

Main Conclusions **of the Egrant Inc. Inquiry.**

This is an unofficial translation of the conclusions of Egrant Inquiry by Magistrate Aaron Bugeja. Please note that in case of inconsistencies between the Maltese and English versions, the Maltese original version of this Inquiry shall prevail.

Pursuant to the Police Commissioner's report dated 20th. April 2017, which states the following:

That today, the 20th April 2017, the Commissioner of Police received a report from Dr. Edward Gatt LL.D and Dr Paul Lia LL.D for and on behalf of the Honourable Prime Minister Dr. Joseph Muscat, wherein they requested an investigation into allegations made by journalist Daphne Caruana Galizia in her newsblog, in a featured article entitled "Declarations of trust in Pilatus Bank safe: Egrant Inc. shares held for Michelle Muscat ';

The said article alleges that Mrs Michelle Muscat is the Ultimate Beneficial Owner of Egrant Inc; and that the Prime Minister, members of his family or other Politically Exposed Persons (that is, John Dalli, Keith Schembri, and Konrad Mizzi) may have been involved in some form of corruption, and / or money laundering, and / or financial transactions of a suspect nature, derived from accounts belonging to Politically-Exposed Persons in Azerbaijan, through accounts held in Pilatus Bank.

That these serious allegations undermine both Malta's administration and its financial services industry;

That at this stage, the Police are requesting the Inquiring Magistrate to open an inquiry so these allegations will be duly investigated, if necessary with the assistance of appointed experts so that all relative documentation can be preserved and analysed.

That the text of the article in question reads as follows: -

Declarations of trust in Pilatus Bank safe: Egrant Inc shares held for Michelle Muscat

In the kitchen at the offices of Pilatus Bank in Ta' Xbiex, there is a safe in which certain files are kept, and also particular documents marked for extreme secrecy. The safe used to be in the bank CEO's office, but for some reason was moved to the kitchen.

In this safe, documents are held pertaining to Russian clients of the bank, and to Maltese PEP, including John Dalli, consultant to Prime Minister Muscat, and Keith Schembri, the Prime Minister's chief of staff, both of whom have accounts with the bank in their own personal names.

Dalli's account is not used much, but the Prime Minister's chief of staff uses his regularly and his statements show highly suspicious transactions involving people in Azerbaijan. This bank account is separate to the one held in the name of his once-secret Panama company, Tillgate Inc.

The safe in the kitchen at Pilatus Bank also contains the documents that answer the question which the whole of Malta has been asking this past year: who owns Egrant Inc, the third company Brian Tonna set up in Panama, for somebody so important that the name had to be given over Skype, rather than in an email as it was for Konrad Mizzi and Keith Schembri.

Those documents in the Pilatus Bank kitchen-safe are declarations of trust which show that

shares in Egrant Inc are held by Mossack Fonseca nominees for "Mrs Michelle Muscat".

The declarations of trust were provided to the bank by Brian Tonna, as a prerequisite for opening an account for Egrant Inc, for which the identity of the ultimate beneficial owner is required. Mrs Muscat's name is also given on another document held in the bank's safe: the account opening form for Egrant Inc.

These documents have been scanned and uploaded to the cloud, for security purposes, by third parties so that they cannot be destroyed by the bank.

This article was preceded by another article entitled "US\$ 1.017 million in single transaction from Azerbaijan-owned company to Egrant Inc."

This article reads as follows:

US\$1.017 million in single transaction from Azerbaijan-owned company to Egrant Inc

In March last year, Al Sahra FZCO - a company incorporated in Dubai's free zone - made a single payment transaction of US\$1.017 million to Egrant Inc, a company incorporated in Panama in 2013.

The transaction, which was described as a "loan payment", was made from Al Sahra's account at Pilatus Bank in Malta, to an account which Egrant Inc holds with a bank in Dubai. This was not the only "loan payment" which Egrant Inc received from Al Sahra FZCO, but it was the largest single transaction. Other "loan payments" were of around US\$100,000 each and made twice a week over several weeks in January, February and March last year.

The bank account opening form for Al Sahra FZCO at Pilatus Bank gives Leyla Aliyeva, daughter of Ilham Aliyev, ruler of Azerbaijan, as the ultimate beneficial owner of the company. Payment instructions for Al Sahra were given by Farnoush Farsian.

Egrant Inc also has an account at Pilatus Bank in Malta, but the money was - significantly - not paid into that account. It was moved out of the country.

The transaction was so large and raised so many questions that Pilatus Bank's US correspondent bank (it was a dollar transaction, and at the time the bank had two US correspondent banks) stopped it. After several days of negotiations, it went through.

Until the payment was released, an employee at Nexia BT - which made the arrangements to set up Egrant Inc in Panama with Mossack Fonseca in 2013 - rang Pilatus Bank several times a day, every day, to check on progress and to chase it up.

This website has the name of the employee, who left Nexia BT for other employment when the Panama Papers scandal broke worldwide the following month, but has not spoken to him.

The Nexia BT employee who followed up on this banking transaction is the same one who submitted to Pilatus Bank the bank account opening forms for Egrant Inc and for Tillgate Inc (UBO Keith Schembri) and Hearnville Inc (UBO Konrad Mizzi), which also have accounts at Pilatus Bank in Malta.

Like Egrant Inc, the other two companies have accounts at a bank in Dubai, too.

Extensive evidence from several sources was collected in the course of this Inquiry, including:

1. The entry, search, seizure and retention of printed and digital documentation from the offices of the firm Nexia BT and Pilatus Bank; Brian Tonna, Karl Cini as well as other persons involved in the Willerby and Hillman investigations being conducted by Magistrate Dr Natasha Galea Sciberras and Magistrate Dr Josette Demicoli respectively.
2. The hearing of evidence from 477 persons directly or indirectly involved with the allegations which form the basis of this inquiry. Chief amongst these witnesses are Daphne Caruana Galizia, Maria Efimova, Dr. Joseph Muscat, Michelle Muscat, Keith Schembri, Dr. Konrad Mizzi, John Dalli, Brian Tonna, Karl Cini, Ali Sadr Hasheminejad, Hamidreza Ghanbari, Claude Ann Sant Fournier, Antoniella Gauci, as well as Auditors of Pilatus Bank: KPMG, PWC and Deloitte Malta. There were also other witnesses, such as Pierre Portelli who supplied useful information to the inquiry. All this apart from the testimony of the Commissioner of Police and high-ranking Police Officers, and the testimonies of those directly involved in the investigations. There is also information obtained through the execution of letters rogatory, including those from Panama through which the evidence of Jacqueline Alexander, Verna de Nelson, Luis Quiel and Juergen Mossack was obtained, and all other information included in the Proces Verbal.
3. Requests for evidence by letters rogatory or requests for mutual legal assistance from several countries which were in some way involved in the allegations giving rise to this inquiry, were sent to:
 - a) The Republic of Panama
 - b) The Kingdom of Belgium;
 - c) The United Arab Emirates; and
 - d) The Republic of Germany - in the form of a European Investigation Order.
 - e) The United States of America in the form of a request for the preservation of digital data.
4. The expert reports submitted by the appointed technical experts, including:
 - a) Experts in the gathering, preservation and analysis of digital data: Dr. Godwin Caruana, Inspector Timothy Zammit and *Ansec IA Limited* of Northern Ireland, UK. These collected, preserved and worked on digital data gathered from Pilatus Bank and Nexia BT as well as from Karl Cini and Brian Tonna personally, as well as the company *MFSP Financial Management Limited* and Matthew Pace.
 - b) Banking software experts *Flexcube Universal Banking System* who worked on Pilatus Bank's banking software and who confirmed the integrity of the *Oracle Flexcube* program used by Pilatus Bank since the very first day of its operations. The same experts confirmed that the information contained in the same core banking system is reliable.

- c) Forensic Accountant Miroslava Milenovic who was mainly responsible for analysing the printed documents and the digital banking information extracted from Pilatus Bank's core banking system, as well as printed documentation seized from Nexia BT, *MFSP Financial Management Limited*, and from Matthew Pace.
- d) Forensic Accountants *Harbinson Forensics* from Northern Ireland, UK, who analyzed the digital data seized from Pilatus Bank, Karl Cini, Brian Tonna, Nexia BT, *MFSP Financial Management Limited* and Matthew Pace;
- e) Forensic Digital Analyst Elisabeth Briggs of *Key Forensic Services* from Coventry in England, UK who analyzed the copies of the declarations of trust exhibited in the acts of this inquiry by Pierre Portelli along with his statement. After comparing them with Jacqueline Alexander's original and authentic signatures this expert found that they did not match these signatures.
- f) The Panamanian lawyer Fernando Berguido who supplied legal advice on the Law regulating companies in Panama.
- g) Scene of Crime Officers who collected footage from CCTV cameras at Malta International Airport and at Pilatus Bank, and shot several photographs.

This direct evidence and other technical expertise established serious discrepancies between the established facts and the allegations made by Daphne Caruana Galizia, particularly regarding the details derived from the story told to her by Maria Efimova and information leaked from the FIAU which was misconstrued.

With regards to this report based on the articles by Daphne Caruana Galizia, from the evidence collected and from the analysis carried out by appointed experts, the following has been proven to the extent required by Law -

- 1) From the evidence tendered by employees of Pilatus Bank not all were in agreement as to the existence of a safe or of a filing cabinet kept in the kitchen of the Bank's offices. However it does transpire that the Bank did indeed possess a filing cabinet, referred to by numerous employees as a safe, which was lockable and which for some time was probably kept in the kitchen. A number of documents which refer to the use of a safe and its contents: confidential documents pertaining to important clients, including Maltese PEPs., were found at Pilatus Bank.
- 2) No documents whatsoever were found in the safe, filing cabinet that was in the kitchen, or anywhere else, consistent with declarations of trust showing that Egrant Inc. shares were held by nominees of Mossack Fonseca on behalf of, or in the interests of Michelle Muscat. The only declarations of trust which resulted from this inquiry are those that copies thereof were deposited in the acts of the inquiry by Pierre Portelli together with his statement (hereinafter referred-to as the declarations of trust) to which declarations Daphne Caruana Galizia made reference to in her articles, and Maria Efimova made reference to in her testimony.
- 3) The declarations of trust were analyzed twice-over by the forensic document analysts *Keyforensic Services Limited* from the United Kingdom who concluded that the signatures of Jaqueline Alexander contained therein, when compared with genuine signatures pertaining to Jaqueline Alexander, did not match. Jaqueline Alexander who testified by means of a letter rogatory sent to the Panamanian authorities confirmed that she had not written or made such declarations of trust, and that the signature on those documents did not belong to her, hence she could not confirm their contents. These declarations of trust are therefore false documents, fabricated

by someone who at this stage remains unknown. In paragraph 279 of their report, the Forensic Accountants *Harbinson Forensics* note the following: -

We have not found any digital versions of the Declarations of Trust you have been given which allegedly show that shares in Egrant Inc are held by Mossack Fonseca nominees for "Mrs Michelle Muscat". We understand that these were allegedly provided to Pilatus by Brian Tonna when it is alleged he opened a bank account for Egrant Inc. Their absence from the data sets of Nexia BT, Pilatus Bank and the Panama Papers would suggest that the Declarations of Trust you have been given were not created in either Pilatus or Nexia BT or by Mossack Fonseca.

- 4) This inquiry also found that whoever falsified these declarations of trust had access to information regarding Egrant Inc., Joseph Muscat and Michelle Muscat and Nexia BT. Such information could be found easily from open sources on the Internet, while other details regarding the companies involved could also have been found on the the ICIJ website or obtained from other sources like *Dato Capital*, *Opencorporates.com*, as well as from *Google* searches of several local and foreign newspapers.
- 5) Once it has been satisfactorily proved that these declarations of trust were falsified, these cannot constitute proof in terms of law. In paragraph 277, forensic accountants *Harbinson Forensics* conclude:
 1. We have found nothing in the digital data to suggest that Mrs Muscat, either personally or through companies she may own, had anything to do with Egrant.
 2. We have not seen any documents revealing that the UBO of Egrant was anyone other than Brian Tonna.
 3. There is also nothing to suggest that there was ever a bank account opened in the name of Egrant.
- 6) Moreover no documentary or other evidence was found linking Michelle Muscat to the ownership of Egrant Inc shares. The circumstantial evidence is not unequivocal, rather it is ambiguous and uncorroborated. In paragraph 288 of their report, forensic accountants *Harbinson Forensics* maintain that "*the only documents within Pilatus Bank server that we have seen that contain the name of either Michelle Muscat or Egrant are digital downloads of newspaper reports and DCG blogs*". Other printed documents seized from Pilatus Bank confirm the same state-of-affairs mentioned by these forensic accountants. Considering the probative value of such evidence, it has not been proven to the extent required by Law that the ultimate beneficial owner of Egrant Inc. was Michelle Muscat.
- 7) It did not transpire that Brian Tonna had deposited declarations of trust on behalf of the company *Egrant Inc.* with Pilatus Bank. In paragraph 292 of their report, *Harbinson Forensics* state: *we have found no documents which suggest that any declarations of trust in relation to any entity containing the word Egrant were provided to Pilatus by Brian Tonna or anyone else.* The same can be said for every printed document seized; and for every testimony of the eyewitnesses.

- 8) It did not transpire that there were forms to open bank accounts for Egrant Inc, for Joseph Muscat, for his wife or for any other family member in the safe or filing cabinet that was situated in the kitchen, or anywhere else at Pilatus Bank.
- 9) It did not transpire that Egrant Inc. had any bank account which was either open, closed or pending with Pilatus Bank.
- 10) It did not transpire that through Pilatus Bank or any of its services there were ever banking transactions involving Egrant Inc as a beneficiary of payments from *Sahra FZCO* or from other persons, including persons from Azerbaijan.
- 11) It did not transpire that Joseph Muscat, Michelle Muscat or members of their family were customers of Pilatus Bank or had any personal bank accounts therein. It transpires that Joseph Muscat and Michelle Muscat knew and had met Ali Sadr. They were also guests at his wedding, which was also attended by other Maltese nationals.
- 12) One of the aspects which this inquiry investigated is the allegation that on the night of the 20th April 2017 Ali Sadr was caught on-live footage broadcast by NET TV. leaving the side door of Pilatus Bank with two heavy briefcases and that these were filled with documents which he had smuggled out of Pilatus Bank. This inquiry heard, on oath, the testimony of *Deutsche Lufthansa* airline representative Dr. Andrew Chetcuti Ganado, who exhibited documents which show that on the 20th April 2017 Ali Sadr boarded flight 1276 from Frankfurt to Malta, including the seat number booked in the name of Sadr Hashemi Nejad Ali. He was also traced on MIA CCTV cameras leaving the airport at around 11:40 am. The inquiry also seized the CCTV footage of Pilatus Bank for the 20th April 2017. This CCTV footage shows Ali Sadr entering the office of Pilatus Bank at around 12:45. From this time onwards, this inquiry is in possession of, and has seen all the footage showing Ali Sadr for the entire duration of his stay at Pilatus Bank. This was until approximately 21:15. Footage registered him entering the premises of Pilatus Bank with the same luggage that he was subsequently seen exiting with in the NET TV footage. Ali Sadr can be seen entering the boardroom and placing his luggage to the side, behind him. He is seen taking out a tablet, a mobile phone, some papers and some stationery from his luggage, the top of which remains visible on the CCTV camera. He continues to work there until he left at approximately 21:15. During this time several employees are seen entering and leaving, notably Claude Ann Sant Fournier. At around 19:24 Luis Felipe Rivera enters and hands Ali Sadr a paper which Sadr puts to the side, barely taking notice of it. When he's about to leave Pilatus Bank, Ali Sadr is seen putting the tablet and papers which he had previously taken out back into his luggage, together with the paper handed to him by Rivera. He then closes the suitcase and heads out. From this CCTV footage it therefore transpires that the allegation that during the evening of the 20th April 2017 Ali Sadr clandestinely smuggled out of Pilatus Bank a large quantity of documents related to allegations published by Daphne Caruana Galizia was not proven.
- 13) Regarding the other allegation that on the night of the 21st. April 2017 there was a flight from Malta to Baku, Azerbaijan which proceeded to Dubai, this inquiry found that the flight in question did indeed take place. The inquiry heard the evidence of people involved in both the organization and execution of this flight, including Nicholas van der Meer, the manager of VistaJet airline, pilot Ludwig Wright, Kenneth Chircop from Malta Air Traffic Services and Martin Dalmas of Malta International Airport. From the evidence tendered it transpired that the Vistajet aircraft had landed in Malta from Ben

Gurion airport in Israel on 19th April 2017 with just two people on board and had no further pre-scheduled flights. However, on 20th April 2017 at 15:43, a request was made for a flight from Baku in Azerbaijan to Dubai. Since the aircraft situated in Malta was the closest aircraft this company had to Baku, the company decided to fly it to Azerbaijan (without passengers) from where the passengers who had booked to Dubai could board and be flown to their destination. This is confirmed by an email sent on 24th August 2017 at 12:17 by Rui Goncalves, of VistaJet Limited, Malta, to Nick van der Meer. It appears however that the crew was informed too late about this flight and its having to leave early in the morning of 21 April 2017. This is also confirmed by the pilot, who testified during the inquiry. Necessary arrangements however were made enabling the plane to leave Malta for Baku between 03:30 - 04:00 on 21 April 2017, and then proceed accordingly to Dubai. The aircraft duly left for Baku at 03:56. According to the testimony of the pilot Ludwig Wright, the flight that left Malta in the early hours of the morning of 21 April 2017 was a *positioning flight*. That is to say there were no passengers or cargo, except for the crew, (three pilots and a flight attendant) and their personal effects consisting in a suit case. Before leaving, the aircraft was locked and sealed. During the flight in question between Malta and Baku, the pilot submitted himself to the 'annual check', his instructor being Andre Pereira. The other pilot was Alexander Schmidt, a training captain. The flight attendant was Melanie Primus.

In the submitted documentation a few discrepancies were found, including that whereas in the second email sent to Nick van der Meer it was indicated that the flight to Dubai was to include six passengers, in the email sent by Rui Goncalves to Nick van der Meer there was a form attached saying that the flight would be carrying five passengers - four adults and a minor. Not all the passport numbers on these two lists tallied. The passenger names did not appear to be names that the investigating magistrate encountered during the course of this inquiry. In the final analysis, although the date, place, time, context and discrepancies in the exhibited documentation may have given rise to some suspicion, it has not been proven to the extent required by Law that, on the flight between Malta and Baku there were documents linked to this inquiry in transit from Malta to Azerbaijan and / or from Azerbaijan to Dubai.

- 14) Amongst the documents found at Pilatus Bank were number identifying the bank's customers. These included the PEPs who held accounts with this bank. One of these documents, written by Denica Cebova on 27 January 2016, is entitled "List of clients which KYCs are in-the safe.xlsx". This list includes both Keith Schembri (# 12 CIF reference 100 931 Keith Schembri) as well as Sahra FZCO (# 19 CIF reference Sahra FZCO). However, no reference to John Dalli was found in this list. On the other hand, there was no reference in this list either to Egrant Inc. or to people with the surname Muscat. Neither was there any other document in Pilatus Bank making reference to declarations of trust in the name of Egrant Inc. held in the safe. This list was compiled in January 2016 - and therefore before the Panama Paper revelations.
- 15) Pilatus Bank had a number of documents relating to the interests of Russian people. Various documents and emails referring to Russian corporate clients and Maltese PEPs were found. Another spreadsheet was found - "xlsx 20160406 clients database.xlsx" - written in April 2016 and in this John Dalli and Keith Schembri were named as Maltese Domestic PEPs. There was no reference to Joseph Muscat, Michelle Muscat or to Egrant Inc.

- 16) In an excel sheet containing customer details submitted by Louis Zammit to Claude Ann Sant Fournier on 30 June 2016, it emerged that both John Dalli and Keith Schembri were clients of Pilatus Bank and that while John Dalli's account was closed, those belonging to Keith Schembri were still open. Again, no mention of Joseph Muscat, Michelle Muscat or to Egrant Inc. was found
- 17) In these documents there is no mention that Egrant Inc., Tillgate Inc. or Hearnville Inc. were customers of Pilatus Bank or that they had opened or attempted to open an account with the bank. In Paragraph 371, the forensic accountants *Harbinson Forensics* state

The Pilatus records searched do not show any bank accounts being opened, nor any discussion of the possibility of opening bank accounts at Pilatus for Egrant, Tillgate (UBO Keith Schembri) or Hearnville (UBO Konrad Mizzi).

- 18) John Dalli was a customer of Pilatus Bank and held a bank account in his own name which was already closed at the start of this inquiry. John Dalli's bank account did not show a great deal of activity and it did not result that John Dalli regularly used this account or had any transactions with persons from Azerbaijan. Transactions contained in his account consisted of withdrawals of small amounts of money and payments of overdraft- and closure of account fees amongst other things.
- 19) Keith Schembri was a customer of Pilatus Bank and held two personal bank accounts in his name. His KYC forms were detailed (78 pages long). It did not emerge that Keith Schembri was using these accounts regularly since there were few transactions spread over a period of time. The bank statements do not show any transactions carried out with persons from Azerbaijan. Transactions with the company Willerby Trading Inc were found; but these are the subject of a separate inquiry conducted by Magistrate Dr Natasha Galea Sciberras. Another banking transaction dated 16th August 2016 shows that Keith Schembri sent money to Crowe Howarth, Auditors in Wellington, New Zealand, who were those responsible for Haast Trust set up by him on 22 July 2015.
- 20) No bank accounts held in the name of Konrad Mizzi or members of his family were found at Pilatus Bank.
- 21) No company existed by the name Al Sahra FZCO that was found to be a customer of Pilatus Bank or to hold any accounts with the bank. Therefore, this company could not possibly have sent money from Pilatus Bank to Egrant Inc. or to other persons. No evidence or reference to Egrant Inc. was found in the Pilatus banking systems.
- 22) It transpired that there were two Dubai-registered companies by the name of Sahra FZCO and Shams Al Sahra FZCO and these were customers of Pilatus Bank. Both had active bank accounts through which overseas banking transactions were often carried out via the Bank, Dubai included. Both companies were owned by Azeri nationals, which can be classified as Politically Exposed Persons.
- 23) The UBOs of Sahra FZCO are sisters Leyla Aliyeva and Arzu Aliyeva, daughters of the President of Azerbaijan Ilham Aliyev. The UBOs of Shams Al Sahra FZCO are Nijat and Tale Heydarov, the children of the Minister of Emergency Situations of Azerbaijan, Kamaladdin Heydarov. These companies appear to be linked and the authorized signatories for both companies are Farnoush Farsiar and Robert Baker.

- 24) .It transpires that none of these companies ever effected any payments or carried out transfers from their Pilatus Bank accounts to Egrant Inc. neither within Pilatus Bank nor to any other Dubai account, as mentioned in the article.
- 25) It emerged that payment Instructions for the Sahra FZCO company were issued by Farnoush Farsiar and Robert Baker. No payment instructions or payment transactions to be made by Sahra FZCO to Egrant Inc. from Sahra FZCO's account to any Egrant Inc. account in Dubai or at Pilatus Bank itself was found at Pilatus Bank.
- 26) The forensic accountants agree that no transaction involving a US \$1.017 million payment was found to have taken place between the account of Sahra FZCO to Egrant Inc. or that there was any other transaction between the two companies. They also agree that in the period indicated by Caruana Galizia in her articles, there were large transactions amounting to many millions of euros made by Sahra FZCO to Dubai through Pilatus Bank. However these were not transferred to any account belonging to Egrant Inc, Tillgate Inc. or Hearnville Inc. Harbinson Forensics conclude that they encountered no evidence that links the people receiving these payments from Sahra FZCO "to any onward payments to Michelle Muscat or to a company called Egrant" .
- 27) No transaction described as a loan payment was identified as coming from Al Sahra FZCO, Sahra FZCO, or Shams Al Sahra FZCO, as was claimed both in the article and by Maria Efimova. Neither were transactions described as loan payments of € 100,000 each carried out twice a week over a period of several weeks between January and March 2016 found. The forensic accountants did find payments of US \$100,000 made by Ali Sadr to companies or persons related to him. No evidence was found to show that payments were made through Pilatus Bank to Egrant Inc. to any bank abroad. Harbinson Forensics conclude that "Pilatus Bank in Malta was of course significantly Involved in international transfers. However we have not seen any evidence of any international movement of money in which Egrant is mentioned."
- 28) An attempt was made by this inquiry to obtain information as to whether Egrant Inc., Tillgate Inc. and Hearnville Inc. had a bank account in Dubai. This was effected through letters rogatory sent to the Authorities of the United Arab Emirates, but up to the day of the drawing up of this Proces Verbal, no response had been either offered or forthcoming from these Authorities. On the other hand, the forensic accountants Harbinson Forensics confirm the following in paragraph 327:

We have made enquiries through our international intelligence banking contacts to establish if a bank account in the name of the company Egrant existed in Dubai. No Egrant company bank account has been found by these contacts.

- 29) From the replies of the Panama authorities to the letters rogatory, it does not emerge that Egrant Inc. had any bank account in Panama. Neither does it emerge, from evidence collected from Maltese Banks, that Egrant Inc had an open bank account in Malta, or was otherwise a beneficiary of any Malta banking services, including that of Pilatus Bank.

- 30) There was no evidence detected of a transaction so great that the US Correspondence Bank had to prevent it from taking place, as alleged in the article. Forensic Accountant Miroslava Milenovic states that *No documents, not even MT199, were found to proof these statements.* Harbinson Forensics, on the other other hand say:

We would also note that over the period in question Pilatus was involved on an almost daily basis with a large number of multi-million dollar transactions and it therefore seems to us unlikely that a transaction of only USD 1 million would by its size alone raise any questions.

- 31) It transpires that Nexia BT were corporate service providers for Pilatus Bank, and they also had clients that had accounts with Pilatus Bank. It also transpired that there was a professional relationship between Nexia BT and Pilatus Bank, with contact between these two entities retained on a regular basis by phone, email, and sometimes even by means of personal visits by Karl Cini or Brian Tonna. But the evidence did not show that Nexia BT, or any of its employees had ever been involved in any of the banking transactions referred to in Daphne Caruana Galizia's article because no such transfers were found to have been made.
- 32) It emerged that Michael Satariano was employed by Nexia BT between April 2015 and May 2016 in the post of Assistant Manager. He used to prepare corporate service procedures for BT International Limited. It further emerged that in March 2016 he had indeed called and sent repeated emails to Maria Efimova because of what he claimed were excessively lengthy banking procedures. This however was an episode that had nothing to do with Egrant Inc. and referred to an Italian client Corrado Fiore, regarding two companies Privileges Limited and Exiat Holdings Limited. While Daphne Caruana Galizia testified that Maria Efimova had informed her of the details of Michael Satariano's involvement as described by her article, Maria Efimova on the other hand testified that this was not true, and that once again Daphne Caruana Galizia had confused what she herself (Efimova) had told her.
- 33) It did not transpire that Michael Satariano was involved in the incorporation of the company Egrant Inc. given that in July 2013 he had not even begun working with Nexia BT. The work related to the setting up of Egrant Inc. was in fact carried out by Karl Cini.
- 34) It did not transpire that Michael Satariano was involved in the delivery of the bank account Opening Forms of Egrant Inc, Tillgate Inc. and Hearnville Inc. This is because no such bank account Opening Forms were found to have ever been submitted to Pilatus Bank. Michael Satariano declares that he made no such delivery.
- 35) In a series of emails dated 14 March 2013 onwards, Karl Cini shows an interest in the incorporation of one company in Panama and one Trust involving the services of Mossack Fonseca. Forensic Accountants Harbinson Forensics note that no email was found from either Nexia BT or Karl Cini requesting the establishment of three companies (eventually purchased in the names Egrant Inc., Tillgate Inc. and Hearnville Inc.) except for the purchase orders made in July and August 2013 signed by Brian Tonna.

- 36) Prior to these order forms, no evidence was discovered of any written document or email showing that Nexia BT had some sort of change of mind that resulted in one Panamanian company and Trust becoming three Panamanian companies. It is therefore impossible to assert, to the level required by law, that there is a documentary or unequivocal circumstantial link between the opening of a Panamanian company and Trust of the kind indicated in Karl Cini's emails dated March 2013 and the subsequent merger of three Panamanian companies in July 2013 and their later acquisition in August 2013.
- 37) Neither is there a documentary or unequivocal circumstantial link showing that the Panama company and the trust originally requested by Karl Cini in his email of 14 March 2013 was intended for Joseph Muscat or Michelle Muscat. What the evidence shows is that at this stage the three companies mentioned in the emails of March and April 2013 were the companies *Colson*, *Selson*, and *Lester*, traceable to Keith Schembri, Adrian Hillman and Malcolm Scerri and that the relative requests were made by Karl Cini to Mossack Fonseca for the ultimate beneficial owners of these companies to be changed to nominees by Mossack Fonseca themselves.
- 38) Apart from this, there were also requests from other persons not relevant to this inquiry who, during the same period, showed an interest with Karl Cini or Nexia BT in the setting up of a Panamanian or BVI company. Egrant Inc., Tillgate Inc. and Hearnville Inc. were therefore not the first or only companies to be formed at the request of Nexia BT. Harbinson Forensics in fact discovered that between January 2011 and July 2013 eight other companies in the BVI had been established. The creation of the three Panamanian companies differed from the previous ones in that the previous ones seem to have a preference for the jurisdiction of the BVI.
- 39) It was proved that Egrant Inc., Tillgate Inc. and Hearnville Inc. were companies with identical structures set up in July 2013 and that Brian Tonna was their UBO. It was established that Egrant Inc. was wound up at the request of Brian Tonna. The winding up was concluded about fifteen days before the article which forms the subject-matter of this inquiry was published.
- 40) It also transpires that after June 2015 the three companies Egrant Inc., Tillgate Inc. and Hearnville Inc. took different paths. Tillgate Inc. and Hearnville Inc. were acquired by Keith Schembri and Konrad Mizzi and in July 2015 they also constituted the Trusts Haast and Rotorua respectively consolidating said companies with said trusts. It has however not been proven that a similar trust was created for Egrant Inc. Furthermore while it emerged that from August 2015 onwards Karl Cini made several efforts with Mossack Fonseca to open bank accounts for Tillgate Inc. and Hearnville Inc. abroad, no such attempt was proved to have been made in respect of Egrant Inc.

In its evaluations, this inquiry placed a great deal of importance on the evidence of Daphne Caruana Galizia and Maria Efimova, in so far as they were both pivotal to the various allegations being made in Daphne Caruana Galizia's own article. However, this inquiry experienced great difficulty in reconciling the most important aspects of the versions of Maria Efimova on the one side and those of Daphne Caruana Galizia and Pierre Portelli on the other with the evidence duly collected in the course of this inquiry.

This makes it very difficult to establish from their testimonies, any actual historical truth as to what took place. In some respects, and this is crucial to the inquiry, there are so many

conflicting versions that sooner or later it becomes necessary to adopt a position regarding whom and what to believe. There are several discrepancies not only between the versions of Daphne Caruana Galizia and Maria Efimova but also between their separate versions and the rest of the evidence. Whilst several facts cited during Daphne Caruana Galizia's and Maria Efimova's testimonies in the course of this inquiry resulted to be true, in other aspects, some small and marginal, others very crucial to this inquiry, were either incompatible with each other or completely contradicted by other evidence collected.

An example of some of this evidence follows -

1. Daphne Caruana Galizia excludes the presence of a CCTV camera inside the kitchen at Pilatus Bank. Maria Efimova on the other hand says that she does not remember whether there was a camera or not. Yet it emerges from the evidence that there was indeed a camera, number 13, inside kitchen. While there was no camera in the small corner kitchenette, there was one in the corridor facing it, capable of covering it. The large kitchen had a side door leading to the outside making the installation of a CCTV camera all the more necessary. In fact several Pilatus Bank employees confirm that there was a CCTV camera in this room.

2. Maria Efimova says that she met Daphne Caruana Galizia some three or four times, the first contact being made in March 2017 at Efimova's home. Testifying a second time Efimova states that she gave an interview to Caruana Galizia shortly after Easter 2017. In her third testimony, Efimova says that her first meeting with Daphne Caruana Galizia took place in March 2017, or shortly before or after Easter - but Easter 2017 was celebrated on the 16th April and not in March! Furthermore, in a subsequent public interview that she gave to La Repubblica's Carlo Bonini, Maria Efimova claims that she met Daphne Caruana Galizia for the first time about six months after having been sacked from Pilatus Bank - i.e. around September or October 2016.

3. Daphne Caruana Galizia testified that she had seen these declarations of trust from Maria Efimova who had scanned soft copies of these - i.e. printouts. Daphne Caruana Galizia further states that Maria Efimova told her that she herself had scanned the declarations of trust and uploaded them in her personal cloud account, but that she had not removed them from the safe. Pierre Portelli agrees with Daphne Caruana Galizia, to the extent that he testifies that he had reached an agreement with Maria Efimova who was to give him a copy of these declarations of trust after accessing an iCloud account with VPN. Ultimately however, Efimova never gave him these documents. To be able to give a copy of declarations of trust through iCloud designation one must necessarily have a digital copy of them in the first place. This means that Caruana Galizia's and Pierre Portelli's testimonies converge in that Maria Efimova had a copy of the declarations of trust and bank account Opening Forms she herself mentions. This is diametrically opposed to Maria Efimova's own testimony during the inquiry.

4. Daphne Caruana Galizia, in her testimony of 27 April 2017, answering Superintendent Abdilla's question as to whether she had kept a copy of the documents that she claimed to have seen or whether a copy had been forwarded to her from her source, had replied "yes, I have a copy". But when testifying a second time on 31 May 2017 Daphne Caruana Galizia replied thus: "what I meant to say is that I know where they are and not that they are in my possession; at that stage I was not in a position to clarify

anything about the whistleblower because nobody knew who she was; meaning that I had access to the documents but they were not in my possession. In fact I needed them to be able to effect the transcript.” Even in her second testimony Caruana Galizia insisted that Maria Efimova had scanned copies of the declarations of trust and that she had seen a printout of them not a digital copies, and that it was only Maria Efimova who showed them to her.

5. Then in an article published by Daphne Caruana Galizia at 13:18 on the 22 April 2017: “Point 1: The safe-in-the-kitchen. The documents were taken in March last year” Daphne Caruana Galizia claims that these documents were “taken” ‘from Pilatus Bank. Only this was the first time anyone at all mentioned these documents having been “taken” ‘from Pilatus Bank.

6. Although Pierre Portelli does not say that he acquired his copies of these declarations of trust from Maria Efimova, Daphne Caruana Galizia states that the other person from whom she had seen the documents had told her that “he had got them from her “. In any case the source of the declarations of trust which Daphne Caruana Galizia said she had seen and those which, according to Caruana Galizia, the other person had also seen, was Maria Efimova.

7. However Maria Efimova denies this and says that it was Daphne Caruana Galizia who showed her the declarations of trust and asked her about them and about the bank account Opening Forms of Egrant Inc. and Sahra FZCO. Maria Efimova further maintains that she never took photos or copies of these documents from Pilatus Bank. She also says that Daphne Caruana Galizia never showed her any bank account Opening Forms and never told her from where she had obtained copies of the declarations of trust she had shown her. Testifying for a fourth time, Efimova states that Daphne Caruana Galizia had not obtained the declarations of trust from her - i.e. the exact opposite of what Daphne Caruana Galizia had testified.

8. Daphne Caruana Galizia writes that the declarations of trust were dated August 2015 and had been deposited with Pilatus Bank by Brian Tonna. But Maria Efimova never confirms this; and neither do any of the employees who worked at Pilatus bank at that time. Neither does this information emerge from an analysis of the Panama Papers Cache, and less still from evidence tendered by Brian Tonna and Karl Cini. The mention of that particular date was strategic, given the correspondence between Karl Cini and Mossack Fonseca – in August 2015 - to open bank accounts for Tillgate. and Hearnville, one month after Haast and Rotorua Trust were set up. No mention whatsoever of Egrant Inc is made in this regard, both in the Panama Papers Cache and in the information retrieved from the servers and computers of Nexia BT.

9. When testifying for the fourth time, Maria Efimova claims that in March 2016 she had seen the bank account Opening Forms of Egrant Inc., Tillgate Inc. and Hearnville Inc. in a batch together with others *“because it was a question about one account opening pending, so I was reviewing documents which in this like, painting batch. So I saw those forms as well between the other ones”*. These bank account Opening Forms were not found in the safe and nothing traceable to these companies was found at Pilatus Bank. Likewise none of the bank’s employees mention having ever seen these documents. Even from the evidence gathered from Nexia BT and from the Panama Papers Cache this point does not emerge.

10. Daphne Caruana Galizia testified that Maria Efimova was in possession of two bank account Opening forms of Egrant Inc. and Al Sahra FZCO. Replying to Superintendent Ian Joseph Abdilla's question, she claimed that Efimova had shown her the Al Sahra bank account Opening form. Maria Efimova denies this saying that she had seen the Sahra FZCO (but not Al Sahra FZCO) bank account Opening form at Pilatus Bank but did not have a copy of these documents.

11. When testifying the first time, when asked about the bank account Opening Forms pertaining to Egrant Inc., Maria Efimova mentions them only after it was suggested to her whether among the bank account Opening forms she had specifically seen one for Egrant Inc.. Efimova replies in the affirmative although she states that she does not know whether the account for Egrant Inc. Was opened or not.

12. It is indeed odd that Daphne Caruana Galizia claims to have seen the bank account Opening Form for Al Sahra FZCO, when the Inquiry established that this company did not exist as Al Sahra FZCO and was never a client of Pilatus Bank. More so when one considers that when testifying Daphne Caruana Galizia claims that she herself had begun to wonder about this because her researches for this company yielded negative results. In her second testimony on the 31st May 2017, when asked by the Inquiring Magistrate whether she had seen anything in writing pertaining to these bank account Opening Forms, Daphne Caruana Galizia went back on what she had testified on 27 April 2017 and said "I can't swear, but I can't swear", although in the previous sitting she had sworn to have seen them.

13. Daphne Caruana Galizia also claims to have seen the bank account Opening Form of Egrant Inc. when it did not result from the accounts and the printed and digital records of Pilatus Bank or from all the other evidence collected that such form existed. That said, Daphne Caruana Galizia claims that it was Maria Efimova who showed them to her. If Daphne Caruana Galizia were to be believed on this point, this would mean that Maria Efimova was in possession of copies of these documents and that Efimova could therefore be in a position to answer the question as to whether the bank account opening forms she had shown to Daphne Caruana Galizia were genuine or not. But Maria Efimova claims to have seen them only at Pilatus Bank and never to have taken copies of them.

14. Maria Efimova states that Pierre Portelli was asking her to hand over to him the bank account Opening Forms and that she had told him that they were not in her possession. Pierre Portelli testified that both Daphne Caruana Galizia and Maria Efimova had told him that they had passed on these documents to the Inquiring Magistrate, when in fact neither of the two ever showed, much less passed on, these documents in the acts of the inquiry!

15. It transpires that the company Al Sahra FZCO was not a registered customer of Pilatus Bank. Neither was this company found to exist in Dubai from an open source search conducted in the course of this inquiry with the relative Dubai site. It was established from Daphne Caruana Galizia's own testimony that she herself had certain doubts about this company so much so that she had questioned Maria Efimova about Al Sahra FZCO because her own researches on the internet had not yielded any reference to Al Sahra FZCO. In her testimony Caruana Galizia insisted that it was Maria Efimova who had assured her that the name of the company involved in transactions with Egrant Inc., which transactions she claimed to have seen, was Al Sahra FZCO. On the other hand when testifying during the inquiry Maria Efimova denies ever having given Daphne

Caruana Galizia the name Al Sahra FZCO because she knew that the company's name was Sahra FZCO.

16. Daphne Caruana Galizia and Maria Efimova do not even agree on whether transactions effected by Pilatus Bank were made by *Swift*. Daphne Caruana Galizia said she did not know if *Swift* transfers took place, but Efimova insists that US dollar transactions were effected that way. The evidence shows that Pilatus Bank operated the *Swift* platform through the TAS program for its external banking transactions. *Swift* was not used for internal transfers from Pilatus Bank but only for external transfers from the Bank.

17. Regarding *Swift* payments, in her fourth deposition Maria Efimova states that she did not remember whether they would forward *Swift* confirmations to her on email. She further states that she never saw documentation pertaining to *Swift* transfers because she did not work in the Operations Department. What she used to see frequently were payment Instructions. On the other hand, in his testimony Louis Zammit says that the *Swift* copies were sent to Maria Efimova at Front Office, and that she would often follow up by sending it to the client herself!

18. Regarding the transaction alleged to have taken place between Sahra FZCO and Egrant Inc. Maria Efimova first says that she had heard an animated conversation between Ali Sadr and Brian Tonna. Questioned as to whether she had ever witnessed transactions or seen statements regarding payments between Sahra and Egrant she replied " No, about Egrant I only remember this conversation they (I?) heard (had?)" - supposedly the one between Brian Tonna and Ali Sadr. Later in her testimony she states that she heard about these transactions in a conversation between Emilia Maria Vacaru and Mehmet Tasli. In her fourth testimony, Efimova states that the conversation she heard regarding transactions between Sahra FZCO and Egrant Inc. was one between Ali Sadr and Mehmet Tasli. But here she is caught in a contradiction between what she said in her first testimony and what she said in her fourth. In her fourth deposition she also states that she **saw** the name of the beneficiary of the transaction: "Yes I'm sure that I **saw**-the name of the-beneficiary and it was Egrant Inc. " Yet in her first deposition, when specifically asked whether she had seen any transactions, any statements concerning payments between Sahra FZCO and Egrant Inc., she had replied "No, about Egrant I only remember this conversation they (I?) heard (had?)" - presumably the one which at that stage she alleged to have taken place between Brian Tonna and Ali Sadr.

19. There was even disagreement between Daphne Caruana Galizia and Maria Efimova regarding Michael Satariano's role. Daphne Caruana Galizia says that it was Maria Efimova who told her that the BT Nexia employee who had followed the millionaire banking transaction at Pilatus Bank between Al Sahra FZCO and Egrant Inc. which transaction fell through was Michael Satariano, the same person who according to her had deposited the bank account Opening Forms for Egrant Inc. at Pilatus Bank. However, Satariano denies ever doing so. Maria Efimova herself also denies ever having told this story about Michael Satariano to Daphne Caruana Galizia, saying that Caruana Galizia had written this because she had once again misinterpreted what she had told her.

20. In addition Daphne Caruana Galizia claims that the information regarding Egrant Inc., Tillgate Inc. and Hearnville Inc. having Pilatus Bank accounts, as well as the story about the loan taken out by Negarin Sadr and the alleged payment to Buttardi was passed over to her by Maria Efimova. It has however been established that at Pilatus Bank there were no bank accounts in the names Al Sahra FZCO, Egrant Inc. Tillgate Inc. or Hearnville Inc. and there were no banking transactions between them, not even in the

existing account of Sahra FZCO or that of Shams al Sahra FZCO. Nor was there any proof or evidence of an alleged payment of US \$ 400,000 from the account of Negarin Sadr to Michelle Buttigieg of Buttardi. All this was ascertained from the digital and printed records of Pilatus Bank and from an analysis of the data contained in Pilatus Bank's core banking system (the integrity of which had already been certified by experts of the company Oracle who were also architects of Flexcube – Pilatus Bank's core-banking system) as analysed by two teams of forensic accountants.

21. Maria Efimova states that Tillgate Inc. and Brian Tonna personally had an account with Pilatus Bank. This did not result from the forensic accountants' analysis of the bank's records.

22. Maria Efimova states that the declarations of trust she saw at Pilatus Bank did not contain letterheads. This contrasts with what Caruana Galizia published in her article on the 21 April 2017 at 10.02pm entitled "This Is the-text of the-two declarations of trust which were in-the-kitchen-safe at Pilatus Bank" (which declarations Caruana Galizia claims to have seen from Maria Efimova). This contrasts with the copies of the declarations of trust that were deposited in the acts of the inquiry by Pierre Portelli. It transpires that the declarations of trust deposited by Pierre Portelli tally completely with what Maria Efimova, had stated, including the word (suscriptor) but were drafted on the printed letter heads of the companies Dubro Limited S.A. and Aliator S.A. respectively.

23. Pierre Portelli testified to the effect that both Daphne Caruana Galizia as well as Maria Efimova had told him that they had shown these declarations of trust to the Inquiring Magistrate when they testified. But this is not true because during their testimonies neither Daphne Caruana Galizia nor Maria Efimova had ever shown any of these documents to the Inquiring Magistrate let alone deposited them in the acts of the inquiry. On her part Daphne Caruana Galizia said that these documents were shown to her by Maria Efimova while Maria Efimova said she had never taken a copy and that it was Daphne Caruana Galizia who showed them to her during their first meeting.

24. Maria Efimova does not confirm the details of the payments mentioned by Daphne Caruana Galizia in her article "US \$ 1.017 million in single Transaction From Azerbaijan-owned company to Egrant Inc." published on the 20 April 2017 at 4: 41pm. Maria Efimova simply says - "No by that time I was not paying attention on Egrant In particular. I saw transacting Sahra but Sahra was transacting with other companies as well. So the surname caught my attention not the company". The inquiry is convinced to the extent required by Law that the information published by Daphne Caruana in her article "US \$ 1.017 million in single Transaction From Azerbaijan-company owned to Egrant Inc." about alleged payments made by Sahra FZCO to Egrant Inc. is the product of misinterpretation of information which resulted from her being equally misguided about transactions that formed the subject-matter of the FIAU Compliance Report about Pilatus Bank issued in May 2016. This is being stated in the light of evidence tendered by FIAU employees on two separate occasions (connected to proceedings originating from two separate court applications - one by Pierre Portelli and the other by Jonathan Ferris) - as well as from the evidence of Hamidreza Ghanbari and Luis Felipe Rivera, and the analysis of figures made by forensic accountant Miroslava Milenovic. Pierre Portelli arrived to a connection between the "approximate million" therein mentioned (supposedly emanating from the Sahra FZCO account) with the payments allegedly received by Egrant Inc., as reported by Daphne Caruana Galizia. From his end, Jonathan Ferris concludes that these payments were the payments that he claimed to have found by Sahra FZCO and, according to him, paid directly to Michelle Buttigieg of Buttardi. Neither from the testimonies of the bank's

employees, nor from those of KPMG Auditors, nor, most importantly, from the findings of forensic accountant Miroslava Milenovic did any such links or payments result to have taken place. The relative payments were explained and displayed in the section related to special procedures and refer to other people which are not Egrant Inc. or Michelle Buttigieg or Buttardi.

25. During her fourth testimony Maria Efimova was asked whether she ever heard any conversations between her colleagues about specific transactions between Sahra FZCO and Egrant Inc. Efimova claimed to have heard Emilia Maria Vacaru who used to process these transactions, talking to Mehmet Tasli about them. Maria Efimova added these details over and above the version she had given a month and a half earlier, wherein she had not mentioned these conversations. Neither Emilia Maria Vacaru nor Mehmet Tasli confirm any of what Maria Efimova said about this conversation.

26. Regarding the alleged difficulties of the million Euro payment going though in favour of Egrant Inc. as mentioned by Daphne Caruana Galizia in her article, Maria Efimova, in her first testimony in no way links the alleged payment to the payment which Daphne Caruana Galizia claims was made by Al Sahra FZCO to Egrant Inc. Rather Maria Efimova says that she does not remember who the beneficiary was, or whether or not it was Tillgate Inc. However during her fourth testimony when asked about what she had said in the context of the alleged transfer of money between Sahra FZCO and Egrant Inc, once she had learned of the problem with the US Correspondent Bank, Efimova did say that Ali Sadr was making numerous calls to Tasli or Ghanbari from overseas.

27. In her first testimony, Maria Efimova does not say that any transactions took place between Sahra FZCO and Egrant Inc. Rather, with regards to Egrant Inc., when asked whether she had ever witnessed transactions or seen statements about payments made by Sahra FZCO to Egrant Inc., Efimova replied in the negative and said that the only thing she remembers about Egrant Inc is the conversation she claims took place between Brian Tonna and Ali Sadr. Rather, later on in her evidence she claims that the transactions she had seen by Sahra FZCO were effected with Tillgate Inc. via the account which Efimova claims Tillgate Inc. held in Dubai and that these transactions had been effected in Sterling currency. These were carried out subsequent to a loan issued by Sahra FZCO in favour of Tillgate Inc. Efimova was not clear whether the problems with the US Correspondence Bank were due to this alleged transaction between Sahra FZCO and Tillgate Inc. Later, however, as already demonstrated above, she linked these problems with the alleged transfers between Sahra FZCO and Egrant Inc.

28. During her fourth testimony Maria Efimova states that she **had seen** the payment instructions between Sahra FZCO and Egrant Inc. Furthermore she adds that the alleged problems with the US Correspondence Bank were in the context of this transaction between Sahra FZCO and Egrant Inc. In this fourth testimony she further adds that she become aware of -payment problems relative to this transaction between Sahra FZCO and Egrant Inc. not via a conversation between Ali Sadr and Hamidreza Ghanbari (because the telephone conversation was in English and not in Farsi - the language which Ali Sadr and Hamidrezai Ghanbari used when speaking to each other) and hence the conversation was between Ali Sadr and Mehmet Tasli. From the testimonies of the KPMG Auditors as well as from the report drawn up by the Forensic Accountants it transpires that these direct transactions from Pilatus Bank between Sahra FZCO and Tillgate Inc. or Egrant Inc. were not made through Pilatus Bank.

29. Maria Efimova says that she recalls transactions between Sahra FZCO and Tillgate Inc. in the sense that there was a loan whereby Sahra FZCO paid Tillgate Inc. by means of direct transaction from Pilatus Bank in February or March 2016, with the involvement of the Correspondence Bank and with the use of *Swift*. Cebova was involved in processing this loan. Maria Efimova also says that Denica Cebova had sent her a message about an unsigned loan between Hearnville and Tillgate and another company, but the transaction had gone through and she had shown the message to Claude Ann Sant Fournier, but the company transacting with Hearnville Inc. was not Sahra.FZCO, but some other company. In her testimony Denica Cebova denies knowledge of the loan agreements mentioned by Efimova. The loan agreements and transactions alleged by Maria Efimova do not emerge from the printed and digital records of Pilatus Bank's system as analyzed by KPMG, and, more relevant to this inquiry, by the Forensic Accountants.

30. Maria Efimova states that she had seen the bank account Opening Form of Sahra FZCO from where it emerges that Leyla Aliyeva, acting alone, was the UBO. But even here two anomalies emerge in Efimova's evidence because (a) it contrasts with Daphne Caruana Galizia's testimony wherein she stated that Efimova had shown her the bank account opening Form for Al Sahra FZCO not Sahra FZCO; and (b) it emerged during the inquiry that the UBO of Sahra FZCO was not Leyla Aliyeva alone as Maria Efimova had stated but was Leyla Aliyeva together with her sister Arzu Aliyeva.

31. Regarding the Negarin Sadr loan, Maria Efimova claims that this loan was for Negarin Sadr's fashion business, and amounted to about one million US dollars. She also claimed that according to the business plan it "would be cooperating with one brand for jewellery" This loan was credited to her account ... at Pilatus Bank. But other instructions were received for the amount of US \$ 400,000 from the said sum to be paid to a Maltese woman residing in America who had a brandname which was similar to Trussardi - something like "Bruttardi" or "Badrtardi". She claimed that she and Emilia Maria Vacaru made jokes about the name. From the inquiry it transpires that Negarin Sadr had indeed borrowed one million and five hundred thousand US Dollars and that this loan was processed within a very short time on 2 February 2016. But the amount was paid for the purchase of 12,375% interest in "SMT Pistacho and Ranch Management LLC," traceable to Mohsen Torabi and paid directly into his account in America at Wells Fargo Bank. Moreover Emilia Maria Vacaru also denies having joked about the name Buttardi. This in addition to the fact that Michelle Buttigieg denied any knowledge of Negarin Sadr, of ever doing business with Negarin Sadr, or with having received any money from her.

32. Maria Efimova also mentions that she was involved in the processing of a transaction involving payment of a deposit of about five million pounds Sterling paid by Willerby Trading Inc. (Brian Tonna) for a London mansion that he wanted to buy. She claims that it was Emilia Maria Vacaru who asked her to take this payment instruction to the Operations Department for it to be processed. Emilia Maria Vacaru does not recall this transaction, and from the analysis carried out by the Forensic Accountant Miroslava Milenovic no such transaction was discovered from the books or records - printed or digital

- of Pilatus Bank.

The details regarding Egrant Inc. and the alleged financial transactions which Maria Efimova supplied to this inquiry allegedly related to Michelle Muscat's ultimate beneficial ownership of shares in Egrant Inc. and also to the alleged transfers of monies from a bank account held at Pilatus Bank belonging to the company Sahra FZCO owned by a PEP from Azerbaijan to Egrant Inc. in Dubai do not correspond to the factual and technical

findings as ascertained by this inquiry. Neither do they tally, in several aspects thereof, with what Daphne Caruana Galizia testified that Maria Efimova had told her.

From an analysis of the articles and writings published by Daphne Caruana Galizia it transpires that she believed what she claims Maria Efimova told her. Rather, it may very well be that Daphne Caruana Galizia actually wanted to believe what she claims Maria Efimova had told her. She even goes on to defend what she claims Maria Efimova told her - despite the fact that, as has been shown, in several areas relative to the most crucial allegations subject to this inquiry, the testimonies of Maria Efimova and Daphne Caruana Galizia (and to some extent Pierre Portelli) do not tally and in certain details are diametrically opposed .

Still there remains a point upon which both Daphne Caruana Galizia and Pierre Portelli agree - namely that Maria Efimova had told them that she had a copy of the declarations of trust and of the bank account Opening Forms, and that she had access to them because they were stored in her cloud account. Maria Efimova denies this completely.

On the other hand, there are parts of Maria Efimova's testimony which were confirmed as true and correct. This is mainly in those details where Maria Efimova wanted to draw attention to certain activities she felt were quite not right. For example in her testimony she mentions the name of the company "Straturk" in the context of Ali Sadr's Turkish interests and his past connections in a context which have nothing to do with the Egrant Inc. allegations and at a time when nobody was yet aware of the reason why she had mentioned the name of this company or Ali Sadr's other links. The same thing was done regarding the operation Sahra FZCO.

It also transpires that Maria Efimova was subjected to criminal proceedings initiated against her on the instance of Pilatus Bank. Maria Efimova had 'unfinished business' with Ali Sadr and she managed to attract international attention to Ali Sadr and to Pilatus Bank at a time when nobody knew that Ali Sadr was being investigated by the American authorities for breach of sanctions imposed by the USA. On the other hand it also emerged that she resented the way she felt she was being treated by the Maltese authorities as a consequence of the criminal proceedings against as mentioned above. Moreover, when she complained to Joseph Muscat about not having a passport to be enable her to go and visit her mother, nothing was done about it.

However her allegations that hinge upon the merits of the case Egrant Inc. are unfounded and not based on evidence - be it on testimonies of eyewitnesses, or in documentary form within Pilatus Bank, Nexia BT, Mossack Fonseca or provided by any Auditors, their employees or agents.

On the other hand from the circumstantial evidence analyzed during the course of this inquiry and explained in detail above, which evidence was carefully and circumspectly¹

¹ if only because evidence of this kind may be fabricated to cast suspicion on another

examined and scrutinised in such a way to see whether there really could be any established links between the alleged offence/ fact or the person being incriminated or the person who allegedly committed the offence, (and no one else), it cannot be considered unequivocal (as opposed to equivocal or even ambiguous²) and united "as a chain linked from end to end, by a series of knots that fit into each other and together lead in the same direction."³

The sum of one hundred suspicions do not constitute a shred of evidence.

² *It is also necessary before drawing the inference of the accused's guilt from circumstantial evidence to be sure that there is no other co-existing circumstance which would weaken or destroy the inference.*

³ Vide Judgement Police vs Berrad, cited above.

Epilogue - Conclusions with reference to the Police Commissioner's report

Consequently, on the basis of the report dated 20th April 2017, and from extensive direct and indirect evidence collected both in Malta and abroad, as preserved in the records of this inquiry, after such evidence was examined by the technical experts and analysed by the Inquiring Magistrate, this inquiry concludes, to the degree required at Law that: -

- 1. No shares in the company Egrant Inc were found to belong to Michelle Muscat, or otherwise traceable to her, her husband Dr. Joseph Muscat, to or any of their family members;**
- 2. It does not transpire that Dr. Joseph Muscat, Michelle Muscat, Keith Schembri, Konrad Mizzi or John Dalli could have been involved in corruption and/or money laundering and/or suspicious financial transactions originating from accounts held by Politically Exposed Persons from Azerbaijan, via accounts held at Pilatus Bank, as claimed by Daphne Caruana Galizia in the article entitled 'Declarations of trust in Pilatus Bank safe: Egrant Inc. shares Held for Michelle Muscat' published on the 20th April 2017, at 7.59pm and in a previous article written and published by Daphne Caruana Galizia earlier on that same day, at 4.41pm, entitled 'US\$ 1.017 million in single transaction from Azerbaijan-owned company to Egrant Inc.'.**