

## **International Community Looks Into BH Banka Operations**

Members of the International Community met recently under the auspices of OHR to discuss issues regarding BH Banka's performance. Several members of the International Community, as well as private individuals, have filed both civil and criminal lawsuits against BH Banka because millions of dollars of funds deposited with the Banka, including funds for reconstruction projects and governmental monies, were repeatedly diverted and are not available for use by depositors or beneficiaries, including the citizens of Bosnia and Herzegovina. Investigations by the local authorities are ongoing. A sum of at least DM20m is believed to be involved, although that sum is expected to rise significantly in the near future.

OHR views this situation as very serious. A credible and functioning banking system is essential for the economic development of the country. As corruption not only costs society in terms of diverted or wasted financial resources, but undermines the legitimacy of government and public confidence in democracy, OHR urges full cooperation with the on-going investigations by local law enforcement agencies into the BH Banka's operations. OHR also encourages other individuals or companies who have experienced problems with the BH Banka or have knowledge of its operations to come forward. This goes for any other bank also.

Deputy High Representative for Economic Matters, Didier Fau, said that OHR will continue to closely monitor the BH Banka's operations with the hope that the missing funds can be retrieved and used to further the economic development and reconstruction of Bosnia and Herzegovina. If the funds are not retrieved, Fau emphasized, it could be very damaging for future reconstruction efforts in the country.