

Anti-Fraud Department reports on efforts to tackle corruption in BiH

The OHR's Anti-Fraud Department (AFD) has compiled a report on its expanding effort to tackle corruption in Bosnia and Herzegovina during the past year. The AFD became a full-fledged department inside the OHR in August 2000, and opened offices in Mostar in August 2000 and in Banja Luka in January 2001. It has assumed an operational role in helping BiH authorities investigate and prosecute strategic economic crimes, in addition to its established role of coordinating and facilitating the anti-corruption activities of international and domestic agencies.

Following a model similar to that of the OSCE's Political Party Finance Audit, the AFD Audit Transparency section was inaugurated on 1 January 2001. Audits have proved to be an effective tool in addressing endemic corruption. The audits of the RS budget, carried out by the OSCE in cooperation with the RS Auditor General, and the Federation budget, carried out by a Special Auditor appointed by the High Representative, documented glaring structural weaknesses in the Entity accounting systems which have resulted in negligent or wilful loss of funds.

The estimated losses from irregularities, waste and fraud in the Entity budgets run into the hundreds of millions of DM. With a competent and honest public financing structure, BiH could probably meet its obligations without external financing assistance.

Audits, undertaken in close cooperation by the OSCE Political

Party Finance Audit and the AFD Transparency section, of financial systems operated by political parties have revealed the methods used by some politicians to divert public funds for personal or political gain. The AFD has been able to refer concrete cases to local authorities for further action, and its assistance with investigations has led to the prosecution of some former politicians.

The AFD does not intend to take over fraud investigations wholesale, but rather to support BiH authorities in the investigation and prosecution of specific cases with a view to identifying systemic and structural changes that will help overcome weaknesses in the overall system. It addresses the need for anti-corruption mechanisms at State as well as Entity level, and in the regional as well as the national context.

In addition to organising seminars and training courses for police and judicial officials, the AFD and OHR Press Office launched an awareness campaign called “Ovaj and Onaj fighting corruption”, which showed citizens how to fight corruption by insisting on their right to responsible and accountable government. It has also initiated reform of the Finance Police, and it has helped in the drafting of Entity and State legislation on anti-corruption, money-laundering prevention, and criminal procedure.