

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF INTELLIGENCE & INVESTIGATION-FBR
1-MAUVE AREA, G-10/4
ISLAMABAD

CNo 9(101)DGCI/Cus/2009/Pl.IV/4358

Dated: 2-8-2010

The Chairman,
Federal Board of Revenue,
Islamabad

Subject: STATUS OF INVESTIGATION REGARDING CLEARANCE OF LIQUOR CONTAINERS IN THE GARB OF ISAF CARGO

- Reference:
- a. Dte Gen (I&I)-FBR's letter No. 9(101)DGCI/Cus/09/3670 dated 26.5.2010.
 - b. Dte Gen (I&I)-FBR's letter No. 9(101)DGCI/Cus/09/3788 dated 25.6.2010.
 - c. Dte Gen (I&I)-FBR's letter No. 9(101)DGCI/Cus/09/3888 dated 1.7.2010.

This Directorate General is conducting investigations into the mega fraud of illegal clearances of liquor consignments from MCC (Appraisement) / Port Qasim, Karachi. These consignments were cleared in the garb of ISAF Cargo. The detections of consignments fraudulently cleared through this modus operandi is increasing with the progress in the investigations. Detail of detections is given below: -

- a. So far 49-containers belonging to M/s Lunar Products, 2 containers of M/s Kopcke Global International have been identified.
- b. Five containers belonging to M/s Supreme Foods have been found suspected in that the border agent at Torkham has disowned clearance of the same.
- c. Similarly 22 containers belonging to M/s ES-KO have been identified which were illegally cleared against NOC issued by Afghan Consulate, Karachi. Furthermore, it is brought to the notice of FBR that approximately 70-consignments belonging to M/s ES-KO have been cleared against NOC from Italian Consulate, Karachi, whereas the Italian Consulate has not owned the 22-containers illegally cleared against NOC issued by Afghan Consulate.

2. At the very outset of the detection of this case and commencement of investigations, the Customs Wing of FBR has tried its utmost to scuttle and stall the

Investigation of the said difference committees comprising of officers, most of whom are themselves suspected to be involved in the illegal clearance of the liquor containers in the garb of ISAF Cargo. The latest development is that Collector, MCC, Port Qasim, has refused, in writing, to provide the relevant documents requested by Additional Director (I&I)-FBR, Peshawar interpreting Board's instructions conveyed vide Board's letter C.No 3(6)L&P/2001-B dated 20.7.2010 to mean that the Board has already constituted a committee for reconciliation of the ISAF containers clearance data and Directorate General (I&I) may restrict its investigations to only those cases where criminal proceedings have already been initiated.

3. *It is, therefore, quite obvious that the investigation being conducted by the Directorate General (I&I) have been hampered and virtually brought to a standstill. No further meaningful investigation can be carried out under these circumstances.*

4. The Customs Wing of the Board has issued a numbers of misleading clarifications regarding the procedure for clearance of ISAF Cargo primarily to protect and cover up the illegalities committed by the respective officers / officials of Customs. The concerned Collectorates have refused (now in writing) to provide any of the relevant documents except the documents relating to M/s Lunar Products and M/s ES-KO.

5. The investigation so far conducted have brought out the following facets:-

(i) The illegal clearance of Liquor containers have either been carried out with active connivance or intentional criminal negligence of Senior Officers of Model Customs Collectorate (Appraisement) and Model Customs Collectorate (Port Muhammad Bin Qasim).

(ii) The office of Chief Collector (South) vide letter C.No. PCCSS/Misc-58/07-08/HQs dated 10.4.2008 accorded approval to NLC for transportation of Afghan commercial cargo from Karachi to Afghanistan through Hired Mechanical Transport (HMT). Only Board is authorized to accord such approval.

(iii) Though the letter mentioned at preceding sub-para covered the Afghan commercial cargo only, yet the Appraisement Collectorate unlawfully extended this unlawful facility to ISAF consignments thereby aggravating the wrong committed by the office of the Chief Collector.

iv. It has been evident that private person had been hired and entrusted with sensitive assignment of working at Computer system and making entries into the "exit register". This entails obvious negligence on the part of management which remained oblivious to the wrong doings going on uninterruptedly. Thus the role of senior officers of MCC, Peshawar including Collectors from 1.7.2007 to March, 2010 is to be scrutinized and responsibility accordingly determined. It may be mentioned that out of 51 containers illegally cleared in garb of ISAF cargo not crossed over to Afghanistan 33 pertain to the tenure of Mr. Najeeb-ur-Rehman Abbasi as Collector, MCC, Peshawar.

(v) The Customs Wing of the Board has issued a number of misleading clarifications regarding procedure for clearance of ISAF cargo. Details of nature of misleading clarification has already been conveyed vide this office letter No. 99101)DGCI/Cus/2009/Pt.IV/4330 dated 30.7.2010.

(vi) The constitution of the committee by the Board vide C.No. 3(6)/L&P/2001-B dated 2.7.2010 is inappropriate in that it comprises such officers whose role itself is questionable and yet to be scrutinized.

vii. On pointation of this Directorate General, reconciliation of more than 11000 containers shown by the PARL System as missing is being carried out by the same officers who also had some role in the illegal clearance of ISAF Cargo.


(viii) More than 50 cross border certificates pertaining to Customs Station Torkham, Peshawar have been found fake. Therefore the reconciliation exercise cannot be completed without cross checking of documents with ISAF record and Afghanistan Customs' record.

ix. In view of the facts stated above, it is once again strongly recommended that a high powered committee headed by a grade 21 Customs officer of impeccable integrity, who does not report to Member (Customs), should be formed. Two Customs officers of Grade-20, of similar qualifications who have not worked in MCC (Apprenticeship), MCC (Port Qasim) and MCC, Peshawar during the period July 2007 to March, 2010 should be nominated members of the committee to maintain impartiality.

during inquiry proceedings. This committee is essential in view of the grave sensitivity of the issue which also have national security implication. The Honourable Supreme Court of Pakistan has already taken notice of this matter and may call for a report in this case.

7. The committee may please be tasked to consider the point of view submitted by the Directorate General (I&I)-FBR vide para 5 of this letter as well as the point of view of the respective officers / officials to finally determine the role of officers / officials involved in this case.

8. The reports of the committees already constituted by Customs Wing of FBR shall have any creditability as explained above because they have become judges in their own case.


(Lutfullah Khattak)
Director General