Fighting Corruption in Bosnia and Herzegovina

In December 1997, the member states of the Peace Implementation Council called on the OHR to design a strategy to combat corruption, fraud, and diversion of public funds in Bosnia and Herzegovina.

As a result, the Anti-Fraud Unit was established with the aim of assisting local authorities in identifying and prosecuting illegal activities, and resolving systemic problems through reforms of the legal and judicial systems. The Unit has launched a comprehensive campaign, in cooperation with donor governments and other international organizations, to promote the rule of law, transparency and accountable government.

The new High Representative, Wolfgang Petritsch, stated at his inaugural press conference today in Sarajevo that he regarded fighting corruption and fraud in Bosnia and Herzegovina as a top priority. The High Representative called for redoubling international and local efforts to tackle this issue.

“We are determined to continue to work on this front because the corruption of public institutions is one of the most serious and major obstacles that can keep this long suffering nation of Bosnia and Herzegovina from membership in the European family of nations,” Ambassador Petritsch said.

The High Representative cited a few of the measures taken at the OHR over the past year to combat fraud and corruption, including the creation of a witness anonymity program, training for the judiciary, enhancement of Federal prosecutorial powers, the establishment of a first-instance court at the Federation level, and the removal of officials obstructing justice.

An article published yesterday in the New York Times attracted

public interest in this issue. However, there are inaccuracies in the article which need to be clarified.

- The article claimed it was reporting on a 4,000-page report by the OHR Anti-Fraud Unit. No such report exists. The Anti-Fraud Unit, of course, reports on its activities for internal use and for the Peace Implementation Council, but at no point has it, or the OHR, produced a comprehensive report documenting corruption and fraud in Bosnia and Herzegovina. The article may be referring to one of the documents compiled by the local financial police themselves.
- There is no evidence to indicate that $1 billion in international aid for Bosnia and Herzegovina has been misappropriated or gone missing. The donors providing aid for Bosnia and Herzegovina have very strict bidding and disbursement procedures. Corruption and fraud, which are undoubtedly a serious problem in the country, primarily center on the misuse of local public funds and budgets.
- Local authorities are conducting numerous investigations into allegations of corruption and fraud in Bosnia and Herzegovina. However, the precise amount of allegedly misused public funds involved in these ongoing investigations remains unclear.

We wish to reiterate that the High Representative is deeply concerned about the problem of corruption and fraud in this country. With the support of the donor governments, OHR plans to intensify our already extensive efforts to address this issue. We call again on local authorities to meet their obligations to ensure the judicial system operates freely and transparently.