



PARLAMENT TA' MALTA

IT-TLETTAX-IL LEGIŻLATURA

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Dokument imqiegħed fuq il-Mejda tal-Kamra tad-Deputati fis-Seduta Numru 126 tal-5 ta' Ġunju 2018 mill-Kap tal-Oppożizzjoni, l-Onor. Adrian Delia.

Raymond Scicluna
Skrivan tal-Kamra

Keith Schembri received \$430,000 of unexplained funds 5 weeks after secret trip to Baku

June 5, 2018 at 16:41

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Documents seen by this website reveal that Keith Schembri received over \$430,000 in payments in January 2015 from unexplained sources. These payments were received 5 weeks after Keith Schembri accompanied the prime minister Joseph Muscat, then Energy Minister Konrad Mizzi and government spokesman Kurt Farrugia to meet Ilham Aliyev of Azerbaijan and negotiate the entry of Azerbaijan company SOCAR into Malta's energy infrastructure.



The fund managers who took account of Keith Schembri's re-investment of funds he already held, marked these deposits as "new funds". The designation of 'new funds' means the money did not already belong to Keith Schembri and cannot be explained away that way.

Documentation held by the fund managers and seen by this website do not include any traces of the provenance of these funds, nor that any verification has been made of their provenance in spite of the fact that Keith Schembri is a politically exposed person as chief of staff to the prime minister. This makes the transactions immediately suspicious and should have been immediately reported to the FIAU. There's no evidence this happened or if it did if any action was taken.

On December 17th, 2014, five weeks before these funds were received, a politicians-only official delegation led by the prime minister left Baku after meeting a high-powered delegation led by the President of Azerbaijan Ilham Aliyev.

The weeks around the visit were a flurry of activity around the signing of a Memorandum of Understanding between Ilham Aliyev and Joseph Muscat that was not published by the Maltese government. Secret international agreements are a largely abandoned diplomatic custom dropped since the Treaty of Versailles of 1919. However this agreement was not published and a briefing about it in Malta was ironically only provided by the Azeri Ambassador Vaqif Sadiqof who said "the MOU dealt with energy (...) with numerous large-sale projects on the cards".

On 15th December state-controlled Azeri media reported that "Azerbaijan and Malta signed two documents on strategic cooperation in the oil and gas sector". In spite of Kurt Farrugia's presence at the talks no briefing was given to the Maltese press who, unusually, were not invited to cover the event.

Information on the deal was kept hidden for years until Daphne Project investigations found "Maltese taxpayers were losing money 'hand over fist'" as a result of this deal. The Guardian had reported (<https://www.theguardian.com/world/2018/apr/25/malta-azerbaijan-energy-deal-losing-money-claim-experts>) "benchmarking indicated Malta was paying a significantly higher rate (for gas) than similar purchases from the wider market negotiated at that time by Greece, Italy and Turkey. Estimates by the Guardian suggest SOCAR paid \$40m less for the gas than the sum it charged Malta".

I sent questions to Kurt Farrugia asking for an explanation from Keith Schembri. Of course not even chasing Keith Schembri down the streets of Valletta, as Jacob Borg had to do yesterday, gets you answers from Keith Schembri.

Here's what I asked: "Mr Farrugia, I have seen documents that show Keith Schembri received over \$430,000 in payments in January 2015 from unexplained sources. These payments were received 5 weeks after Keith Schembri accompanied the prime minister Joseph Muscat, then Energy Minister Konrad Mizzi and yourself to meet Ilham Aliyev of Azerbaijan and negotiate the entry of Azerbaijan company SOCAR into Malta's energy infrastructure. Can Keith Schembri explain the provenance of these funds?"

Kurt Farrugia replied: "Mr Delia, Please can you let us know on what evidence you are basing this accusation? In particular, the number of payments, when they were made and what you mean by these "coming from unexplained sources"? We should be able to know the detail of the accusation in order to be able to answer it."

M'hux hekk nibqgħu. I replied: "Thank you for your response Mr Farrugia. One would expect Mr Schembri to recall payments of the scale indicated in my question in a single month. I note you do not deny such payment was received. If you or Mr Schembri have any comments you're welcome to send them."



Kurt Farrugia replied again: "Your assumption on non-denial is wrong. Given the extent of misinformation you usually deal with, Mr Schembri again invites you to give visibility on the alleged document/s in order for him to comment."

You'd have to wonder if Kurt Farrugia provides PR services to Keith Schembri for free or charges him extra.

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