High Representative removes Former Prime Minister Edhem Bicakcic

The High Representative, Wolfgang Petritsch, today removed Edhem Bicakcic, from his position as Director of Elektroprivedra for actions during his term as Prime Minister of the Federation of Bosnia and Herzegovina to the detriment of good governance, the rule of law and budgetary security in the Federation of Bosnia and Herzegovina. Mr Bicakcic abused the powers vested in his office to redirect public revenues through a complex and corrupt system of financial diversions, with large sums of money ending in the coffers of the Party of Democratic Action (SDA).

Concerned by the need to ensure transparent, sound and efficient government in Bosnia and Herzegovina and, working for the interest of its people, the High Representative has removed Mr Bicakcic in accordance with Annex 10, Article V of the Dayton Peace Agreement and the Bonn Declaration of the Peace Implementation Council of 1997.

Mr Bicakcic has diverted funds, thus harming reform in the media, customs, banking and employment. These illegal practices included:

- Mr Bicakcic personally ordering the transfer of 825,000 KM from Federation Current Reserve Funds to the Association of Families and Fallen Soldiers (AFFS). However, the funds were used to further capitalise Sehin Bank. Needless to say, none of the funds were used for their originally intended purpose – supporting the families of fallen soldiers. The case is under investigation by the Financial Police and charges have been filed against Mr Bicakcic , the Minister of Finance

Dragan Covic and his Deputy, Mr Alijagic before the Federal Prosecutor.

- Mr Bicakcic used the BiH Embassy in Vienna to transfer a sum of 2.5 million KM, of unknown provenance to an account at BOR Bank in Sarajevo. Around 100,000 KM was paid out to a private television station, namely BRT, a pro-SDA channel. This violated the separation between public institutions and independent media. A further 700,000 KM was paid into the SDA election fund, via a payment made to the UNIGRADNJA construction company, so that the money could be designated a "company contribution". Again, this case is subject to investigations by the Financial Police and charges have been filed against Mr Bicakcic before the Federal Prosecutor.
- Mr Bicakcic is responsible for the illegal creation of the Federation Employment Agency (FEA) which between 1999 and 2000 paid out 24 million KM in public revenues as "short term loans" to the Federation Ministry of Veterans and Invalids without legal authorisation. In addition, the FEA paid out 1 million KM in short-term loans to 19 businesses, all of which have subsequently been written off. This case is now under investigation before the Federation Financial Police and the cantonal Prosecutor.
- Mr Bicakcic has flouted Federation Law by issuing a decision to allow the import of 900 private vehicles which had entered BiH on fraudulent papers so avoiding customs duty. The former Prime Minister made this decision even though the Federation Customs Administration had advised Deputy Prime Minister Dragan Covic earlier that such a move would be in breach of the Federation's own Law on Customs Duties. Mr Bicakcic' action, if it had not been reversed by a Decision by the High Representative on 22 December 2000, would have robbed the Federation of much needed funds.

The High Representative remains firmly committed to tackling corruption in BiH but believes officials, political leaders and all in this country must themselves fight graft and abuse of public office. Ultimately, corruption results in stealing from one’s own pocket, and thus hurts everyone. Corruption scares foreign investors, something Bosnia and Herzegovina cannot afford at a time of economic crisis.