

IN THE UXBRIDGE MAGISTRATES' COURT

IN THE MATTER OF AN APPLICATION TO VARY POLICE BAIL

AND

IN THE MATTER OF ZUNETH ABDUL RASHID SATTAR

**SKELETON ARGUMENT ON BEHALF OF
THE NATIONAL CRIME AGENCY**

Introduction

- 1) An application has been made on behalf of Zuneth Sattar (“Sattar”) to vary the conditions upon his bail after arrest as set pursuant to s.47 of the *Police and Criminal Evidence Act* 1984 (“PACE”). Sattar wishes to be permitted to travel overseas whilst the investigation is ongoing.
- 2) The application is opposed.
- 3) On behalf of the National Crime Agency (“NCA”) it is submitted that there are substantial grounds for believing that if permitted to travel overseas Sattar will:
 - a) Commit further offences, and/or
 - b) Interfere with or otherwise obstruct the course of justice.
- 4) The NCA’s case in relation to Sattar is that he is suspected of being engaged in very high value corruption, fraud and money laundering. The target of that criminal activity and the source of the proceeds from it was the government of Malawi, one of the World’s least developed countries. Sattar is also suspected of having defrauded the UK Revenue. He is believed to have benefitted from his criminal conduct in sums of the region of several million pounds.
- 5) In addition to the above misconduct, Sattar is further suspected of having travelled to Malawi as part of an operation by him to interfere with witnesses while he was there and bribe senior figures in Malawi. The bribery is suspected of being carried out in order to influence the outcome of a Judicial Review in Malawi into the arrest of a close associate of

Sattar's, an Ashok Sreedharan and the Malawian Minister for Land, Kezzie Msukwa. Sattar is also believed to be linked to street protests against the Malawian official responsible for the investigation into his corrupt dealings in Malawi, Martha Chizuma the Director of the Malawian Anti-Corruption Bureau. Ms Chizuma's physical safety is under threat and the NCA believes that Sattar's presence in Malawi will add to tensions and risks to her physical well-being.

- 6) The NCA therefore requests that the Court rejects the application made on Sattar's behalf and retains the condition on his bail by the police that he must not apply for any form of travel document that would permit him to travel overseas.

Sattar's Criminal Conduct, the Initial Offending

- 7) The investigation is being conducted by officers from the International Corruption Unit of the National Crime Agency (the "NCA"). It commenced in March 2020 and, currently, is investigation events from 2019 onwards. That timeframe may or may not develop as the investigation progresses.
- 8) Sattar was born in Malawi on the 14th May 1981 and obtained British citizenship in 2014. His home address is [REDACTED], which he owns jointly with his wife Tahera. The live there with [REDACTED].
- 9) Sattar, his wife and their associate Iqbal Rafik Ebrahim ('Ebrahim') are suspected of conspiring to bribe foreign officials, namely members of the government of Malawi in order to secure win lucrative public contracts.
- 10) In reports prepared for the UK Department of International Development and published in 2014 and 2015, the accountancy firm, Baker Tilley, estimated that Malawian government had lost c.£14.2 million in the 6 month period between the 1st April and 30th September 2013 as a result of fraud, theft and other unethical conduct.
- 11) The reports identified a number of contracts in relation to Sattar that were suspected of having been paid twice, in addition that money had been paid for products that were not supplied. The audit report indicated that Sattar had received 0.5% of the total Malawian Governmental budget since 2013.

- 12) Sattar was not charged or convicted of any offences in Malawi but in 2014, after the press reporting began, he moved to the UK where he is now a resident. It is believed that he has had ongoing involvement with continuing corruption within the Malawian government since his move to the UK.
- 13) There is a parallel investigation running in Malawi and, in January 2022, the Attorney General of Malawi announced that all Malawian government contracts held by Sattar and any of his companies were cancelled and that he was disbarred from all public procurement. Sattar therefore has no ongoing, lawful, public-contract business dealings in Malawi.

Arrest

- 14) Sattar, his wife, Ebrahim and others were arrested on 5th October 2021. Their home addresses and Sattar's offices were searched and a number of seizures were made. In addition the same time the Malawian Anti-Corruption Bureau conducted searches of Sattar's addresses and office premises in Malawi.

Interview

- 15) When interviewed under caution Sattar at first made a no comment to all questions put to him. However, following a consultation with his solicitor, he chose to answer questions in relation to business invoices that had been shown to him and which the interviewers said were fake. He stated that they were not fake but were used when he received funding from one of his other companies to fulfil a contract from the Malawian government in the name of his company Xaviar Ltd, that Xaxiar Ltd did not have sufficient money to fund.
- 16) When asked why he charged the Malawian government US\$24 per item for "ration packs" that he had purchase from a company in South Africa for US\$8 per pack he claimed it was just good business and all profit. He denied that the real reason for the large price increase was to cover the bribes and other payments he had to make to obtain and keep the lucrative contract. He claimed that it was reasonable, based on what the previous person was charging the government.

17) Sattar denied all bribery, money laundering and tax offences put to him and stated that if the British government were not happy with him working and investing in the UK he would move his business and assets elsewhere.

18) He was released on police bail.

Matters Uncovered by the Investigation, Corruption & Fraud

19) As part of the investigation Sattar was the subject of covert surveillance, searches, covert cameras and the deployment of audio recording devices at his premises between September and October 2021. The covert recording device in Sattar's office overheard conversations and telephone calls that Sattar was engaged in; at times, both sides of a call.

20) The information received as a result of the investigation demonstrated evidence of the giving of gifts and payments, inappropriate contact and relationships with individuals involved in the influencing of the awarding of contracts and the placing of orders for excessively high volumes of stock. The investigation also identified other evidence of corrupt tenders, including a single source supplier, the absence of a bidding procedure, inflated costs and the unnecessary use of additional companies to justify these inflated costs.

21) The recordings contain evidence of inappropriate contact, bribery and corruption.

22) The evidence collected in demonstrates Sattar's influence over and corruption of a number of senior public figures in Malawi, including the Malawian Vice President, Saulos Chilima, the Chief of Staff, Prince Harvey Kapondamgaga, the Malawian Solicitor General, Reyneck Matemba, the Inspector General of Malawi Police Service, George Kainja, a Malawi Police Service Lawyer: Mwambi Kaluba and the Chairperson of the PPDA, John Suzi Banda.

Examples of Corrupting Conduct

23) On 15th December 2020 Sattar is recorded having a conversation with a person he refers to as "My Lord", believed to be an influential person within Malawi where he refers to the paying of the children's school fees and the potential supply of a car ("*don't wait for the arrival of the car. We will bring it from here.*").

- 24) On 17th December 2020 Sattar is recorded having a conversation with an individual he refers to as “*Dad*”, (not believed to be his actual father). He is heard to instruct the individual to collect his \$1,000, that he would send him a TV (“*...tomorrow, go and get your 1000 dollars. So that you can spend it on Christmas at your house. But you...what kind of a car are you driving at the moment?*”) “*In fact, in fact I will also tell the boys to send you one TV tomorrow. A big one and put it in your house*”).
- 25) Later on 17th December, Sattar has a further conversation with someone believed to be the Inspector General of the Malawi Police, George Kainja, referred to as “IG”. Kainja has been identified as being involved in the procurement process within Malawi for contracts supplying goods to the Police Service. During the call, “IG” speaks of receiving a gift and that Sattar has something for him. They then discuss an individual believed to be the Minister for Homeland Security in Malawi, Richard Chimwendo Banda. “IG” stated that there was a discussion about the charges being exorbitant but he intimated that he had dealt with it.
- 26) During the conversation Sattar mentioned payment in the new financial year, that he needed “IG’s” blessing for it but that there was 50 (believed US\$50,000) in it for “IG” once the contract was signed (“*I wanted your blessing on that one and once we sign this contract there is your 50*”). IG said he was very flexible. Sattar replied “*I don’t want to ever forget you. This is the time my lord.*”
- 27) In a further call between Sattar and a male called Patrick, Sattar states that “*Gerry*” will be ordering more stocks (in the earlier call there had been a reference to 230,000 packs) and that they will need to buy them immediately. The suggestion made is that if they needed more than one supplier, he would be able arrange this, i.e. that he would make it appear that there were competing suppliers rather than a single source. “*Gerry*” is believed to work within the Malawian Police procurement process as the individual who makes requests for items that Sattar and his associated companies can then supply.
- 28) Sattar advises Patrick to be careful and not to mention his name amongst people (“*but one thing Patrick, please. Do not talk about me among people...that we know each other...that we always chat. Be quiet.*”).

- 29) On 21st December 2020 Sattar is heard instructing an employee of Xaviar Ltd, Ashok Sreedharan that he needs to make cash payments to a number of people. Sreedharan flew out of the UK the following day.
- 30) On the 29th March 2021 Sattar is recorded having a conversation with an individual he calls “Senior Castle” or “Senior Counsel”. That person is believed to be John Suzi Banda, who was previously Senior Counsel in a private law firm but has now been appointed to the Government Board of the Public Procurement and Disposal of Assets Authority (PPDA) of Malawi. Sattar wants to know if his company will receive the tender to supply the police the rations and public order equipment. Banda responds by saying he will be “*passing by some people*” inferring that he will find out.
- 31) Sattar is suspected of supplying a number of high value motor vehicles to officials in Malawi as bribes. On 28th January 2021 the “Grand Motor Company”, a company belonging to Sattar’s associate, Ebrahim, exported a UK registered Mercedes S C200 motor vehicle, (value c.US\$18,367) to Malawi via Tanzania. The recipient in Malawi was a Nason Nelson Kayenda, a Customs Officer with the Malawian Revenue Authority. It is believed that the vehicle was a gift to this customs officer.
- 32) Following his arrest on the 5th October 2021, officers searched Sattar’s home address. Recovered was a five page document entitled Pyrite, “Statement” dated 14th September 2021. Pyrite General Trading is a company owned by Ebrahim that is incorporated in the United Arab Emirates. The “Statement” listed a large number of vehicles, many of which were shown as having been shipped to Malawi.

Examples of Supplies to the Malawi Police Service:

(i) Ration Packs

- 33) Between 15th July 2019 and 24th March 2020 Xaviar Limited purchased at least 1,524,000 “24 hour ration packs” from Serac Nutritional Products (SNP) in South Africa for US\$8 each. It sold them to the Malawi Police Service (“MPS”) for US\$ 24.00 each.
- 34) It is believed that Sattar created invoices between a UAE company called Malachitte FZE, of which he is the sole owner, and Xaviar Limited in order to give the impression that there

were multiple supply chains to fulfil the contract. The additional company created a buffer through which Sattar had an opportunity to inflate the price ultimately charged. SNP had already agreed to stamp the packs with the name “Xaviar Limited” prior to actual shipping. There was therefore no requirement for Malachitte FZE to be involved.

- 35) The number of ration packs supplies is also excessive when compared to the number of police officers that they were intended for, i.e. 16,000. The numbers supplied equated to sufficient ration packs to provide at least one ration pack per officer per day for every day, for a year.
- 36) A contract for Xaviar Limited to supply the MPS with 350,000 ration food packs was signed and agreed on the 14th September 2021. The value of the contract was US\$7,875,000.

(ii) Bottled Water

- 37) On 17th December 2020, Sattar and Sreedharan were recorded discussing the supply of bottle water to the MPS. They were recorded as stating they should add 40,000 to the contract price to cover the expenses of someone called Ahmed. They were also recorded discussing a potential fraud whereby they claimed that the supplied goods are stolen after purchase, allowing them to charge the Malawian government twice for the same goods.
- 38) On 14th December 2020, Sattar was recorded asking Sreedharan to create invoices between Xaviar Limited and “Xeiec” (believed to be another Sattar company, Xelite Strips). This would appear to be for no legitimate commercial purpose and solely to justify the movement of monies from one Sattar entity to another.
- 39) Xelite Strips provide the MPS with 500ml bottled water at prices between 75 pence and £1.25 per bottle. Enquires have established that the retail cost of a 500ml bottle of water in a convenience store in Malawi varies from approximately GBP 9p to 33p depending on the brand.

(iii) Water Cannon Trucks

- 40) Between April and October 2020 Malachitte FZE tendered a bid to supply 6 armoured water cannon trucks to Malawi.

- 41) Objection having been raised to a single supplier, the contract was eventually issued alongside a contract to Crimson Trading LLC to supply the Malawi Defence Force with Anti-Riot Control Kits. Crimson Trading LLC is a UAE company belonging to Sattar's associate, Ebrahim.
- 42) Malachitte FZE purchased six water cannon trucks from a UAE company, International Armoured Group FZE at a total cost of US\$2,165,700. Malachitte FZE charged the Malawian Defence Force a total of US\$10,524,000 for the same trucks. Sattar's company was the only one invited to tender for the contract.
- 43) The searches conducted upon Sattar's arrest on 5th October 2021 led to the uplift of a number of internal Malawian government documentation from his premises. Those documents included letters from the Office of the President and Cabinet and the Public Procurement and Disposal of Assets Authority to the Army Commander, Malawi Defence Force, in September 2020 showing approval for the signing of two contracts for the procurement of anti-riot equipment by the Malawi Defence Force.
- 44) It is unclear why, if the contracts were awarded on a genuine arms-length basis, a commercial supplier such as Malachitte FZE would be in possession of such documents.

Money laundering

- 45) Along with his wife, Sattar is believed to have utilised the proceeds of his offending to invest his criminal proceeds into 35 known properties in the UK. They are, in main, held by Xaviar Investments Ltd, a company wholly owned by Xaviar Limited and thus controlled by Sattar. His home address, 48 Bankart Avenue, Leicester, LE2 2DB is solely owned by his wife, Tehera Sattar. His office, Studio 4, Phoenix Square, 1 Burton Street, Leicester, LE1 1TB is solely owned by Xaviar Ltd.
- 46) The total paid for the properties is c.£11 million. None of the properties have a mortgage or have any charges on them. They are currently believed to be worth in excess of £12.5million.

47) On 11th March 2021 Sattar was recorded telling an employee of his that he has an apartment in Singapore, in which there is a safety deposit box containing cash.

48) Sattar has also purchased a number of high value cars, including Rolls Royces, Bentleys, a Lamborghini, a Ferrari and a BMW. They are believed to have a combined value of c.£1million. A number of high value watches and jewellery were seized from the Sattar's home. They are believed to be worth over £½ million.

Revenue Fraud

49) The investigation has also uncovered evidence that the Sattars have declared a far lower income than they actually receive and that they have made fraudulent claims for VAT refunds for goods purchased at UK Airports. The latter payments are not on the same scale as the offences against the people of Malawi. The reclaimed sums being in the hundreds and the low thousands of pounds.

50) It is submitted that the above matters set out a strong case for the offences of bribery, fraud and money laundering. Sattar's companies have secured a number of contracts with the Malawian government since 2011. Documents recovered show that his companies have been awarded public contracts as recently as 2019 to 2021. Those contracts include the supply of 6 water cannon trucks at a cost of US\$10½ million, at a profit of US\$8,334,300. A contract to supply the MPS 'ration packs had a value of just over USD35 million.

51) It is believed that the value of the contracts obtained by Xavier Ltd and Malachitte FZE are in excess of US\$45.5 million.

Sattar's Criminal Conduct, Further Offending

52) On 25th March 2022, Sattar was further arrested at Heathrow airport, upon his return from travelling to Malawi. He was interviewed in relation to that visit and in relation to new evidence recovered from his mobile phone.

53) Information was received by the NCA from Malawi indicating that Sattar had interfered with witnesses while he was there and was believed to have bribed senior figures in order to influence the outcome of a Judicial Review into the arrest of his close associate, Ashok Sreedharan and the Malawi Minister for Lands, Kezzie Msukwa. Sattar's previous access

to high-level and influential public-figures has been set out. Continued access by him to those people or others in the administration represents a direct threat to the investigation and the course of justice in this jurisdiction and in Malawi.

54) There has been civil unrest in Malawi as a result of the investigation. It is not known who all of the people behind the unrest are, but it is believed that Sattar is one of them. The NCA believes that Sattar is helping to fund the presence of protestors. The protestors have threatened violence against the Director of the Malawian Anti-Corruption Bureau, Martha Chizuma. The NCA believes that Sattar's presence in Malawi will only add to the existing tensions and heighten the existing risks to her physical well-being. The NCA believes that whilst Ms Chizuma's physical safety is under threat Sattar should not be permitted to travel outside of this jurisdiction.

55) It is of note that Sattar has referred to having overseas assets available to him. In addition approximately £5 million was removed from his UAE bank accounts in the 3 months following his initial arrest.

The Application to Vary Bail

56) It is submitted that none of the grounds forwarded on behalf of Sattar make out a persuasive case for the Court to replace the NCA's assessment of what conditions are required upon Sattar's police bail with a different assessment.

Travel to Dubai for 'Business' Reasons

57) The letter of 11th January 2022 from the Attorney General of Malawi states that the contract for the supply of the Armoured Personnel Carriers has been terminated with immediate effect. Even if the letter can be construed as permitting the sale and purchase of the vehicles from the supplier 'IAG', which is not clear given the conduct of Malachite FZE, there is no reason why the inspection of the vehicles require the personal attendance of Sattar at a future date. Sattar was free to travel up to 25th March 2022 and the vehicles have been, on the face of the letter from IAG, "*ready for shipping at our facility [in the UAE] since 24th December 2021.*" Sattar's own application states that he has travelled many times since his initial arrest on 23 October 2021, including to Dubai in February 2022. No reason has been given as to why the vehicles were not inspected before now.

58) No reason has also been given as to why if there is a non-negotiable need to inspect the vehicles (and not simply pay for them and arrange their onward supply) Sattar's associate, Iqbal Ebrahim, cannot carry out that inspection. It is Ebrahim's company, Cordovan, that is listed as a guarantor for the contract, a guarantee he signed this as the company's director.

59) It is also unclear why, as Malachite FZE has not had its assets restrained, it has not paid for the contract. If it is confident that the Attorney General's letter means what they contend for, then there is no reason for the payment to IAG not to have been settled. That payment would not require the attendance of Sattar in Dubai.

Travel to Dubai for 'Business' Reasons: Cosmetic Surgery

60) Given the seriousness of Sattar's offending and the threat to the course of justice and the personal safety of others that it represents, there is no good reason why Sattar cannot continue his "caviar treatment" in the United Kingdom. The Court will note that Sattar's assets are restrained and no provision is made within the living expense exemptions for such a travel expense.

Travel to Malawi for Personal Reasons

61) The stated need by Sattar to travel for an annual commemoration of the deaths of his parents must be balanced against the risk his presence in Malawi would pose both to the investigation and to public safety. It does of course remain open to members of Sattar's family to visit him, so that the commemoration could be held in the UK. As Sattar's assets are restrained and as, again, no provisions is made within the living expense exemptions for such a travel expense this would be a financially more satisfactory arrangement for him. For the same reason, it is entirely unclear how he would fund distributing charity to the poor while he is under the restrictive provisions of the Restraint Order.

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Tuesday 24th May 2022