

## **Financial Review Reveals Abuse, Corruption, Tax Evasion in SDS**

The OHR has today published the financial review of the Serb Democratic Party carried out by the Special Auditor.

Responding to the Special Auditor's findings, the High Representative said: "This review reveals a catalogue of abuse, corruption and tax evasion at all levels of the SDS. There is a complete, even criminal absence of proper control designed to ensure the observance of the law and to prevent the passage of funds to and from criminal and war criminal networks, and support structures; the financial review also reveals substantial evidence of illegal transactions by SDS subsidiaries with enterprises and public bodies and, prime facie, clear indications of repeated, multiple and flagrant breaches of electoral law."

The Special Auditor's Office visited 16 SDS municipalities as part of their review, which was carried out over a number of weeks.

In addition the financial review uncovered:

- systematic accounting discrepancies
- underreporting of expenses, assets, and donations
- incomplete membership lists (violating the party's own Statutes)
- failure by the party to pay social benefit and employment tax costs for members of its staff
- SDS use of municipal property free of charge
- unpaid bills owed by the SDS to public companies

Commenting on the actions he took yesterday, the High Representative said "It is clear from this review that we cannot be confident that the party is no longer providing financial assistance to its indicted founder, Radovan Karadzic. The party's ties with criminality and war criminals have to be broken once and for all, and a new leadership must begin the task of cleaning up a party that has been pervaded by corruption and has in turn corrupted the institutions of the RS. Following the decisions I took yesterday, they now have an opportunity to do so. I hope they will take that opportunity"

Information in the report pointing to criminality, or to financial links between the SDS and extremist groups, will be forwarded to the prosecutors.