

# Joseph Muscat introduced Yorgen Fenech to AC Milan boss for energy deal

'Normal practice' to put people in touch, former PM says

National Joseph Muscat Yorgen Fenech Daphne Caruana Galizia Football

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Paolo Scaroni (left), Joseph Muscat and Yorgen Fenech (right).

Joseph Muscat gave advice to murder suspect Yorgen Fenech about a potential energy deal involving AC Milan's president, *Times of Malta* can reveal.

The former prime minister introduced Fenech to Paolo Scaroni in March 2019, when the prime minister already knew the Electrogas power station investor was a person of interest in journalist Daphne Caruana Galizia's murder.

Scaroni is a former chief executive of Italian oil group Eni and deputy chairman of Rothschilds bank. At the time of the introduction, Muscat was being careful to publicly distance himself from the 17 Black scandal involving Fenech, his top aide Keith Schembri and former energy minister Konrad Mizzi.

Sources said Muscat advised Fenech that if there was potential for a deal with Scaroni to be reached, the local partners should still retain a shareholding in the Electrogas project.

Following Muscat's tip to Fenech about Scaroni's interest in Electrogas, the sources said the murder suspect travelled to Italy to meet the AC Milan president.

Scaroni is understood to be a friend of Muscat, who is an avid AC Milan supporter.

## Fenech discussed proposal with Muscat

After the meeting, sources said Fenech had openly discussed with Muscat that Scaroni was a refreshing change compared to Electrogas consortium partners Siemens.

The offer would have involved Rothschilds acting as promoters to find investors willing to buy shares in Electrogas.

Muscat expressed his agreement with Fenech that auctioning off Electrogas' shares was not the best way to go about things. The prospective deal never went through.

Muscat's role in brokering a meeting and potential deal between Fenech and Scaroni once again underscores the familiarity between the former prime minister and Fenech.

However, Muscat played down his actions when contacted by *Times of Malta*.

"I met Mr Scaroni in London in his private capacity as the head of an investment firm and in the presence of Maltese officials. During the meeting, he brought up the subject of Malta's energy project and said that there could be investors interested in the said project.

"I replied that it was a private venture ... that we could only put him in touch with the consortium. That is what happened, a ... was not involved in subsequent discussions, as you can undoubtedly ascertain.

“I am sure you understand that this is normal practice and that I acted normally on a request, especially one regarding a project of national interest,” Muscat said.

## Fenech not only Maltese Electrogas investor

Although Fenech took the lead in dealing with government officials as part of the Electrogas project, Muscat also had the option of contacting fellow Maltese investors from the [Gasam Group](#) and [Apap Bologna](#) family about the prospective deal.

The former prime minister has been accused of being complicit in an institutional [cover-up](#) of the journalist’s murder, a claim he vehemently denies.

Muscat put Fenech in touch with Scaroni just months after *Times of Malta* and Reuters revealed how Schembri and Mizzi were going to be the prospective beneficiaries of funds from Fenech’s company 17 Black.

At the time, Muscat had claimed not to know Fenech was the owner of the company that according to a leaked e-mail planned to wire up to €2 million to Schembri’s and Mizzi’s Panama companies in 2015. Schembri, Mizzi and Fenech have denied any wrongdoing.

The former prime minister has always attempted to distance himself from the 17 Black scandal, claiming he never got round to asking Schembri who owned the company and what his top aide’s plans were with Fenech.

The intended ownership of a third Panama company set up by government advisers Nexia BT remains unknown, though an inquiry had failed to find evidence linking the company [Egrant](#) to Muscat’s wife Michelle.

Muscat resigned weeks after Fenech was arrested and charged in November 2019 in connection with Caruana Galizia’s murder.

It has since emerged that both Muscat and Schembri were on very friendly terms with the murder suspect, even sharing a common [WhatsApp group](#) set up by Muscat a day after the three suspected triggermen in the murder was arrested in December 2017.

Muscat invited Fenech to his January 2019 [birthday bash](#) at Girgenti with a tight-knit group of friends.

According to court testimony, Muscat messaged Fenech to say that “me you and K” should have a chat at the party.

He would later claim when questioned by *Times of Malta* in November 2019 that he met Fenech “a year or two ago”.

Fenech claims that around the time of the birthday bash, Muscat had asked him if Schembri featured in secret recordings taken by self-confessed murder middleman Melvin Theuma. Muscat denies that such a conversation ever took place.

Europol had threatened to walk away from the Daphne investigation that year unless action was taken to arrest self-confessed murder middleman Melvin Theuma.

Local investigators were reluctant to swoop in on Theuma, fearing they lacked enough evidence, even when intercepts indicated he had recordings that could shed further light on the murder plot.

A spokesperson for Rothschilds said they had no comment to make.

### **What we asked Muscat:**

- Given Fenech’s links to potential corruption [and him already being a person of interest in Daphne Caruana Galizia’s murder], how come you did not take more of an arm’s length approach with him?
- If, as you have said, you kept up normal contact with him as per advice by the MSS, does this mean it was normal for you to discuss potential business deals with him and provide feedback about such deals?
- If, as you used to say, you never discussed Keith Schembri’s business ties with Fenech as it was none of your business, how come you discussed business directly with Fenech?

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**Jacob Borg**  
*Journalist*