### **Print Media Headlines**

Dnevni Avaz: Ashdown issues deadline for resignation of Grabovac and Vracar

Oslobodjenje: Zelimir rebac announces new removals because of AM-SPED and Lijanovici affair; 50 Serbs return to Hadzici

Jutarnje Novine: Hafizovic, Dervisevic and Vidovic about charges put forth by Grabovac

Dnevni List: SOKO company: 14 people ruling the company

Vecernji List: Sad! Croatia says goodbye to the World Cup

Nezavisne Novine: Wim Kok: Srebrenica writes black pages in the history

Glas Srpski: SFOR arrests Mrdja; 150 phantom companies discovered in the RS

### **Customs Affairs in the Federation and the RS**

#### RS

**\*\*\*BiH Radio 1** and the **RTRS** reported late last night that the RS Finance Minister, **Milenko Vracar**, submitted his irrevocable resignation to the RS Prime Minister, Mladen Ivanic. Ivanic, on his part, removed Zeljko Tadic, the Minister of Trade and Tourism in the RS government. At a press conference held late last night, Vracar explained that he resigned because SDS ministers did not support the proposed measures and his action plan on the CAFAO report on Customs Administration. *"People from the SDS did not vote for my proposal. Unfortunately, they are more responsible to their party than to their government. This means that the SDS is responsible for illegal actions which occurred and prevented the income of budget revenues. Very soon, it will become clear why the SDS defends Customs and its officials. When it comes to the RS Customs issues, the Prime Minister, Mladen Ivanic, shares my views. My resignation is a moral act and I will not withdraw it, regardless of the future actions of the Prime Minister." He also proposed the removal of Goran Popovic, the director of the RS CUS, his deputy, Trivo Marinkovic, Miodrag Kudic, Finance Minister's assistant, Tihomir Trifunovic, Banja Luka cusotms director, as well as the directors of the RS Pension Fund, Ostoja Kremenovic, and the Health Insurance Fund, Dragunti Ilic. (Nezavisne Novine Banja Luka ed. front and p. 3, Glas Srpski p. 3 and Dnevni Avaz p. 8 also report on Vracar's regeneration)* 

The RS Prime Minister, **Mladen Ivanic**, will meet with the RS President, **Mirko Sarovic** today, in order to discuss the situation following the resignation of the RS Finance Minister, **Milenko Vracar (Nezavisne Novine,** p. 3). It is speculated that Ivanic will ask for a "green light" to put the CAFAO report on the Government's agenda again, so that the Ministers can, for a second time, try to dismiss the officials of the RS Customs Administration, led by **Goran Popovic**. Otherwise, the daily speculates that the RS Prime Minister, Mladen Ivanic, might resign.

In today's **Nezavisne novine, Goran Mihajlovic** writes that the outcome of the last night's session of the RS Government demonstrated very clearly that the law in the RS is still under control of the SDS and that it still has a mercy for those who enjoy the protection of SDS. *"Unfortunately, Mladen Ivanic showed that, despite his honeyed tongue, he does not have the strength to make the state stronger than a party".* 

The **RS Prime Minister** said yesterday that he is absolutely unhappy about the RS government's report on the CAFAO findings. "I find RS institutions responsible for this and I do not want more weeks to pass and that there is no official position on this matter." (**RTRS**, **Dnevni Avaz** p. 8, **Blic** p. 11, **Nezavisne Novine** p.3)

The Head of the OHR Anti-Fraud Department, Manfred Dauster, met in Banja Luka yesterday with Ivanic to discuss the status of the investigation being carried out by the Customs Task Force based on the CAFAO report on suspected criminal activity in the RS Customs Administration. Prime Minister Ivanic's dissatisfaction with the progress made so far, has prompted him to assign up to fifteen more policemen to the Customs Task Force in order to assist and speed up the process. (OHR's press release carried by all news agencies, **Dnevni Avaz** p. 8, **Nezavisne Novine** p. 3, **Glas Srpski** p. 3, **Blic** p. 11)

Both Banja Luka dailies (**Nezavisne Novine**, p. 3, **Glas Srpski**, p. 3, **Blic** p. 11) quote the OHR Chief Spokesman, Julian Braithwaite, who said that the Peace Implementation Council discussed the affair "Grabovac – Vracar" at the session held yesterday. "We believe that BiH should become a successful democratic country, which will respect European democratic standards. One of these standards is the principle of Ministerial responsibility. In democracy, Ministers should bear political responsibility for the activities or the lack of activities in their Ministries."

#### Federation

**Dnevni Avaz** (front page) reports that the "drama" about removals of the entity Finance Ministers involved into customs affairs in the Federation and the RS will be resolved by the end of the week. An anonymous source in the International Community told the daily that Nikola Grabovac and Milenko Vracar will "either resign on their own, be removed by the local authorities, or the High Representative will react." "They have had a plenty of time and something must be done about it now." The same source said that the two Finance Ministers must leave because they failed to undertake the necessary moves despite the fact that they had been informed about irregularities in Customs Administrations. He also said that the International Community is not concerned about the NHI threats of withdrawing from the Alliance if Grabovac is removed. "The fact is that the greatest damage to the Alliance would be made if Grabovac stayed. People in this country are fed up with the corruption and money being stolen from the budget, and the fact that the most responsible ones, such as the Finance Ministers, are not held responsible. One must know that Finance Ministers are a special case...This is not about personalities and criminality, but about political responsibility."

In a letter addressed to the High Representative, **Paddy Ashdown**, the Federation Finance Minister, Nikola Grabovac, said Ashdown and his Principal Deputy, Donald Hays, are misinformed about the AM-SPED case. "*I regret that you have never received or talked to me, but obtained information from people who have a direct interest in removing me, so they can continue their inefficient work.*" (**Dnevni Avaz** p. 8, **Vecernji List** p. 2, **Dnevni List** p. 11, Slobodna Dalmacija p. 15 carry excerpts of the letter, while NHI bought the entire page 6 in **Oslobodjenje** to publish it)

In an editorial in **Slobodna Dalmacija** (15), **Zlatko Tulic** reiterates the position of Minister Grabovac that if he is forced to resign, then all other ministers in the Federation government, who are also facing criminal charges, should be asked to leave. "*It is odd that all other ministers, who also belong to the Alliance, are sinless in the eyes of the International Community. The question arises as to whether the NHI is facing the same destiny as the HDZ in BiH." Vecernji List carries a similar editorial written by Dejan Jazvic.* 

**Vecernji List** carries a letter of support to Grabovac sent by the dismissed employees of the **Hercegovacka Banka**. "Grabovac was one of a few persons, who had courage and strength to tell the truth about Hercegovacka *Banka....It is clear that someone is trying to stage this case against Grabovac in the same manner as was done in the case of the Hercegovacka Banka.*" Former HB employees encourages Grabovac not to resign.

The new director of the Federation Customs Administration, **Zelimir Rebac**, told **Oslobodjenje** (front page) that most senior officials in the Federation government are behind the ongoing affairs connected with AM-SPED, Lijanovici and MEGA COMM.

**Vecernji list** reports thatanexpert from the Sector of Customs Policy in the Council of Ministers, **Teufik Kec,** as claiming that the heads of the **CAFAO** have stolen 10 million KM through the introduction of system for automatic processing of customs data – ASYCUDA – which was allegedly imposed illegally and without a proper tender. Kec adds that AM Sped affair was staged in order to cover the real crime of **Alen Jensen** and **Fleming Larsson**, heads of CAFAO in BiH. Kec said that CAFAO is to be blamed 90% and BiH officials only 10% for financial affairs and smuggling.

## SFOR arrests another indictee in BiH

SFOR troops arrested on Thursday a Bosnian Serb reserve policeman, Darko Mrdja, wanted by the UN

war crimes tribunal in The Hague, days before a planned visit of the chief ICTY prosecutor Carla Del Ponte to Sarajevo. Mrdja has been charged under a sealed indictment for the crimes committed on Vlasic 1992. (All media report on the arrest, however, not very prominently. Only **Glas Srpski** reports on this item on the front page )

## Pre-election party deals

In an interview with **BH DANI**, the Party for BiH founder the candidate for the Bosniak member of the BiH Presidency, **Haris Silajdzic**, rejected speculations that his return to the political scene may mobilize nationalists among Serbs and Croats and bring victory to more radical parties in the RS and Croat parts of the Federation. *"I think that there are no argument supporting this thesis. First of all, I am sure that all those who believe in such claims would be very surprized with messages of support I have been receiving from Serbs and Croats from all over BiH, especially the youth."* 

In a separate interview with **BH DANI**, the founder of the SDP and the Party for BiH candidates' list for the BiH Parliament at the upcoming elections, **Nijaz Durakovic**, said that he will make a final decision as to his elections engagement with the SDP before the party Main Board session scheduled for June 22. Commenting on the SDP president Zlatko Lagumdzija's chances at the October elections, Durakovic said that Lagumdzija has been caught in a political trap. *"If he is elected a candidate for the Presidency, he will be faced with Haris Silajdzic and he will certainly lose. If he nominates himself for the BiH Parliament list, I will be waiting for him and he will lose with even greater certainly."* 

In a statement for **Jutarnje Novine** (p. 7), the president of the BiH Election Commission, **Lidija Korac**, explained that Durakovic will have to chose which party's candidates' list he will be leading, as the Election Law does not allow one candidate to be on different parties' lists.

In an editorial in **Dnevni List** (p. 2), **Anes Hindic** argues that there is a media war going on between Dnevni Avaz and Oslobodjenje and which was caused by **Haris Silajdzic** and **Zlatko Lagumdzija**. According to Hindic, the former is controlled by Silajdzic, while Oslobodjenje continued with its communist tradition.

**Dnevni Avaz** (p. 3) reports, quoting anonymous sources, that the NHI, Croat Peasant Party, HDU, and Working for Prosperity will nominate **Fra Petar Andjelovic** as the candidate for the Croat member of the Presidency. According to the daily, Andjelovic was proposed as a likely candidate by one of the Contact Group Ambassadors, who wisely estimated that this Franciscan priest has a significant following and support among BiH Croats. More radical Croat parties, such as the HDZ, HNZ and Croat Christian Democrats are also expected to propose a joint Croat candidate for the Presidency, and speculations have it that the likely favorite is the HNZ president, **Miljenko Brkic**.

In a statement for **Jutarnji List** (p. 11), **Filip Vucak**, the Head of Department relations with the neighboring countries in the Croatian Ministry of Foreign Affairs, said that the BIH Croats living in Croatia who chose to vote in the BiH elections will not lose their right to participate in the elections in Croatia. *The right to vote of persons with dual citizenship is yet to be regulated by an agreement on dual citizenship that is yet to be negotiated upon*, says Vucak.

# **BiH-Croatia relations**

**Vecernji List** (p.4), **Slobodna Dalmacija** (back page)and **Dnevni List** (p. 5)report that the BiH Council of Ministers has adopted a platform for negotiations with Croatia, which will take place at Monday's session of the BiH-Croatia Interstate Council. Dailies quote **Dragan Mikerevic**, the chairman of the Council of Ministers, as saying that BiH will propose new solutions for the resolution of issues pertaining to the Ploce Port. *"If one is to judge by Mikerevic's words,"* notes Slobodna Dalmacija, *"Croatia will be asked to ratify the Ploce Port agreement after which BiH will be ready to deal with the contentious issue of international arbiter in the Management Board for Ploce Port."* Dailies also announce that the two sides will sign two new agreements in the areas of education,

science, culture and sport, as well as an agreement on cooperation in the fight against organized criminal.

#### Mostar mortars case

**Vecernji List** (p. 3) reports that only two persons that were kept in custody in the case of the secretly stored 9,000 mortar rounds in Mostar have been released from custody. According to **Faruk Balijagic**, legal representative of one of the accused, **Mehmed Bajgoric** and **Jusuf Piralic** were released from custody after intervention by the OHR and SFOR. **Dnevni list** (p. 3) quotes Balijagic as saying that he spoke with general **Sylvester** and **Paddy Ashdown** only two days before Piralic and Bajgoric were released from custody. Balijagic said that he expects that this case will be raised to the level of Supreme Court of Federation BiH and that other persons will be included. *"First of all, I am thinking about Vlado Soljic, former Minister of Defence, his Deputy Hasan Cengic, Miroslav Prce and his deputy Sakib Mahmuljin*. In this case Bosniak and Croat officials will have to state before the court whether they were functioning as unique body of Federation BiH or they were divided on Croat-Bosniak ethnic lines so that everyone was doing whatever he/she wanted."

In an interview with **Slobodna Bosna, Safet Orucevic**, the former Mayor of Mostar, said that the "adventure with illegal grenades is created and ordered in Sarajevo." "If I knew about this case in 1998, 1999 or even 2000 I could have resolved it in just one day with international representatives. We could have deployed all those weapons in legal storage of Army BiH that are only couple hundred yards away. … After all this, it is clear that the case is politicised, which results with arresting innocent people who were only implementing orders of people on the top." Regarding the property in western part of Mostar that he sold, Orucevic said that he owned all that property before the war.

# Who is behind SOKO Company?

**Dnevni List** (front and p. 3)carries another article about the situation in the **Soko** Company in Mostar, the company which was, according to the daily, worth some 500 million KM before the war. The daily writes that some twenty partners from the SOKO Group which controls the company are doing everything to devalue the company, dismantle it and privatize its most interesting parts. The daily published the list of the partners, which includes the names of **Dragan Covic**, a former Federation Deputy Prime Minister , **Miroslav Coric**, the current Herzegovina-Neretva Canton Deputy Prime Minister and **Ante Vidacak**, the secretary of Mostar HDZ.

## **Dutch Prime Minister visits Srebrenica**

The outgoing Dutch Prime Minister, Wim Kok, offered help to Srebrenica on Thursday as he began an emotional visit to the town where Dutch troops failed to prevent the worst massacre of the BiH war, report the **AFP** and **Reuters**. After meeting with the mayor of Srebrenica, Sefket Hafizovic, his deputy Milka Rankic, Kok said the Netherlands would "not rest" until the Bosnian Serb general Ratko Mladic faces trial at the UN war crimes tribunal in The Hague. (All Sarajevo media also report on Kok's visit to Srebrenica, **Nezavisne Novine** on the front page)

#### **RS Refugee Associations want to meet Ashdown**

**Glas Srpski** (p. 4)and **Vecernje Novosti** (p. 13)reports that several RS associations of refugees and displaced persons have requested to meet with the new High Representative to BiH, **Paddy Ashdown**. At a press conference held in Bijeljina, the Chairman of the Regional Association of Refugees, **Veljko Stevanovic,** stated that the meeting with Ashdown will be of great importance for solving of the problems of refugees and displaced persons. Stevanovic said: *"We expect that the new*  High Representative, through his policy of cooperation with the people and with his authority, will help to start solving these issues in the interest of the refugees and displaced persons."

### Electronic Media Headlines

#### BHTV 1:

- SFOR arrests Darko Mrdja, a suspected war criminal
- BIH Council of Ministers adopts proposed Law on Conflict of Interest
- Council of Ministers discusses BiH delegation platform for the upcoming session of the interstate Council between BiH and Croatia

#### FTV:

- SFOR arrests Darko Mrdja, a suspected war criminal
- Dutch Prime Minister visits Srebrenica, talks with municipal authorities
- Jusuf Piralic, one of the suspects in the Mostar weapons cache case, released from detention