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NATIONAL ACCOUNTABILITY BUREAU (KARACHI)

 PRCS BUILDING 197/5, DR. DAUDPOTA ROAD

KARACHI CANTONMENT

No. 1(2)/Media-Cell/NAB (K)/2016

**KARACHI**

**SAY NO TO CORRUPTION**

**Press Release**

**Karachi, 11th March 2017:** NAB Karachi yesterday arrested Mushtaq Ahmed Shaikh, former Additional District Accounts Officer (ADAO) Hyderabad, from Karachi whose physical remand of 14 days has been given in NAB custody by the Accountability Court at Hyderabad. The arrest was caused by the special investigation team constituted by DG NAB Karachi Maj (R) Shabbir Ahmed under the directives and vision of Chairman NAB Mr. Qamar Zaman Chaudhry on zero tolerance against corruption. The arrest was caused on the basis of interrogation of accused persons in NAB's custody namely Muhammad Yousuf (Head Constable terminated from service) and his son Arif Yousuf (Police Constable Hyderabad Police) arrested on 25th and 26th February 2017.

A search operation was conducted on the pointation of accused Mushtaq Shaikh at his residences, farm-house, wedding hall and his places of illegal business located at Hala district Matiari. Several properties worth over Rs. 1 billion were found to be in possession of the accused person that have been acquired and accumulated from proceeds of offences of corruption and embezzlement of Government funds, held in his own name and in the names of his close relatives and *benamidars*. Following properties along with original Treasury bills (equivalent to financial instruments/cash) worth Rs. 1 billion have also been recovered, that the accused was about to send for clearing process, have been recovered and seized:

a. Cash Rs17.3 million including prize bonds.

b. Cash Saudi Riyals 37016

c. Gold Ornaments – 3 Kilograms (approx.)

d. VEHICLES: Ownership documents of 9x vehicles held. Recovered vehicles include one Land Cruiser PARDO imported in January 2017: Toyota Corolla 2015: Honda Civic 2014: Toyota Viz Daihatsu MIRA

e. One RADO+ One Tagheuer wrist watches

f. Document of 2x Bungalows in DHA Karachi

g. Document of 2x Plots in DHA Karachi

h. Document of 2x Plot in Bahria Sports City Karachi

i. 2x Houses in Hala

j. One farm House including 45 Acres land in Hala

k. Livestock (85 Buffaloes, 31 Cows, 30 Goats)

l. 200 x acres Agriculture land in Hala

m. 3 x Houses in Qasimabad Hyderabad

n. 2 x Flats in Hyderabad

o. Saving Certificates of Rs 100,000/-

p. Documents of investment in EMAAR Giga Karachi of Rs40 million

q. 31x Cheque books of various banks accounts

r. Hundreds of Original Treasury bills record illegally kept at house

It may be noted that Mushtaq Ahmed Shaikh and Yousuf Khanzada are already facing trial in a separate Reference No. 27/2016 filed on 10th December 2016 along with Ayaz Ahmed Abro former Accountant, Ahsanullah Abro, former sub-accountant District Accounts Office Hyderabad and Abu Bakar former Head Constable Sindh Reserve Police (SRP) Hyderabad. The case pertains to embezzlement of huge Government funds due to misuse of authority on the part of said accused persons who also entered in Voluntary Return (VR) under section 25(a) of National Accountability Ordinance 1999 and voluntarily agreed to return entire misappropriated amount. However, the said accused persons collectively returned to the national exchequer amount of Rs. 97 million only from years 2012 to 2013. However, on their failure to deposit entire amount to the national exchequer, they were sent up for trial as accused persons in the said Reference. The said investigation/Reference, however, led to other clues when available evidence related to treasury was further processed and trail was followed. Money trail led to Mushtaq Ahmed Shaikh, the then ADAO and his *benamindars.*

The preliminary interrogation has revealed that while the accused person was in service, he misused his authority by fraudulently preparing bogus bills, as well as, mixing some bogus bills in lot of genuine bills, in favor of bogus beneficiaries under the heads of difference bills, pension, GP fund, salaries and allowances and got them processed and cleared through various bank accounts opened in connivance with various bankers. The accused has remained linchpin in an organized crime and process of money laundering; and has been operating a large gang consisting of private persons and incumbents of various District Accounts Offices who have been jointly and severally in connivance with each other, getting bogus payments cleared and subsequently cash withdrawn. The interrogation has also revealed that the accused, even after his retirement, has been operating privately as facilitator in consideration of kickbacks and commissions; and has continued with his corrupt practice without impunity.

It may be noted that such corrupt practice on the part of District Accounts Offices has continued over many years without impunity, until only recently when automated systems were placed for processing of treasury bills. The regulatory offices have not been successful in putting curbs on it, as a consequence of which tax money and precious Government exchequer has been squandered away. The preventive reports and advisories under section 33 (C) of National Accountability Ordinance 1999 have time to time been issued to the concerned authorities in this regard, highlighting modus operandi and suggestions to enforce internal accountability controls.

The Chairman NAB Mr. Qamar Zaman Chaudhry has extended his appreciation to the DG NAB and special team headed by Mr. Zafar Iqbal, Director NAB along with Mr. Adnan Abbas Additional Director for their two successful operations collectively involving recovery of around Rs. 3 billion worth of ill-gotten properties within short span of time.

**(Rizwan Soomro)**

 Deputy Director (Inv)

In-charge Media Cell

NAB Karachi