

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL
INTELLIGENCE AND INVESTIGATION-FBR
ISLAMABAD

C.NO.9(101DGCI/CUS/2009/3788

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Dated: .06.2010

To

The Chairman
Federal Board of Revenue
Islamabad.

Subject: SEIZURES OF CONTAINERS WITH LIQUOR AT KARACHI PORT – MISUSE
OF ISAF FACILITY – INTERIM REPORT

Kindly refer to the subject cited above.

2. In pursuance of a specific information, the staff of this Directorate General in the month of April, 2010, detected a container No. SOLU7066253 loaded on Trailer No.TLL-856 in dismantled form in Peshawar. The perusal of the record revealed that the container was cleared by MCC (Appraisement) Karachi in the name of M/s Lunar Products, ISAF, Kabul, Afghanistan cargo. The container was said to contain beverages/food items meant for ISAF forces in Afghanistan. But recovery of dismantled container indicated that goods were dropped inside Pakistan instead of crossing over to Afghanistan. Following irregularities/illegalities were found committed in clearance of this container from MCC (Appraisement) Karachi.

- a. Non ISAF cargo shown as ISAF cargo
- b. No authorization from respective Embassy / Consulate
- c. Invalid authorization by Afghan Consulate at Karachi
- d. Fake ISAF letters
- e. Violation of prescribed traveling route.
- f. Fake entries in cross border register at Torkham without physical presence of containers
- g. De-sealing entries in the PRAL system by unauthorized persons (Lappu) at Torkham
- h. Manifest clearance exercise not carried out by MCC (Appraisement) Karachi and MCC, Peshawar
- i. No reconciliation exercise carried out by MCC (Appraisement) Karachi

3. FIR was lodged against the following persons/companies.

- a. M/s Lunar Products
- b. M/s Tayyaba Agencies, Customs Clearing Agents Karachi
- c. M/s Umair International, Clearing, forwarding and shipping agent, Karachi
- d. M/s Fleet Line Services, Karachi

4. The investigations revealed that some other containers were also in pipeline and those were to be cleared in the same name of ISAF/Lunar Products. The vigilance was enhanced and one container No.MSCU888992 was intercepted by I & I at PICT Karachi after it was cleared by MCC (Appraisement) Karachi. The examination of the container led to the recovery of liquor against mis-

declaration of Coca Cola/Sprite etc for ISAF forces. The container was cleared vide AT No.KAPR-AT-32478 dated 8.04.2010 processed by Mr. Noor Akbar Mehar (Appraiser), Sardar Amin Farooqi (Principal Appraiser), Abdul Waheed Marwat (Deputy Collector). The documents of this container were filed and later on withdrawn before loading of the container, by Mr. Lal Muhammad of M/s Pacific International Links, Karachi. Mr. Lal Muhammad later on during investigation stated before the Judicial Magistrate that the papers for clearance of this consignment were handed over to him by one Muhammad Sohail of M/s Blue Sea Shipping Lines, Karachi. He further stated that before loading of the said container he heard about the detection of fraud in the clearance of ISAF cargo. He approached Deputy Collector and Principal Appraiser to withdraw the papers filed by him. The Principal Appraiser pursued him to continue with the business and be bold. But he withdrew the papers.

5. The investigations conducted so far have revealed illegal removal of at least 48 containers from MCC (Appraisalment) Karachi and one from MCC (Port Qasim) Karachi. The main accused namely Muhammad Sohail of M/s Blue Sea Shipping Lines, Karachi has been arrested. He has revealed the following facts:

- a. He was prompted for this business by one Mateen living in Sweden
- b. The consignments papers were sent by Mateen through Dubai
- c. The e-mail/fake authority letter of ISAF was prepared by him following the specimen sent to him by Mateen
- d. The main sponsors in Pakistan were Munir Ahmed and Zain at Peshawar
- e. An amount of Rs 900,000/- to 1,200,000/- was sent to him by Munir Ahmed for clearance of each consignment
- f. He used to give about Rs 500,000/- to Customs staff of MCC (Appraisalment) through clearing agents, Rs 150,000/- to NLC officials for issuance of NOC and non scanning of containers, Rs 13,000/- to Afghan Embassy for issuance of un-authorized authority letter
- g. All containers contained liquor against mis-declaration of soft drinks/canned food
- h. All containers were dropped inside Pakistan instead of crossing over to Afghanistan


6. The principal accused/investor at Peshawar namely Munir Ahmed is currently on bail. He confessed to the crime and also admitted payment of bribe money to Customs staff and other facilitators. Three privately hired helpers (Lappus) and three user ID Holder Inspectors responsible for inspection, data entry and record maintenance at Torkham were arrested. Further arrests are expected in the wake of ongoing investigations.

7. Further intelligence led to seizure of two containers of M/s ESKO at PICT Karachi by I & I – FBR. In both the containers mis-declaration was confirmed and instead of beverages, alcohol has been recovered. Both the containers have been seized after the clearance by MCC (Appraisalment) and criminal proceedings have been initiated.

8. After unearthing of this phenomena of misuse of ISAF consignments, an exercise was carried out in association with PRAL personnel to determine the quantum of fraud. Initial report reveals that during the period January 2008 to April, 2010 approximately 11,727 consignments could not be reconciled from the data available at MCC (Appraisement) Karachi, MCC Quetta (Chaman) and MCC Peshawar (Torkham). The concerned Collectorates have been requested to reconcile with the manual record available with them.

9. Detailed investigations after furnishing of information by the concerned MCC Collectorates would determine the actual quantum of fraud. Further action would then be taken against the persons involved in this mega crime. Recently, as investigations in the FIR lodged by I & I Peshawar have reached an advanced stage necessitating association of Customs officials found to have cleared the consignments and involved in this fraud, strong resistance has been encountered from the concerned Customs officers/officials. Firstly, they avoided recording formal statements before the investigation officer and later on they instigated their colleagues in Karachi to hamper the normal functioning of Customs at Karachi. The nominated officials may be directed by the Board to immediately join investigation in cases instituted by I & I, Peshawar and Karachi. To deter acts of unruly behavior, going for strike, which is un-becoming of a responsible public servant, Board is requested to initiate disciplinary proceedings against the concerned officials/officers who opted for illegal strike and also who instigated them not to join investigations and instead use black-mailing tactics, after conducting proper inquiry.

10. Kind attention is also drawn to this office letter C.No.9(101)dGCI/Cus/2007/2972 dated 21.05.2010 wherein it was requested that keeping in view the overall sensitivity and varied dimensions of the mega fraud, the formation of a fact finding committee at this stage may be deferred till the completion of investigations by DG I & I. However, if the Board desires to constitute a fact finding committee, it is strongly recommended that any such committee should be constituted after the completion of investigation by I & I and such committee must be headed by an officer of Customs in BS-21 with impeccable character and high integrity and who has not worked in the concerned field formations during the period under investigation.


(Lutufullah Virk)
Director General