

# Poor Reporting Of Corruption Allegations Puts 90 Jobs At Risk

OHR Anti-Fraud Unit is seriously concerned that 90 jobs at the Bekto Company in Gorazde were put at risk following a prime time news story on RTVBiH which gave credence to unsubstantiated allegations of corruption.

Bekto is a private company that produces high quality plastic and metal-moulded products, mostly for export. The company started as a joint venture between Bekto Austria and the UNIS Pobjeda public company. In a joint agreement, Bekto Austria paid DEM 800,000 to Pobjeda in exchange for 14,8% of Pobjeda's shares. These transactions are recorded, and the OHR Anti-Fraud Unit has reviewed the relevant documents that can be found in the records of the company. The RTVBiH news story implied that Bekto illegally disposed of the DEM 800,000 to the detriment of workers in another public company.

Over recent years, Bekto has been the subject of various news stories. It has been used as an example of how foreign investment can create jobs in BiH. Following this news story, which was also broadcast on the RTVBiH satellite programme, clients immediately began to cancel their orders. The current estimated damage to Bekto following this story is in the region of DEM 3million in lost business.

OHR Anti-Fraud is extremely concerned about the editorial methods used by RTVBiH. Bekto was not approached for their comment before the story was run and when evidence was provided effectively refuting the claims, RTVBiH chose to run a very short report after midnight. Accordingly, the company has referred a complaint to the IMC on the grounds of unfair and unbalanced reporting, and failure to receive effective

right of reply. OHR will be interested to see the results of this complaint.

The question over the missing DEM 800,000 is clearly not one for Bekto. OHR has verified that the money was transferred to the Pobjeda Company, managed by a board appointed by Gorazde Canton. We suggest that any further investigation into the circumstances of the DEM 800,000 include all the relevant participants.