

## Update 2 - Busuttil: Latest on Konrad Mizzi is a coincidence too far - 'Hogwash,' says Muscat

Updated - PN reacts to hogwash comment (bottom) - The revelation that Konrad Mizzi transferred his Panama company to his New Zealand trust on the same day that Gasol sold its shares in Electrogas, the company building the new power station, was a...

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Updated - PN reacts to hogwash comment (bottom) - The revelation that Konrad Mizzi transferred his Panama company to his New Zealand trust on the same day that Gasol sold its shares in Electrogas, the company building the new power station, was a coincidence too far, Opposition leader Simon Busuttil said today.

But Prime Minister Joseph Muscat, questioned for a reaction to the developments told Times of Malta it was 'hogwash' (See video above). The Ministry of Health and Energy said Dr Mizzi has put himself available for a full tax audit which would show such 'insinuations' to be 'baseless and malicious'.

Speaking in Ghajnsielem this morning, Dr Busuttil recalled how in an interview to Times of Malta just before the general election, Dr Mizzi was asked what, for him, constituted the 'best in Europe'. He replied: "We will have the highest political standards in Europe. If one of Joseph Muscat's ministers acts improperly, he will be out the next day."

**“** If one of Joseph Muscat's ministers acts improperly, he will be out the next day

- Konrad Mizzi in 2012

**”**

Dr Busuttil said he was somewhat taken aback during his Popular Party meetings in Brussels last week how people kept asking him about Konrad Mizzi's scandal and how he

had not resigned. They could not understand how the minister was still in his post despite having opened a secret company in Panama.

Last week, Dr Busuttil observed, two-thirds of MEPs in the Budgetary Committee also voted against Toni Abela's nomination for the Court of Auditors. Labour tried to blame the PN.

But was it the PN which nominated Dr Abela, who was not qualified for the position and had no experience in public administration? Was it the PN's fault that Dr Abela was not independent of politics? In Brussels he told the MEPs that he had cut off links with politics. In Malta, the PL said he was still its deputy leader.

What was certain was, that as Alfred Sant himself admitted, the Nationalist MEPs had actually helped Toni Abela in his preparations.

But it was not the PN's fault that instead of expert help, Dr Abela was given the assistance of Cyrus Engerer, a 'solider of steel' who had been convicted in court.

The outcome of the hearing was a humiliation for the country, and something which could have been avoided, Dr Busuttil said. The PN was not even informed of Dr Abela's nomination, but it was prepared to help any future candidate go through the test.



It was clear that the outcome was a consequence of the crisis of corruption that the government was going through.

Minister Konrad Mizzi and the prime minister's chief of staff, Keith Schembri, had opened secret companies in Panama after they assumed positions in the government. There was no doubt in the people's minds that one did not set up secret companies to keep them empty, to deposit just a minister's salary or funds from a London apartment.

Therefore, one was led to believe that secret companies were set up to hide ill-gotten funds. The suspicions were strong and the dots were being joined.

Over a week ago, it was alleged that Mr Schembri corrupted the managing director of the Allied Group years ago. The managing director suspended its director and he resigned. The group then set up an inquiry headed by the much respected judge Giovanni Bonello.

The Times of Malta acted in an exemplary way.

In contrast, Joseph Muscat did absolutely nothing about the same case. Rather than suspend or sack Keith Schembri, he defended him. This was unacceptable in a democratic society.

Mr Schembri had been very close to Dr Muscat for as long as he had been Labour leader. He now ran the Office of the Prime Minister, he was the 'prime minister behind the prime minister' and was involved in everything the government did.

Yet despite the corruption allegations against him, the prime minister did nothing.



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THE TIMES OF MALTA

Konrad Mizzi had himself admitted that he set up his Panama company on advice by Keith Schembri. Who else did Mr Schembri give such advice to? Did some other minister or Labour MP have a secret company?

This issue would not be forgotten, even if the government was acting like everything was normal. Then the people would decide whether the opening of such secret companies was acceptable.

Minister Konrad Mizzi had a super-ministry, responsible for the biggest contracts awarded by the government. He was also made Labour deputy leader and landed Toni Abela in the mess he found himself.

Now it had been revealed in the Malta Independent that his Panama company was transferred to the New Zealand trust on the same day when Gasol sold its shares and left the Electrogas consortium.

Was this just sheer coincidence. Was it coincidence that instead of what was going on in Electrogas, Dr Mizzi was transferring his Panama company?

This was a coincidence too many, Dr Busutil said.

It only further fueled suspicions of corruption, more so when contracts were not published.

With every passing day, people became increasingly suspicious that the prime minister was an accomplice in these goings-on, Dr Busutil said.

He said Labour's reaction to these scandal was to intimidate and to come up with lies, such as in the case of Beppe Fenech Adami. But he, Dr Fenech Adami, Mario de Marco and Anne Fenech would not be intimidated.

Dr Busutil said the PN was promising honest politics and when in government it would ensure that the institutions did their duty.

He said the police should be investigating the Panama scandal and all the other allegations including the contracts which were handled by Dr Mizzi and Mr Schembri. If no investigation was made, a future PN government would order such an investigation itself.

PN REACTS TO 'HOGWASH' COMMENT

In a reaction to Dr Muscat's 'hogwash' comment, the Nationalist Party said that if the current situation was hogwash, this country had really touched the bottom.

"The only hogwash is Dr Muscat's defence of Keith Schembri and Konrad Mizzi," the PN said.

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