

FACTS FINDING REPORT

Subject:- CASE FIR NO.9/2009 FIA, CRIME CIRCLE, LAHOR, OPERATION ZARCO - APPLICATIONS FROM MRS. KAUSAR BANO FOR INQUIRY INTO FICTITIOUS ACCOUNTS. (ENQUIRY NO.06/2010 FIA,SIU,ISLAMABAD).

The brief facts of this enquiry are that Mrs. Kausar Bano wife of Syed Lakheth-i-Hasnain 5-Baqar Lane, Canal View Housing Society Lahore submitted two applications dated 14.01.2010, addressed to the Director General/FIA, Islamabad under subjects "Request for inquiry into fictitious accounts" and "Victimization of Western Union Agent in Pakistan i.e Zarco Exchange Company (Pvt) Ltd" (copies of applications are enclosed as Annex-"A" & "B"). The first application under subject "Request for inquiry into fictitious accounts" containing orders of Minister for Interior, Government of Pakistan, Islamabad which are reproduced as under:-

"DG/FIA, why this aspect not investigated. It should be investigated and report within two weeks. Legal action is required".

2. The Addl. Director General/ECW, vide his U.O.No.FIA/PS/ADG/ECW/23/09/38-41 dated 01.03.2010 duly approved by the Director General/FIA (copy enclosed as Annex "C") conveyed the orders of competent authority to get the charges levelled by the applicant/her husband thrashed out by Director SIU and furnish a fact finding report and report in this regard which will be submitted in the competent Court(s) through supplementary Challan in due course.

3. The applicant, Mrs. Kausar Bano wife of Syed Lakheth-i-Hasnain was summoned and recorded her statement on 05.03.2010 in the office of Director/SIU. She owned the contents of both the applications dated 14.01.2010 and corroborated it. (Photocopy of her statement is enclosed as Annex "D").

4. The complainant Mrs. Kausar Bano alleged that when her account No.0636-000000-620 dated 02.06.2007 and her husband Syed Lakheth-i-Hasnain's

account No.0636-000000-398 dated 16.05.2005 with Albarka Islamic bank Circular road Lahore were got opened, they were in abroad-USA. Zarco employees, M/S Muhammad Mubashir Hayat and Muhammad Ashraf Ehsan had managed to get the fictitious account opened. In order to get travel history of Syed Lakheth-i-Hasnain and Mrs. Kausar Bano, a letter No.FIA/SIU/E-6/2010/238-39 dated 09.03.2010 was issued to the Director/PISCES, FIA HQ Islamabad. Syed Ghayas Anwar System Administrator/PISCES, FIA, HQ vide letter No.FIA/PISCES/SIU/Query/900 dated 13.03.2010 provided the requisite travel history. As per PISCES record, Syed Lakheth-i-Hasnain had departed by flight No.PK-715 dated 18.03.2005 from Allama Iqbal International airport Lahore on Passport No.AA-8346271 and arrived back Pakistan by flight No.PK-712 dated 04.09.2005 at Lahore. Mrs. Kausar Bano wife of Syed Lakheth-i-Hasnain had departed by flight No. EK-623 dated 20.02.07 from Allama Iqbal International airport Lahore on Passport No.KC-927081 and arrived back Pakistan by flight No. EK-614 at Islamabad International airport. The PISCES record has proved that account holders, Syed Lakheth-i-Hasnain and Mrs. Kausar Bano were in abroad at the time of opening of their accounts at Albarka Islamic Bank, Circular Road, Lahore.

5. Assistant Director Khalid Ancees of FIA, Crime Circle Lahore (I.O of Case FIR No.9/2010 FIA, Crime Circle, Lahore-Zarco Operation) was examined on 10.03.2010 and photocopies of Police file were taken from him, who told that as per investigation of FIA Lahore team, an amount of Rs.422 Millions were embezzled by the accused owner of Zarco Syed Lakheth-i-Hasnain and his bail petitions were turned down by the honourable trial Court, Lahore High Court and August Supreme Court of Pakistan. The complete Challans U/S 173 Cr.PC have already been submitted in the learned Courts of Special Judge (Offences in Banks) Lahore and Distt. & Sessions Judge Lahore. The learned Courts have charge-sheeted the accused persons. Mrs. Kausar Bano agitated that figure of Rs.422 Millions worked out by FIA, Lahore team is not correct and actually it is Rs.182 Millions, as worked out by their Chartered Accountant M/S Attaullah & Co. Lahore.

6. To find out the facts, I, along with my Director/SIU, visited Lahore from 15.03.2010 to 18.03.2010. The members of FIA, Lahore Investigation Team were examined and exchanged the views regarding investigation of this case especially with reference to the reservations/allegations levelled by the applicant, Mrs. Kausar Bano. Mr. Liaqat Ali Saleemi Director/SIU and Mr. Muhammad Azam Joyya Director/FIA Punjab Lahore also discussed the merits of the case. The following steps were taken to find out facts:-

- i). The services of Mr. Muhammad Sardar Khawaja Chief Executive M/S Macro Financial International Consultants (Pvt) Ltd, Lahore were hired and Data FMS Zarco Back-up and Misc Data Based was handed over to them for recalculation of embezzled amount in the presence of I.O (AD Khalid Anees), Abdul Ghaffar Forensic Expert of FIA Lahore and Abdul Musawar Waqar, as I and my Director had no knowledge of banking, book keeping and financial matter. The report, received from MFICL is at Annex-"E".
- ii). Account Nos. 121701010019489 MCB, Eden Centre Branch Lahore, 08006533601 SCB, Shadman Branch Lahore, 50602002703101 Alphalah bank Macleod road branch of accused Nadeem Ishtiaq (now on bail) were got freezed U/S 5(5) FIA Act, 1974.
- * Account Nos. FCY 36-61-01-00018 USD Albarka Islamic Bank, Circular road, Lahore and FCY-5637007 NIB Edgerton road Lahore of alleged person Mr. Muhammad Mubashir Hayat were got freezed U/S 5(5) FIA Act 1974.
- Account No. 10786101 KASB Gulberg Branch Lahore of accused person nominated in FIR Mr. Kamran Hayat was got freezed U/S 5(5) FIA, Act 1974.

- Account No.1019382-5 UBL S.D Vault Branch, The Mall Lahore of alleged person Imran Iqbal, account No.0401-0142654-0300 NIB Edgerton road Lahore of alleged person Muhammad Uzman Unis, account No.0401-0158984-0010 NIB Edgerton road Lahore of alleged person Munib Rashid and account No.01882976401 SCB Brandrth road Lahore of alleged person Mufasil Raza were got freezed U/S 5(5) FIA, Act 1974.
- A Notice U/S 5(5) FIA Act 1974 was served to the Director LDA Complex Jauhar Town Lahore requesting not to transfer property House No.53-G, Jauhar town Lahore in the name of alleged person Muhammad Mubashir Hayat.
- iii). The original bank record pertaining to alleged fictitious account Nos. 0636-000000-00398 and 0636-000000-00620 was taken into possession from the Manager Albarka Islamic bank Circular road Lahore for comparison and hand-writing expert's opinion.
- iv). The specimen signatures of accused account-holder Syed Lakheth-i-Hasnain were obtained in the presence of Jail authorities and got verified from the Deputy Supdt. Jail Lahore.
- v). The specimen signatures of account-holder Mrs.Kausar Bano and alleged persons Muhammad Mubashir Hayat and Muhammad Ashraf Ehsan were obtained before Judicial Magistrate Section 30, Lahore and got verified.
- vi). The relevant bank officers who opened said accounts M/S Muhammad Akram Daudi, Muhammad Saqib Siddiqui, Aamer Khurshid Abbasi were examined in the light of bank record.

- vii). A questionnaire dated 16.03.2010 was issued to all alleged persons/employees of Zarco directly to provide their status (photo copy at Annex "F").
7. When the facts finding enquiry was going on, meanwhile learned trial Court vide Cr.M.No.95/2010 dated 20.03.10 issued the following orders:-
"Hence issue notice to state/FIA for arguments on the date already fixed in the main case i.e 27.03.10. Meanwhile FIA/SIU and all officers concerned are restrained from taking any further action or calling the petitioners for appearance before them for any purpose in connection with this case (copy of Court's order enclosed as Annex-"G")."
8. On 27.03.10 (date of hearing of case), I appeared from FIA (SIU) Islamabad and submitted an application dated 27.03.2010 assuring the trial Court that no action would be taken against any culprit without prior permission of Court. It is also intimated that Mr. Kamran Hayat (a nominated accused in FIR) has filed a Writ Petition in the Lahore High Court Lahore and 5th April 2010 was fixed for hearing (copy of application dated 27.03.10 is enclosed as Annex-"H").
9. A copy of Writ Petition No.5668/10 Mr. Kamran Hayat Versus Director General/FIA was received for parawise comments and report. The parawise comments were prepared by Director/Law on behalf of Respondent No.1 (Director General/FIA) and also by Mr.Liaqat Ali Saleemi Director/SIU being Respondent No.3 and on 02.04.2010 sent to DAG Ch. Aamir Rehman by Special Messenger, as per advice of Haji Muhammad Azim Director/Law FIA HQ Islamabad. On 05.04.2010, I alongwith Director/SIU apprised the DAG of the case and attended the honourable Lahore High Court Lahore. The Defence Counsel requested for adjournment and Court has acceded to his request. Now, the next date of hearing is fixed for 9.4.2010.
10. Needless to mention here that there were serious lapses in the investigation of case FIR No.9/2009 FIA, Crime Circle Lahore on the part of FIA team

Lahore. The Director/SIU, FIA, Islamabad furnished the following points to the Director General/FIA for comments of Director Punjab, FIA Lahore, which are reproduced as under:-

- i). Two nominated accused persons namely Mr. Kamran Hayat (younger brother of Mr. Muhammad Mubashir Hayat Company Secretary and SEVP Zarco) and Malik Haroon alias Hanny were not arrested during the course of investigation so much so there is no indication in the case diaries about them.
- ii). The FIR No.09/2009 of FIA Crime Circle Lahore was registered on 21.02.2010 while the statement of Mr. Muhammad Mubashir Hayat was recorded U/S 161 Cr.PC on 14.01.2010 i.e 06 days ago of submission of Challan in the Courts. These circumstances were not clearly mentioned in the case diaries.
- iii). The two bogus accounts Nos.0636-00-00-00620 and 0636-00-00-00398 were got opened in the name of Mrs. Kausar Bano and Syed Lakheth-i-Hasnain on 02.6.07 and 16.05.05 respectively when both of them were in abroad-USA. The investigation team of FIA Lahore did not bother to unearth these bogus accounts during a period of one year.
- iv). A US Dollars FCY Account No. 36-61-01-DD018 was opened by Mr. Muhammad Mubashir Hayat Company Secretary, SEVP and Chief Operating Officer Zarco which was used for preparation of illegal FTTs abroad. This was an illegal act on his part. This aspect was also not looked into by FIA Lahore.
- v). The accounts of accused arrested persons by FIA team Lahore were not frozen or notices U/S 5(5) of FIA Act 1974 were not issued.

- vi). No attachment of the properties belonging to the accused persons were executed for example Mr. Ishtiaq Nadeem etc.
- vii). As per documentary evidence available on record Mr. Muhammad Mubashir Hayat was the main perpetrator in this episode as the owner of Zarco was abroad in USA who did not fall in day to day business of Zarco, while Mr. Mubashir Hayat had hire and fire powers with him in the legal and illegal business of Zarco.
- viii). No independent opinion from financial and banking experts was secured during the course of investigation to calculate the financial loss of the Company. The FIA team, however, relied upon on the verification of report of Mr. Najmal-ul-Saqib Joint Director State Bank of Pakistan Karachi. His conduct was dubious as he allegedly received amount from Zarco account to pay the fee of his children.
- ix). Mr. Muhammad Mubashir Hayat had constructed a palatial Bungalow No. 53-G, Jauhar Town Lahore, measuring 500 S.Yds highly renovated whereas his legitimate income was reported to be a normal. He started his carrier in Zarco on the monthly salary of Rs.8000/- in 2004, while in 2009 the salary of this officer was Rs. 125,000/- per month. How can he construct such a valuable Bungalow in the posh area of Lahore?

11. The Director/Technical, FIA, HQ Islamabad was requested vide a letter No.FIA/SIU/E-06/2010/367 dated 31.03.2010 for Hand Writing Expert's opinion. Mr. Sarfraz Ali Khan Additional Director/Technical vide letter No.108/C/TW/FIA/2010 dated 02.04.2010 forwarded Expert's opinion duly approved by the Director/Technical FIA HQ Islamabad. As per Expert's opinion, the signatures of account-holders Syed Lakheth-i-Hasnain and Mrs. Kausar Bano were found "**Negative**", i.e forged while signatures of alleged persons Introducers Muhammad Mubashir Hayat and Muhammad Ashraf Ehsan are "**Positive**". Similarly, the signature of Mr. Lakheth-i-Hasnain,

authorizing Mr. Muhammad Mubashir Hayat, being mandate holder to operate his account was also forged, so the withdrawal of amount by Mr. Mubashir for Zarco was not lawful.

Inspector.

A detailed facts-finding report is submitted indicating serious lapses in the investigation of Case FIR 09/2009, FIA, Crime Circle, Lahore. As the matter is under trial in the Court and Writ Petition is also subjudice in the honourable Lahore High Court Lahore, so it is suggested to wait for the out-come of Writ Petition.

Encls (a.a)

Annex- "A" to "II".

(Niamat Ali)
Inspector/FIA/SIU
Islamabad.
05.4.2010

I verily agree with the findings of my Inspector, Mr. Niamat Ali.

Liaqat Ali Saleemi
Director/SIU
FIA HQ, Islamabad.
06.04.2010

6/4/2010

Liaqat Ali Saleemi
Director
SIU / F.I.A Islamabad