



Mr Matthias KLOTH
Executive Secretary
MONEYVAL
Directorate General of Human Rights and Rule of Law
Information Society and Action against Crime Directorate
Council of Europe 67075 Strasbourg CEDEX
FRANCE

7 September 2018

Dear Mr Kloth,

I refer to our last correspondence in which I indicated that I was in possession of an additional leaked report from Malta's FIAU which called for police action against current Tourism Minister Konrad Mizzi (the 'Mizzi Report').

I have since published the Mizzi Report that you can find here: <http://www.eppgroup.eu/press-release/PUBLISHED%3A-FIAU-report-on-Konrad-Mizzi>

The FIAU responded by issuing a press release putting the authenticity of the Mizzi Report into question and stating that it contained "discrepancies, omissions and inaccurate reproductions".¹ In November, MONEYVAL will have the opportunity to ascertain the veracity of this claim. I contend the falsehood of this statement will expose the extent of the political capture of this institution.

In addition, I wish to draw your attention to the FIAU leaking information to the press on their intention to proceed with legal action against me for having published the Mizzi Report.² Regrettably, it is clear that a once respectable institution is now operating like the corrupt politicians it protects.

A crucial element of the Mizzi Report is the role of 17 Black, a company that according to email correspondence between Nexia BT and Mossack Fonseca, was to funnel €150,000 every month to each Mr Mizzi and to Keith Schembri, the Prime Minister's Chief of Staff.³

It has been reported that the FIAU has been aware of the identity of the UBO of 17 Black since February 2018.⁴ It is relevant to point out that the FIAU did not deny this.⁵ The ownership of 17 Black could provide further evidence of high-level corruption and criminal activity to the detriment of the Maltese people. Should the UBO be revealed to be a person or entity

¹ <http://www.independent.com.mt/articles/2018-07-23/local-news/FIAU-says-it-will-demand-action-after-Casa-handled-stolen-sensitive-information-6736193859>

² http://www.illum.com.mt/ahbarijiet/politika/52785/fiau_se_titlob_li_titnea_limmunit_ta_casa_biex_tipproedi_kontrih_#.W5JARKLYGC8

³ <https://www.timesofmalta.com/articles/view/20180418/local/mizzi-and-schembris-panama-target-client-received-16-million.676783>

⁴ <https://www.newsbook.com.mt/artikli/2018/08/31/17-black-malta-has-all-the-information-gomes/?lang=en>

⁵ <https://www.timesofmalta.com/articles/view/20180902/local/anti-money-laundering-unit-in-cryptic-reply-about-17-black.688150>



connected to a project for which Mizzi and Schembri were responsible the implications would be serious and far-reaching. It could also imply that criminal activity could be ongoing.

The Mizzi Report also provides further evidence of the complicity of Nexia BT in corruption and money laundering. In fact, investigators argued that documents were fabricated to support statements made by politicians, that efforts were made to mislead the FIAU and that incriminating evidence was concealed from investigators. It is the FIAU that is responsible for taking action against Nexia BT in view of these breaches of law. So far, Nexia BT has continued to operate without consequence while receiving lucrative government contracts.⁶

In view of the above, I suggest that that the upcoming MONEYVAL evaluation considers:

- The level of deceit in questioning the authenticity of the Mizzi Report with the intention of providing the concerned politicians with a means to falsely challenge the accuracy of the resulting revelations;
- The circumstances under which the FIAU leaked information concerning their intention to proceed against me to the press and whether this was done at the behest of the politicians it was investigating;
- The action taken following the FIAU being informed of the identity of 17 Black's UBO;
- Whether a wider investigation into the UBO of 17 Black was immediately launched and whether it is progressing without political interference;
- The lack of action against Nexia BT in contravention of the FIAU's obligations under AML laws; and
- The fact that clear evidence of money laundering has not result in enforcement and the prosecution of the concerned suspected criminals.

In your capacity as MONEYVAL's Executive Secretary, I ask that you share this information with the team that will be conducting Malta's 5th Round Evaluation.

I remain at your disposal for any further information you may require.

Sincerely,

David Casa MEP

⁶ <https://www.timesofmalta.com/articles/view/20180825/local/nexia-bt-gets-another-19000-for-public-conveniences-study.687539>