB Qamar Zaman Chaudhry had flown into Karachi after having a number of vital meetings in the federal capital; he had presided over that significant meeting in Karachi himself.

On 14th May 2015; the special apex committee meeting in Karachi decided to extend the writ of law enforcement agencies [LEAs] to city's weakly governed areas, DG ISPR Asim Bajwa tweeted:

- *"Effective policing and surveillance will be carried out in Karachi's suburbs to prevent sneaking terrorist attacks.*
- *....that the department officials will be appointed on transparency and merit to help the system for long term sustainability.*
- *.....that the criminals will be punished regardless of their political affiliations.*
- *.... That the wrongs and abettors will be apprehended regardless of political, religious, ethnic and sectarian identity."*

The meeting was held at the Corps Headquarters in Karachi to discuss the security situation following a deadly attack on the Ismaili community in Safooa Goth killing 44 persons at the spot; the armed gunmen had boarded a bus and opened indiscriminate fire on commuters from the most harmless sect. Militant group Jundullah had claimed responsibility for the attack.

The said meeting was attended by the Sindh chief minister, governor Sindh, the army chief, Director General of the ISI, chief secretary and IG Police Sindh, Director General of MI, DGMO and Director General ISPR with other related departmental chiefs.

During the day, initial investigation reports had revealed that the culprits hailed from Afghanistan. Foreign Secretary Aizaz Ahmed Chaudhry, meanwhile, claimed that India's spy agency RAW was involved in creating unrest in Pakistan.

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Later during the day, Prime Minister Nawaz Sharif met with former president Asif Zardari at the PM House in Islamabad; the two discussed the apex committee meeting and how to combat terrorism in Karachi.

To follow the Apex Committee's decisions and for their implementation in city, a meeting of the city's police chiefs was immediately called to discuss the security strategy in the aftermath of Safora massacre. The meeting at the Central Police Office [CPO] was headed by Karachi police chief Additional IG Ghalum Qadir Thebo, heading the probe committee, and attended by other high-ups such as DIG East, DIG West, CIA and Counter-Terrorism Department. A hefty cash prize for also decided for the informer of culprits of that sad event.

On 15th May 2015; Prime Minister Nawaz Sharif reaffirmed that the government remained committed to wiping out the menace of terrorism. While addressing a ceremony at the PM's Office, he said special courts had been established after the unanimous decision of parliament for the speedy trial of terrorists. He also recalled his recent visit to Kabul, saying he and Afghan President Ashraf Ghani were on the same page for joint measures to counter terrorism.

On 4th June 2015; in the Apex Committee meeting presided by the Chief Minister Sindh and attended by the whole Sindh cabinet and top bureaucracy, Maj Gen Bilal Akbar, DG Rangers, told that land-grabbing mafia operated systematically under the patronage of prominent political parties in Karachi. He recommended a crackdown on terror-funding activities across Karachi, in which the law-enforcing agency claimed several influential personalities of Sindh were directly involved.

Maj Gen Bilal Akbar briefed the apex committee on terrorism-funding activities in Karachi, highlighting the involvement of several high-profile personalities in land grabbing and collecting extortion. Also that illegally acquired funds were channelled to various criminal outfits and individuals — including those involved in the Lyari gang wars. Such funds were also distributed to several 'influential' personalities and officials in Sindh.

In his report, DG Rangers said donations collected in the guise of charitable works, even money from hides of sacrificial animals, were being injected into criminal activities in Sindh, adding that *'armed wings of political and religious parties have been feeding on these funds'*.

Maj Gen Bilal Akbar also revealed that money collected from shops and markets via extortion totalled billions of rupees, adding that political parties, city administrators, police officials, construction companies and real

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estate agents were involved in china cutting. The land-grabbing mafia operated systematically under the tutelage of prominent political and sectarian parties in Karachi; pointing towards MQM, ANP, PPP and the LeJ.

Then the Apex Committee of Sindh decided to come down hard on the financiers of terrorists and the sources they generated money from. Information Minister Sharjeel Memon said:

"Today, it has been decided that action will be taken against the financiers of terrorists, land grabbers, suspects involved in collecting 'fitra' for vested purposes and extortion because this money is used in terrorism-related activities."

The meeting, chaired by Chief Minister Qaim Ali Shah, was attended by Governor Sindh Dr Ishratul Ebad Khan, Corps Commander Karachi Lt Gen Naved Mukhtar, Director General [DG] Rangers Maj Gen Bilal Akbar, Chief and Home secretaries and Inspector General [IG] police.

{TERROR FINANCES: Pakistan's counter-terrorism strategy remained mainly focused only on bombing Waziristan; no one planned on cutting off the supply lines of militants.

The Pakistan Army and law enforcement agencies needed to tackle this problem head on; they could go serious about dismantling the firepower of terrorists but missed the line throughout post Nine Eleven era.

There were two basic funding channels for the militants.

- *Firstly, charity collected through Zakat, Sadqat, madrasas and mosques, revenue earned through shops built around mosques, the collection of animal hides and remittances sent from overseas Pakistanis – but those channels were only a fraction of the funds.*
- *Secondly, incomes through criminal activities such as bank robberies, kidnapping for ransom, banditry, illegal taxation and drugs – the main sources of income.*

Apart from one or two Saudi or other Gulf princes who used to fund terrorists in individual capacity in the name of Jihad; since a decade those sources had gone dry. However, money through charities from Gulf countries created issues; during first decade of

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this century, this charity was about Rs:90 billion – where was it spent and whether the government knew about its spending - NO.

Zakat money from Karachi and Faisalabad only had been enough for extremists; Lal Masjid in Islamabad was funded by prominent businessmen and none else.

During Eid, Mehsud tribesmen living in Karachi are forced to pay 'bhatta' in the name of donations for fighters in Waziristan. They normally work as teams. If one group of militants collected money through criminal activities in Darra Adam Khel, another made collections in Khyber.

Using drug money to finance terrorism is still appreciated in Afghanistan. In Pakistan, the smuggling route used to transfer drugs and other illicit items used to be taxed by militants operating in those areas.

Federal Investigation Agency [FIA] still keeps counter-terrorism wing that included a section on financing. They monitored all home remittances coming in Pakistan through any bank or private source but could not contribute any significant information ever.

Ministry of Finance's financial monitoring unit [FMU] is located in the State Bank of Pakistan building in Karachi – but not a single case it referred ever for disciplinary or penal action.

Despite strict checks to monitor the illegal 'hawala' system of sending remittances home, there were around 10,000 people or locations from where such illegal transactions used to take place. Even otherwise, a group needs only about one lac rupees [about £900] to carry out suicide mission in the city – the amount could be sent from Islamabad or Peshawar through new schemes using fake NIC numbers any time.

Monitoring was also exercised over the huge amounts of money got pumped through stock exchange markets in the Karachi Stock Exchange [KSE]; various powerful stockbrokers in the city were working on behalf of criminal syndicates and underworld dons to convert black money into white. Reportedly, much of this money landed into coffers of militants and their sympathisers.}

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The Sindh Information Minister Memon revealed that 48 seminaries in Karachi and Sindh had been identified as hatcheries for extremist elements; and that the action against them was ready but no one ever heard any progress under any said seminary. The participants were all set to expedite action on the decisions taken and it brought fruit during the next few months too.

CHINA CUTTING NEXUS:

On 12th June 2015; an evil nexus of political leaders, civil servants and gang lords was found by Rangers involved in nurturing and sheltering organised crime and terrorism in Karachi. Billions of rupees collected from extortion, land grabbing, targeted killings and rackets were flowing in to the coffers of some top personalities of the Sindh province, DG Rangers Maj Gen Bilal Akbar said in a briefing to the apex committee held the other day.

The Rangers' report, made open through press release, estimated the volume of crime economy at over Rs:230 billion a year. While the DG Rangers suggested elimination of terrorist networks for a peaceful city, the apex committee proposed setting up a special body to look into the proposal seriously.

Besides heinous crimes, well organised networks were running illegal marriage halls, illegal parking, match fixing and beggar mafias. The funds from terrorist activities were being distributed among the various factions of the criminal gangs of Lyari besides corrupt politicians and bureaucrats.

Political parties, city district government, district administration, construction companies, estate agents and police officials were all parties in that heinous crime of the land grabbing and were part of mafia. All they worked in a coordinated manner and most of them were patronised by big political parties of Karachi while some top political leaders and builders were also involved in this racket.

The report said that the money obtained illegally from the Karachi Fish Harbour was distributed among criminal gangs of Lyari and some influential personalities of Sindh. The amount extorted from small markets, roadside vendors, graveyards, schools and even from NGO Charities and trusts scampered into billions of rupees.

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China cutting emerged as a new trend which means *illegally selling out green belts and service lanes in shape of small plots*. Land grabbing and china cutting could be divided into three parts: construction on state land, encroachment on state land and on private properties.

Iranian diesel, smuggled and sold to petrol stations in the city was an important source of funding for terrorism and crime. The money was used for raising private armies of political groups in Sindh and of the landlords. In this illegal business, influential persons of Sindh were involved and they regularly got their share.

Water was another source of income for gangsters. Illegal supply of water remained a billion rupee business in the city.

Ghost Employees; in the previous eras, various governments devised the system of ghost employees and the salaries obtained from those accounts were distributed monthly among a well organised racket of political leaders and civil servants. Such black money was used for promoting other crimes and terrorism.

DG Rangers openly declared to the media that an estimated Rs:230 billion annually was obtained through various illegal means which was a loss to the national exchequer and put the citizens to untold suffering.

Sindh Rangers' operation was otherwise successfully continuing against terrorism, target killings and other crimes but the elimination of terror networking was also essential for laying the foundation of durable peace in the metropolis and in the country.

Political parties, who were blamed and their leadership which was being deprived of their billions rupee income, started raising high voices across the spectrum while demanding open investigation and transparency into claims made by DG Rangers on illegal rackets in Karachi.

PPP's Senator Aitzaz Ahsan, who himself is amongst few clean politicians in Pakistan, tried to nullify Rangers' Report through a media conference outside Parliament House next day – but could not face the media when questions were raised. His effort to defend his party's corrupt colleagues had miserably failed.

Meanwhile, Pakistan *Tehreek e Insaf* [PTI]'s Shah Mehmood Qureshi demanded the federal government to make the Rangers report public. The public had unanimously given their mandate against terrorism so it was

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high time that the government could choke the financiers of such heinous acts and eradicate terrorism. Of course, it was the first time top government officials, businessmen and bureaucrats were named in a high-profile report by the Rangers.

MQM's Chief Altaf Hussain, however, lashed out at the army for interfering in issues relating to the police and civil administration, saying the army was only responsible for the protection of the territorial boundaries of the country. The Chief held that the allegations regarding hides of the sacrificial animals and *Zakat* etc posted by the Sindh Rangers were baseless and unfortunate.

LAND OFFICES RAIDED IN KARACHI:

On 15th June 2015; at around 3:10pm, the Rangers raided the Sindh Building Control Authority [SBCA] offices searching for evidence of land-grabbing, though provoking a furious response among the PPP's corrupt politicians as they were allegedly involved in illegal construction and China Cutting – illegal plotting of state owned land in the metropolis.

The paramilitary force surrounded the SBCA building for several hours and only ended its siege after grilling officials regarding illegal construction and approval of controversial building plans for political consideration or huge monetary gains. Rangers' officials confiscated important data relating to such unlawful practices besides interrogating SBCA staff regarding former Director General of the building authority, Manzoor Qadir.

Separately, *on the same day*, five officials of the Lines Area Development Project, accused of China Cutting 1,200 plots worth Rs:4.5 billion and selling them to builders and land grabbing mafia, were arrested by the National Accountability Bureau [NAB]. The law enforcement agencies were carrying out operations against criminal and terrorists in the port city since two years.

The arrested officials included Deputy Directors Lines Area development project Farid Naseem and Shahid Umer, Additional Directors Atta Abbas and Rashid Nasim, and Director Waseem Iqbal. The said 1200 plots were sold for bribes instead of being auctioned – and allegedly the money was used for terrorism and financing terrorists participating in gang wars in Karachi.

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Rangers' personnel acquired a stash of data from the Sindh Building Control Authority [SCBA] and took photographs of certain documents there during their visit to the Civic Centre. Their appearance sparked a wave of panic in the neighbourhood. The 'Express Tribune' told:

"Besides photographing documents, the Rangers also obtained data from the design section and Challan department through computer USBs along with other important files.

The Rangers officials also inquired about the former SBCA DG Manzur Qadir and asked the SBCA officials concerned not to leave the country or city."

Mumtaz Haider, Director Master Plan was the acting in-charge since Qadir had resigned about a month earlier; Qadir disappeared since that day he resigned and had gone abroad on long leave.

In a heated speech after the Rangers raid, former president Asif Ali Zardari warned the army not to overstep its mandate while threatening:

"Don't disturb us or we will also respond to a brick with a brick," he said. "There is a limit to everything. Do not interfere in matters where you have no authority."

[The full details of Mr Zardari's threat have been discussed on the earlier pages in this book.]

However, Sindh CM Qaim ali Shah immediately addressed a letter accusing the Rangers of overstepping their authority and declaring that *"this is an attempt to usurp the mandate of the political government"*.

The CM Sindh and its cabinet had decided to investigate these allegations in detail but the implementation was pushed into the dark tunnels of lethargy through an announcement that *'a committee will be formed'* – till today no committee formed nor any investigation launched by the Sidh government or its chief minister.

Next day; Sindh Chief Minister Qaim Ali Shah constituted a three-member task force to examine the report submitted by DG Rangers about the financing of terrorism through organised crime.

The task force, which comprised Justice (rtd) Ghulam Sarwar Korai, District and Sessions Judge (rtd) Arjun Ram K Talreja and provincial Home

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Secretary Mukhtiar Soomro, was directed to submit its report within four weeks. The chief minister told the task force to examine the report and evidence about financing terrorism, ascertain responsibility and recommend measures to curb these illegal practices.

On 24th July 2015; a joint team of Pakistan Rangers Sindh and Federal Investigation Agency [FIA] during earlier night conducted a raid on the land department of the Karachi Metropolitan Corporation [KMC], Civic Centre to seize record of official lands, estimated to be hundreds of acres, allegedly allotted to private persons through fraudulent means.

Babar Chughtai, a former Chairman of the Association of Builders and Developers [ABAD], told that the said raid coincided with other agency's simultaneous action. The story was in air since long that corruption at the KMC was linked to incidents of violence and money laundering; thus the FIA jumped in the matter as money laundering was its domain.

The FIA revealed that around 700-800 acres of land belonging to Federal Government institutions was given to private persons through questionable means. This land was located in *Surjani Town* and Northern Bypass. An inquiry into this land scam was initiated. The land record to this effect was seized during the raid. Initially, the inquiry focused on alleged usurpation of the lands belonging to federal government but there was also a move to initiate the same probe about the lands belonging to Sindh government.

During the raid, however, the FIA took away 17,000 files, it was alleged. Might be an exaggeration as the KMC officials got a chance to miss-appropriate the whole record to destroy the evidence of corruption in remaining files and put all burden on FIA's shoulders. However, the said move of the FIA had immensely displeased the Sindh government.

On 29th July 2015; Sindh's Local Government Department wrote a letter to the FIA in this regard, contending that the FIA had 'transgressed' its powers by raiding the Karachi Municipal Corporation [KMC] offices and warned it of initiating 'criminal and civil proceedings' if the seized land record was not returned. The FIA contended that they seized the land record to probe the land scam with proper procedure and added that any effort to 'hamper' the probe would be likely to 'benefit' the criminals connected with rogue politicians.

According to the Sindh Local Government's letter dated 29th July, the FIA raided offices of the KMC's land department with '*no prior information*' and '*after office hours.*' The Sindh government argued that the jurisdiction of the FIA was confined to matters pertaining to the federal government —

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but the KMC was not part of the federal govt. The confiscation of the original record of KMC's land department from the '10th floor' of the Civic Centre, was termed as '*abuse of power*'. The letter said that:

"....the ill intent of the FIA officials is evident from the fact that instead of making an inventory and making copies of the said record, original files were taken away in an illegal and unlawful manner without proper procedural formalities."

FIA in his response to the Sindh government's letter pointed out that the FIA was engaged in a formal enquiry into funding of criminal activities in Karachi, which had its origin in the illegal sale and purchase of land — a practice also known as '*China-cutting*.' It further elaborated that:

".....it was expected that the KMC and the Karachi Development Authority [KDA] would work shoulder-to-shoulder with the FIA and assist in completion of the said enquiry, which was purely in 'public interest.'

But, regrettably, instead of appreciating genuine efforts of FIA, an attempt is being made to hamper the legal proceedings under the FIA Act of 1974. KMC was bound under law to provide assistance and information to FIA for completion of the enquiry on merit."

The FIA's Counter-Terrorism Wing had registered Enquiry [No: 11/2015] and seized relevant land record under "*proper seizure means*." In fact the said enquiry was registered on the basis of interrogation of various accused persons who had disclosed that they remained involved in the menace of land grabbing and China-cutting in different areas of Karachi on state-owned amenity plots including play grounds, parks, land of mosques etc. and built up properties by KDA, KMC and Board of Revenue, of course with connivance of inside officials.

The detainees had also disclosed that huge amounts were shared / transferred to activists of a few political parties of Karachi and the said funds were in fact used for criminal and terrorist activities. During interrogation, names of senior officers of the Sindh government such as head of Water Board, Manzoor Qadir Kaka, former DG KBCA; Saif Abbas, Najam-uz-Zaman, Arif, Shakir Langra, Iqbal Nawaz - Directors of land department of KDA; DSP Javed Abbas, etc had also surfaced.

Some political workers namely M Ahsan alias Chunno Mamo, brother of Muhammad Anwar of MQM in London, Nooruddin Khumeni, Mohsin Shaik-

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hani, Ilyas Sehgal, Hammad Siddiqui, Anjum Jameel Siddiqui, Zafar Faridi, Naeem Yousufzai had also come on record.

[The two most prominent instances of such collaboration were the actions taken against Dr Asim Hussain, former federal petroleum minister, and Sultan Qamar Siddiqui, the vice president of the Fishermen Co-operative Society.]

The two dignitaries belonged to the PPP; the former was a close confidant of Mr Zardari and was still officially the Chairman of Sindh's Higher Education Commission; while the latter was considered close to some senior PPP figures in Sindh government. The terrorism allegations against them, however, link Hussain with MQM's target killers and Siddiqui with religious militants who allegedly killed more than 40 Ismaili Shiites in Karachi's Safoora Goth earlier that year.

The investigations revealed that most of the record pertaining to China-cutting available in the KDA office was fake. Director FIA Shahid Hayat pointed out that the FIA had seized record only from the 3rd floor of the Civic Centre, not from the 10th floor, and did it on the pointation of KDA officers who admitted that:

"....the 'said files' was not part of official record of KDA rather it was prepared solely by the activists of a political party and it was exclusively controlled by those activists.

.....those special files were fraudulently prepared thus giving right of land to different people illegally for mostly monetary considerations and huge amounts, which did not become part of govt. treasury.

....evidence also came on record to suggest that money realized through these illegal activities was being laundered to Dubai / UAE and UK through banking as well as illegal channels."

FIA also suggested a joint team consisting of FIA, NAB, Sindh government's Anti-Corruption Establishment and Sindh Local Govt. to investigate the scam, which initial investigations suggest involved "tens of billions of rupees." Also that 'Intimidation of a public servant in order to force him to refrain from discharging his lawful duties constitutes offence punishable under section 6 (1)(m) of ATA 1997,' warned the Director FIA.

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Astonishingly, next day, Chief Minister Sindh's spokesperson in a statement said there was no "controversy" between the Sindh government and the FIA - the FIA had agreed to return the seized land record. Perhaps a working relationship had been developed.

Later, the case and the files were transferred to the National Accountability Bureau [NAB] for onward process and investigations into the whole set of misdeeds. In such cases the federal authorities – the Rangers, the NAB and the FIA – were indeed closely collaborating.

On the parallel lines, the PPP launched a much calculated move of accusing the Pak-Army of trying to usurp the powers of Sindh government, intensifying a showdown between the military and politicians in Karachi. Since the first week of June that year, politicians and the military were found trading insults and taunts over corruption in the mega-city.

PPP politicians from Sindh started raising alarms that the military was seeking to weaken the main political parties in Karachi. In fact they were scared of their own mega scandals of corruption thus of slowly tightening of the military's grip around them.

On 13th November 2015; Federal Minister Gen Abdul Qadir Baloch had claimed that the ISPR statement about weak governance was actually directed against the performance of the Sindh government which had failed to take action on the report of Rs:230bn annual corruption.

Next day; Senior Sindh Minister Nisar Khuhro 'corrected' the media that the Rangers' report on corruption had failed to come up with any proof before a three-member body led by a retired judge of the Sindh High Court to substantiate its allegation.

Speaking to reporters, the senior minister termed the statement of Mr Baloch – as '*irresponsible*'.

Without naming the Rangers, Khuhro went on to say that nobody appeared before the three-member task force headed by retired Justice Ghulam Sarwar Korai with proof and, therefore, the allegation stood rejected.

[Forgetting that Pakistani rogue judiciary's role is world known; Pakistan has been ranked at no:192 out of 197 countries by World Judicial Forum whereas Pakistan's military ranked amongst first FIVE in the world.

How a Major General rank army officer could appear before a partisan retired judges committee – especially constituted to sign a clean chit for sitting PPP's lethargic and corrupt government.]

Mr Khuhro roared:

"...if you will talk about us, we will talk about you and this will go on for all times to come.

85 cases of terrorism had been scrutinised and 74 cases were recommended for trial in military courts but the federal government had approved only 11 cases."

Khuro's remarks clearly indicated that it was the nexus within the PML[N]'s federal government which was patronising the terror activities in the country – Rana Sanaullah and Ch nisar Ali were targeted. That meeting was presided over by CM Syed Qaim Ali Shah and attended by Governor Dr Ishratul Ibad, Mr Khuhro, Home Minister Sohail Siyal, Chief Secretary, IG Sindh police and other senior officials.

On 25th September 2016; in a major move to clamp down on terrorism financing, the State Bank of Pakistan [SBP] directed all banks in the country to freeze accounts worth millions of rupees linked to 2,021 individuals listed on the Fourth Schedule of the Anti-Terrorism Act (ATA) 1997.

"All banks, development finance institutions and microfinance banks have been advised to take immediate action as per requirement of the law against individuals, whose names are included in the lists of fourth schedulers provided by the National Counter-Terrorism Authority [NACTA].

Section 11-O of ATA provides for freezing and seizing of money or other property owned directly or indirectly by a proscribed person."

A list of 2,021 individuals — mostly leaders and office-bearers of sectarian groups — was sent to banks along with the directive. Some prominent names on the list were Maulana Abdul Aziz [Lal Masjid], Mohsin Najfi [Shia leader], Maulana Ahmed Ludhianvi [ASWJ], Aurangzeb Farooqi [ASWJ], Allama Maqsood Domki [Majlis Wahdat e Muslimeen), Pariyal Shah [ASWJ], Maulvi Kabir [ASWJ], Sibtain Shirazi [defunct Tehreek e Jafria Pakistan], Mirza Ali [defunct TJP], Ramzan Mengal [LeJ], Sheikh Nayyar [defunct TJP] and Shahid Bikik [Lyari *Amn* Committee].

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Interestingly, the list also had names of some people who had died.

More than half of the listed persons [1,443] were from Punjab, followed by Sindh [226], Balochistan [193], Gilgit-Baltistan [106], Islamabad [27] and Azad Kashmir [26].

No one from Khyber PK was included in the list.

The list sent to the banks did not include the names of all 'fourth schedulers'; the NACTA officials held that the complete list was between 6,500 and 8,000 names and might go impossible to implement it seriously. But it was not clear what criterion was used to include names in the list forwarded to the banks.

[The federal government lists someone as a proscribed person in the fourth schedule if he is suspected of involvement in terrorism, or is an activist, office-bearer, or an associate of an organisation kept under observation under Section 11D or proscribed under Section 11B; and is part of an organisation or group suspected to be involved in terrorism or sectarianism.]

It is believed to be the first time that freezing of such a large number of accounts on suspicion of link to terrorism was ordered in Pakistan. The financial aspect of terrorism had received little attention till then. The latest move followed criticism that not enough was being done to squelch terrorism financing. NACTA's former Director General Tariq Pervez described:

".....the SBP decision is a long-awaited step in the right direction. It must be followed up by other actions required under the law, including cancellation / denial of passports and arms licences and travel ban for the listed persons."

Director of the Pakistan Institute for Peace Studies [PIPS] Amir Rana was sceptical about whether the move would substantially dent the financial sources of banned organisations. His concern was that:

"....the freeze order focuses on the leadership of the sectarian groups, while hardcore terrorists are absent from the list.

Moreover, accounts of individuals have been frozen, whereas no action has been taken against accounts of banned groups."

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In fact, a comprehensive action covering both traditional and non-traditional sources was required instead of just targeting the normal banking.