

THREE UNSOLVED CASES IN SERBIA

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Until after 2000, no-one in Serbia knew of the existence of OLAF, the European Anti-Fraud Office, or what the organisation could do and in what ways it could affect the lives of people not even living in the European Union. After the regime changed, the process of integration into the EU began. As will be seen, several practices inherited from the period of sanctions and isolation of Serbia continued without interruption, which directly hurt the Union's budget. Since then, and until recently, awareness of OLAF's activities has grown, and there have been several cases where OLAF has opened investigations and undertaken actions affecting Serbia, but, unfortunately, none of this has significantly improved the general public's knowledge of what the organisation's aims are, or what OLAF's findings were in all instances where the subject was a non-EU-member state.

According to information known to Serbia's public, OLAF has undertaken four investigations relating to Serbia and Montenegro, or Yugoslavia, the country's former name. The first mention of OLAF in Serbia occurred when the issue of cigarette smuggling into the EU was raised; top officials of both member republics, Serbia and Montenegro, were implicated in the affair. OLAF had already been investigating another case of infringement or misinterpretation of EU regulations on the import of sugar into the Union from the Balkans, especially from Croatia and Serbia and Montenegro.

OLAF was twice mentioned in connection with investigations into the misuse of European Union funds. Both cases were similar: the first related to corruption in the reconstruction of Kosovo power plants. The second, more recent one, involved corruption in the reconstruction of the Nikola Tesla power plant in the Serbian city of Obrenovac, where, according to media reports, the German firm Siemens bribed officials from the European Agency for Reconstruction and Development to get the contract.

The first two cases grew into substantial scandals, and were thoroughly covered in the Serbian media. Both affairs, at least as far as the general public is concerned, ended with the media failing to go beyond speculations and guesswork, and using only their own sources and personal connections. It is standard practice for OLAF to leave the reporting of results of its enquiries to legislative authorities of countries in question. However, such procedures are rather less well defined in cases where countries under investigation are not EU members and are still involved in the accession process. Not a single Serbian institution mentioned in the investigations or authorised to inform the public of the results has ever made it possible for the public to inspect even the smallest part of any OLAF report. Conversely, both institutions and individuals named in the investigations have publicly denied any connection with the actions, without opening reports compiled by OLAF investigators to public scrutiny. The most perseverance and thoroughness was shown by journalists of daily newspapers, who constantly applied pressure on the Government to allow public access to OLAF materials, yet the Government did not lift a finger to resolve matters in any of the instances. The Government's stance could be understandable when one remembers that scandals

involving sugar exports and disregard for the spirit of agreements on sugar exports into the EU disgraced and eventually brought down the previous government. The politicians who followed that government into office, and who built their position on criticising it on the basis of results of OLAF enquiries, continued the trend of keeping mum when the public asked for those results to be presented. The man cited most often as the main culprit in the “sugar affair”, the scandal that caused great damage to Serbia’s economy (as the EU first suspended sugar imports from Serbia for six months, and then prolonged the suspension several times), was temporarily arrested and held in custody, but was released after charges were brought against him. He kept insisting that he had only been following instructions given by senior officials of the previous government – who then went on to keep their positions in the new administration. Virtually nobody, apart from the general public, had any interest in discovering the whole truth. On the other hand, because of its built-in limitations, OLAF’s information service was unable to present any details on the results of its enquiries. As Serbia still lacks legislation on free access to information – which would make it compulsory for public institutions to allow free access to data and information of public interest – the media’s persistent requests for vital facts went unheeded. Instead, the journalists were sent on wild goose chases from one institution to another, from the Ministry of the Interior to the Customs Office, from the Customs Office to the Chamber of Commerce, and so on. Instead of a credible story, rumours started circulating, further complicating and obscuring an already unclear case. The incident was all but forgotten, and was never solved, as Serbian bodies had no interest in making public the whole truth of the background of the deeper rift in relations with the EU, which could have had more lasting consequences.

The OLAF “network of communicators” showed its true value during the operation aimed at stopping the smuggling of cigarettes between Italy and Montenegro. Thanks to the existing network of customs, judicial and police bodies, it was possible to get all data about this important issue from the Italian side. Media investigation received concrete backing, so almost all information relevant for solving the complex relations between criminal groups and customs and police bodies was published, as was data on the web of corruption which harmed the budgets of both the European Union and Serbia and Montenegro.

If one looks at the results of this public campaign to expose the “grey market” in cigarettes from a distance of two years, one can easily see that cigarette smuggling has all but vanished, that the government brings in income from excise duties, and that organisers of criminal activities have been brought before justice.

Serbia was, in all fairness, the only Balkan country to undertake a serious campaign against organised crime before and after the assassination of Prime Minister Zoran Djindjic. After the Prime Minister’s assassination, on 12 March 2003, a state of emergency was instituted, lasting three months, and resulting in the suspension of certain civic rights. During the state of emergency, some 12,000 people were brought in and detained. Debate is still raging on how justified the measures were, but it is beyond dispute that the core of organised crime was broken in the operation. Numerous criminal groups were dispersed, while the trial continues for the murder of Prime Minister

Djindjic, as well as for a number of other cases from the jurisdiction of the special prosecutor and other institutions created to fight organised crime.

The last case testifying to the great usefulness of OLAF's "network of communicators" is that involving corruption during the refit of the Nikola Tesla power plant in Obrenovac. Serbian authorities failed to react to media reports on how assets from the European Agency for Reconstruction and Development ended up in the pockets of corrupt officials, and how companies were ready to use bribery to further their aims. Apart from European officials implicated in the case, Serbian media were unable to discover a single Serbian official involved in the scandal. While German media described the role of the German parties and Siemens, and the European press debunked the behaviour of the European officials, what were the Serbian media doing? The role of not even a single person from the Serbian side was revealed; yet, obviously, they were instrumental in the case.

It is only with the help of OLAF's network that some knowledge was gained. The information, however, is limited, as it is not easy for people as far apart as, say, a journalist from Belgrade and a prosecutor from Wuppertal, to communicate with clarity and precision.

The role of the "network of communicators" in countries outside the EU which, like Serbia and Montenegro, do not have close institutional ties with the Union, is much more important than in the case of member states. These are bound by numerous legal standards concerning openness of work and transparency, unlike countries which are still not even candidates for membership. Those who have authority in these countries often make use of OLAF's imperfect public relations system. Since OLAF is not allowed to make its findings public, it is obvious that local elites do not find it necessary to help the media. The "network of communicators" is the only instrument, albeit not the only one necessary, helping investigative reporting in countries still outside the European Union.