Headlines in Print Media

Oslobodjenje: BiH offers solution for the Kostajnica issue to Croatia; Exhumations in Kamenica begin

Dnevni Avaz: Zufer Dervisevic, the Chief Federation Financial Police Inspector – Anic cannot ban the audit; Dissatisfaction of veterans – Focic fils criminal charges against Hadzovic; Support to the BiH graphic workers – More than 100,000 citizens signed the petition

Jutarnje Novine: The Federation Ministry for Veteran's Issues - the revision of the veteran's pensions to follow

Dnevni List: Mustafa Music, the chief BiH Army intelligence officer at the time, claims – Prce and Jelavic were informed about the storage of the grenades in Mostar as well

Vecernji List: Ashdown takes over Leutar's case

Glas Srpski: The Association of Serb Returnees to Sanski Most sends letter to Jacques Klein - 5,500 Serb houses destroyed

Nezavisne Novine: Why the RS Commission for Securities banned trade with Kristal Bank's shares; Trial in Mostar – Buljubasic did not know about the hidden grenades

Euro Blic: Regularly paid pensions until the end of year; The Hague "seriously worries" about Milosevic's health condition

Slobodna Bosna: Leutar case - This is protected witness Merim Galijatovic

BH Dani: Ljubljanska banka - an eight years long robbery

BiH offers solution for the Kostajnica border crossing issue

The BiH Council of Ministers on Thursday offered to Croatia that an annex to the contract on the common locations of the border crossing between the Bosanska /Srpska Kostajnica – Hrvatska Kostajnica is signed by the authorized representatives of the two countries together with a protocol on the final resolution of the Kostajnica border crossing issue. However, as it agrees with the draft annex, the Croatian commission disagrees with the text of the protocol foreseeing construction of a 500 meters long bypassing road between the rivers of Una and Uncica, which is a solution earlier opposed by the Craotian Government as well. Svetozar Mihajlovic, the BiH Minister for Civil Affairs and Communications, said following the Council's session which is expected to be continued next week that the texts of the annex and the protocol would be sent to Croatia in a package for signing or rejecting.

The Croatian Foreign Ministry late on Thursday responded to a note sent by the BiH Foreign Ministry, which was related to the resolution of the Kostajnica border crossing issue. It *"welcomes a proposal made by the BiH Council of Ministers that a temporary border crossing on a common location is immediately opened."*

(Oslobodjenje – front page, p 6, Dnevni Avaz – p 2, Jutarnje Novine – pages 3, 4, Glas Srpski, p 3, Nezavisne Novine, p 3, Jutarnji List, p 2, Vjesnik, p 1 and 2, Slobodna Dalmacija, page 17 and last page, Dnevni List, p 8, Blic p 10)

BiH Federation affairs

Veteran's law

After the draft veteran's law proposed by a deputy to the BiH Federation House of Peoples, Munir Karic, was withdrawn from the parliamentary procedure, the BiH Federation Government and the authorized ministry intend

to conduct a comprehensive audit of the list of beneficiaries and recipients of the veteran's/invalid pensions, Such the audit was requested by the veteran's associations as well. *"In addition, we shall together with the associations continue working on the draft veteran's law, which will at the certain moment be prepared to be sent into the parliamentary procedure,"* the Federation Minister for Veteran's Rights, Suada Hadzovic, told FENA news agency on Thursday. (Dnevni Avaz – p 10, Jutarnje Novine – p 7, mentioned on the front page)

"I do not consider Minister Hadzovic a serious partner any more, and I do not believe she and her Ministry are capable of conducting such a revision," said Mehmed Focic, the President of the Federation Association of Demobilized Soldiers. On Thursday, the Association, as Focic had announced earlier, filled criminal charges against Hadzovic and her Deputy Dobrica Jonjic, because of a grounded suspicion "the Ministry has been paying pensions to the war invalids and the families of killed soldiers in an illegal and immoral way." (Dnevni Avaz – p 10, announced on the front page, Oslobodjenje – p 6, Jutarnje Novine – p 7, mentioned on the front page)

"With certain amendments and following proper consultations with the BiH federation Government and the veteran's associations, I will re-send my draft veteran's law into the parliamentary procedure," Munir Karic, a deputy to the BiH House of Peoples, told Dnevni Avaz (p 10).

Disputes in the Federation Defense Ministry

The Federation Financial Police inspectors will continue conducting audit of the financial operations of both BiH federation Army components in spite of a ban to do so by the Defense Minister Mijo Anic. "Minister Anic cannot (is not authorized to) prevent us from working on this case. We are continuing to look into the documentation, which is available to us. The Bosniak component gave us the papers from 1997-2001 and we are analyzing them," the Chief Federation Financial Police Inspector, Zufer Dervisevic, told Dnevni Avaz (front page, p 5).

"I am very much interested that a detailed audit of the Ministry's financial operations in the past five years is conducted. All documentation in our possession will be available to the Financial Police inspectors," Federation Defense Minister Mijo Anic told Dnevni Avaz (p 5). "At the next session of the BiH federation Government, I will request removal of my Deputy Ferid Buljubasic due to a series of failures and irregularities," Anic added.

Following the latest events regarding the blockade of funds of the Croat component of the Federation Army, **Slobodna Dalmacija** (page 15) carries the Federation Minister of Defence **Mijo Anic** as saying that he would inform the Federation Government about everything and that the blockade of funds is unacceptable. "*My deputy cannot condition the Financial Police which years to include in the report. If the Federation Government again neglects my requests I will be forced to resign. In that case any further participation in the work of the Government would be pointless*", said Minister Anic.

Slobodna Bosna and BH Dani also report on the affair in the BiH Federation Defense Ministry.

Slobodna Bosna (by <u>Suzana Mijatovic</u>) writes that the Principle Deputy High Representative, **Donald Hays**, had a very edgy meeting with several former and present employees of the Federation Finance Police, who warned the senior OHR official about the alleged irregularities in the work of the two heads of this financial institution, **Zufer Dervisevic** and **Miroslav Vidovic**. *"After providing evidence for all the allegations about the abuse of office by the FP officials, the employees offered to Hays a comprehensive documentation. Hays confirmed that the OHR has the same information, however added that he is not clear as to what they expect from him. 'We expect that you undertake concrete measures, because it is you and the head of the OHR Anti-corruption team, Mandfred Dauster, who keep these people in their present posts,' inspectors told Hays…'All those who tried to remove them (Dervisevic and Vidovic) have been removed by the High Representative, while Dervisevic and Vidovic were returned to their posts…You removed Edhem Bicakcic and Nikola Grabovac. In other words, it is only you who could address this issue.'"* The weekly also claims that the two disputed Financial Police officials have been engaged in a number of criminal activities since 1993 which was confirmed by some 40 inspectors who left this institution after not wanting to take part in irregular operations.

Vecernji List (page 3, signed by <u>Robert Bubalo</u>) carries that Croats have lost all important positions and **Mijo Anic**, the Federation Minster of Defense, and **Bozo Misura**, an acting Head of the Pension and Disability Insurance Bureau MIO/PIO BiH, who were brave enough to stay at their positions, are exposed to daily media lynch of some Sarajevo media. The article quotes **Stjepan Kljujic**, the President of Republican Party, who wonders as to why **NHI** does not leave the Alliance and thus pull down the Government before the elections and says that NHI will not do it because they are blackmailed and **Kresimir Zubak** is the most responsible for this situation. Bubalo says that also Aluminij, Lijanovici, Eronet, Hercegovacka Bank etc. are also being mentioned in a negative context. According to Bubalo, apart from discrediting of Croats in political and economic terms there is also legal violence against the Croats and the Leutar case is the best example of it. The article concludes that the Croats are disarmed on all front lines and although Kljujic believes that the solution lies in the next elections, strengthening of state institutions and strengthening of links with Croatia, Bubalo says that it is hard to expect the right solution.

Dnevni List (page 2, signed by <u>Marko Markovic</u>) carries a critical editorial on Sarajevo daily **'Oslobodjenje'** and Markovic says that Slovenians bought this daily in order to discredit Croat politicians and businessmen. The editorial says that lately Oslobodjenje is full of articles on financial affairs in which only Croats are involved. Markovic says that he does not have anything against resolving of the **Am Sped** case, the case of **CIPS** project, however, these are not the only cases in BiH and Oslobodjenje never mentions cases in which Bosniak politicians and businessmen are involved (Steelworks Zenica, sale of weapon to the USA, Pakistani loans etc.)

Fed. Deputy Defence Minister Buljubasic testifies before Mostar Municipal Court II Dnevni List (front and page 3), **Vecernji List** (page 2) and **Slobodna Dalmacija** (front and page 15) carry respective reports on yesterday's testimony of the Federation Deputy Minister of Defence **Ferid Buljubasic** that he gave before an investigative judge of the Mostar Municipal Court (II) **Tatjana Kazazic** when Buljubasic denied his personal accountability for the case of illegal weapons caches in Mostar. VL quotes Buljubasic: "*I neither knew (about the shells) back then nor I know now. I arrived in March 2001 and the way the investigation goes it was done long before I arrived. My predecessors did not inform me neither I knew about it". Following the hearing, Buljubasic said that judge Kazazic called on the Federation MoD and MoI to show more co-operation with the Municipal Court in Mostar and confirmed that the Court received documentation from the Federation MoD and MoI on production and storing of shells from 1995 and 1996. DL reports that brigadier general Mustafa Music, a former Head of Intelligence of BiH Army and former official involved in the military industry, also asuspect in the process, testified before judge Kazazic yesterday and told the judge that Miroslav Prce, a former Federation Defence Minister, Ante Jelavic and Sakib Mahmuljin, a former Federation Deputy Minister of Defence, knew about the illegal ammunition caches.*

OHR activities: Ashdown in Paris, PDHR Hays to address RS National Assembly

The High Representative **Paddy Ashdown** is continuing his tour of European capitals, ahead of next weeks Peace Implementation Council Political Directors meeting in Sarajevo. He has been to Berlin and London and he is traveling to France today, he will be back in Sarajevo at the weekend. In Paris,, Ashdown is expected to meet with the French Foreign Minister, **Dominique de Velipine**, Chief OHR Spokesman and the Director for Communications, **Julian Braithwaite**, told **Dnevni Avaz** (p 3). On Friday in Banja Luka, the Principle Deputy High Representative Don Hays, will address on the High Representatives behalf the Republika Srpska National Assembly. He will address the continuing failure of the Republika Srpska to catch up with the Federation economically and he will point out that is a direct consequence of the slow pace of consolidating the single economic space.

Supervisor of Brcko Henry L. Clarke has asked Brcko District Mayor Sinisa Kisic to replace Mr. Bosko Maricic, Director of ODP "Majevica" Brcko, and its Steering Board following the action of the Prosecutor's Office in seeking the confirmation of an indictment against Mr. Maricic. The indictment charges Mr. Maricic with abuse of office and failure to carry out his official duty by permitting the illegal construction of residences on "Majevica" property for himself and another 30 families between January 2000 and May 2002, without payment of any compensation for the land or obtaining construction licenses. (**Oslobodjenje** pages 4-5, **Dnevni Avaz** – p 12, **Blic** p 10, **Vecernje Novosti** p 13)

In relation to the Leutar case, **Vecernji List** (front and pages 2 and 3, by <u>Zdenko Jurilj</u>) carries an article titled *"Ashdown takes over Leutar case"* in which the daily reads that the defence team of indicted Croats charged with the murder of Jozo Leutar, in light of VL's report from yesterday, will request the judicial bodies and IC that the issue of accountability of **Merim Galijatovic**, who is perceived as the key witness in the case, be raised. The defence believes that Galijatovic has obstructed the whole process for months by giving false testimonies and will request that Galijatovic appears before the Sarajevo Cantonal Court for the third time. The High Representative **Paddy Ashdown**, during his last tour of Herzegovina, was angry with his associates for not letting him know that

such a complicated trial is going on in BiH. VL concludes the article by saying that the HR's statement has been, according to VL's findings, confirmed and that the OHR has decided to get more involved in the case of murder of Jozo Leutar.

In an opening column in **BH DANI**, <u>Senand Pecanic</u> notes that Mostar, not Washington, should have been **Paddy Ashdown's** destination in his crusade to save BIH of bankruptcy. "The amount of the IMF credit for BiH is not any lower (on the contrary!) than the Federation property which was robbed by Mijo Brajkovic through criminal change of the ownership structure of the Mostar Aluminij. Although the present High Representative is not driving around in a Mercedes, that does not mean that the interests of BiH are more important to him than the joint interests of the Daimler-Chrysler and Mijo Brajkovic...Finally, Josef Stiglic...in his most recent book wrote that the IMF and the WB assistance therapy of underdeveloped countries...could be considered as successful- but only for those giving the credits," concludes Pecanin.

In an interview with **Slobodna Bosna**, the Principle Deputy High Representative, **Donald Hays**, said that the OHR Anti-Corruption department will be transformed into a special unit for fighting serious criminal acts, which will be led by a French diplomat, Bernard Fassier. *"The idea is that we tackle specific, individual cases of crime and corruption instead of the general approach. Our teams will work local police, prosecutors, local experts on building solid cases which would go before courts. This should build a confidence in local government, and at the same time, it will enable local courts to prosecute cases. This is the essence of the AFD reconstruction." The weekly notes that the internal changes in the OHR should enable a more efficient fight against crime and corruption.*

CIPS

At its session in Sarajevo on Thursday, the BiH Council of Ministers explored possibilities for the equipment needed for the CIPS project implementation to be imported without payment of the customs duties. *"Since we do not have sufficient grounds for this in the current legislation, we agreed to look for a solution together with OHR,"* Svetozar Mihajlovic, the BiH Minister for Civil Affairs and Communications, said following the session. (Dnevni Avaz – p 4, Oslobodjenje – p 5, Jutarnje Novine – p 4)

According to Amer Toskic, the President of the BiH Graphic Workers Trade Unions, more than 100,000 citizens throughout BiH have so far signed the petition against the engagement of foreign companies for printing CIPS documents and ballots. (Dnevni Avaz – p 12)

In an interview with **Slobodna Bosna**, **Nihad Hurem**, the director of the **Strom Telecom**, the company accused by numerous BiH media of dodgy involvement in the implementation of the CIPS project, denied all the allegations. "That is a complete nonsense. I don't even know what the CIPS is...Strom Telecom has never signed any contract connected with the implementation of the CIPS. We don't even do such jobs."

Pre-election news

In an interview to **Nezavisne Novine** (p 5),member of the BiH Election Commission, **Branko Peric**, stated that the announcement of the BiH Presidency that it will carry out a revision with regards to the printing of voting ballots, undermines the reputation of the BiH Election Commission and sends a bad message to the Council of Europe and international community. Peric said he could not believe that the highest state institution decided to investigate the selection made after public tender, without even having all the facts and information on basis of which the selection was done. He also added that the BiH Election Commission explained in details its reasons to choose Croatian Company "Zrinjski" for printing and distribution of voting ballots.

Dnevni List (page 4) carries an interview with **Dragan Covic**, a Vice President of HDZ BiH and the party's candidate for the Croat member of BiH Presidency. Speaking about the elections, Covic said that the party is happy with the course of the election campaign so far adding that the biggest problem that all the parties are facing is a possible poor turnout of the electorate. Questioned as to how he sees the public appearances and moves by the new High Representative **Paddy Ashdown**, Covic says that the HDZ BiH pinnacle has no objections to the HR's

work. "It's not up to me to comment on the work of the HR because of authorities he has, I hope that what we hear from him does not remain sheer rhetoric but be implemented in practice, on the ground", says Covic adding that the HDZ BiH expects the HR to call the President of HDZ BiH for talks. In that context, Covic also said that there are some indirect contacts at that level.

In an interview to **Nezavisne Novine (p 4),** the President of SDA BiH and party candidate for BiH Presidency, **Sulejman Tihic** stated that he is supported by the strongest party in BiH and expects to win over **Haris Silajdzic** and **Alija Behmen.** Tihic emphasized that SDA transformed noticeably and that it adjusted to the circumstances and overall situation in BiH.

In a commentary in **BH DANI**, <u>Ivan Lovrenovic</u> notes that the upcoming elections in BiH will not bring about any spectacular changes. Lovrenovic accuses SDP's **Zlatko Lagumdzija** and S BiH's **Haris Silajdzic** for catastrophic achievements, or the-lack-there-off, in the past two years, and expresses skepticism about the ability of the SDP to make any positive changes. Commenting on Silajdzic's return to politics, he notes that Silajdzic *"has always been a man of division of BIH, lingering on the line of the implicit Bosniak – Muslim nationalism. His sudden come back very strangely coincides with the arrival of Ashdown and his systematic neglect for nationalism (ergo, cementing of the Republika Srpska building upon what was legalized by Petritsch through constitutional changes)."*

Serb returnees to Sanski Most complain to Jacques Klein

The Association of Serb returnees to Sanski Most addressed a letter of complaint to the Head of UN Mission to BiH, **Jacques Klein**, in which they complain about difficulties they encounter in return process and life of the Serbs in this municipality (**Glas Srpski** – cover page). The letter says that 5 500 Serb houses were destroyed after the signing of the Dayton Agreement and that only 500 Serb houses were reconstructed.

Session of RS NA

The RS National Assembly withdraw the draft law on budgetary system of RS and draft law on changes and additions to the law on local management and self-management from the agenda of yesterday's session. The RS NA passed additions and changes to the Law on privatization of socially owned apartments and extended the deadline for privatization of the apartments for one year. New deadline set by the RS NA is 29th July 2003 (**Glas Srpski**, p 3). **Nezavisne Novine** (p 5) reports that the RS NA rejected the SNSD proposal to discuss the report of the RS Chief Auditor on execution of last year's budget. The RS Chief Auditor, **Bosko Ceko**, rejected the allegations expressed by SNSD leader, **Milorad Dodik**, who said that during the revision, Ceko allowed certain Ministries to change documents (**Glas Srpski**, p 5). The daily quotes Ceko as saying: *"I see statements made by some opposition politicians as a pressure on this service and its independence. We are an independent institution, not anybody's political puppet as some want to represent it."*

Nacional p 11 and Blic p 3 also reports on the RS National Assembly session.

Headlines in Electronic Media

BHTV 1 (Thursday, 1900)

- The BiH Council of Ministers adopts draft annex to the agreement on the joint border crossing between the towns Hrvatska Kostajnica and Bosanska Kostajnica and the protocol on the final solution to the border crossing in Kostajnica
- The BiH Council of Ministers is preparing a law on amendments and addenda to the law on the BiH citizenship, which would extend the deadline for signing bilateral agreements on dual citizenship for five more years
- FBiH Defense Ministry protests against the activities of Financial police which yesterday sealed

an office in FBIH Defense Ministry building in Sarajevo and banned the use of assets by Croatian component

• Federation Deputy Defense Minister Ferid Buljubasic was heard at Mostar Municipal Court II as part of the investigation of illegal weapons warehouses found in April in Mostar

FTV 1 (1930)

- After 40 heard witnesses in the Pogorelica case, investigating judge decided to exclude lawyer S. Hodzic because he was the competent person in Justice Minsitry at the time of discovery of the case.
- Federation Deputy Defense Minister Ferid Buljubasic was heard on Thursday at Mostar Municipal Court II as part of the investigation of illegal weapons warehouses found in April in Mostar.
- The BiH Council of Ministers has ordered the Treasury Ministry to prepare a proposal for the decision related to the allocation of the money from the budget reserves for the funding of the BiH lawsuit against FRY
- The BiH Council of Ministers specified on Thursday an annex to the agreement on the joint border crossing between the towns Hrvatska Kostajnica and Bosanska Kostajnica and the protocol on the final solution to the border crossing in Kostajnica

RTRS (1930)

- BiH Presidency hails decision of US president Bush on continuation of US involvement in the Peace mission in BIH. (.3)
- The Republika Srpska National Assembly on Thursday passed a proposal for the law on amendments to the law on the privatization of apartments extending the deadline for the purchase of apartments from one to two years (4)
- The BiH Council of Ministers specified on Thursday an annex to the agreement on the joint border crossing between the towns Hrvatska Kostajnica and Bosanska Kostajnica (3)