



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 20 May 2014
(OR. en)**

**14612/06
EXT 1**

**COSDP 843
PESC 1025
CIVCOM 464
RELEX 726
COPS 52
COWEB 227
JAI 541
EUPM 24**

PARTIAL DECLASSIFICATION

of document: 14612/06 RESTREINT UE
dated: 30 October 2006
new status: Public

Subject: European Union Police Mission in Bosnia and Herzegovina six-monthly review

Delegations will find attached the partially declassified version of the above-mentioned document.



ANNEX

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NOTE

From : Secretariat
To : Political and Security Committee
Third States contributing to EUPM

Subject : European Union Police Mission in Bosnia and Herzegovina six-monthly review

Delegations will find attached the European Union Police Mission in Bosnia and Herzegovina six-monthly review.

Six-Monthly Review Report of the Police Head of Mission of the European Union Police Mission in Bosnia and Herzegovina

Background

- A. The European Union Police Mission (EUPM) in Bosnia and Herzegovina (BiH) is subject to a six-monthly review process, as provided for by the Joint Action on EUPM of 24 November 2005 (2005/824/CFSP). The review shall be carried out in accordance with the criteria set out in the Concept of Operations (CONOPS) of 04 November 2005 and the Operation Plan (OPLAN) of 04 April 2006 and take into account developments in police reform. It shall enable adjustments to be made to the Mission's activity as necessary.
- B. On 12 June 2006, the Council concluded a comprehensive review of EU activities in BiH, including by conducting a concurrent review processes of operation ALTHEA and EUPM, which has helped ensure a more complete operational overview and a coherent approach to ESDP actions such as in the support to the fight against organised crime. The Council reviewed EUPM and welcomed the positive contribution of the Mission to the establishment and development of sustainable policing arrangements under BiH ownership and recognised the important role of EUPM, in close coordination with the EC, in the area of police reform. The Council reconfirmed EUPM's leading role in the coordination of policing aspects of ESDP efforts in the fight against organised crime in BiH and welcomed in this regard the increased cooperation between the EUSR, EUFOR and EUPM.
- C. In order to maintain the rhythm of parallel reviews of the European Union Police Mission and operation ALTHEA, the Political and Security Committee invited the EUPM Police Head of Mission to present his next six-monthly review report by 27 October 2006, covering the period 01 April to 15 October.
- D. The European Union Special Representative, the Commander of EUFOR and the Head of the European Union Monitoring Mission (EUMM) were consulted by EUPM and subscribe to the conclusions and assessments of this review.
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I. Police Head of Mission's assessment

General situation

1. The period from 01 April to 15 October 2006 has been characterised by a number of political developments relevant to police in Bosnia and Herzegovina and EUPM's mandate, among them:
 - the continuous obstruction and undermining of the October 2005 political agreement on police restructuring by the Republika Srpska (RS), including the withdrawal from active participation in the Directorate for the Implementation of Police Reform (DIPR);
 - a pre-election campaign marred by "nationalist" rhetoric that, however, remained almost without incidents, with the election day on 01 October 2006 passing calmly and peacefully;
 - the announcement in June that the OHR will immediately begin preparations to close on 30 June 2007, subject to review and confirmation in early 2007, followed by a reinforced EU engagement.

In assessing political developments, the Mission sought EUSR guidance as appropriate and continued to benefit from the situational awareness and analysis capabilities of EUMM.

2. During the review period, BiH police services maintained public peace and order effectively. Several events put their abilities to a test, including:
 - the violence that erupted between Bosniac and Croat youths on the central square of Mostar after a World Cup football match lost by Croatia in June;
 - the commemoration in Srebrenica during July, as well as tensions that arose in the wider Podrinje area over the summer months;
 - the "paint attack" on the Presidency building in Sarajevo on 27 September by members of the NGO '*Tuto Completo Revolutia*'; SIPA's protection capacity was successfully tested by the incident which revealed however tactical deficiencies leading to an excessive response of some officers who were consequently sanctioned.

Though EUPM identified limited short-comings, overall, police demonstrated enhanced professionalism together with an increased robustness and resolve, as well as functioning multi-ethnic command structures in dealing with these complex situations.

3. A problem remains that the involvement of RS police officials in crimes committed in Podrinje in 1995 has not been clarified. Names of officials featuring on the list of the RS Ministry of Interior Srebrenica Commission final report of 2005 continue to be published in the media. Activists of victims' associations in Podrinje claim to have received threats from those individuals. Simmering tensions in Podrinje culminated during August in a clash between police and visiting young Bosniac émigrés and a public argument between the local Mufti and Orthodox Bishop over churches on Bosniac property. Based on these developments, EUPM supported and encouraged Security Forums of police and citizens aimed at calming tensions in sensitive return areas.
4. Longstanding disputes over religious buildings and symbols throughout the country remain a source of concern for public peace and order. Politically motivated and/or manipulated, incidents have the potential to occur and may lead to (violent) situations that are difficult to police or in which cantonal and entity police services are perceived as part of the problem. EUPM will continue to advise the appropriate domestic authorities in policing these situations.
5. Despite these developments, EUPM has continued to observe the long-term trend of a decreasing number of ethnic, inter-religious and politically motivated incidents. Short-term and seasonal variations caused by the pre-electoral campaign and of emigrants returning in BiH during July and August have not changed the overall trend. Since April, the number of all types of violent criminal acts has decreased every month.
6. The State Investigation and Protection Agency (SIPA) further progressed but has not yet reached its full operational capacity. Although EUPM and EUSR encouragement was instrumental, SIPA has becoming increasingly involved in sensitive investigations, including:
 - organised crime-related unsolved murder cases in East Sarajevo, with some arrests expected by the end of the year;
 - arrest of two criminals in Pale in August, including Radomir KOJIC against whom the Council adopted measures to prevent the entry into, or transit through, the territories of Member States due to his activities which help persons at large continue to evade justice for crimes for which the International Criminal Tribunal of the former Yugoslavia (ICTY) has indicted them;

- follow-up of the threat against the life of RS Prime Minister DODIK which came to light at the end of March;
 - arrest of an individual who allegedly planned to explode the Catholic cross in Mostar on 12 July;
 - explosion at the gravestone of President IZETBEGOVIC on 11 August;
7. The situation in Mostar remained difficult. During June and July, isolated incidents raised tensions, capitalised upon and fuelled by media and politicians. Ethnically motivated disturbances are compounded by a non-functioning city council and problems within the cantonal police. The fall-out of corruption cases within the police which were inspected by EUPM since early this year (operation GRANIT) added to the situation which was further complicated when the mandate of the police commissioner expired at the same time. Due to politicisation and various delaying tactics, the cantonal police remain without appropriate designated leadership.
8. Despite these and other short-comings of local police, the Mission positively assesses the increased willingness and ability to maintain public peace and order as a key requirement for lasting stability in Bosnia and Herzegovina. The local police have already reached the threshold of capability which allows them to deal with all, but the most extreme, security challenges. Technical capabilities, including a lack of special equipment, remain a challenge for all police services. Thanks to EC assistance, some of the necessary capabilities, in particular to fight organised crime, are slowly being established. Although progress continues to be made, broader systemic problems remain which warrant EUPM's continued and co-located deployment and mandate, and underline the importance of the police reform process, among them:
- co-ordinated and intelligence-led complex organised crime investigations remain near impossible due to *inter alia* the operational limitations of the fragmented policing structure;
 - political interference or attempts thereof which remain wide-spread;
 - substantial deficits in accountability as revealed by EUPM inspections;
 - the almost exclusively mono-ethnic character of many cantonal and entity services.
9. A holistic approach to the criminal justice system remains a key prerequisite for supporting the fight against organised crime. Monitoring and advice needs to encompass all components of the criminal justice system, "from crime to prison". The reinforced EU

engagement in Bosnia and Herzegovina offers a unique opportunity to aim for a clear delineation of tasks and responsibilities between the various EU instruments, setting the ground for a more integrated approach beyond 2007.

Developments in police reform¹

10. The police restructuring process remained highly political and the Directorate faced direct political interference from the RS and political neglect from the Council of Ministers. As the international member of the Directorate, the Head of Mission has promoted its integrity and protected its achievement to date, in close co-operation with the EUSR/HR and the Head of the EC Delegation.
11. RS politicians have repeatedly demanded in public that the RS police and Ministry of Interior remain. The work of the DIPR continued, though the RS declared in May that its representative will no longer be an active member but only an observer. RS representatives in the executive body were also declared observers, although they did not obstruct the elaboration of a number of planning documents. This means that the RS is not participating in any negotiations about the future police structure within the Directorate. The International Community can therefore not take any RS concerns into consideration but only note their insistence on the *status quo*.
12. In September, the Council of Ministers rejected the Directorate's request to extend the deadline from September to November for producing the implementation plan, though the Directorate was not responsible for the delay. Now that elections have passed and new governments are being formed, the Mission is hopeful that international pressure may increase domestic political support for the work of the Directorate.
13. Since 01 April the DIPR has focused on the development of an organisational structure for a reformed police. The initially discussed structure was in line with good practices of police and public administration in Member States. However, developments in September and October have put into question key elements of the structure which were already agreed. Therefore, EUPM has actively advocated for a three-layered approach of Ministry of Security, State and local police bodies in order to eliminate *inter alia* political interference in operational policing. The definition of criteria of local policing areas is still to be

¹ Further detail in Annex A "Support to Police Restructuring".

discussed and will require careful steering. Nevertheless, the Mission is confident that the Directorate if not interfered with but supported, is in the position to produce a solid and complete implementation plan by the end of November.

14. EUSR/HR support and co-ordination in accompanying the process, in particular the political aspects, have been crucial for EUPM achievements in this area. The political agreement of October 2005 stipulates March 2007 as the target date for State and entities parliaments to decide on the implementation. After parliamentary adoption and in light of a reinforced EU engagement, the Mission believes that tasks and responsibilities of the various EU instruments for the implementation phase should be clearly delineated.

Harmonisation of laws on police officials

15. As police structures are bound to remain fragmented in the short-term, EUPM has continued broader police reform efforts by supporting cantons in the development of cantonal laws on police officials to ensure a country-wide harmonisation of police powers and the status of police officials. The Mission facilitated the development of a model law which as of 15 October has already been enacted in six out of the ten Federation cantons. As a next step, complementary by-laws will need to be developed on internal disciplinary procedure and external accountability mechanisms, rank allocations and conditions for promotion, special police powers as well as police officials' salary calculation. This was already done at State, Federation levels and in one canton. In parallel to the developments of cantonal laws on police officials, EUPM is mentoring the drafting of the RS law on police officials and the Brcko District law on police officials which also need to be harmonised.
16. EUPM is continuing to promote improvements of other police legislation, for instance with regard to provisions which have shown to be open to arbitrary interpretation. For example, the Police commissioner in Mostar retired two police officials with one day notice who served as witnesses against him in criminal proceedings, which highlights problems of compulsory retirement provisions.

INTERPOL National Central Bureau in BiH police systematisation

17. Following discussions related to the status of Interpol in the DIPR, EUPM has developed options for the status of the National Central Bureau of Interpol Sarajevo. While the *Vademecum* of Interpol recommends that a unit within the national policing structure (i.e.: the national crime police) should be appointed as a National Central Bureau for co-operation with Interpol, the NCB Interpol Sarajevo is established as an autonomous service within the

Ministry of Security (based on existing constitutional provisions in Annex 4 of the General Framework Agreement on Peace). The option was either to create a third State level police body or have it established within SIPA in the reformed police structure. Given that within the reformed police SIPA will be the biggest single customer of Interpol services it was recommended to integrate the NCB there. EUPM has started to identify the status and will advise on the drafting of appropriate legislation.

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Horizontal tasks

35. The Mission continued to follow the implementation and finalisation of projects launched during 2003-2005 through the Joint Programme Development and Co-ordination Department, in close co-operation with the BiH police experts co-located within the department. SIPA, SBS and other police services have continued to progress in their capacity to fight (organised) crime during this period.²
36. As an outcome of the comprehensive review in spring, EUPM was encouraged to play a coordinating role vis-à-vis the donor community in Sarajevo, given that the development of capacity and confidence of local police in fighting organised crime requires further technical assistance, as well as provision of equipment. The Mission is undertaking a continuous mapping of activities, in close coordination with the European Commission. A second donor co-ordination meeting is scheduled to take place by the end of the year. Substantial amounts of equipment have already been donated to police over the last years. EUPM has initiated a quality assessment to inform the main donors, i.e. the European Commission and ICITAP, about the state and the use of this material.

Certification

37. Police certification remains an issue of concern for the BiH authorities who have requested a review mechanism. The EUSR/HR wrote to the UNSC President in August asking the UN to determine a possible review mechanism. Based on the PSC conclusions of April and the

² Further details in annex C “Technical and Operational Capacity of Police to Fight (Organised) Crime”.

operational proposals made by the EUSR/HR, EUPM will have no leading role. The Mission, if requested by the chain of command, may stand ready to provide limited logistical support, within the existing budget and without prejudice to the implementation of its mandate.

Organisational aspects

38. In August, the Mission has informed the Secretary General/High Representative about the implementation of the Generic Standards of Behaviour for ESDP Operations. EUPM has made particular efforts to maintain and gain the confidence of the population of Bosnia and Herzegovina through the adequate and professional conduct of its personnel. With few and minor unfortunate exceptions EUPM personnel continues to apply the highest standards of behaviour. The Mission has continued to take forward the implementation of UNSCR 1325 on women, peace and conflict, which in many aspects is linked to the Generic Standards of Behaviour. Two international police officers continue to act as focal points and advise on these issues. The gender ratio remains, however, unsatisfactory among seconded Mission personnel.³
39. As the refocused Mission is preparing for its second year of operations, particular attention will have to be paid to the force generation process following rotations. Member States will need to ensure the timely release of appropriately qualified personnel. To achieve Mission objectives operational adjustments may result in specific personnel requirements regarding capacity building needs in SIPA and SBS. The tempo of EUPM operations will also require continued procurement throughout 2007.
40. The “pooling” of Mission functions with the office of the EUSR has not been implemented, and was not pursued further by the EUSR and EUPM. Day-to-day co-ordination has been considerably strengthened on all levels. It is foreseen to continue with the current arrangements.

³ Mission personnel as of 15 October 2006: 174 international police officers (out of which 12 female); 28 international civilian experts (6 female) and 218 national staff (130 female and 88 male). Three heads of departments are women (personnel, police restructuring and joint programme development and co-ordination department).

Press and public information

41. EUPM continued its pro-active press and public information strategy aimed at raising the public image of the local police thereby communicating the achievements of the Mission. The Mission's image with the media and public seems to have sharpened, as police accountability questions and the fight against organised crime became a priority of EUPM's press and public information activities, alongside continuous communication about the police restructuring process for which the Head of Mission has assumed the role of the IC spokesperson. The Mission continues to benefit from its own crime and police focused media monitoring. Since September EUPM media monitoring products are provided to all Member States embassies in Sarajevo.
42. Training and capacity-building for local police spokesperson's continued with training for all BiH police spokespersons to increase communication from police to citizens. The training also supported the partnership for EUPM initiated public information campaigns. Local ownership has been strengthened by a forum of police spokespersons which is supported by the Mission. The training efforts will be continued, including with representatives of prosecutors. For the remainder of 2006, EUPM and local police have foreseen a public information campaign on accountability aimed at strengthening public confidence in the police.
43. The EUPM-supported crime-watch TV show "Nerijesen Slučaj" (Unsolved Cases) will go into a second season in October and helped to resolve three cases in the first seasons. EUPM launched "Hronika 122" (Chronic 122 [telephone number of police]) as a communication tool for police in cooperation with a local publisher. Furthermore, the Mission has become a key sponsor of police-themed TV series filmed and broadcasted in Serbia, Croatia and BiH. The Mission ensured that the series presents a positive image of local police, particularly SIPA.

II. Annexes

- Annex A - Support to Police Restructuring
- Annex B - Organised Crime Situation Assessment
- Annex C - Technical and Operational Capacity of Police to Fight (Organised) Crime
- Annex D - Concluded and Ongoing Inspections

SUPPORT TO POLICE RESTRUCTURING**1. Introduction**

EUPM has been carrying out its tasks to support the Police Restructuring Process, as foreseen in the OPLAN. The Police Head of Mission (PHoM) is a member of the Directorate for the Implementation of Police Restructuring (DIPR) Steering Board (SB), as provided by the Decision of the BiH Council of Ministers (CoM) establishing the Directorate.

From the outset, the Republika Srpska (RS) has been causing serious delays in the work of the DIPR. . There have been consistent attempts of political interference by the RS Minister of Interior and the Prime Minister. The RS representative on the SB was unable to make any decisions without prior consultations with his Minister of Interior or the Prime Minister. Working on the premise that the Directorate should exhaust all options before finally resorting to vote, , the RS was successful in delaying any real progress up to May 2006. On 03 May, the Steering Board adopted by way of majority vote an “Opinion” on the model of police structure. The RS representative voted against the Opinion, despite the fact that it accommodated most of the RS concerns. This was the first and only time that the SB voted on a Decision. The vote followed weeks-long attempts to reach consensus on this issue. Consequently, the RS government decided that its representative will no longer actively participate in the work of the Directorate and degraded his status to an observer. Based on their interpretation of the October 2005 Political Agreement on Police Restructuring, RS political party leaders repeatedly stated that decision-making in the DIPR required consensus only and that proposed solutions must be in accordance with the Constitution of Bosnia and Herzegovina and Entity Constitutions. The Mission has analysed the agreement in this respect and concluded the following:

- Regarding the issue of “consensus”, the preamble of the Agreement prescribes that “*reforms may proceed further only through a consensus, prior to the implementation phase*”. This reference to “consensus” is broad and applies to a general political consensus, which is required before the final adoption and the implementation of the reform. Therefore consensus applies to the phase stipulated in the Agreement where the governments and parliaments of BiH and the entities should adopt the proposed implementation plan prepared by the DIPR. Apart from this broad reference to consensus in the stage prior to implementation, there is no explicit requirement in the Agreement for the Directorate to pass

decisions exclusively by way of consensus. Nevertheless, Article 13 of the December 2005

CoM Decision establishing the DIPR provides that Decisions of the Steering Board of the DIPR shall be reached by consensus of those members present. Article 14 of the CoM Decision provides for a special procedure in decision-making which shall be applied in cases when the Steering Board fails to reach decisions in accordance with consensus.

Regarding constitutional questions: the agreement stipulates that *“this agreement must be applied in accordance with the Constitution of Bosnia and Herzegovina and Entity Constitutions.”* Article X of the BiH Constitution provides for a procedure to amend the Constitution namely through a decision of the Parliamentary Assembly which must include a two-thirds majority of those present and voting in the House of Representatives. Additionally Article III (5) (a) of the BiH Constitution stipulates that *“Bosnia and Herzegovina shall assume responsibility for such other matters as are agreed by the Entities;...”* Competencies attributed to a level of government by the BiH Constitution, including those gained through constitutional amendment or entity agreement on the transfer of competencies, are exercised exclusively by such a level of government. The distribution of competencies operated by the BiH Constitution has precedence over incompatible provisions contained in the constitutions of other levels of government in BiH (Entity, Cantons). With regard to police restructuring, Article III (2) (c) of the BiH Constitution, states that the *“Entities shall provide a safe and secure environment in their jurisdictions, by maintaining civilian law enforcement agencies...”* Therefore, achieving police restructuring compliant with the 1st EC principle that requires that the BiH state must be vested with all legislative and budgetary competencies for all police matters, implies that all competencies for police matters that are bestowed upon other levels of government in BiH be transferred to the state of BiH. This can be done, as explained above, either through an amendment to the Constitution or through an agreement by Entities to transfer the relevant competencies to the State of BiH, as required under the terms of the Agreement.

Having in mind the above, the DIPR has been working in line with the the Political Agreement and the CoM Decision establishing the DIPR.

The Council of Ministers has failed from the start to provide the DIPR with political backing it required to overcome political interference from the RS. On several occasions, the SB informed the CoM about the difficulties and delays caused by the attacks and obstruction coming from the RS. .

Two quarterly reports were sent to the MoS on schedule but were not processed by the CoM until August. Despite the looming deadline of 30 September and the request of the SB to extend the deadline for producing the Final Report to 30 November, the CoM only provided an official response to the SB on mid September 2006. The request for an extension and both quarterly reports were rejected because the Serb members of the CoM vote against the documents. The CoM passes decisions by consensus, and the RS succeeded in obstructing the police reform process through the CoM as well.

The DIPR has a mandate until 31 December 2006. The fact that a final report and implementation plan has not been completed by the original deadline of 30 September is therefore not problematic from the legal point of view. The DIPR continues working on developing the organizational structure of police and will soon start discussion on technical criteria for the local police regions. As per Revised Plan of Activities, the DIPR should finalize its report by 30 November 2006.

2. Key developments

Developments of 23 Steering Board meetings held until mid-October include:

- Agreement that common administrative services, including forensics, training and common databases should be vested at the state level (reached by consensus);
- on 05 April, the Republika Srpska (RS) representative submitted a proposal of the RS Ministry of Interior for a new police structure and stated that this proposed model was as close as the RS could come towards the three EC principles;
- on 03 May, adoption of an “opinion” on the model of police by majority voting (no consensus);
- on 10 May, the RS National Assembly adopted a position in contradiction with the three EC principles; including the demand to retain the RS Ministry of Interior; questioning the legitimacy and procedures of the DIPR;
- on 24 May, as the SB refused to revise the previously adopted opinion in line with the RS National Assembly position, as demanded by the RS representative, the RS decided to no longer actively participate in the process, and declared their representatives observers ;

- on 26 July, adoption of the future organisational structure; followed by the establishment working groups of the DIPR executive body to develop the structure and draft the implementation plan;
- the failure of the Steering Board to start discussions on the sensitive issue of local police areas and structure;
- on 13 September the SB was informed that the Council of Ministers rejected the two quarterly reports, the revised plan of activities and the extension of the deadline for the final report and implementation plan.

3. Progress against Mission success indicators

To date BiH authorities have not managed to implement the police restructuring programme within the deadlines prescribed in the political agreement and the decision establishing the DIPR. However, as the mandate of the DIPR expires only on the 31 December 2006, the DIPR is able to continue its work and has proposed to complete the works by 30 November, 2006.

In the meantime, EUPM has continued to promote reform principles in State level agencies, such as a roadmap for the integration of the Interpol office within SIPA. Additionally, EUPM has contributed to the preparation of amendments to the existing law on police officials as well as the re-attribution of ranks within SIPA and SBS.

The general public has been informed about the police restructuring process, including through several interviews with the Head of Mission in which he explained his role in the DIPR and its activities. They helped to provide accurate information concerning the progress, or lack thereof, of the reform and to dispel rumours and misinformation spread by politicians and some media outlets.

Subsidiary Indicators

- a) In general, the DIPR has worked in accordance with the CoM decision but it was unable to adhere to the plan of activities of 08 March 2006. Reasons for this include the intransigence of the RS government, the time-consuming process of bringing together different visions and opinions within the DIP and slow production of planning documentation. For example even after the RS opt-out it took two months to agree on the proposed police structure. The issue of local police areas has not been addressed yet and without this, it is virtually impossible to prepare a credible implementation plan.

- b) The Head of Mission is a member of the DIPR Steering Board. He has continued to provide strategic advice, especially in sensitive discussions with the RS representatives in order to maintain the process. At technical level, the EUPM advisers support the staff of the executive body. EUPM has assigned dedicated advisers for the head of the body and each unit. Nine working groups were established in July and August. Experts from EUPM and of the European Institute for Public Administration (EIPA) provide advice on an almost daily basis. Regrettably, RS, SIPA and SBS experts do not participate in the work of these groups and this deprives them of valuable knowledge and experience. The working groups deal with 1) crime techniques and forensics; 2) police operations; 3) training and education; 4) IT, communications and database; 5) internal organisation; 6) legislation; 7) budget, material and financial issues; 8) human resources; and 9) downsizing and redundancies.
- c) As outlined, the restructuring implementation plan will contain a proposed roadmap for the implementation of various phases of police restructuring. The legal aspects of the plan will be partly completed whilst human resources, technical and logistical components have not been yet elaborated in any concrete way.
- d) EUPM provided active assistance in the drafting process for laws on police officials for cantons and the RS in order to harmonise the legislation in force on police employment relations matters in entities and cantons with the State level prior to implementation of the police reform.
- e) EUPM has continued to maintain regular contacts with the representatives of the Police Trade Unions. Based on the recommendations of the EUPM, the working group dealing with downsizing and redundancies includes two union representatives from the Federation. While there is no union representation from the RS, the representative of the Federation Union of Independent Syndicates is sharing information with his counterpart from the RS. The working group report will include general guidelines regarding the development of a social plan to facilitate downsizing. Additionally, meetings have been held with Union officials at state level to discuss a draft “collective agreement” which would cover civil servants and police officials working in the BiH institutions including SIPA and SBS.
- f) Based on EUSR political guidance, EUPM has provided strategic advice and guidance to the Steering Board and to members of the DIPR executive body on a consistent basis. The Head of Mission has interceded in many discussions during SB meetings and has offered solutions to difficult problems.

ORGANIZED CRIME SITUATION ASSESSMENT

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4. Conclusions and Recommendations

1. Introduction

Organised Crime (OC) is known to exist in Bosnia and Herzegovina (BiH) and has been the subject of a number of analyses and efforts to gauge its scope. It is further known that such criminality is varied in its composition, its extent and its make up. The country does not contain a small number of clearly defined criminal groups with fixed spheres of influence and operation, but rather is under the influence of numerous such groupings ranging from small scale localised networks engaged in particular criminal enterprises to far larger, trans-national groups with broader ranges of activity. This report highlights some of the key OC trends and issues affecting BiH and will be divided into two parts:

- General overview of OC activities and trends
- Localised summaries of OC including, where known, activities

This report does not provide details of the identified organised crime groups and individuals, since much of this information is sensitive and therefore not suitable for general release. However, additional information is held by EUPM and will be shared with other bodies as appropriate. Its main purpose however is to serve as a Mission management tool by facilitating the targeting of EUPM resources to assisting the local police in its fight against OC.

This assessment forms part of EUPM's October 2006 Six Month Review process. Where appropriate to the issue of OC in BiH, reference is made to the capabilities and capacity of law enforcement agencies in this annexe. A full assessment of capacity is made elsewhere in the Review.

1.1 Methodology

EUPM is in a unique position to assess the scope and nature of OC in BiH due to its principal of co-location with middle and senior level police officials across all BiH law enforcement agencies (LEA). In gathering information for this report then, EUPM has obtained contributions from police officers located in the various local, entity and state level policing institutions.

Previous analysis efforts by Europol and other agencies relating to OC in BiH have been based on overview criminal intelligence and information. As such they have given overview assessments to the country as a whole. Such an approach is restricted however, since the picture across BiH is varied and complex. This in itself would not present a major obstacle if it was the case that a single body in BiH were able to compile criminal intelligence and provide a consolidated picture. There is however no such body; rather multiple law enforcement bodies operate more or less independently with few mechanisms for sharing criminal intelligence and conducting joint operations. There is no single point for the provision of a consolidated picture that incorporates all the various sources in the country.

EUPM’s co-location approach means that international police officers liaise with police officials from all BiH police bodies. As such, EUPM has access to the information held by each of those agencies and therefore is able to bring together localised pictures to produce a more thorough assessment. Although restricted by the quality of information held by local police bodies, this assessment was initiated from a completely different perspective to those produced by other bodies in the past.

The lack of a coordination and criminal intelligence sharing mechanism among the BiH LEAs means that the country’s authorities themselves would not be able to produce an overall assessment.

Open source material has been used as background information. Because the assessment is based on a unique and different methodology, the information obtained and the conclusions reached may or may not be different to those of other analytical reports. That does not imply any comment on those other reports, but rather it emphasises that a different approach may produce different results.

The information gathered is not criminal intelligence held by EUPM or any partner agency.

1.2 Limitations

Although this report aims to provide a different insight into the OC situation in BiH, the process of obtaining information has revealed a number of limitations. Procedural and capacity limitations are discussed in greater detail within the EUPM Six Month Review annex relating to local police capacity.

Policing structures and inconsistency - The fragmented and as yet unsophisticated policing structures in BiH are a hindrance to developing a full and accurate picture of OC in the country. A lack of consistency in policing across BiH and variances in legislation, operational capacity and procedures, as well as the absence of robust and consistent criminal data and intelligence, make analysis difficult and in some cases incomplete. In time, it is hoped that such issues will be resolved through developments in police reform, greater standardisation of procedures and legislation and the development of consistent criminal intelligence, analysis and data collection capabilities. At this time however accurate statistical data is very limited.

Nature of OC in BiH - Rather than being dominated by a small number of clearly identifiable criminal groups, OC in BiH is characterised by a large number of groupings. Many groups and sub-groups are loose collections and associations, acting in varying degrees of competition, coalition, coexistence or isolation, making detailed analysis very difficult.

BiH as part of a wider international picture - OC in BiH forms part of a far wider picture across the Balkans. Much of the information gathered in the production of this assessment indicates links to groups, networks and individuals outside BiH, in particular Serbia (including the UN administered province of Kosovo⁴), Montenegro and Albania. It is therefore a somewhat incomplete picture if one considers the country in isolation. However, the intention in this initial assessment is to consider the information available from EUPM's counterparts in the police bodies of BiH at this time (and able to be obtained and assessed by EUPM advisors) and this naturally stems from BiH, as opposed to LEAs outside the country.

Criminal intelligence capabilities - Certain conditions serve to hamper local police's in criminal intelligence capabilities. SIPA is a comparatively new agency and as such its criminal intelligence sources and history is limited. On the other hand, local police agencies have existed far longer but there are few mechanisms for the effective exchange and sharing of information and criminal intelligence. As a result, in some instances accounts from LEAs differ, sometimes significantly, as to the status and inter-relationships of groups, depending on the sources, quality and accuracy of criminal intelligence and information gathered. Were the exchange, sharing and targeting

⁴The UN-administered province of Kosovo will be referred to as 'Kosovo' in the remainder of the text.

mechanisms between LEAs in BiH effective, it would be reasonable to expect the information provided by the various LEAs to correspond to a far greater level than was the case.

EUPM Co-location issues – Varying degrees of cooperation have been noted with EUPM’s senior counterparts regarding the willingness and ability to provide accurate information on OC. This is further complicated by differing levels of knowledge and expertise among the Mission’s own personnel. As such, as was to be expected in an initial assessment, the picture is not complete and many questions remain to be addressed. In particular, the assessment contains more thorough pictures in some areas than in others.

The report aims to provide at this stage an overview of the organised crime situation in BiH. Its production has highlighted a number of areas that would benefit from further research and analysis. This assessment therefore is recommended to be viewed as an initial one that can be further developed, particularly in those areas and issues where gaps in information were identified (see conclusions and follow-up).

2. General overview of OC activities and trends

2.1 Geographic Considerations

A fundamental weakness in BiH is brought about by its geography. The location of BiH places it ideally to form part of trafficking and transportation routes between locations south and east of the Balkans and Western Europe. Significant in this is the movement of drugs from supply countries into consumer countries. The land borders, particularly in the east of the country, do not meet with states that in themselves are subject to fully effective border controls.

2.2 Border Control Issues

Assessments of OC and trafficking in the Balkans refer often to the limited levels of effective border control in the region. Weaknesses in this allow for the relatively free movement of persons, drugs, vehicles and contraband.

Key border figures:

- 1551 kilometres of border area (900 green border and 650 blue border)
- 89 official border crossing points, including 4 international airports
- 350 (approximately) identified illegal border crossing points
- 2120 State Border Service Officers (416 below the target establishment level)

Substantial land borders and inhospitable terrain make BiH a difficult country to control in terms of border policing. The agency with primary control over border policing, the State Border Service (SBS) is very much under development. The SBS (under the overreaching authority of the Ministry of Security) is the body responsible for combating illegal cross-border activity, organised or otherwise, along the borders of BiH and within 10 kilometres of these borders. They operate fixed controls at 85 Border Crossing Points (BCP) as well as mounting surveillance of the areas in between.

At present the agency is not fully functional in terms of resources, personnel and technical capacity. Assessments carried out by SBS management in recent months highlight the practical difficulties caused by poor working conditions that contribute to low morale among officers with a predictable impact on results. EUPM inspections and monitoring activity, whilst highlighting that significant progress has been made, have concurred with SBS management's own assessments concerning the status of capacity of the SBS.

Data provided by the BiH Ministry of Security reveals that, in 2005, almost 49 million people crossed the BiH borders at legal crossing points (25 million inbound and almost 24 million outbound). The MoS also highlights increased numbers of freight and passenger vehicles crossing the borders (15.5 million passenger vehicles and 1.4 million freight vehicles). These large numbers of movements undoubtedly provide opportunities for those seeking to use the BiH borders for criminal purposes.

Many of the border areas are remote and made up of small communities. This factor is known to be used by criminals crossing the border illegally or for illegal purposes; drawing on local knowledge and even enlisting local assistance in a variety of ways, from reporting on SBS unit movements to helping in transportation and the crossing of illegal border points. Coordinated groups employ the services of local individuals to assist in their activities through local knowledge and contacts. In

many areas of BiH close family, ethnic and cultural ties are sufficient to assist in this; particularly as these extend into law enforcement also.

Internal control activities within the SBS have identified the collusion of police, customs and other officials with those seeking to cross the BiH borders with criminal intent. Official corruption and involvement in OC will be discussed later in this report; however it is right at this stage to place it among the issues that increase the vulnerability of BiH to OC. In localised, remote border regions, there is a strong likelihood that officials are closely integrated into local communities themselves and therefore their positions are open to abuse.

A notable weakness in border management is a lack of systematic criminal intelligence gathering. In compiling this assessment, a great deal of general information was obtained regarding the links of criminal groups into neighbouring states; links exploited for the purposes of getting commodities into or out of BiH. Nevertheless, there is limited available information concerning precise crossing points, methodologies employed and routes used. Were such information available it would doubtless increase the capacity of LEAs to deal with specific groups, but the absence of almost any detail is disturbing.

The main border areas used in facilitating criminal activities identified are:

South East – The Trebinje/Bileca/Gacko areas are well used by criminal groups in terms of lower level smuggling of tax due goods from Montenegro, but also as part of wider trafficking routes. It features as a significant section on routes coming from Turkey, Albania, Kosovo, Montenegro and Serbia. The area also provides a route from BiH into Croatia.

East – Areas including Foca, Zvornik and Bijeljina feature heavily as routes into BiH from Serbia, frequently as an alternative to the South East areas, with routes heading north through Serbia on better quality roads.

North/ North East – Areas around Bijeljina and Brcko District feature as exit points from BiH, into Croatia and from there towards the EU. It also comprises an entry point from northern and north eastern routes.

North West – The Una Sana area of the north-west provides again an exit point into Croatia and beyond into Western Europe.

South West – This region's proximity to Croatia makes it an important transit route, particularly to exit BiH. Limitations in the availability of information able to be provided by EUPM filed locations in this area have prevented a thorough assessment at this time.

2.3 Susceptibility of BiH to Organised Crime

A number of identified factors facilitate OC in BiH. Although they are by no means unique to BiH and although such factors are clearly not essential for the existence of OC groups and activities (if we consider the situations for example in EU countries), they doubtless contribute to the conditions in BiH.

Historical – The nature of the highly divisive civil war in BiH led to the development of grey and black economies and particular circumstances related to the lack of authority, welfare and community. It gave rise to the development of criminal enterprises often related to positions in various military or militia elements, with some of the country's current high profile criminals being prominent figures during the war. The post war period and transition to stability, incorporating such issues as displacement of persons, disputed property rights and a weak economy and administrative structures, provided opportunities to criminals. In some cases the transition from war to peace, coupled with a crippled infrastructure, allowed wartime figures to ease into positions of unofficial (illicit) authority. This is particularly evident in Sarajevo, where figures that were well known during the defence of the city under siege now remain as well established, and highly visible criminal group leaders with an air of invulnerability.

Social and Financial Situation – High levels of unemployment⁵, particularly in regional areas, and poor social conditions lead to a propensity towards criminal activities among people seeking to make a living. This is particularly evident in areas such as Trebinje, where individuals become involved in activities such as the smuggling of tax due goods or act as low level participants in OC

⁵ Official BiH figures place the level of registered unemployed in the country at 38% (approximately 507,779) (Data obtained from the BiH Employment Agency for the month of February 2006)

activities, for example as couriers. The main factor resulting from this situation however is the existence of a well-supported black market for commodities across BiH that stretches back to the war. In a country where even every day items are prohibitively expensive for many of the population⁶, the sale of black market goods is viewed as normality and provides a ready demand to be met by criminals.

Law Enforcement Issues – The inherent weaknesses in the BiH law enforcement system brought about through fragmented structures, lack of consistency and a notable lack of cooperation between LEAs significantly lower the risks to organised criminals. Such weaknesses include poor criminal intelligence management, poor coordination between criminal justice system partners and a lack of integrity in the criminal justice systems. When added to this situation is the reach of some OC groups into law enforcement and the wider criminal justice system, it can be seen that there are clear advantages given to criminals. The public of BiH have little confidence in their criminal justice and political bodies and have consistently observed a failure to address OC. Whilst the public is fully aware of the presence of criminals, gangs and their activities, there is little faith in public bodies’ abilities or inclination to do anything about them.

Infrastructure of BiH – Again fragmented and known to be affected by criminal involvement and corruption, not to mention still tainted by wartime issues, the infrastructure of BiH, including political structures, LEAs and public bodies, are unable to act in a coordinated manner, again presenting significant opportunities for criminals.

Analysis Capability – Statistical data, information and reports are available from a variety of sources in BiH relating to crimes and their effects. Access to this information is easy; however the validity of the information is questionable. LEAs, government bodies and others compile information that would be of benefit in analysing trends and patterns and therefore in assessing the situation in BiH and fighting OC. There is however no common standard for the recording of information. This reduces the value of data considerably. The Ministry of Security seeks to unify data from LEAs in order to identify issues and commonalities; however the quality of information, and therefore the ability to carry out any meaningful analysis based on it, is extremely limited.

⁶ The average monthly salary in BiH is approximately 250 Euros.

This chapter highlights the restrictions related to the availability of quality data to be analysed only. Some reference to other related issues (human/technical resources, qualification of personnel, mechanism, authority) would complete the picture. Otherwise the headline might need to be changed accordingly.

Proactive general policing - The approach of BiH LEAs to what can be considered general policing duties contributes greatly to the prevalence of vehicle crime, and indeed other areas of OC that involve the use of vehicles at any stage. There is little proactive road policing in BiH and officers at street level are often heavily restricted in their initiative. The use of static road checks at designated points is more common than mobile patrol and proactive targeting is rarely used. This means that the likelihood of a vehicle being the subject of a road check is highly unlikely, particularly if the driver is able to anticipate the presence of a static road check. The link between roads policing and criminal intelligence gathering and detection of crime is not made among BiH LEAs. This is further affected by the lack of skills among BiH officers in detecting stolen vehicles; with little evidence of the checking of identifying marks. When added to the lack of a vehicle database, this presents a major area for criminal exploitation. An enhanced roads policing approach would be a major tool in gathering criminal intelligence and fighting many aspects of OC.

2.4 Identifiable Trends in Organised Crime in BiH

Criminal Activities

The division of organised criminal activities into particular areas is an analysis and law enforcement method aimed at addressing crime and targeting criminals. The OC groups active in BiH often do not restrict themselves to particular fields of activity, but rather respond to available opportunities and therefore become active in more than one area. This issue represents a fundamental capability weakness in BiH policing. LEAs organise themselves into specific units with restricted operational focus. There is little evidence of a target-oriented approach, whereby identified targets (groups or individuals) are subject to joint efforts comprising input from various specialist departments and inter-agency working. Such a compartmentalised approach makes fighting OC problematic, since OC operations usually incorporate multiple areas for investigation. This matter is discussed in greater detail within the capacity building annexe.

2.4.1 Illegal Drugs

Data collected by various bodies, including police agencies, NGOs and health bodies, suggest that drugs use in BiH is increasing, particularly marijuana and heroin, however the country is not a significant consumer of imported drugs. Among other factors that bring this situation about may be the absence of disposable wealth among the general public of BiH and strong cultural awareness among communities.

As well as the low reported levels of direct drugs offences across BiH LEAs, there are further indicators of a low level of habitual drugs use in the country. Although crime recording statistics among BiH LEAs are limited and lack rigour, there is a clear low level of acquisitive crime across the country. In countries with high levels of drug abuse, an increase in other forms of criminal activities to fund habits is a notable side effect, but the presence of chaotic drug use is not identified in BiH.

Far more relevant is the transit of drugs through BiH. Its strategic location enables the relatively untroubled movement of narcotics from production and processing areas into the lucrative Western European markets. The current lack of a significant market for the sale and distribution of drugs in BiH itself limits the inclination of groups to use BiH as a final destination.

Much of what is known or believed regarding the trafficking of drugs into or through BiH is based on criminal intelligence gathered outside the BiH borders and to a certain extent from within. Although there have been demonstrable improvements, seizures of drugs at the borders of BiH and within the country are low and generally confined to small shipments. If the absence of significant seizures is added to the criminal intelligence from various law enforcement sources beyond BiH regarding the origins and routes of drugs found in Western Europe, it can be interpreted that efforts to combat drugs trafficking require major improvement. Statistics are few, as are seizures and arrests; however the knowledge of local police officials and available criminal intelligence confirm the long held view of Sarajevo as a nexus point for the trafficking of heroin and marijuana.

The lack of wide-reaching and endemic domestic drug consumption, with the associated increase in acquisitive crime and chaotic drug use witnessed in other countries, is a likely reason for the low

priority of drugs trafficking among LEAs in BiH (the issue being a transient one and therefore somebody else's to deal with). As such, the active targeting of trafficking networks is not evident to any great degree among BiH LEAs. The problem has yet to impact on the country to a significant degree; however it does present a major threat to the EU.

Predominantly, evidence points to the shipment of heroin; the point of origin being Afghanistan, often via Turkey. Identified routes will take shipments, by road, via Kosovo into Montenegro. From there shipments may enter BiH at its south eastern border crossings or proceed via better roads north into Serbia. From here, shipments have the option to be brought into BiH via eastern borders or by-pass BiH altogether.

The use of points to warehouse and stockpile quantities of heroin for onward shipment involves Sarajevo in the main, albeit other areas are believed to be used. Identified major groups in BiH, particularly focused on Sarajevo, have strong, workable links to Turkey and countries en route from there to BiH and into the EU. Other reports on OC concerning BiH and the wider Balkans have highlighted the prevalence of Albanian and Sandzak Muslim ethnic groupings in the trafficking of drugs through BiH. Information obtained in the preparation of this assessment supports this, albeit with other identified groupings heavily involved also.

Assessments previously have pointed to the movement of precursor chemicals into BiH and their possible use in the production of drugs for onward distribution. Although pieces of information are available that suggest such activities on a limited scale in the past, there is no current criminal intelligence pointing to this as an ongoing area of criminal enterprise.

Although on a smaller scale than drugs trafficking, there is increasing evidence of the cultivation of marijuana in BiH, particularly in the Herzegovina region. Plantations have been identified across BiH, but the largest concentration has been in Herzegovina, where summer 2006 has seen a number of substantial seizures by local police. The area has certain characteristics that benefit such cultivation, including climate, remote rural locations that prohibit discovery, and proximity to borders which facilitates onward shipment. This is in part for domestic use but a major proportion is transported to Croatia, particularly during the holiday season, where the street price and market conditions are more favourable. There is no evidence to suggest a significant distribution of

domestically cultivated marijuana towards the EU. This is not thought to be an activity of large, coordinated groups. There are probable OC links to this area of criminality however, even if just in the sourcing and provision of seeds, but the precise extent is unclear at this time, particularly as few arrests have been made relating to cultivation; with plantations generally located and destroyed without suspects being identified. Rather this is viewed as a lower level enterprise by smaller, loosely connected groupings.

2.4.2 Trafficking in Human Beings and Illegal Immigration/Migration

When it comes to the illegal movement of people into and out of BiH it is far from simple to distinguish between those that form part of an OC operation and those that do not. Individuals that have independently sought to cross the state borders are often identifiable due to the circumstances of their crossing but in other cases identifying links to OC and the extent of involvement is less clear.

Trafficking

In trafficking cases, the instigators of the crime in general retain control over the trafficked victims and therefore need to engage in criminal activity in BiH. Believed to occur is the trafficking of females for the purposes of prostitution, either within or outside BiH, from countries including Romania, Bulgaria, Georgia and Moldova. The routes most often employed in such instances are via Serbia and into the North East of BiH. The issue of trafficking into BiH, particularly females for prostitution, is widely acknowledged anecdotally. However, there is little detailed criminal intelligence available and even less evidence of arrests and prosecutions. NGOs and agencies in BiH also indicate that this problem is now at a low level. Although doubtless the matter affects the country to some degree, it is believed now to touch more countries elsewhere than BiH itself and not be a wide spread problem. Policing in BiH cannot claim this as a success however, since it more results from the origins of victims and ultimate destinations making the use of BiH as a transit point unnecessary; particularly in light of increased vigilance by Italian law enforcement bodies that makes transit to that country an unacceptably high risk strategy.

Prostitution, often involving trafficking victims, is often referred to regarding BiH. Discussions, media reports and NGO sources however refer more often to the use of low key locations such as private apartments and contact via the internet, rather than more obvious bars and clubs.

Information on this trend however is not supported by local police reports and activities. There are few prostitution related operations and investigations, and none have been reported regarding the use of private apartments. The conclusion could be drawn that the problem simply does not exist. More likely however is the fact that the problem exists but not on the scale that is sometimes portrayed. Moreover, the issue is not one viewed as a priority by police agencies in BiH.

Smuggling of People/Illegal Migration

From January to July 2006 there were 80 reported incidents of foreign nationals attempting to illegally enter BiH, involving 246 people. 74 of these were Albanian and 144 were either Serb or from Serb areas of Kosovo. In many cases, OC involvement can be largely discounted due to the circumstances of the entry or attempt. Where OC does come into play however, such involvement can occur at any stage of the process.

Pre-entry – OC groups or individuals, inside and outside BiH are involved in the provision of falsified documentation to persons seeking to enter and exit the country. Evidence has been obtained indicating corrupt practices in BiH embassies abroad relating to the provision of visas. Of particular note has been China, from where Chinese nationals enter BiH on short term visas for a stated business purpose but within days apply for a longer stay for other purposes. One example is a group of eleven Chinese nationals refused entry at Sarajevo Airport in late 2005 when they stated that their intention was to work in BiH whilst in possession of visas that had been issued for business visits. A sponsor of Chinese origin was interviewed at the airport and gave the same story as had been given in Beijing when the visas were obtained i.e. ‘business visit’. This was uncovered on interview when stories were found to be inconsistent. Although the overriding legislation is being amended to try to prevent this from happening, such amendments are still several months away and even then each entity has its own employment laws. There is uncertainty as to whether these migrants are the victims of trafficking or have been smuggled. Other reports refer to Chinese OC groups using BiH as a point for trafficking activities. While this cannot be confirmed through information at this time available, immigration data reveals a definite trend regarding Chinese

immigration in BiH. Either way, they are certain to be paying off a large ‘fee’ to an organiser in whose debt they are likely to remain for some considerable time.

On Entry/At BCPs – The use of forged passports, visas, permits and identification documents to enter the country continues. Whereas Slovenia and Croatia report an increase in detections of these offences, BiH reports a reduction. One interpretation is that increased border control capacity in BiH discourages illegal entry in this way. More likely however is that the capabilities of BiH in detecting forged documentation are low. Again it is not always clear that there is coordinated OC involvement in the supply of such documents, but it can be accepted that in many cases the supply for financial gain is organised.

Routes - A number of identifiable routes can be noted that affect the movement of human beings, with variances depending upon the origins of the people involved. It is widely accepted that one of the three main routes to the EU is across Balkan countries, including BiH, to Slovenia, Italy, Austria and, more recently, Hungary. As the borders of old and new EU countries become tighter the balance is likely to shift from BiH being almost solely a transit country towards it being a target country for illegal immigrants. Although BiH is amongst the poorer countries in Europe it still has an average income that is three times that of countries like Moldova, Georgia and the Ukraine.

In light of the economic situation in BiH, the countries with which it shares the problem of combating organised migration crime lie to the South and East. In addition to the ‘Balkan’ route referred to above there are two other main routes out of South East Europe. The first of these is from FYROM via Greece to Italy and the other is from Durrës in Albania to Bari in Italy. The route taken will depend on a number of factors, not least of which is the country of origin. Other factors include the risk of detection and possible punishment, the number of borders to be crossed, the distance to be travelled, the cost of moving illegal migrants or trafficking victims, the availability of assistance in the counties along the route and, lastly, the potential physical dangers. As an example, the cost of moving large groups from Albania to Italy by sea is relatively low, however the dangers are great and a number of would be immigrants have drowned in the process. The alternative is to move by land either through Montenegro (mainly Kosovo Serbs) or FYROM-Montenegro/Serbia (Albanians) and then into BiH and beyond to Croatia.

The most common places of detection of illegal migrants in BiH are on entry in the Trebinje or Visegrad areas and on exit in the Gorica/Grude area.

Weaknesses in BiH border controls - A number of factors can be identified as presenting opportunities to organised criminals seeking the movement of persons. There is a lack of criminal intelligence gathered from persons detected illegally crossing BiH borders. Quality interviewing of those detected would be valuable in terms of identifying methodology and perpetrators, but at present this process is lacking⁷. Capabilities in detecting falsified documentation are limited and present a low element of risk for criminals seeking to use them. Legislation on the control of foreign nationals having entered the country is fragmented and as yet weak, and so subject to exploitation for those aware of the loopholes.

Often it has been the local police rather than the SBS that detects the presence of illegal migrants in BiH. There is a tendency to file minor offence charges in such cases and to let the matter rest there. The danger here is that the SBS will not receive the necessary information to allow them to effectively direct their surveillance operations. There is little coordination or criminal intelligence sharing to assist in long term preventions and dealing with the problem.

2.4.3 Vehicle Crime

A dynamic area of organised criminal activity in BiH involves vehicle crime; specifically the theft of motor vehicles. An indicator of vehicle crime as a developing area of activity is the variances in the crimes themselves. The BiH Ministry of Security's security briefing for 2005 indicated 13 identified specialist criminal groups focusing on auto crime. This assessment identifies a pattern of a small number of organised groups coordinating crimes at a high level, with numerous groups, sub-groups and specialist service providers also involved.

⁷ According to the Ministry of Security, 655 people were detained in 2005 attempting to illegally cross BiH borders, 451 of whom were seeking to enter the country. This in itself represents a potentially valuable source of criminal intelligence in terms of the routes and methods employed and seeking to identify any organised elements to the movement. However, standards of interviews in circumstances of illegal entry and developing detainees as sources of criminal intelligence are limited.

Various areas of particular expertise can be identified, ranging from the theft of particular high value brands via a developed modus operandi to the forging of vehicle documentation.

It is difficult to categorise particular groups as specifically involved in vehicle crime. Rather the picture is one of constantly-evolving inter-relations and smaller scale enterprise with, in some instances, a higher level coordinating group. Links to neighbouring countries among some such groups are important in the onward transfer of stolen vehicles. A number of clear general trends among OC groups have been noted:

The theft of vehicles from BiH for onward distribution abroad, either whole or broken for parts – Often incorporating the altering of vehicle identification markings and the use of false documentation, stolen vehicles are transferred abroad, e.g. Serbia (including Kosovo) and Montenegro. As vehicles head south and east this area of activity poses little threat to the EU but a notable one to BiH.

Vehicles stolen abroad and transported to BiH – Again frequently incorporating documentation offences to facilitate the movement of vehicles. Interpol estimates 10,000 such vehicles are in circulation in BiH that were stolen in recent years, facilitated by an under-developed internal registry system for vehicles. Vehicles are known to be illegally registered and remain in BiH or alternatively to be shipped south and east, as above, or broken up for spare parts. This presents the biggest vehicle crime threat to the EU since the vehicles come from there, particularly Germany and Italy.

Stolen vehicles being returned to owners upon payment of ransom – Various groups have been identified committing such offences, with the vehicles frequently returned to the owners without police involvement. Unfortunately, whereas this type of crime is known to be relatively common, its nature means that police involvement is unlikely and therefore information on the scale of the problem is limited. This offence is made more prevalent by the general lack of comprehensive theft insurance among BiH vehicle owners. Further variations on this have been identified, including vehicles returned to rightful owners outside BiH but the vehicles later found to contain drugs and the owners used as unwitting couriers.

Documentation offences – These particularly focus on facilitating in the transfer of vehicles from their country of origin (including BiH) and subsequent registration. Variations have been found to include such activities as falsified insurance claims through fictitious theft reports. Frequent use of documentation offences features in “legalising” vehicles stolen abroad or in BiH, whereby stolen vehicles are the subjects of fake purchase agreements between fictitious parties, circumventing customs checks. Frequently, organised criminal groups use the services of lower level, specialist associate criminals for the hands-on operations themselves. Evidence has been obtained in various separate cases of official involvement in vehicle related offences that could assist groups committing such crimes. These have involved the misuse of official (police) positions to misappropriate, mis-record or steal vehicle registrations for financial gain. Where such cases have been identified, internal control mechanisms have been employed; however the lack of sophisticated national vehicle registration mechanisms in BiH assists criminals in perpetrating such offences.

Various smaller scale, localised criminal groupings have been found to be involved in vehicle crime. Although on occasion much has been made by local police bodies of arrests leading to the dissolution of various such groups, their comparatively small scale and the numbers of them make such claims exaggerated.

Vehicle crime offences are most prevalent among predominantly Serb OC groups based in the RS, particularly the East Sarajevo area. Serb groups have experience and mechanisms for channelling stolen property. This can be linked to the large scale looting and shipment of goods during the war. With different levels of involvement ranging from high level organisation to low level, associate activities forming part of a supply, processing and distribution chain, the groups coordinate activities from across BiH and into Europe, using strong links to Serbia and Montenegro for onward distribution. A notable factor is the development of specialist knowledge related to vehicle crime, with individuals and loosely linked groups cooperating in facilitating crime through areas such as thefts, transport, falsifying documentation, re-registering, dismantling, disguising and distribution. Specific cases have identified the extent of specialist services provided. Examples include car breakers yards, involved in the re-identification of stolen vehicles and dismantling of them. They also include the development of expertise to target particular makes and models of vehicle.

2.4.4 Weapons Trafficking

The ready availability of arms, ammunition and explosives in BiH is viewed as an ongoing threat to security in the country. Activities by local police agencies and by EUFOR as part of its Safe and Secure Environment mandate have continued to reveal the prevalence of illegal arms possession among the general populace. Such availability lends itself to organised criminal activity in terms of the use of weapons by criminals and groups in the furtherance of their enterprises (as tools of the trade) and also the illicit sale of weapons, particularly cross border.

Information relating to past activities highlights the provision by organised groups of weapons for use in ongoing conflict areas, particularly Kosovo. This pattern is believed less significant now due to saturation point having been reached.

Little concrete information has been obtained regarding weapons trafficking from BiH, particularly in terms of seizures or known group activities. Nevertheless, the clearly established cross border links of various OC groups and links between less organised groupings provides ample opportunity to facilitate the movement of weapons to markets within the EU. The extent of this is difficult to ascertain at this stage from available police data, since that mostly relates to small scale finds and seizures within BiH (usually without identified perpetrators for possession) and rarely to transportation outside BiH. Criminal intelligence held by the SBS points to the possible use of legitimate arms shipments to transport illegal arms movement. However, recent operations to target this have yielded no results or detailed criminal intelligence.

2.4.5 Counterfeit Currency

The passing of counterfeit currency appears increasingly frequently in the reports of LEAs across BiH. The discovery of forged notes comes by various means; the most frequent being discovery by police in the course of search or detention of individuals and the notification to police by banks. Although on occasion these have been forged US Dollars and BiH currency, the most frequent discoveries are of Euro notes, predominantly in high denominations. Clearly the production of counterfeit currency has links, at least at the production and initial supply stages, to OC. However there is no evidence to identify any BiH groups with production. Information is limited as to the

sources of the currency; even when comparatively large quantities are found in the possession of an individual there appears to be insufficient effort to identify sources and supply chains. Police and prosecutors tend, as is the case with other crimes, to focus on the substantive, clearly identified offences and not pursue criminal intelligence gathering possibilities to achieve bigger results.

A likely scenario for the provision of counterfeit currency in BiH is via connections between criminals and groups with links abroad. Information has been obtained from police agencies to suggest the origins of the currency to be Serbia. The passing of notes into BiH in quantity, via transport routes established, particularly with Serb groups in BiH, is a probable scenario. Although the problem at this stage is not identified as a major threat, its increasing appearance in police reports indicates a developing trend.

2.4.6 Other Criminal Acts

In many reports relating to OC in BiH, certain other criminal activities are referred to as common; particularly illegal logging and fuel smuggling.

Illegal Logging – This crime did not feature in information received from any EUPM co-location, nor does it feature as an issue in any police report received, for the purpose of this analysis or previously. Although illegal logging does occur in BiH, it is not as widespread as is often portrayed and does not feature as an activity of any of the OC groups identified. Operations, usually EUFOR-initiated, have yielded little criminal intelligence and no significant results. Illegal logging is carried out on a small scale as individual enterprise, but not to a major degree. One must also consider the practicalities of smuggling large quantities of an extremely visible commodity within the country and across BiH borders. In contrast to commodities such as drugs, no enterprise could guarantee the shipment of lumber without detection, and such activity becomes high risk for limited rewards. In such circumstances one could expect at least some detection of shipments. A more likely scenario is excessive logging, whereby corrupt officials increase the size of lawful shipment quotas; effectively disguising illegal shipments inside legitimate ones. This is of a limited scope however and the indications are that this cannot be considered a major OC activity and is therefore not a priority area to be targeted.

Fuel Shipments – The theft, hijacking or smuggling of fuel has the potential to be lucrative and has featured in local police crime reports in the past. The incidents however are isolated and far from common. Moreover there is no identified link between such criminality and OC groups. Once again, this is more likely to represent instances of individual or low level enterprise and/or criminal practice by company officials.

2.5 Follow on Criminal Activities – Financial Implications

The criminal activities that have been identified in the preparation of this report have in the main been in the interest of profit. This presents then the issue of handling the proceeds of crime. The disposal and laundering of large sums of cash is an important element of some of the larger criminal groups in BiH.

In the country as a whole, there is a low level of wealth generally and this limits the visibility of wealth in terms of property and high value goods. Limited numbers of high value cars for example mean that those in possession of them are notable. Obvious displays of wealth are common among many identified OC figures in BiH, particularly in and around Sarajevo.

Available information on criminals and groups links many individuals with businesses such as bars, cafes, casinos, restaurants and hotels; all of which by their nature handle cash in relatively significant sums. Although at this stage detailed criminal intelligence on money laundering activities is limited, this may be indicative of some of the strategies adopted by criminals to process the money obtained. As well as this, the purchase of properties is common among criminals and groups, as well as other business activities, with many having legitimate business interest. This serves as a vehicle to process illicit funds but also to add an element of respectability and apparent legitimate success to organisations; thereby disguising their criminal activities.

Investigations at state and local levels have revealed increasing evidence of the use of ‘ghost companies’, registered and set up to funnel funds into the banking system which are then transferred elsewhere. Cash deposits are made into banks that fall below the BiH banks’ reporting threshold of 30,000 KM (15,000 Euro) and then moved elsewhere. Whilst relatively unsophisticated in its nature, the increasing evidence of such activity appears to be exploiting the relatively undeveloped

corporate and financial systems of the country to legitimise funds. While there is as yet little direct evidence implicating particular criminals or groups in such schemes, it is likely that these and similar methods are employed by them.

Although legislation now exists in BiH to deal with financial crime and the proceeds of crime, there is a lack of expertise and capacity to investigate complicated economic crime. While many criminals and groups operate at a relatively low level, others identified in BiH do so with clearly large amounts of money. Investigating trails and the significant business interests of such groups presents a real challenge for BiH LEAs at this time.

Particularly difficult is identifying what represents economic crime in an isolated sense and what constitutes an element of OC in terms of money laundering. SIPA in 2005 reported 27 cases of money laundering totalling an estimated 58 million Euros. Further figures are quoted regarding fictitious companies and numbers of related arrests. However, an issue is the ability to link the substantive criminal acts to identified OC groups or activities. Whereas many of the groups and individuals identified as active organised criminals in this assessment are known to have substantial assets and business interests (not to mention evidence of personal wealth), none have any record of investigation or prosecution for financial irregularities or money laundering. This is an example of the compartmentalised approach taken by BiH LEAs, whereby sections focus on particular areas of crime but fail to make the links to other activities; in this instance by examining the origins of funds.

2.6 Supporting Criminal Activities

2.6.1 Violent crime

Many of the OC groups identified in BiH are highly active in the protection and support of their activities. Particularly in certain areas, the proximity of different OC groups with overlapping or conflicting spheres of interest and influence has led to their being robust in the maintenance of their positions. Clearly the use or threat of violence by criminals forms a part in many of their activities themselves, such as extortion. However, BiH is notable for the willingness of criminal groups to employ violence in support of their activities. East Sarajevo for example has seen sustained and

particularly high profile campaigns of violence by OC groups. These have included attacks on property, murders and attempted murders against members of rival groups, but also attacks on law enforcement officials, including the murders of three senior police officials. Trebinje has also seen high profile violence over a sustained period believed to be at the hands of organised criminals. This was manifested in a series of explosions on vehicles and property owned by or connected to criminal justice professionals including police officers and members of the judiciary.

An undoubted element in such attacks is the ready availability of arms, ammunition and explosives, coupled with expertise. The recent war in the country has left, in spite of efforts to reduce numbers, large quantities of serviceable munitions in circulation, as well as a generation of people experienced in the aggressive use of them. As such, shootings are common among criminal groups, as is the use of explosive devices of varying types (recent attacks have included timed bombs, grenade attacks and a roadside booby trap incorporating three anti-personnel mines).

In October 2005, 4 males were prosecuted in Mostar for the use of an explosive device under a vehicle. Subsequent enquiries revealed evidence to indicate that one of these males was making sophisticated, mobile telephone signal-activated, explosive devices for supply to groups in Trebinje and Sarajevo. In this case, although not strongly connected into a close-knit OC group, it was clear that expertise in the construction of devices for use by groups is available on a contract basis.

In spite of the above however BiH does not find itself in a position of exposure to constant violence. Rather the situation of co-existence between groups tends to be relatively harmonious with occasional disputes. In such cases the security situation in the country is not affected as violence is confined to criminals and groups. Nevertheless, attacks in public places, although aimed at rivals, run the risk of collateral damage to members of the public.

2.6.2 The Role of Corruption and Official Involvement

The links between organised criminality and official involvement or collusion are well-founded in general and BiH is no exception to this. A complex, inefficient and fragmented system of government and public services contributes greatly to this, as does an equally fragmented police and judiciary. When added to the fact that accountability mechanisms for officials, including the police,

are either non-existent or undeveloped, the public sector structures in BiH provide ample opportunity for corruption. In the case of the police, low salaries, weak systems for internal control and public complaints and lack of support are all able to be exploited at a low level. At a more senior level, police and government officials across BiH, in both entities, have been suspected of involvement in criminal activities linked to OC. Investigations in Mostar, Banja Luka and Brcko District have all revealed strong suspected links, however the record of full investigations and successful prosecutions is woefully poor.

The files held by local police on many members of criminal groups indicate suspected involvement, arrests and even prosecutions, but few indicate any significant conviction and, notably, any specific OC issues. Questions have been raised at police, prosecutorial and judicial levels regarding the conduct and progress of investigations and prosecutions. Strong links are suspected between various OC groups and law enforcement officials at two levels: in facilitating criminal activities (eg. border crossings or countenancing particular activities); and in escaping prosecution for offences. In the first case, examples have included the uncovering of large scale fraudulent vehicle registration and documentation frauds by police officers and even the involvement of police officers in human trafficking to the EU. In the second, questionable decisions made by senior officials in particular instances have provided cause for concern.

Potential links between criminals and officials are further complicated by other factors:

- Ethnic and community ties are strong in BiH and beyond. Such ties provide for contact and cooperation that can transgress professional boundaries.
- Wartime links: activities and relationships during the war in BiH, not to mention the tainted backgrounds of many in official positions again provide for the blurring of boundaries.
- Links to PIFWC networks are known to involve officials and criminals. The political element in PIFWC support networks provides a further links between groups and officials.

Naturally, when this assessment is based on liaison with local police counterparts in the various LEAs, it was unlikely that any direct suggestion of police involvement in OC was going to be offered at this stage. This remains however an area that warrants closer analysis.

2.6.3 Intimidation

By its nature, the issue of intimidation by criminals to evade successful prosecution is difficult to quantify since it relies on fear of criminals outweighing faith in the inclination or capabilities of officials to protect them. It is known that OC groups use fear and intimidation as a means to protect their activities. This includes, in one notable case currently under investigation, a number of police officers changing their evidence at court leading to the acquittal of the defendant, allegedly following threats.

As already mentioned, particularly in regional areas, police officers are parts of communities and therefore closely linked with the public. This provides for relative ease for those seeking to intimidate officials, albeit this would be one means among a number available. Since most OC enterprises are able to operate with only limited risk of law enforcement disruption, the threat of intimidation of officials at present is not viewed as widespread or high.

The use of intimidation of members of the public is also strongly suspected (for reasons of racketeering, protection and of avoiding prosecution). However, as in other areas of this report, it is a matter for which little direct evidence is held. In a country where confidence in the police is low, to come forward against known criminal figures would largely necessitate the presence of confidence in the police (and wider criminal justice system's) capacity (and inclination) to deal swiftly and effectively with the threat, as well as protecting the witnesses. Nevertheless, in one notable current case, a business owner offered evidence of direct intimidation by a high profile East Sarajevo group with the sole purpose of taking ownership of that business. This was reported to the police and is ongoing.

2.6.4 Links to Persons Indicted for War Crimes

Within the East Sarajevo region and elsewhere in the RS, there are strong links between criminals, groups and also into RS political structures. These are known to spread further with strong links into Serbia itself. There are identified links between some of these groups and PIFWCs, with groups strongly suspected of being part of supporting networks providing financial assistance to war criminals and assisting in their remaining at large. As a result of the links between major and organized criminals, BiH, in March 2006, implemented a law to prevent the financial support of

people indicted before The Hague Tribunal. The links between people in official positions, particularly in the RS, organised criminals and PIFWCs are believed extremely close. This in itself makes gaining accurate information and pursuing actions against these links highly problematic, since official (including police) involvement and collusion naturally impedes criminal justice progress against them.

3. Localised summaries of OC (*Sanitised*)

Through its co-location with the local police, EUPM is able to identify in excess of 20 criminal groups across BiH. Information held on these groups is sensitive and therefore restricted in its circulation. These groups do not represent all criminal organisations in BiH, as there are doubtless others in existence; however they represent those identified for the purpose of this report through the Mission's channels. At present, BiH law enforcement as a whole does not have the capacity to provide a state-wide picture of the active criminal groups. Criminal intelligence is held by the various LEAs (without it this assessment could not have been produced), however the country does not yet have a single body able to hold, analyse, coordinate, process and distribute that criminal intelligence, leaving none of the agencies in possession of a complete picture.

This section outlines the general trends and issues in the various areas. A key area for future consideration is the placing of this information into a wider international context. For example, much information was obtained regarding cross border OC links that would benefit from the addition of specific information on the groups and operations in other countries.

EUPM has obtained the details of group leaders, known members and associates in the production of this section. These details are not included in this report but held by EUPM. They will serve as a means to focus the activities of the Mission for the future in supporting the local police efforts to fight OC. Where appropriate, detailed information will be shared with outside bodies but will not feature in general reports.

General Trends

Overview - In the gathering of information for this report, certain general patterns and trends emerged regarding OC in BiH. The most evident of these is that the situation is fluid, complicated

and not clearly defined. With some notable exceptions, areas were subject to numerous loosely linked criminal groupings, mostly centred around a key individual. Whereas some of these groupings have a reasonably tight core linked on family and/or ethnic lines, there is a high prevalence of lower level associates and inter-relations between groups. A clear hierarchy of individuals and groups was not identified in most cases, but rather a confused picture of common enterprise and cooperation. Information held by EUPM identifies the key figures in such groups and many of the lower level operatives.

Sandzak and Albanian criminal groups - The main exceptions to this are the Sandzak Muslim and Albanian groupings. Based predominantly in Sarajevo but with ethnic links across BiH and outside, these groupings are the only identified '*mafia-style*' groups operating in BiH. These dominant groups work with the already established (mainly Muslim) groups in Sarajevo and with Serb ethnic groups in East Sarajevo and eastern BiH, drawing on established contacts and structures. They also link with lower level, more loose, sub-groups and associates to facilitate operations across the country.

Serb ethnicity criminal groups – Centred mainly in the East Sarajevo area, a Serb stronghold since the war and with strong links to Serbia, RS political and official figures and to known PIFWCs, the groups inter-relate in various ways and cooperate with ethnically linked groups in Serbia and Montenegro. The main groups are located in East Sarajevo itself but other groups are located in south and north eastern areas. Their contacts and ethnic links are useful in cross border activities with neighbouring states in the east. Sandzak and Albanian groups are believed to sub-contract Serb groups to assist in this process. The main area of specialist activity however is vehicle crime in various forms, which enlists the efforts of numerous smaller groups and individuals.

3.1 Sarajevo Region

Sarajevo Federation

As the capital of BiH, Sarajevo clearly can be identified as a centre for criminal groups and activities. Its location in relation to other towns and cities (in particular Pale (East Sarajevo)) adds a further dimension of other groups. There is a high number of identified groups in Sarajevo, with

strong inter-group links and links to groups elsewhere in BiH. This produces a complex and confusing picture of groups and sub-groups in what is a comparatively small city in terms of area and population.

East Sarajevo

Pale is a small town located close to Sarajevo itself and has been historically viewed as an ethnic Serb stronghold. The East Sarajevo area presents significant opportunities to organised criminals from a geographic perspective. The region is mountainous and difficult to access and provides a number of infrequently travelled routes to the borders of Serbia and Montenegro, leading to unauthorized border crossing points that are difficult to police. A further benefit for criminal groups in this area is the local police structures in place. The region falls under the responsibilities of police from PSC Pale, Canton 9 (Sarajevo) and Canton 5 (Gorazde) plus state and entity level LEAs. Issues affecting communication and cooperation between these policing bodies lead to weaknesses in the operational capability of the police to tackle criminal groups.

Sarajevo is dominated by the presence of Albanian and Sandzak groupings that work closely with established, mainly Muslim, Sarajevo-based groups. There is a significant organised crime element in Sarajevo. This has shown itself in the generally high visibility of certain criminals, with little effort made to disguise their comparative wealth. Property, vehicles and businesses are frequently ostentatious and this goes hand in hand with a public awareness of who the criminals are and what they do. When coupled with an absence of significant prosecutions of such criminals, this leaves an impression of immunity among gang leaders that supports suggestions of intimidation, corruption or collusion of criminal justice officials. Many of the criminals are almost public figures in Sarajevo; highly visible and well-known due to their wealth, reputation and in some cases wartime backgrounds.

The picture is one of two major criminal groups indigenous to the Balkans and settled in BiH. There are notable links to groups elsewhere in the country and beyond. These groups liaise closely with other groups that have developed in the city based on war time activities. These provide a degree of operational capacity, legwork and enforcement to the senior groups that are generally more removed from hands on criminal activity.

The proximity of groups has on occasion led to inter-gang violence, as conflicting criminal interests and spheres of influence have brought groups into conflict. Alliances between groups have seen such violence escalate, manifesting itself in shootings and explosive attacks on vehicles and business premises. These have rarely resulted in injury to members of the public and have been confined to the criminal groups, however the nature of the attacks in a small city mean that they rarely go unnoticed.

Numerous further separate groups can be identified, involved in drug trafficking and car theft and vehicle related extortion. Examination of these groups reveals that the majority are locally based and loosely connected, but often with links to some of the larger groups. The indication is that they are utilised as couriers and for particular activities, as well as for low level local dealing.

Examination of these groups suggests comparatively limited spheres of operation, based on areas of the city and wider Sarajevo area. This in itself however indicates a clear subordinate role, although some have independent connections beyond BiH.

3.2 Pale – East Sarajevo

The existence of OC groups and activity in the region, mostly centred on Pale, is made evident by the high profile nature of the crimes committed. A high number of murders, attempted murders, shootings, explosions and violent incidents have been recorded, often targeting criminals, their associates, but importantly police officials. Few of these crimes have been detected. The prevalence of such crimes makes the area one of the most obvious centres of OC groups and it is the proximity of these groups and ensuing rivalries that is believed to have led to sustained violence between them.

Vehicle crime is a key area of activity for groups centred in East Sarajevo, with large numbers of cars stolen in Sarajevo being transported to the area, where it is viewed as easier for criminals to conceal them. This area of activity forms the main part of the process, with coordinated operations using strong links to Serbia to further lucrative supply chains.

Several groups are identified as based in the area, of which three are significant. These are local criminal groups with strong links to Serbia and Montenegro. They are predominantly Serb and known for intense violence and rivalries. These rivalries have led to inter-group feuds and attacks, culminating in murder. Groups here have strong links to others in Sarajevo and across eastern BiH.

The smaller groups known to exist in the town align themselves to one or other of the larger groups, carrying out subordinate tasks as common enterprise. As in other eastern BiH areas mentioned, there are identified links based on ethnicity to neighbouring states in the east.

3.3 Trebinje Region

The Trebinje area is significant as it is the southernmost region in BiH and borders with Montenegro and Croatia. The majority of OC groupings detected are loosely formed alliances of criminal affiliates, cooperating for a common purpose. Various historical and social reasons lead to strong population links between the region and Montenegro. There is one significant OC group in the area with strong links to Serbia and Montenegro. This group is predominantly family based

Drugs – The area, as is the case in other parts of Herzegovina, is developing in terms of the cultivation of marijuana. 2006 has seen weather conditions particularly suitable. The rain has made detection more difficult as crops in isolated areas need to be tended less and self irrigating, therefore the growers run less risk from the police by not needing to visit their plantations so often. The cultivation of cannabis is principally a small-scale production process, carried out by individuals on a local basis.

Smuggling of tax due goods - A high level of unemployment and general poverty have created a huge black economy in BiH. As a result the trafficking of cigarettes and other goods is common. Significant seizures have been made indicating the scope of this problem. The strategic location of this region places it at the forefront of smuggling activities.

Human smuggling - The predominant trend in persons illicitly entering this area is that Albanians enter, often via Kosovo, through Montenegro and into one of the three territories bordering with Montenegro (Trebinje, Bileca and Gacko). The onward route is to Sarajevo, from where the people are transported, mostly by road, into Croatia and Slovenia. Media reports highlight the fact that

many OC groups are increasingly switching activities to human smuggling into BiH due to lower penalties and higher profits.

Supporting activities in the Trebinje Region

Violence - Rivalries between various individuals and groups involved in similar activities, particularly smuggling, have resulted in violence. For example, it is known that cigarettes smuggled into the area are stockpiled as the shipment builds up, before onward distribution to black markets in cities such as Mostar and Sarajevo. Such stores have led to thefts by one group from another resulting in isolated incidences of violence.

Intimidation – 2006 saw a series of attacks on vehicles owned by criminal justice personnel, including police officers and the son of a Basic Court Judge. The high profile and serious nature of these attacks gave an impression of a significant threat of intimidation. A large scale police investigation identified a group of individuals collaborating in car theft and extortion activities whose objective was in dissuading the police from interfering in their crimes. In this instance the offenders were imprisoned and the result has been to stop the series of intimidation of officials.

Financial Issues – The nature of OC in this area is such that little is controlled within the sphere of one individual or group, but activities rather involve the collaboration of local criminals. The activities, in which they are involved, including smuggling and small time drugs production, do not yield high levels of income. Cigarettes for example are not significantly more expensive even with tax added and therefore the rewards are limited. There is little overt wealth among the identified criminals, in stark contrast to Sarajevo, and little to suggest financial crime to process high levels of illicit income.

3.4 Mostar Area

In general the Mostar area is linked into and serviced by groups operating in a wider context with Herzegovina. There is one significant group in the area which represents the main organised group with clear links to others in BiH and with working links into EU countries. There is however a limited local market for drugs in Mostar, mainly heroin and marijuana, that tends to be serviced by smaller, local groups based in the city.

Additionally further smaller groupings are able to be identified in the Mostar area, whose activities predominantly service the local drugs market but also extend into vehicle crime and the passing of forged money believed to originate in Serbia. These groups are generally identified as having links also into Serbia, Montenegro and to Sarajevo. Based on the knowledge obtained of other groups in the Herzegovina Region, it is most likely the case that these groups are smaller, more loosely connected and form associate links to some of the larger groups. Moreover, the small scale of the drugs market, as elsewhere in BiH, prevents the activities of these smaller groups being viewed as significant.

3.5 Tuzla Region

Groups in this area are predominantly Muslim, with links to groups in Sarajevo in particular but also elsewhere in BiH. The groups are active in providing supply and transport routes, particularly for drugs exiting the country. There is a Serb OC element in the region also, linked to Serb groups in East Sarajevo.

3.6 Bijeljina

The main group here is of Serb ethnicity and has strong links to Serbia and Montenegro and numerous identified associates. The group is particularly active in border areas between BiH and Serbia, most notably Bijeljina, Zvornik, Sabac and Loznice. The group has strong ties in particular to the East Sarajevo.

In both the above areas, the locations of the areas to neighbouring countries are the major factor, with groups and connections forming part of supply and transport connections.

3.7 Una-Sana Region

The North West area of BiH offers close border links with Croatia and easy access to the Croatian highway, leading towards the EU. OC groups have been identified, with links to each other and into Croatia and Slovenia. There is also a strong Sandzak connection and clear links to groups elsewhere in BiH. The primary function of groups in this area is cross-border movement and into the EU. Key in this is strong suspected influence into official bodies.

3.8 Banja Luka

As the capital city in the RS and the centre for RS political and administrative functions, Banja Luka has a criminal climate different in a number of ways from other areas. Whilst a centre for Serb ethnic identity and politics, there is little to suggest the area as a centre for Serb OC groups. East Sarajevo takes on the role as centre of Serb criminality, with the organised ethnic criminal groups located predominantly there (see above). Banja Luka does have a number of identified criminal groupings but they take on the pattern of loosely linked associate groups focussing on vehicle crime, document and forgery offences, as well as drugs distribution at a local level. These groups are not tightly linked or ethnically based, although there is a predictable majority of Serbs. No clear dominant and organised group has been identified.

3.9 Doboje Area

This area sits in a significant location, close to Croatia and to Brcko District. The town itself falling under the RS, the main trend is for Serb groupings to be prevalent. The most notable activity is cross border smuggling, servicing a black economy that is most evident in the “Arizona” area of Brcko District. Groups are known to be, or have been, involved in offences ranging from the smuggling of commodities, localised drug dealing, vehicle crime and human smuggling. None are identified as major targets by LEAs, but rather are presented as localised and loosely connected groupings centred around particular individuals; but with a high degree of flexibility and independence.

3.10 Travnik and Zenica Areas

The main OC element in this area is involved in the theft of vehicles, with origins in the war. There is one clearly dominant group in the area and the central geographic position of this group ensures links to other areas of BiH.

4. Conclusions and follow-up

In producing this assessment, a number of areas for improvement in the information gathered have been identified, which would benefit from further research and analysis, including:

- Inter-relations between organised criminal groups in BiH;
- Detailed links between organised criminal groups in BiH and groups in neighbouring states;
- Modus operandi for cross-border crimes;
- Criminal activities and organised groups in certain areas of BiH;
- The extent of official collusion and involvement;
- Details of certain known OC-linked activities, such as financial crime and counterfeit goods.

EUPM, in producing this assessment, has identified a number of clear measures to be taken in the future to follow up on the report and focus the activities of Mission personnel in support of the local police's fight against OC. The following recommendations therefore represent **internal steps** to be taken to further EUPM's mandate.

Naturally the nature of some of this information is likely to prove difficult to obtain, however further analysis of these areas would provide a more complete picture of OC in BiH. In particular, closer scrutiny of cross border links would be of great use, firstly in developing an accurate picture and secondly in assisting the local police in the fight against OC. A likely reason for the lack of detailed information is the absence of ongoing and consistent criminal intelligence sharing between different law enforcement agencies in BiH and neighbouring states.

Follow-up: *EUPM will identify means to incorporate assessments of OC in neighbouring states in support of its BiH assessments in order to produce a fuller analysis of the problem in BiH itself.*

A further reason for the incomplete information obtained is the lack of knowledge of local police of the phenomenon of OC, lack of expertise or, in some cases, the lack of willingness to share existing information with EUPM. The developing and future updating of information available to EUPM, along with better analysis, should help address issues of cooperation through providing EUPM advisors with information with which to challenge counterparts. Lack of awareness and expertise has manifested itself in issues such as financial crime, where the lack of knowledge places advisors at a disadvantage.

Follow-up: *EUPM will identify means to develop its analysis capabilities in order to assess and monitor the OC situation in BiH, potential threats to the EU and evaluate progress against its mandate.*

In considering certain crimes, including drugs trafficking, human trafficking, weapons smuggling and financial crime, this assessment, in examining general trends, uncovered overview information but left many unanswered questions. Such questions would be best addressed through **thematic assessments**, whereby EUPM advisors are tasked with providing a picture on specific issues, areas or threats. These would include consideration of other known OC activities, of which little information has been provided for this report, suggesting that they are not yet a priority for the local police, including money forgery and counterfeit goods.

Follow-up: *EUPM will continue to assess the OC phenomena in BiH but focus on particular areas and issues through thematic assessments.*

This is the first exercise of its kind carried out by EUPM. The OC situation in BiH has shown certain characteristics that severely increase its complexity:

- Links to wider OC patterns across the region that increase the scope of the crimes
- Numerous criminal groups of different sizes, structures etc in a comparatively small country
- Origins of much of the situation in the war and break up of former Yugoslavia
- Limitations in the BiH police that severely restrict the availability of quality information

Such issues mean that the situation is difficult to assess and should be subject to more frequent monitoring and review. The identified number of criminal groups and activities mean that the situation in October 2006 is unlikely to remain the same in October 2007. This assessment therefore should be considered as an initial one, and the basis for further general assessments and for future thematic inspections.

A Mission task for the future will be the incorporation of this and further assessments into the prioritisation of Mission tasks in furtherance of the mandate. EUPM must examine the information obtained and prioritise areas to be targeted, in support of local police efforts.

Follow-up: *EUPM will incorporate analysis and assessments of the specific OC threats identified in its activity planning in order to prioritise its efforts against the mandate.*

Follow-up: *EUPM will assist BiH police agencies in formulating strategies for the effective sharing of criminal intelligence and coordination of efforts in targeting OC to improve the country's overall capacity to fight OC.*

Follow-up: *EUPM will use OC analyses internally as a means to brief its personnel to ensure a focussed approach in field locations; allowing staff to be informed of targets and issues in their areas. This has the potential to reduce the adverse impact currently felt from the rotation of experienced Mission personnel and replacement with newcomers.*

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