



## Visit to Malta of MEPs Ana Gomes, Sven Giegold and David Casa

(Members of the European Parliament Ad Hoc Mission on the Rule of Law in Malta, Nov/Dec 2017, following the assassination of journalist Daphne Caruana Galizia)

### **Conclusions:**

1. The investigation on the assassination of Daphne Caruana Galizia is stalling. People we spoke to suspect that the plan may be ensure the blame rests with the three suspected bombers and to eventually let them go free, after 20 months of detention.
2. Magistrate Vella, who has been in charge of the murder investigation, has been offered a promotion to become a judge and should, in a few weeks, leave the case. This is interpreted by many as a way to delay and stall the investigation.
3. The Police is ostensibly not following all relevant leads to find out who ordered the assassination. Excuses provided go from lack of resources to impossibility to investigate all people exposed by the deceased who might have had a motive to silence her.
4. Quite shockingly, the Police appeared not to have thoroughly investigated witness accounts - published by international media - that Minister of Economy, Chris Cardona (exposed by Mrs. Caruana Galizia and suing her for libel) had been seen drinking with one of the suspects prior to their arrest.
5. The Police has denied that policeman Sargent Cassar had tipped off the detainees. However, he was transferred from the investigations brigade. During the interrogation following the arrest, one Police inspector asked suspects who had tipped them off about their imminent arrest: they had no keys or phones with them, and one of the men had written his partner's number on his arms.
6. No Malta Secret Services' records on the murder suspect that had been under surveillance, prior to and after the murder, were provided to the Magisterial investigation so far.
7. There is no communication between the magisterial investigation and that of the Police: In Malta it is the Police who controls the inquiry, not the judiciary.
8. Mrs Caruana Galizia's family has not been kept informed of developments in the investigations and is facing libel lawsuits inherited from the journalist, which were not dropped by their initiators, even after the murder.
9. The Commissioner of Police refused to see the three MEPs, arguing in writing, in the evening before the visit, that they were not a formal EP mission.
10. The Prime Minister's Chief of Staff Keith Schembri and Minister Mizzi continue to hold their posts in government despite the additional evidence of their involvement in



criminal activity exposed by the Daphne Project. Ruling party MPs speak as though elections had cleaned corruption.

11. Magistrates responsible for inquiries on Egrant and FIAU reports are saddled with hundreds of other cases.
12. Several cases of corruption and money laundering exposed by Daphne, Panama Papers and the journalist consortium “Daphne Project” are not leading to any Police, Magisterial or Parliament inquiry. Cases such as the sale of passports (IIP), Enemalta Socar contracts, the privatization of public hospitals to unknown owners, oil smuggling from Libya, the American University.
13. The case of alleged massive sale of Schengen Visas is linked to an official in the Office of the Prime Minister. He is also a hate monger within the Facebook PL Groups.
14. Several members of the Government, including the Prime Minister, are active members in Facebook hate Groups who abuse, insult and threaten critics.
15. Civil society organisations and independent media complain of vicious online campaign to counter their efforts to expose the truth. Some have suffered online DDS attacks.
16. New libel laws are not discouraging libel suits initiated abroad against persons or media in Malta.
17. Government denied whistleblower status to former FIAU and Police officer Jonathan Ferris, despite his request. The process to extradite Pilatus Bank whistleblower Maria Efimova continues in view of a European Arrest Warrant, following a complaint by Pilatus Bank accusing her of owing 2000 euros to the Bank. If she is extradited to Malta from Greece, many people fear her life will be in great danger.
18. The MFSA did not withdraw the license of Pilatus Bank, it froze its activity, despite its owner being arrested and charged for laundering money and busting sanctions against Iran and Venezuela in the USA. The Central Bank of Malta appears to be processing payments on behalf of Pilatus Bank under circumstances that clearly require monitoring and oversight by the European Central Bank.
19. Financial services are concerned with Malta’s unpreparedness for Moneyval evaluation later this year. Stakeholders are concerned by the infiltration of organised crime in Malta. Many fear that Malta’s move to become a cryptocurrency hub will mean even greater capture of institutions and the further infiltration of organised crime.

## Recommendations

1. The new LIBE WG overseeing rule of law in Malta and Slovakia should request an urgent meeting *in camera* with EUROPOL officers who assist the investigation in Malta in order to clarify the nature and origin of limitations mentioned by former Europol Director, Mr Wainwright, [in the letter sent to MEP Gomes and others on the 26 of April 2018](#).
2. The new LIBE WG and the EP Special Committee TAX3 should soon dispatch a Delegation to Malta to take stock with the Caruana Galizia family, their lawyers, and with the authorities, - including the Police Commissioner, the FIAU, Magistrates and Attorney General - of developments regarding both Police and Magisterial investigations.
3. The Maltese Police should foster a partnership with the Italian Guardia di Finanza in the criminal investigation of the assassination of Daphne Caruana Galizia, as well as with other anti-terrorism and organised crime prosecutorial and police authorities in Italy, namely with a view to combat oil smuggling.

## Agenda - 1 June 2018

09:00	Meeting with members of the Nationalist Party	Discussion of mission report	Maltese Parliament
10:00	Meeting with members of the Democratic Party		
11:00	Meeting with members of the Labour Party		
13:00	Meeting with Aaron Burgeja, Magistrate	Egrant case	Conference Room of the Courts of Justice in Valletta
14:00	Meeting with Anthony Vella, Magistrate	Daphne Caruana Galizia case	Family Court
15:30	Meeting with Ivan Grech Mintoff	Libyan medical visa scandal	Europe House
16:30	Meeting with civil society	Human Rights / Rule of Law	Europe House
17:30	Meeting with John Dalli	Mentioned in the mission report; requested meeting with the Delegation	Europe House
18:30	Press Conference		Europe House



## Notes on Meetings

Friday, 1 June 2018

### 1. Meeting with Partit Nazzjonalista (PN) Delegation, at the Parliament, in La Valletta

Attendees: MPs Robert Cutajar (Whip), David Stellini (Chair), Kristy Debono, Chris Agius, Karol Aquilina

MEP Gomes set out the reasons for this follow-up visit by three MEPs who have been accompanying developments in Malta since they participated in the [European Parliament \(EP\) Panama Papers Inquiry Mission \(February 2017\)](#) and the [Ad Hoc Mission on The Rule of Law \(31st November/1st December 2017\)](#), which was dispatched to Malta after the assassination of investigative journalist Daphne Caruana Galizia. She listed as main concerns that the investigation into the murder of Mrs. Caruana Galizia seemed to be stalled, and that Minister Konrad Mizzi and PM Chief of Cabinet Keith Schembri were still in office, despite all revelations after Panama Papers. She stressed that the three MEPs wanted to listen to the views of Maltese stakeholders. She also informed that a Working Group was about to be set up by the EP, under the LIBE Committee, to follow up on the Rule of Law in both Malta and Slovakia, EU Member States where investigative journalists exposing corruption had been recently assassinated. MEP Gomes asked the PN Delegation about their perception on these points.

PN MPs said that there is a sense of impunity. Their major concern as a party is that the Attorney General (AG) and the Commissioner of Police failed to act. Most citizens feel that they are not protected. A debate was held the previous day in the National Parliament on the conclusions drawn up by the Ad Hoc EP Mission sent to Malta last year, finding shortcomings in the country's governance and rule of law. PN underscored that there can never be reconciliation without justice. PN wants the country to return to normality. It is important that that justice is seen to be done. Key institutions have to act with the same force when it comes to PM Chief of Staff, Keith Schembri, as on other criminals.

On the discussion recently held in the EP about the sale of Citizenship via Golden Visas and programmes such as Malta's Individual Investor Programme (IIP), PN noted it was in principle against the IIP and it went on to accept the Programme on the understanding that the conditions agreed with European Commission (EC) President, Mr Juncker, and with former Commissioner Mrs Reding were to be followed, including the publishing of the names of the persons applying for this programme and that there was transparency in the process. The PN believes that these three conditions are not being met and that the European Commission is not acting on it. The European Commission was tricked, in the sense that persons participating in the IIP do not necessarily need to be physically present in Malta, it suffices to be renting accommodation without actually living in the country. VP Timmermans had said at a press conference that the EC would be analysing the IIP programme and wants to have the list of persons that have acquired Maltese citizenship. But even though the Maltese Government



promised to publish this list, it did not differentiate between persons acquiring citizenship through the IIP programme and those naturalised through marriage, etc...

The impact of these EP reports and discussions on Malta is a double-edged sword from a financial services perspective. Nothing has changed since the Panama Papers revelations. Unless Chief of Staff Keith Schembri and Minister Konrad Mizzi shoulder their responsibility, the financial sector will be harmed. On the other hand, the more this issue is highlighted at an international level, the more damage is inflicted. No one believes that Malta's institutions are independent anymore. It is proving difficult for the country to attract good investment. Malta is interested in attracting investment in the blockchain industry, but the fear is that, instead of attracting good names, these will go to other countries with more stringent rules. Again this is a double edged sword. Malta needs better and more flexible regulations to remain relevant, even technologically. But the Government not reacting to the current accusations and questions is a huge stumbling block affecting the country's image and therefore the financial and economic sector.

On the anti-SLAPP legislation<sup>1</sup>, which the PN presented in the Maltese Parliament, it was stated that the Government rejected categorically this proposal, the bill now pending in Parliament. Anti-SLAPP legislation, to be effective, should be taken up at EU level, PN stressed.

Recently PN had put forward a motion against money laundering, but that debate had taken place in the absence of Prime Minister Joseph Muscat. It seemed as if Malta was living in two different worlds, with the Government working hard to show that it is business as usual, nothing amiss or wrong.

Asked if the EP members were still following the Ferris case, MEP Gomes replied affirmatively. She went on to ask what was PN MPs' perception on the investigation into Daphne Caruana Galizia's murder, especially in the context of the revelations brought about by the Daphne Project, including the allegations that the three murder suspects detained were tipped off before their arrest and that Minister Cardona was reported to have been seen drinking with one of the suspects. Also a PM Office officer had been alleged to be a central actor in a scandal involving the massive sale of Schengen visas in Libya, a case she had brought to the attention of the European Commission. She further highlighted that Commissioner Jourova will be coming to Malta later in June and hoped that these issues would be discussed with her. She referred also to the Moneyval report on Malta to be prepared in November and its relevance for Malta's financial services.

PN MPs said that the Moneyval visit is high on everyone's agenda. They believed that the Government is not yet prepared for this test and fear that incorrect information might be presented. The financial industry is very worried as they have always worked diligently and are serious practitioners. "If we fail the test, the repercussions will be very serious for the industry." There could be a collapse in correspondent banking, especially if HSBC was to leave the island.

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<sup>1</sup> A strategic lawsuit against public participation (SLAPP) is a lawsuit that is intended to censor, intimidate, and silence critics by burdening them with the cost of a legal defense until they abandon their criticism or opposition. See [https://en.wikipedia.org/wiki/Strategic\\_lawsuit\\_against\\_public\\_participation#cite\\_note-onthedia\\_01-1](https://en.wikipedia.org/wiki/Strategic_lawsuit_against_public_participation#cite_note-onthedia_01-1)

The Anti-Money Laundering legislation (AML) requirements made it very difficult to open bank accounts and it would be catastrophic if Malta failed the Moneyval tests. When MPs were attending CoE meetings in Strasbourg, meetings were held both with Moneyval and Greco. The key problem in Malta is enforcement, which results in overarching impunity at all levels.

MEP Giegold referred to the important revelations made by the Daphne Project and the reputation damage this is having on Malta. He had heard of the rumours concerning HSBC. He was surprised at the limited response these revelations produced in Malta: in any other EU country this would have triggered police investigations, but in Malta this seems not to be the case. There seemed to be no willingness to do any such thing by the Commissioner of Police. In the meeting with the Commissioner of Police, during their previous visit, the Commissioner had insisted that they would not open an investigation unless they had evidence. This seems odd as the role of the Police is to find evidence triggered by reasonable suspicion. He asked the PN Delegation whether they, as Parliamentarians, tried to trigger an investigation following these revelations, tried to set up an investigative committee, as would happen probably in the German Bundestag if a similar situation was to occur. He felt that some of the problems are not only caused by the wrong people in government but also helped by a constitutional set up that allows misuse of power too easily. Institutions to control the government seem to be not independent enough from the government and its parliamentary majority. What was the position of the PN, if it does not question the institutional set-up? Better institutions could change the situation. Will the PN propose such a revision? He further stressed that it might need full independence of the public services commission, and that should also be crucial in appointing the Commissioner of Police and in the Judiciary. He then remarked that the leader of the PN Party was also under suspicion, what did not make matters easy. When speaking to the German press after earlier visits to Malta, his interlocutors always remarked that neither of the two large parties seem fully credible. As long as Mr Mizzi and Mr Schembri stay in office, the reputational problem will not be solved. This would hardly happen in another EU country after the revelations of the FIAU and ICIJ. He underscored that he has absolutely no problems with Malta having a strong financial sector even being a small Member State, but, on the other hand, everybody needs to play by the rules.

MEP David Casa observed that the position of the PN leader had now been clarified, as he had settled all pending taxes and that now this is a closed chapter. He added that the PN has in fact come up with proposals regarding appointments. Appointments should be done through a fair representation of Parliament and not the Government, but this was opposed by the Government. He added that Malta needed to come up with new proposals and a proper plan for reform based on the EP and EC recommendations. The support of the EP on this matter was appreciated. Proposals resulted not just from the opposition party, but also from the Maltese civil society, which represents a broad political spectrum, including the centre left.



## 2. Meeting with the Partit Demokratiku (PD) Delegation, at the Parliament in La Valletta

Attendees: **Dr Anthony Buttigieg (Leader), Mr Timothy Alden (Deputy Leader), Mr Marcus Lauri (Public Relations Officer)**

MEP Gomes highlighted the reasons for the MEPs visit, referred to the assassination of Daphne Caruana Galizia, the fact that there were no resignations by Mizzi and Schembri, and referred to correlated scandals, such as the privatisations of hospitals and the contracts of Enemalta. She asked PD member for their opinion on whether the investigation on the murder was stalling, on the allegations about Minister Cardona drinking with a suspect and the excuse provided by the Commissioner of Police for not having the means to investigate. She also noted that the Commissioner of Police had denied the request to meet with MEPs.

PD Members gave an overview on why their Party was created, founded by people disgruntled by the currently polarised political system. It is not working, more checks and balances are needed. Their party members are still building awareness of a number of issues, despite limitations in number. They are financially independent professionals. The common ground that brings its members together is an urge for good governance. At EU level they are affiliated with ALDE.

On the topics raised, PD Members considered that both main parties are masters of fake and manipulated news, each pushing their own agenda through their own media stations. There is no real independent media. This is one of the problems in Malta; there is no balanced and independent narrative.

MEP Gomes asked whether there is an artificial sense of prosperity in Malta and whether this is linked with the IIP.

PD replied that there may be a sense of prosperity, but on the ground things are different and poverty is on the rise. On the other hand, people believe the narrative given to them. The power of incumbency should be noted, whereby the Government employed a substantial amount of persons in the civil service at the time of a record high unemployment rate. Also, permits for buildings were given with almost no reserve with a view to secure political allegiances.

MEP Giegold remarked that the Government of Malta did not deny that in their report responding to the report of the parliamentary Ad Hoc Delegation.

PD explained that the whole PL parliamentary representation has been, de facto, bought, since there is no division between the Cabinet (the executive) and the back benchers who are representing the Government on a board or have other roles within Government, if not made a Minister or a Parliamentary Secretary. "We are not free thinkers anymore". The Government is still the main contractor in the country. The businesses have a lot of bargaining power and are on the other hand highly influenced by whoever is in Government. An indicator of artificial wealth was the fact that VAT is hardly ever being paid (MEP Giegold asked for evidence, PD promised to send information). PD Members added that there is also the direct orders issue





when awarding contracts, thus bypassing the tendering process. Even though the Government is not breaking the law in this case, what was before an exception had now become the rule.

MEP Giegold asked for statistics on this point. He further asked whether the problems affecting the rule of law in Malta were having repercussions on the environment /nature protection.

Members of PD confirmed that this was definitely the case and that there was a building frenzy, with utter impunity, all over the island. They cited the example of Majjistral Park, whose main aim is meant to be educational; but, due to the hunters' lobby, hunters have been given a longer period of time to poach turtle doves within the nature park.

MEP Giegold asked if there is actual enforcement by the Police. He reported that the NGO "*Committee Against Bird Slaughter*" has complained publicly that calls to the police after observed illegal bird hunting has repeatedly not triggered police showing up. PD said that the problem is that the Police unit is too small to keep up with surveillance in the whole country.

On reports of corruption and the findings resulting from the Daphne Project, MEP Giegold asked whether PD, in their role as opposition, asked for inquiry committees at the National Parliament to look into these cases.

PD replied by referring back to the debate held in Parliament regarding the extension of hunting time in the Majjistral Park. PD's two MPs presented a Resolution against this proposal, but the PN opposition did not back them. PD notes both main parties have a shared interest and agenda that blocks all action in Parliament.

MEP Gomes asked PD's perception on the allegation of a policeman tipping off the murder suspects of their arrest, and the refusal of the Police to investigate Minister Cardona alleged links with the suspects.

PD explained that many in Malta completely toe the line of the current Government – as illustrated by Police saying they do not have enough evidence to investigate. They have had enough of the Daphne Caruana Galizia matter and want to move on. This is a widespread perception and one which can be seen at different levels of society.

PD members said they are losing faith in the process. Their only hope is that it has now moved beyond Malta shores. Referring to Pilatus Bank, they were hopeful that these people will now be brought to justice once it moved out of Malta's jurisdiction. Malta's regulatory institutions are weak, it should be noted that the current Commissioner of Police is the 5th since PL party is in power and he surely is not independent from the Government. The problem is that the Maltese Constitution was drafted by gentlemen for gentlemen, but this is not the case anymore. Never in Malta's history has a Prime Minister been linked to corruption so closely.

MEP Gomes asked why disgraced European Commissioner John Dalli never had faced charges in Malta.



PD said that most people associate Mr Dalli as being the link to most business deals by the Government and that Mr Dalli knew the Prime Minister really well before being made his advisor.

PD gave the example of the Vitalis deal, involving the privatisation of hospitals, a deal that is costing Malta much more than when hospitals were state owned. PD is convinced that the money the company has promised to invest is the same money it is expecting from the Government. The Government is still paying for the running of the hospitals, so what are the investors investing in, exactly? What was interesting was that the Government miscalculated the public reaction to this deal. This is what hits a nerve with the people - health matters - as it affects people directly, much more than the scandals surrounding Pilatus Bank or the murder investigation.

PD Members noted that in Malta there is a concerted organised character assassination led by the current party in power and this was clearly manifested in the case of Daphne Caruana Galizia. PD MP Marlene Farrugia has received very serious threats and direct intimidation, as a result of her actions and views. These attacks are extremely sophisticated and coordinated. And they can destroy a person, especially in a small country like Malta. Six Groups on Facebook, to which the PM and members of Government, civil service and Police, are members, encourage hatred against targeted persons. The language used is beyond belief. They do not even hide their identity. The PN leader has sent a letter to the PM on these Groups, but never received a reply.

PD knows there will be a constitutional convention, but fears that change will be anti-democratic. Most institutions are very weak. There needs to be a complete separation of the boards for appointments from the Government. The Government needs to have a minority representation on these boards.

MEP Gomes closed the meeting suggesting PD requests to meet with Commissioner Jourova when she visits Malta.

### **3. Meeting with the Partit Laburista (PL) Delegation, at the Parliament, La Valletta**

**Attendees: MPs Edward Zammit Lewis (Chair), Rosianne Cutajar, Alex Muscat, Robert Abela, Stefan Zrinzo- Azzopardi, Byron Camilleri.**

MEP Gomes informed the PL delegation that, following the two assassinations of journalists in Malta and Slovakia, a new working group is to be set up by the EP, under LIBE Committee, to oversee the rule of law implications in both countries. This visit by three individual MEPs, who had participated in the EP Ad Hoc Mission sent to Malta following the murder of Daphne Caruana Galizia, was aiming to take stock of the situation. The three MEPs would be writing their own report and send it to this Working Group.

When the Ad Hoc Mission had visited last in November/December, only a month and a half after the murder, it was too soon to expect significant developments in the investigation. But, actually, two days later three people had been arrested as suspects of placing the bomb. However, the crucial question was, already then and still today, who ordered the bombing. Those who have followed the case, as the three visiting MEPs, worry that seven months later and almost nine months after the bombing, nothing has happened and that question is still not answered. The perception is, notably after the revelations of the journalists working with the “Daphne Project”, that the investigation may be stalled. She made reference to the allegations of tip off of the suspects by a Police officer, and to the witnesses alleging to have seen Minister Cardona drink with one the suspects, allegations which the Police refused to investigate. She also regretted that the Police Commissioner did not accept the MEPs’ request for a meeting. She referred to the letter by Europol admitting limitations in their role assisting the Malta investigations. She could not understand how two persons (Mr Mizzi and Mr Schembri) clearly exposed as corrupt by the Panama Papers and FIAU reports are still in government, enabled to continue with possible criminal activity. She noted that, by winning an election, no government can claim to be cleaned of corruption.

PL (MP Zammit Lewis) does not agree that nothing has happened since the assassination of Mrs Caruana Galizia, which shocked everyone. A magisterial inquiry is ongoing on the murder, other magisterial inquiries on corruption allegations are ongoing, namely as a result of documents presented by MEP David Casa. Malta is a free country and PL had full confidence in the judicial system. Magistrate Vella (investigating the Daphne Caruana Galizia assassination) kept the inquiry open for further investigations. The Government had also, in the meantime, removed criminal libel from the libel law in Malta.

PL MPs referred to allegations made by MP Jason Azzopardi regarding the tip off by the Police to the suspects, stressing that these were denied by the Commissioner of Police. MP Azzopardi, who is also the lawyer for the Caruana Galizia family, did not dare to repeat this allegation outside Parliament, showing it lacks credibility.

Regarding the allegation on Minister Cardona, PL explained that, in Malta’s social context, parliamentarians, ministers and public figures speak to hundreds of people daily. This is the reality in a small country.

Concerning PM Chief of Staff Schembri and Minister Mizzi, it was noted that a magisterial inquiry was still ongoing on allegations brought against the two. Also, the Prime Minister had said that he would wait for the results of these inquiries before he will pronounce himself. It was stressed that “We need to let justice take its course; there is due process and the rule of law; we need to wait for this process to take its course; cannot be judge and jury. We need to let the institutions do their work”.

MEP Giegold responded by noting the peculiar culture that places Malta in a different basket with the rest of the EU when it comes to investigations by the Police, judiciary and political accountability. He was surprised that MPs had not ensured that an inquiry committee was put in motion to follow-up on the allegations of serious corruption. He is surprised that no one was forced to resign as investigations based on strong evidence were set up. The reputational



damage for Malta in Germany is strong across the whole party spectrum . Even just one case like those revealed in the Panama Papers would have brought down the government in probably any other EU country.

PL (MP Robert Abela) said that there is a need to differentiate between allegations and facts. Allegations made by MP Jason Azzopardi were obviously unfounded: How to justify the fact that the suspects, if eventually tipped off, did not escape? Also, they were arrested with their mobile phones containing crucial information.

MEP Gomes asked why then was the Police officer alleged to have tipped off the suspects transferred to another position outside the investigators team? And, since one of the suspects had been under surveillance by the intelligence services prior to the assassination, why were the Malta Secret Service records not provided to help find out who ordered the murder?

PL (MP Robert Abela) clarified that there was never any mention of the murder of Daphne Caruana Galizia in the phone interactions. It was also not true that the Police officer alleged to have tipped off the murder suspects was given a transfer for that reason. MP Azzopardi refused to repeat these allegations without the protection of Parliamentary Privilege.

PL MPs stressed that 'Justice' acts independently, the legal aspect cannot be confused with the political aspect. Malta might have a politically polarised society, but it is a safe and a peaceful society, contrary to how it is being portrayed.

PL (MP Rosianne Cutajar) highlighted that it was the Labour government that introduced a specific legislation so that a politician would be brought to justice if having engaged in corrupt practices. Corruption is no longer protected by time barring and a corrupt politician can be held accountable until the end of his living days.

PL (MP Zammit Lewis) noted magisterial inquiries have a time frame which is different from the judicial process. MPs or the Prime Minister have no power over the inquiry. PL MPs were quite surprised and shocked to have learnt that the MEPs were going to meet with the inquiry Magistrate Anthony Vella and that he had accepted to see them. It is a question of respecting the separation of powers.

Regarding the follow up on FIAU reports, and in reply to a question by MEP Giegold, PL MPs pointed out that former Police and FIAU investigator Mr Ferris never actually applied for whistleblower protection. He filed a judicial process in court asking for it, but that was not the right procedure.

PL MPs referred to the change of Attorney General, which was endorsed by the Chamber of Advocates. Appointment was not controversial and respected the independence of the judiciary. He was appointed unanimously. It is a system that the Government is working at improving.



PL MPs referred to the new Media Law, which their Government has introduced. They described it as supportive of the freedom of the media. Success of a politician to win a libel case had become quite limited.

MEP Giegold remarked that it was very peculiar to hear that there is no need for a parliamentary inquiry, as there is an ongoing magisterial inquiry. He believes - as demanded the report of the European Parliament's Ad Hoc mission - that the Police should search for evidence following the latest claims and that both Mr Mizzi and Mr Schembri should resign from Government in view of the clear allegations, irrespective of whether the magisterial inquiry has been concluded or not. It is clear that, from the documents found in the FIAU Reports and the Panama Papers, Mr Mizzi did not say the truth when he met the EP Panama Papers Mission in February 2017. And that is reason for serious concern. Whilst he maintained that his offshore accounts were for family purposes, there is now written evidence that they were for business purposes.

PL (MP Zammit Lewis) retorted that he does not agree that there is no rule of law in Malta because there is no parliamentary inquiry committee. What would be worrying is if there is tampering with the work of the inquiry magistrate. What is important is that there is a set time frame for this inquiry to take place in order to establish certainty in the process.

MP Gomes referred to the oil smuggling scandal, as exposed by the Daphne Project, whereby rule of law worked in Italy but not in Malta.

PL (MP Zammit Lewis) explained that Malta is implementing the sanctions in place (OFAC) and these are being monitored by the Sanctions Monitoring Board within the Foreign Office. And the only reason it happened in this way is because it was the Italian Police that caught the smugglers.

MP Gomes asked why did the Labour Government not support the anti-SLAPP proposal by the opposition.

PL (MP Zrinzo Azzopardi) said that the way the opposition passed the message was incorrect. The Media Law discussions were extensive and involved all media stakeholders. On the other hand, the private members bill on anti-SLAPP was, based on a number of authoritative opinions, legally flawed. He emphasised that Labour is not in favour of SLAPP. He went on to explain that elements in the new law are already anti-SLAPP in the sense that it is now not possible anymore to file different libel cases on one article.

MP Abela added that the Government has arrived at an anti-SLAPP approach through a different avenue.

MEP Casa reminded that the problem lies with the fact that the new law does not address the issues of libel in foreign jurisdiction, as was the case when Pilatus Bank threatened, on the day of Daphne Caruana Galizia's assassination, a number of Maltese media houses with SLAPP cases in jurisdictions outside Malta.



Regarding the contracts of Enemalta and state hospitals, PL (MP Zrinzo Azzopardi) said the Government has passed the documents to the Audit Office and the Public Accounts Committee on its own initiative and well before the opposition brought this up. The investigation is ongoing.

MEP Gomes referred to the IIP, adding that this programme should be re-examined by the European Commission in the context of the report being prepared on the sale of nationality by EU MS. She then referred to one particularly serious case, which the EP Schengen Working Group will be considering, on the massive sale of Schengen visas by Malta officers to Libyans and Algerians.

MEP Giegold referred to the allegations on several cases of corruption exposed by the Daphne Project and asked whether they are being followed up. They were published by the top international media houses.

PL (MP Abela) said that the majority of these topics are covered by the ongoing magisterial inquiries.

MP Gomes ended the meeting stressing that MEPs were in Malta to be constructive and engaged their fellow MPs: “Your reputation is also our reputation. It’s about the Union as a whole”.

#### **4. Meeting with Magistrate Bugeja**

The meeting lasted around 45 minutes.

MEPs Ana Gomes and Sven Giegold raised a number of concerns, such as the period of time that have held up the inquiry into the offshore structures Egrant and 17 Black, as well as their concern that the Commissioner of Police had refused to open investigations despite having received FIAU reports on these matters and on the revelations of Panama Papers.

Mag. Bugeja told the MEPs that he could not comment on the inquiry itself, but gave an overview of the magistrates' and the Police forces' powers in similar inquiries. He explained that the magistrate's powers are limited and that much of the action required and requested in the public domain rests on the Police's shoulders. Once the magisterial inquiry would be concluded, the Police would still have to decide to open investigations based on it or not. In the event that the Commissioner of Police decides in the negative, it would be up to the Attorney General to consider to order the Police to open investigations. The investigations carried out by the magistrate were carried out in total separation from the Police, no exchange of information was carried out in case the Police would have decided to also open their own inquiry. The magistrate had no one to brainstorm with, his was a one man job. The MEPs noted that this was proving to be problematic given the much publicised feet-dragging or refusal of action from the Police and the Attorney General, both clearly dependent on the Government (the Attorney General being also the legal advisor to the Government). And ultimately certain figures clearly stood to gain if the inquiry led nowhere or took ages.

The MEPs asked if the information provided to the Maltese judicial authorities by the German authorities based on what they had learned through Panama Papers was proving useful and was being analysed. Mag. Bugeja confirmed that much work had been carried out and was still being carried out on that basis.

Mag. Bugeja informed the MEPs that his workload was substantive, also due to many other cases, although he was working around the clock and had interviewed over 100 people in connection to this inquiry.

## **5. Meeting with Magistrate Vella**

The meeting lasted around 25 minutes.

MEPs Ana Gomes and Sven Giegold raised a number of concerns, such as the rumoured promotion of Mag. Vella to become a judge in the coming weeks, as well as on limitations and working difficulties mentioned by Europol in their effort to assist the local law enforcement agencies in the investigation.

Mag. Vella sought to assure the MEPs that he is working on getting as much work as possible done on the inquiry into the assassination of Daphne Caruana Galizia.

Mag. Vella confirmed that the cooperation with Europol and FBI with his investigation team was excellent and proved really useful, namely to identify the detained suspects and map communications involving them. He noted also that, in the Maltese legal and institutional framework, the magisterial inquiry was totally separate from the Police investigation, and that no information was shared.

MEP Gomes noted she had read in media reports that Malta Secret Services had one of the arrested suspects under surveillance for months before the assassination until their arrest, therefore also several weeks after the assassination. And she asked whether those records had already been provided to the Magistrate and if he had already been able to examine them.

Mag. Vella, stressing that he could not comment on the substance of his findings, explained nevertheless how evidence is being collected and collated and what will be the procedure once the inquiry is concluded and then sent to the Police and the Attorney General for action.

MEP Gomes asked for how long could the suspects be in detention without being formally charged, according to Malta law. Mag. Vella said 20 months.

MEPs Gomes, Giegold and Casa thanked him for his time and willingness to meet them.

## 6. Meeting with Mr Grech Mintoff, member of *Allejanza Bidla*

Mr Grech Mintoff presented his findings on an alleged illegal scheme involving the massive sale of Schengen visas (around 88.000) in Libya, supposedly headed by Government official Neville Gafa, earlier working in the Health Ministry, now in the Office of the Prime Minister.

Information on this case was first aired in a television programme he had. He was later approached by a whistleblower who allegedly was the middleman between the Libyans and Neville Gafa. He claims that Mr Gafa is still issuing visas to the present day. The legal visa system was stopped, but one could go to a specific place and receive a visa against payment. Around 300 visas a day were issued in three months. It transpired that people who genuinely wanted to visit Malta were hindered from coming without making these payments. Many people in Libya, including high ranking persons, are willing to speak and some are ready to come to Malta to testify. All this information has been handed to the Police. This is not new evidence. There are also receipts passed to Neville Gafa. It includes a list of persons including their passport number, but the Police did not talk to them.

MEP Giegold asked where these massive figures, such as the 88.000, came from.

Mr Grech Mintoff said Malta's own statistics pointed to that figure. Criminals in Libya militias admit that they were paying this amount of money. He was finalising a report documenting it all, which he intended to hand to court and publish soon.

MEP Gomes said she had already alerted the European Commission on this case and referred to a letter she had received from Commissioner Avramopoulos noting that there were no visa applications figures originating in Libya since 2015, when Malta closed its consulate in Tripoli. She also had requested a meeting of the EP Working Group on Schengen on this case, which was going to take place soon.

Mr Grech Mintoff said he does not feel safe in Malta. Neville Gafa is being touted as the new head of the Consular section in Tripoli, but the Libyans have up to now refused him. Currently Mr Gafa has four cases pending against him in Court. Mr Mintoff is a witness in this court case and he will be presenting this Report. He added that Libyans in Tripoli have informed the Maltese Government that they have a list of criminals who have already entered Malta. They have offered to do the checks for them in order to ensure that these persons applying for visas hold a valid passport. He added that many of the persons who have obtained these visas are now safe in Malta, their children are safe and will not talk unless they are promised that they will not be kicked out. He believes that Mr Gafa is only the front man and not the brains behind the operation. It definitely involves a big network including customs and elements within the Police.

Mr Mintoff said that a request by the Libyan Government to visit Malta and discuss this case was stopped. He further explained that Malta, on the premise of Article 2 of the Constitution of non-alliance, talks to all factions in Libya. All factions should, through an Agreement, send their wounded to be treated in Malta for free and against payment. This was a matter of which





PM Gonzi was proud of, under his leadership. He has collected all the necessary evidence in a Report, which he will make public before his appearance in court.

MEP Gomes said that this is about our common EU security and the integrity of the Schengen system. The European Commission must be seized of the matter.

## **7. Meeting with members of civil society**

**Attendees: Pia Zammit, Kristina Chetcuti, Louiselle Vassallo (Occupy Justice), Karl Camilleri, Monique Agius, Alexander Hili (Awturi), Kenniesa, Manuel Delia (Political Blogger)**

In her introductory remarks, MEP Gomes explained why the three MEPs were back in Malta and asked their opinion on the ongoing investigations into the assassination of Daphne Caruana Galizia and related exposed corruption scandals.

Representatives of Occupy Justice: The situation is bleaker in the sense that even though more information came out on 17 Black, which contains direct evidence on PM Chief of Staff Schembri and Minister Mizzi, nothing has been done. They still occupy their respective positions. The magisterial inquiry is open, but not at the request of the Prime Minister. It is evident the Prime Minister cannot do anything as he is directly involved.

Another question: The Shift (an online news platform, born in the aftermath of the assassination of Daphne Caruana Galizia, and which is committed to fair and incisive journalism) has been investigating hate speech. For them, it is very clear that this concerted effort is coming from Government institutions. The Prime Minister is also a member of an online Group inciting hate and directing abuse against critics. Media has been hijacked. They stressed that they have been hounded and cannot get their message through. How can they trust the Police, when persons leading the investigation (Keith Arnaud) is toeing the Government line? They also referred to a comment by the Prime Minister to Chris Peregin, on 4 December 2017, that he did have his suspicions on who could have commissioned the assassination, but he was never called for questioning. A Police investigation is required, as a magisterial inquiry is not enough.

Manuel Delia (Political blogger): He believes that investigations have stalled since the December arrests. He referred to the infamous libel case by Minister Cardona instituted just before her assassination, adding that in 17 months he has never appeared in court to defend himself. That morning he had failed once again to appear in court and, following that, he issued an official statement through his Ministry.

According to him, Pilatus Bank is clearly a machine for money laundering. The Bank is still in business. Central Bank of Malta is dispersing its funds. By all means these could be proceeds of crime. There are parallels between ABLV (in Latvia) and Pilatus Bank. It seems evident that unless the US intervenes, the EU sits back and does not act.



He added that, locally, information is censored, and when interviews with Ministers or the Prime Minister are requested, they put the condition that journalists do not ask questions about the assassination of Daphne Caruana Galizia and corruption.

According to him, the courts of law are controlled. 52% of the media are fed directly by the Labour Party machine.

MEP Gomes asked Mr Delia to provide information on the Distributed Denial of Service (DDoS) attack on his account and whether there were any similarities to the attacks on big entities like HSBC.

Representative of Awturi (Hili): The educational system is falling apart, people are afraid to speak. Cannot really trust any of the Maltese Institutions. There is a new scandal everyday. Everything is managed and controlled by the Government. It is a complete state capture. In other countries this situation would surely trigger an election.

Manuel Delia said that he was working with UK journalists on Henley and Partners and all sources point to links with Cambridge Analytica. He described the way they operated in the Caribbean countries, by backing the winning horse in the country elections, then being repaid through the award of an exclusive contract to sell passports. Suspicion is that backroom funding is Russian. They are not shy of using dirty tricks and there are interesting stories from Granada. Delia referred to reports that Chris Kälin shared the same offices in Switzerland with Pilatus Bank.

He emphasised that trolling is done in Malta on the same levels as in Russia.

MEP Gomes asked for information on the hospital deal, following remarks that the Indian company involved in this deal was already involved in other projects.

Occupy Justice Representatives said that contracts are all awarded following the same pattern, whereby it is already known who would be awarded that contract.

Mr Delia said that the pattern is repeated in the sense that that the first set of contractors in a deal are always set to fail, as for example Gasoil in the power station saga; and the same should be expected with the American University. There is also always a link with Turkey, the same circle repeated.

MEP Gomes asked for written information on the American University.

Awturi (Hili) expects the same to happen to Air Malta, which has now moved under the watchful eye of MP Konrad Mizzi.

Manuel Delia informed that, in a couple of weeks, the Greek courts would decide on the requested extradition of Pilatus Bank whistleblower Maria Efimova from Greece to Malta. Should she be extradited, there would be serious concerns about her safety in Malta.



## 8. Meeting with former Commissioner John Dalli

Mr Dalli said that he requested this meeting to clear his name following the wrong allegations made against him in the mission report of the EP Ad Hoc Delegation on the rule of law last year. He further went to highlight that:

- The OLAF conclusions are not correct;
- The Head of OLAF Giovanni Kessler has been arraigned in a Belgian court;
- He has sued Mr Kessler and OLAF for defamation;
- Omerta in Commission is deafening;
- He was illegally forced by President Barroso to resign.

According to Mr Dalli, President Barroso wanted to stop his work on the Tobacco Directive and this was the only way. This change in direction came after Michel Petit joined the Commission Legal Service. He has information on how President Barroso and Mr Kessler were being paid to take him out of the picture. He gave all this information to the Police, but nothing happened.

Regarding his appointment as an advisor to the Prime Minister, following his dismissal from the EC, he said that then Health Minister Farrugia asked him to help organise the Mater Dei Hospital. He did it without being paid. He is totally against the way privatisation of state hospitals was done by the present Government.

Mr Dalli referred to 'that blogger' and 'terrorist' and claimed that all Daphne Caruana Galizia wrote about him were inventions (the language he used to describe Mrs Caruana Galizia was condemned by the MEPs).

Regarding his Pilatus Bank account, it was a private account that he opened to test out the banking service. He never used it.

He claimed to know absolutely nothing about the company 17 Black.

Mr Dalli reproduced a threatening email that he claimed was written by late Daphne Caruana Galizia. The MEPs asked to inspect the email and discovered that it was not sent by Daphne Caruana Galizia but from an anonymous email account. When challenged, Mr Dalli stated that he had reached the conclusion that it was Daphne Caruana Galizia on the basis of that being 'the way she writes'. MEP David Casa voiced strong opposition to this conclusion. John Dalli said he sent the email to the Police adding that he also received death threats, but the Police did nothing about it.

MEP Gomes asked him what he thinks about Malta becoming a centre in blockchain. Mr Dalli believes it is a good idea as it is basically a computer system that can spread out information.

He added that he had introduced financial services in Malta. It was a very well tied-up and controlled system when it was under his Ministry. A sound system based on unique tax rules under the imputation system introduced by the British.



Saturday, 2 June 2018

**9. MEPs David Casa and Ana Gomes met with Daphne Caruana Galizia family: widowed husband, parents, sisters and nieces.**

They discussed their concerns about the assassination and its aftermath and expressed concern about the conflicts of interest in government action, such as instigating people against Daphne Caruana Galizia's memory and attempting to blame her for Malta's reputational damage due to ongoing international coverage of the case, and the continuation of court cases by government officials and their associates against Daphne's heirs while simultaneously claiming that government "is leaving no stone unturned" in the ongoing investigation and inquiry.