

Summary of the second book of a trilogy *In the Name of the State: Resell*

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The first book is in format 16 x 24 centimeters, with 480 pages, 719 footnotes, more than 110 documents, maps and many documentary and war photographs.

<http://www.sanje.si/knjigarna/v-imenu-drzave-2-knjiga-trilogije.html>

The second book of the trilogy contains sixteen chapters.

BOOK TWO:

Chapter 1: *Secret operation Tilia, when even the Pope could not help a Slovenian agent*, is the title of the first chapter. It talks about how in Warsaw, a group of special police forces led by the chief of security in the civilian secret service tried to exchange Yugoslav dinars for Deutschmarks needed for arms purchases. In July 1991, Poland was the country with the best exchange rate, but Polish security services were cautious enough and prevented the secret operation. They released the chief of the Slovenian group, who had been arrested, but they took the money.

Chapter 2: Slovenian Ministry of Defense agents were more successful. They managed to exchange 135 million dinars into millions of Deutschmarks in cash, with the assistance of the Croatian banker Ibrahim Dedić. Based on this secret operation they obtained hard currency from the Croatian treasury, with the police investigation being blocked intentionally. In the process, several hundred million dinars from the Slovenian defense budget were exchanged on black markets throughout the territory of former Yugoslavia, with the help of Albanian mafia. After dinars were removed from circulation in Slovenia and Croatia, trucks loaded with unusable banknotes crossed the border with Bosnia and Herzegovina, where they were used to buy any hard currency that could be found. Bosnians responded by counterfeiting Slovenian tolar. The Bosnian businessman Fadil Djozo tried to purchase arms in Slovenia with counterfeited banknotes, but without success. Djozo was assassinated in Bosnia in 1992, and the assassination of Dedić, who was killed in 1999 in the center of Zagreb, is still unresolved.

Chapter 3: The money for purchasing weapons was also provided by the Italian mafia. Aldo Fanelli, a member of the Venetian organized crime group Mala del Brenta, who came up with an effective money-laundering scheme to be effected in casinos, was living in Slovenia, safe from the Italian and the international prosecution. He passed 300,000 dollars to the Slovenian ministry of defense for purchasing weapons. However, major assistance came from Germany. Defense and finance ministers publicly announced that Slovenia received more than 60 million Deutschmarks in loans from a Western country and that 46.6 million marks were spent for arms purchasing during the UN arms embargo. With this money, they paid for two full ships of modern anti-aircraft and anti-armor missiles.

Chapter 4: The main headquarters of arms dealers to western republics of the former Yugoslavia was located at the Vienna airport. The company, Scorpion International Services S.A., was registered in Panama, but the owner, Konstantin Dafermos, was a Greek. He would not accept arms deals worth less than one million Deutschmarks and had good connections with western and eastern intelligence services. In Panama, he was a partner in eight companies, using ten variations of his own name. One of partners was the Russian KGB officer Vladimir I. Ryashetsev; among others

were Austrians Karl Grois and Dieter Rabus. The Greek partners were Athenian lawyers Georgis Alfantakis and George Daskalakis. One of the most influential Slovenian businessmen, the founder of the Gorenje Company, Ivan Atelšek, was also a partner in one of the Panamanian companies. In the nineties, Gorenje set up a company called Orbis, which made big profits during arms smuggling. 15 year later, Gorenje was involved in a bribery deal with the Finish defense contractor Patria, which was arranged in Slovenia.

Chapter 5: Dafermos used middlemen to access Yugoslav markets and battlefields. The first one was an Australian of Slovenian descent, Nikolaj Oman. In the seventies, he left the former Yugoslavia as a petty criminal, but returned just before the independence as a middleman on whom the fate of the nation depended. After the first shipments of arms, he started buying luxury houses and castles in Slovenia and surprised the public with his luxury lifestyle. However, his ostentatious behavior was not without consequences. After a big quarrel with the Slovenian ministry of defense, he was expelled from the country and prosecuted. The Russian extreme politician Vladimir Zhirinovskiy demanded 9 million US dollars for a gas mask shipment organized by Oman.

Chapter 6: As Oman lost his role, an artist took his place. At the time, he was the director of Ljubljana's Opera and Ballet. His name was Nikša Župa and he was the main middleman in selling Dafermos' arms to Croats and Bosnians. He once bragged to have sold more than 150 million dollars worth of arms, and the main purchasers were generals Ivan Čermak and Vlado Zagorec from Croatia, and Alija Delimustafić and Fikret Abdić from Bosnia and Herzegovina. His successful arms dealer career was cut short when he was shot down aboard a Ukrainian plane, above Plitvice lakes in August 1994.

Chapter 7: After Župa's death, the Croatian general Vladimir Zagorec became the main Dafermos's middleman. At the top was Gojko Šušak, who at the time was the Croatian defense minister. His assistant, general Ivan Čermak, was responsible for logistics, and Čermak's assistant was Zagorec. In their biographies, they are described as the other Croatian middlemen, like brother Mikulić, Ferdinand Jukić and others.

Chapter 8: Only a week before the first military clashes in the former Yugoslavia, the most important shipment for the Slovenian defense forces arrived from Bulgaria, consisting of five thousand assault rifles, millions of rounds of ammunition, and the most important, anti-aircraft and anti-armor missiles. The shipper was a Bulgarian state arms company, Kintex, Sofia, the middlemen was an Austrian company, Stalleker GmbH from Vienna, and the deal was worth 7.8 million Deutschmarks. Without this shipment, the defense of Slovenia's independence would have been much more difficult. Many other ships from Bulgarian ports of Varna and Burgas came to Slovenia's only port, Koper.

Chapter 9: After Kintex success, the Slovenian Ministry of Defense turned to a new arms dealer. That was Konstantin Dafermos from Vienna. He was offering modern Soviet missiles, which would be delivered through a Polish company, Cenrex. Lieutenant-colonel of the Polish military intelligence service WSI, Jerzy Dembowski, visited Vienna in the spring of 1992, with a request for a payment for arms delivered to Slovenia. Many ships, loaded with arms, came from the Polish port of Gdynia. WSI was dissolved in 2006 by the Polish Sejm because of many irregularities. Bank documents show that at least 9.4 million dollars were paid from Dafermos's bank account in Hungary to the Polish company Cenrex, but the real amount could have easily exceeded 19 million dollars.

Chapter 10: In 1992 the origin of shipments was transferred to the northern part of the Black Sea, the Ukrainian port of Mykolaiv. The organizer of the transports was the company Global Technologies International, which was established by Dmitri Streshinski. In April, a ship with

missiles for Slovenia, worth 12 million dollars, came to Koper. The biggest deals started in October 1992. Eight ships with more than 12,000 tons of arms were delivered to Croatia by an organized crime group, known as the Odessa mafia. Konstantin Dafermos, Alexander Zhukov, Leonid Lebedev, Dimitri Streshinski, Jevgeny Marchuk and some others were prosecuted by the Italian prosecutors in Turin but they were all acquitted. The first two of the eight shipments passed through the Slovenian port of Koper. A ship named Island made two journeys from Mykolaiv to Koper in two weeks and brought 96 containers of arms and ammunition, which were then transported to the Yugoslav battlefields in days.

Chapter 11: All traces lead to Kremlin. The Soviet army possessed hundreds of thousands of ammunition depots in Eastern European countries. Many of these never returned to Russia, but were used in battles in Yugoslavia. During the UN arms embargo, Slovenia bought 52 SA-16 Iгла anti-aircraft launchers with 400 missiles, 50 AT-4 Fagot anti-armor launchers with 500 missiles and 20 AT-7 Metis anti-armor launchers with 200 missiles, for 33.3 million dollars. But Iglas were of Soviet origin with Russian documentation. In January 1992, Dafermos organized a secret meeting between Russian missile experts and Slovenian Ministry of Defense officers, to examine the possible purchase of the mobile and expensive SA-8 Gecko anti-aircraft system. The deal was not realized due to high prices. Today, Konstantin Dafermos is the exclusive representative of the Russian state monopolist in arms trade, Rosoboronexport.

Chapter 12: By February 1992, five ships loaded with weapons for Slovenia and eleven other ships with arms in transit to Croatia, had docked in the port of Koper. They started their journeys in Lebanon, Argentina, Bulgaria and Poland. However, the largest shipments came from Constanta, Romania. Three ships sailed off with 200 containers and 3500 tons of weapons and ammunition. Between October 1991 and February 1992, at least 4,340 tons of weapons were in transit through the Slovenian port. At that time, Koper was also the most important Croatian and Bosnian port.

Chapter 13: Not every arms deal is successful in making millions in profits. Sometimes, it also causes much trouble and distress for the would-be arms dealers and also leads to attempts to kidnap the cheaters. A group of Ministry of Defense agents traveled to Cyprus and arranged an arms deal. But after paying 880,000 Deutschmarks in advance for a shipment from Bulgaria, the money was gone, but no ship arrived. So five strong men from Slovenia went to Klagenfurt, Austria and tried to kidnap the other Greek national, Angelos Pieris. The attempt failed and all the five would-be kidnapers were arrested. Following the Slovenian ministry of defense's intervention, the five received a short probation sentence and were later released.

Chapter 14: Prinz Eugen was a well-known German battleship in World War II. However, its phantom successor, Prinz Eugen II or PE II, was shrouded in a veil of secrecy. It started its journey in Swedish Malmo in June 1991, loaded with more than one hundred containers of arms of western and Israeli origin, worth more than 100 million dollars. It sailed into the Adriatic Sea and anchored in the port of Mestre, but could never find a foreign customer for the arms. The fate of this ship is as secret, which also applies to its appearance. According to the police report, the ship sunk in the ocean after the failed arms deals. Also, some people involved lost their lives.

Chapter 15: The ferry Hornbeam, navigating the route Koper – Durres (Albania) – Koper, was a meeting point for almost all of the important arms dealers in the western part of Yugoslavia. A shipment of 230 tons of ammunition from the Albanian port was intercepted by the Slovenian police in September 1992. Konstantin Dafermos, Nikša Župa, Vladimir Zagorec, the Bosnian purchaser Hasan Čengiđ, the Slovenian operatives Ludvik Zvonar and Franc Kosi, the chief of Slovenian civil secret service Miha Brejc, the defense minister Janez Janša, and Croats Mirko Kociper and Franjo Gregurić were only some of the people involved. Even though trucks loaded with millions of rifle rounds and thousands of rounds of mortar ammunition were searched by the

Slovenian customs officers, they crossed the border into Croatia during the UN arms embargo.

Chapter 16: The first two shipments from the Odessa mafia that arrived in Koper caused a big stir in Slovenia. The ship, Island, first arrived on 23 October 1992. 34 containers were for the Croatian, 25 for the Bosnian army. All were quickly transported across the border. But the next shipment brought some unexpected trouble. The second time only five containers of arms were for Croatia, and 32 were for the Bosnian forces. However, the 32 containers stayed at a Slovenian military base for the next six weeks. The Bosnian customers were not willing to pay the transit fee to the Slovenian Ministry of Defense. Wiretapping reports showed that Župa told Janša's operative, Ludvik Zvonar, "The banknotes are ready." But after the Bosnians refused to pay, the containers intended for Bosnia ended in the hands of Croatians who were already changing their policy towards the Bosnians. The chief of internal protection in the Slovenian civil secret service confessed that the Slovenian defense ministry demanded 30 percent of the value of the arms for "costs", and an additional commission of 30 percent was demanded by the Croatian minister and generals. Thus everybody was making money on Bosnian Muslims, who were only trying to defend themselves