#### **BiH State-related Issues**

- Lagumdzija: SDA responsible for disinformation about sale of the weapons to Israel
- Sarovic says organization of the defense at the BiH level not supported by RS
- Oslobodjenje: State project of financing the lawsuit against FRY brought into question
- SDA deputies to the BiH Parliament not to support draft Budget for 2002
- Mirko Banjac says lawsuit against Yugoslavia causes instability
- Does a BiH Court judge occupy somebody else's property?

#### **Federation**

- The Alliance for Change Coordination: the problem of Aluminum to be resolved by the BiH Federation Government
- AM Sped case: Grabovac and others responsible for damage of up to six million KM
- Vecernji List: OHR embittered with HPT's Kukic statement
- Vecernji List: Herecgovacka Bank to sue the BiH Federation Defense Ministry
- Dnevni Avaz: Report on the money laundering in Herzegovina Non-existing firms put in the circulation more than 689.5 million KM
- Slobodna Dalmacija: Session of City Council began with discussion on the security situation in Mostar
- Dnevni List: Bajgoric possess important documentation on hidden shells
- Vecernji List: Construction of Mostar's HNK banned

#### **Republika Srpska**

- RS leadership meets with EU ambassadors delegation to OSCE
- Bijeljina Police launched investigation against 19 police officers
- Head of CAFAO warned RS Prime Minister about embezzlements in RS Customs Administration
- FENA: Dodik says Petritsch was flexible on big issues

#### **International Community**

- The High Representative calls for popular support in the battle against corruption
- The High Representative pays a farewell visit to Srebrenica
- OHR welcomes Knezevic's surrender

#### **Editorials**

- Vjesnik: Bosnian embrace
- Dnevni List: Rules by which Jelavic was removed must not leave Titan unpunished

### **Headlines**

### **BiH State-related Issues**

# Lagumdzija: SDA responsible for disinformation about sale of the weapons to Israel

According to Oslobodjenje and Dnevni Avaz, the BiH Foreign Minister Zlatko Lagumdzija, on Tuesday accused the SDA BiH of starting its pre-election campaign by presenting false information about the alleged sale of the weapons to Israel. "This is just political manipulation and dirty pre-election campaigning being carried out by SDA," Lagumdzija said at a press conference in Sarajevo on Tuesday following his return from an official visit to Qatar and the United Arab Emirates. The issue was also addressed at another press conference in Sarajevo held by the BiH Federation Defense Minister, Mijo Anic, and his Deputy, Ferid Buljubasic, who said that the final destination of the sold weapons was Cameroon and not Israel. The SDP and the SDA confronted due to their different opinions on the issue during Tuesday's session of the BiH Federation House of Representatives.

# Sarovic says organization of the defense at the BiH level not supported by RS

(Provided by OHR Banja Luka)

Both Banja Luka dailies and Oslobodjenje quote RS President, Mirko Sarovic, as saying that the BiH Presidency's draft decision on the organization and work of defence institutions at the state level was the most serious blow to the constitutional system of BiH. Sarovic said that the issue would be discussed at an emergency session of the RS Supreme Defence Council. Sarovic said that the RS was against unconstitutional activities and added that, if the draft decision was adopted, he expected Presidency Serb member Zivko Radisic to, at least, initiate the procedure aimed at protecting vital national interests. "It is obviously a case of abuse of our good intentions to improve coordination at the BiH level, which is needed in order to secure BiH's membership of the Partnership for Peace," Sarovic said. He confirmed that he would also inform the RS National Assembly about "an unprecedented attempt to illegally take over and change constitutional competencies". "We remain committed to finding ways of improving cooperation, coordination and, also, representation in the defence area, but within the framework of the BiH Constitution, by reaching agreement in all structures," Sarovic noted. The Supreme Defence Council session will be held within the next 48 hours.

# Oslobodjenje: State project of financing the lawsuit against FRY brought into question

The Chairman of the BiH Presidency, Beriz Belkic, is convinced that the BiH Council of Ministers (which is, under the Presidency decision on the state Budget for this year, authorized to deal with the issue) will not be able to reach consensus on the allocation of funds from the reserves for unforeseen matter for the financing of BiH's lawsuit against FRY before the Hague-based International Court of Justice. The Chairman of the BiH Council of Ministers, Dragan Mikerevic, and the BiH Deputy Minister for European Integration, Rasim Kadic, are of the same opinion. In separate statements given to Oslobodjenje, they rejected any possibility of reaching agreement about the issue.

# SDA deputies to the BiH Parliament not to support draft Budget for 2002

Oslobodjenje reports that, regarding the new draft BiH Budget for 2002 proposed by the BiH Presidency on Monday, the SDA BiH issued a press release on Tuesday saying that the party's deputies to the BiH Parliamentary Assembly would not support the draft since it was leading to an amnesty of the forces that conducted an aggression against BiH and genocide against the Bosniak people.

## Mirko Banjac says lawsuit against Yugoslavia causes instability

(Provided by OHR Banja Luka)

An independent deputy in the House of Representatives of the BiH Parliamentary Assembly, Mirko Banjac, qualified the decision of the BiH Presidency to finance the agent in the charges of BiH against the Federal Republic of Yugoslavia for genocide and aggression as "a perfidious trick". "It is obvious that it is somebody's intention for the budget item about financing the agent in the BiH charges against Yugoslavia to be hidden in the budget reserve so that this issue can be brought up whenever a confused situation in the country is created," said Banjac. "All those who favor 'something like this', uphold the instability of BiH," Banjac pointed out, adding he was never going to support a budget which provides for funding the BiH charges against Yugoslavia.

## Does a BiH Court judge occupy somebody else's property?

### (Provided by OHR Banja Luka)

Glas srpski quotes OHR Spokesman, Oleg Milisic, as saying that the Office of the High Representative is aware of the accusation that Milos Babic, a judge with the Appellate Department of the BiH Court and president of the RTRS Board of Governors, occupies somebody else's property. Milisic said the OHR still has not completely checked these accusations. Milisic said this was a very complicated case reminding at the same time that in particular persons who hold public office cannot occupy somebody else's property. The paper reports that Babic lives in Srpskih vitezova street in Banja Luka in a flat whose tenancy right holder used to be Zlata Pavlovic, who died. RS courts, including the RS Supreme Court, and the RS Ministry for Refugees and DPs rejected the request of Mrs. Pavlovic's son to repossess the flat in which his mother used to live.

## **Federation**

# The Alliance for Change Coordination: the problem of Aluminum to be resolved by the BiH Federation Government

Oslobodjenje and Dnevi Avaz report that, at the session in Sarajevo on Monday, the Coordination of the Alliance for Change concluded that the final solution for the Mostar Aluminum Factory should be found by the BiH Federation Government. The Coordination members discussed a World Bank-produced document on the international arbitration that would decide what had (not) been done during the ownership transformation in the Factory. "The Alliance requests the BiH Federation Government and the Federation Agency for Privatization to carefully, without any premature solutions, and on the basis of the Entity and the State laws find solution for all disputed issues," the Chairman of the Coordination, Rasim Kadic, told journalists following the session.

# AM Sped case: Grabovac and others responsible for damage of up to six million KM

According to the Oslobodjenje front-page story, the BiH Federation Financial Police will fill criminal charges against the BiH Federation Finance Minister, Nikola Grabovac, and another eight officials in the Finance Ministry, the Federation Customs Administration, the Orasje-based Customs Office, the Sarajevo-based Universal bank and the AM Sped Company in Orasje. They all are suspected of misuse of office thereby causing a damage to the entity Budget of up to six million KM.

## Vecernji List: OHR embittered with HPT's Kukic statement

Vecernji List and Slobodna Dalmacija carry similar articles about the current situation surrounding the "Erotel" Company following the statement of Chair of HPT's Steering Board Slavko Kukic that HPT Mostar is going to severe telecommunication links on June 1, which would leave 70.000 Eronet users without the signal. According to Slobodna Dalmacija, the OHR and PDHR Donald Hays in particular are embittered with Kukic's statement. Furthermore, Vecernji List sources say that the OHR will openly warn Kukic and HPT Mostar that a court of law is the only institution that could take a decision about Eronet. In other words, reads VL, it means that if HPT Mostar considers that there are illegal elements in the ownership structure of Eronet, HPT Mostar would have to litigate. VL also reads that the threat that the links would be severed is a definitive violation of the rule of law.

## Vecernji List: Hercegovacka Bank to sue the BiH Federation Defense Ministry

Vecernji List writes that the Provisional Administration for Hercegovacka Bank will sue the Federation Ministry of Defense because they did not pay back a loan worth 5,6 million KMs that Miroslav Prce, the former Minister of Defense, took from this bank. A provision in the contract says that in case that the loan is not paid back, the bank can take these funds from the Federation Ministry of Defense. The article says that VL could not check with the Hercegovacka Bank Provisional Administration yesterday as to when the criminal charges will be filed against the Ministry of Defense.

## Dnevni Avaz: Report on the money laundering in Herzegovina -Non-existing firms put in the circulation more than 689.5 million KM

The BiH Federation Financial Police's Department for the Money Laundering Prevention has completed a comprehensive investigation into the illegal financial transactions in Herzegovina. According to the report, in the Western Herzegovina Canton, around 200 non-existing (phantom) companies have illegally put into circulation more than 689.5 million KM.

# Slobodna Dalmacija: Session of City Council began with discussion on the security situation in Mostar

(Provided by OHR Mostar)

Slobodna Dalmacija carries a report from a session of the City of Mostar's City Council held on Tuesday saying that the session was started with the issue of security situation in Mostar in light of discovery of mortar rounds and recent explosions in Mostar. Mostar Mayor and Deputy Mayor Hamdija Jahic and Neven Tomic respectively said that they were not satisfied with the security situation in Mostar saying that the perpetrators of these types of incidents are mostly unknown persons. Deputy Mayor Tomic stressed that one can expect "a dirty" election campaign. The Council rendered issues of execution of City budget for 2001, report on the work of City Council for year 2001 and proposal of decisions for organization and functioning of the Mostar City Administration. The report on execution of the budget stresses that the envisaged revenues from the Central Zone have not been realized due to non-functioning and late establishment of the City Tax Administration and because of lack of interest from the current tax administrations. Mayor Tomic said that the report on the work of City Council is the first comprehensive report to date whilst Deputy Mayor Tomic said that the barriers to further developments in Mostar are the existence of two Cantons within the Canton and functioning of two legal systems in the City as well as delayed Federation laws in certain areas.

# Dnevni List: Bajgoric possess important documentation on hidden shells

(Provided by OHR Mostar)

Dnevni list in this article says that this newspaper has nothing personally against Safet Orucevic who announced charges against them, but unfortunately, says DL, the facts speak against him. For example, the fact that the area where the mortar rounds were produced was under his control. The daily says that they have learned from well-informed sources that Mehmed Bajgoric, who is under a rest, posses a large documentation. However, the judge of Municipal Court Mostar II has not requested from Bajgoric to reveal all documents that he posses, so that he takes out only ones that are relevant in his opinion. The daily learned, however, that Bajgoric has a document that says that 6,500 mortar rounds were supposed to be stored in textile factory in Mostar suburb Vrapcici. As it is known from before, 4,000 mortar rounds were discovered, so the question is where are the rest 2,000 mortar rounds. DL says that the most worrying information is the one that says that Municipal Court II in Mostar is trying to proclaim Bajgoric mentally incompetent and in that way put an end to mortar rounds case.

## Vecernji List: Construction of Mostar's HNK banned

### (Provided by OHR Mostar)

Vecernji List carries an article which reads that two construction inspectors, escorted by Police, stopped construction works on the building of HNK (Croat National Theater) in the Mostar's Central Zone. The inspectors have placed a copy of decision on the blockade of any construction works that has been allegedly taken by the Mostar's City Administration. The decision reads that any person violating the decision could be punished with imprisonment between 3 months and 3 years. The Head of HNK Ivica Ovcar comments the situation saying that nobody informed the HNK about the decision and that according to HNK's information, Councilors of the Party for BiH and two SDP's Councilors in the City Council voted in favour of the ban. Ovcar said that the HNK would use all legal means including charges against some people in the City authorities to lift the ban. Furthermore, Ovcar believes that HNK Mostar has valid urban permit.

The rest of the article says that a conflict between Hamdija Jahic and Neven Tomic, the Mayor and Deputy Mayor of Mostar, is behind cases of illegal construction. It says that Tomic started the "Apoteka" case (Pharmacy) offering his resignation to which Jahic responded by initiating the process of suspension of construction works on the Cathedral nearby the Hotel "Ero", the issue of stadium and construction works on the building of HNK. VL could not get an answer from the City Administration whether the works of the HNK would be resumed, the construction in which some 4 million KMs have invested so far.

## **Republika Srpska**

## **RS** leadership meets with EU ambassadors delegation to OSCE

### (Provided by OHR Banja Luka)

Both Banja Luka dailies report that the RS President, Mirko Sarovic, Serb member of the BiH Presidency, Zivko Radisic, and RS Deputy Prime Minister, Petar Kunic met with the EU Ambassadors delegation to OSCE in Banja Luka on Tuesday. After the meeting, the RS President told the press that the most important thing for the process of reconciliation is that all sides in BiH stop accusing each other. He said that RS citizens should accept BiH as their own state and that, at the same time, the BiH Federation has to accept the existence of the RS. Sarovic told the press that he was dissatisfied with the process of transferring authority to BiH authorities and gave the example of the BiH Constitutional Court which still hires international judges. The RS President also said that the RS would persevere in the implementation of the property laws and that next year it would achieve better results in this field than the BiH Federation. He said next year the IC would be requested to assist in organizing a population census in

BiH.

## Bijeljina Police launched investigation against 19 police officers

(Provided by OHR Banja Luka)

Head of the Bijeljina Police, Milomir Krsmanovic, and Spokeswoman of the UN office in Tuzla, Katy Frieson, told a news conference in Bijeljina yesterday that 19 police officers of the Bijeljina Public Security Center (Police) have been suspended because they are suspected of forging documents, taking bribes, illegally using weapons, inflicting bodily harms and being involved in attempted murder, both Banja Luka dailies report. Krsmanovic said if the allegations were proven to be true, these 19 people will be fired. "If it turns out that the allegations are not true, they will get their jobs back", said Krsmanovic.

# Head of CAFAO warned RS Prime Minister about embezzlements in RS Customs Administration

(Provided by OHR Banja Luka)

Nezavisne novine carries a press statement, issued by the European Commission in BiH, which states that the CAFAO report contains serious allegations about systematic fraud in the RS Customs Administration. "Head of CAFAO, Allan Jensen, and the Principal Deputy High Representative, Donald Hays, presented this report to the RS Prime Minister, Mladen Ivanic, and the RS Finance Minister, Milenko Vracar. The RS Government is expected to undertake urgent and decisive action", reads the statement.

## FENA: Dodik says Petritsch was flexible on big issues

RS Independent Social-Democrats Alliance (SNS) President Milorad Dodik described work done by the High Representative Wolfgang Petritsch in BiH as good. Dodik told Banja Luka's Nes Radio that Petritsch had enough patience towards all events and that he showed flexibility on all large political issues. He said that he still cannot come to terms with the fact that the High Representative has the authority to impose laws, even the constitution, and added that stronger demands for larger authority of local politicians need to be made in the future. Dodik said that local politicians have to be responsible for every decision made in the presence and with the assistance of the international community and the High Representative, but without him having the authority to impose solutions.

## **International Community**

# The High Representative calls for popular support in the battle against corruption

The High Representative, Wolfgang Petritsch, on Tuesday called on the people of BiH to support those honest judges, politicians, civil servants and police officers who are already engaged in the fight against fraud and corruption. Speaking at an anti-corruption conference at the Holiday Inn in Sarajevo, the High Representative said that anti-corruption efforts fuelled by popular indignation represented "the essence of a vibrant civil society capable of fighting the abuse of power." He said that an orchestrated campaign to root out corruption, combined with the strengthening of the judiciary, would "in itself strengthen the state of BiH and its legitimacy." (All BiH media and Split Slobodna Dalmacija reported on the event). Click here for the <u>press release</u> and <u>HR's speech</u>.

## The High Representative pays a farewell visit to Srebrenica

The High Representative, Wolfgang Petritsch, on Tuesday visited Srebrenica, and Burnice, a return site in Bratunac Municipality, where the Austrian NGO, "Bauern Helfen Bauern" (Farmers for Farmers) is helping to regenerate the community. The High Representative met with Srebrenica Mayor Sefket Hafizovic, and with people involved in return activities. The High Representative stressed that return is central to the recovery of this area, which witnessed the worst atrocity of the war in BiH. "There can be no Bosnia and Herzegovina without the restored community of Srebrenica. It is where the worst has happened that people need to show their best," the High Representative said. According to Dnevni Avaz and Jutarnje Novine, many in the town were surprised because Petritsch, upon his arrival in Srebrenica, was not welcomed by the President of the Municipal Assembly, Desnica Radivojevic, and the Deputy Head of the OHR Regional Office for Srebrenica and Bratunac, Charlie Powell, to include the two officials in the protocol of the visit. Jutarnje Novine even described the failure as scandalous. (All Sarajevo media reported on the visit). Click here to see the <u>press release</u>.

## **OHR** welcomes Knezevic's surrender

All Sarajevo dailies report that the Office of the High Representative welcomes the voluntary surrender of Dusan Knezevic on Saturday, 18 May, and the co-ordination of this surrender by the Republika Srpska authorities in close co-operation with the ICTY Office in Banja Luka. "Whilst the Republika Srpska authorities have yet to arrest an ICTY indictee, it is an indication that the Republika Srpska authorities are taking their obligation to co-operate with the ICTY more seriously. This is a positive development and one that should not stop here – it is imperative that all ICTY indictees voluntarily surrender themselves or face arrest and extradition to The Hague without delay," the OHR Spokesman, Oleg Milisic, told a press conference in Sarajevo on Tuesday.

## **Editorials**

## Vjesnik: Bosnian embrace

### (Provided by OHR Mostar)

In relation to last Monday's meeting held between Croatian Foreign Minister Tonino Picula and Kresimir Zubak when the two discussed ways how to encourage BiH Croats currently residing in Croatia to register for the upcoming general elections in BiH, Vjesnik carries an editorial by Bruno Lopandic in which he says that official Zagreb has finally decided to get involved in BiH issues, to get involved in a non-political way as the meeting stressed. The author says that the official Zagreb has not been sending clear messages to BiH and IC harshly requesting changes to the DPA and cantonization – probably in order not to disturb the electorate which calls them communists and betrayers of interests of BiH Croats.

Lopandic goes on to say that the Croats in BiH, being the smallest in numbers people in BiH, will have the last post-Dayton chance in the forthcoming general elections to enter the structures of authority and fight for their rights guaranteed by the Constitution.

Finally, the author sends a message to the future High Representative Paddy Ashdown saying that a door to the civic Bosnia and Herzegovina are only left ajar and that nationalists are still strong recommending Ashdown to keep that fact in mind.

## Dnevni List: Rules by which Jelavic was removed must not leave

## Titan unpunished

Written by Ilija Sagolj (Provided by OHR Mostar)

In this editorial the author asks rhetorically who will benefit from an HDZ-refugee, referring to Miro Grabovac Titan and his new party HDU. The author reminds that Titan was serving HDZ faithfully for ten years, adding that one year ago he was very passionate in defending Croat Self-Rule and Croat National Assembly. At several press conferences Titan emphasized that those were salvation solutions and destiny, and he said that in fight for Croat cause one should go till the end. The author reminds that TV pictures, on which Titan and lawyer from Mostar Muselimovic are holding Jelavic's hands as to a winner after he got out of the court building, have crossed the globe that night. If Jelavic in his political moves has done wrong, says the author, Titan supported him. So, why didn't he stop him or distanced from him, asks the author, adding question: "Why representatives of International Community are not applying the same measures against committers of criminal acts?"

**Slobodna Dalmacija** carries editorial written by **Petar Milos** in which the author questions credibility and support that Titan and his new party has with Croat people, adding in the same time that HDU, as well as other parties founded by leaders that have left HDZ, is enjoying huge support of International Community. The author said that he believes that Titan and HDU will have great future if International Community keeps their criteria, which is above all – cooperation.

## **Headlines**

### Oslobodjenje

• Grabovac and others responsible for damage of six million KM

### Dnevni Avaz

• The arms deal turns into an affair: A quarrel over Israel

### Jutarnje Novine

- Petritsch's visit to Srebrenica shadowed by a scandal
- Buljubasic: Who needs old-fashioned arms

#### **Dnevni List**

- Dr. Zlatko Lagumdzija after return from visit paid to Catarrh and United Arab Emirates: Tihic is lying: We did not sell weapon to Israel but to Cameroon
- Affair 'Cambodia" continues: They are trying to proclaim Mehmed Bajgoric, prime indictee, mentally incompetent

#### Vecernji List

- Urban permit is a new sparkle for the political and national conflict in Mostar: Construction of Croat People's Theater banned!
- Because of right to third GSM license: Petritsch does not want to make Eronet's network available
- Criminal charges of Provisional Administration of Hercegovacka Bank: Ministry of Defense at court because of Prce's loans

#### Glas Srpski

- Bijeljina Police launched investigation against 19 police officers
- Number of people suffering from cancer is increasing in Herzegovina

#### **Nezavisne Novine**

• Second anti-corruption conference took place in Sarajevo – Non-existing enterprises took 608 million KM from BiH

• CAFAO registered frauds in RS Customs Administration