

Summary of the third book of a trilogy *In the Name of the State: Cover - Up*

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The first book is in format 16 x 24 centimeters, with 512 pages, 696 footnotes, more than 140 documents, maps and many documentary and war photographs.

<http://www.sanje.si/knjigarna/vimenudrzave-prikrivanje.html>

The third book of the trilogy contains sixteen chapters.

BOOK THREE

Chapter 1: The greatest enemies of arms dealers are – other arms dealers. They raise supply in the market and lower prices. It is for this reason that many arms dealers want to push competitors out of business. Appearance of a new channel has disastrous effects, and conflicts between dealers are unavoidable. A similar event triggered serious conflicts in Slovenia during the UN arms embargo. Alongside the Ministry of Defense, which sold thousands of tons of weapons and ammunition to Croatia and Bosnia and Herzegovina, the Ministry of Interior entered the arms trade on a bigger scale. In January 1992, a ship carrying 460 tons of arms, designated for resale in BiH, arrived to Slovenia, and the arms were stored at Brnik airport. It remained on the military side of the airport for months as there were problems with their resale. This case became known as the Brnik scandal. However, a new supplier on the black market was not the only problem. The Ministry of Interior ordered arms at the same international arms dealer, Konstantin Dafermos, and Dafermos blocked arranged shipment of missiles for the Ministry of Defense because he hadn't received payment from the Ministry of Interior. Ludvik Zvonar, advisor to the defense minister Janša, intervened, sold a part of the weapons and forwarded more than 3 million dollars in cash to Dafermos' office in Vienna,. According to criminal police, he also sold 6,550 Makarov pistols from the Brnik shipment to the Croatian officer Josip Vukina and allegedly earned 1.5 million dollars, which subsequently disappeared. This money was never included in state budget.

Chapter 2: After the Brnik scandal, numerous conflicts between the defense minister Janez Janša and the interior minister Igor Bavčar revealed abundant information about secret deals. A criminal investigation lead to successful charges against both ministers, Janša and Bavčar, the international arms dealer Konstantin Dafermos, his middleman Nikolaj Oman, Janša's advisor Ludvik Zvonar and Bavčar's advisor Franci Kosi, who was in fact the person responsible for the Brnik shipment. But the decision of the prosecutors was unexpected. They dropped cases against all except Kosi, who faced court investigation. Soon Kosi, too, left the court as an innocent man. In 1999 the prosecutor dropped the case with the explanation that no evidence against him at all had been found. Nevertheless, police charges contain an abundance of hard evidence.

Chapter 3: Advisor Kosi faced additional problems. When selling arms to Bosnian Hasan Čengić and Croat-Bosnian Ivan Horvat with the assistance of the Slovene police special forces unit, his team came under surveillance of criminal police patrols. They set up an ambush, in which elite Slovene police officers almost fired shots at each other. After this dangerous encounter, police chiefs demanded Kosi

inform them where and when he would sell weapons, so that he would not be covered by other police patrols. The Ministry of Interior also sold thousands of older types of arms to Croatian and Bosnian customers, and earned almost one million dollars. In addition, it sold protective vests past their expiration date to Bosnians.

Chapter 4: Despite the fact that at a secret meeting on 6 January 1993 Slovene statesmen decided that no arms import or export was allowed anymore, the Ministry of Defense could hardly cease with accumulation of easily earned war-profits. In May 1993 they imported a million of blind rounds from the Czech Republic. When the transport airplane arrived, the ministry still didn't have government approval and obtained it later. The last big shipment to Croatia was documented in July 1993. Five trucks with artillery rounds left Slovenia and a truck with anti-armor missiles entered from Croatia as an exchange. The Moris special brigade commander was faced with other challenges: how to invest and spend war profits. Military unit financed a road construction, new training grounds and bought motorcycles, cars and bicycles. To finance this investments, money had to be laundered in foreign countries. A Slovene company in Munich received a payment from an account at the Austrian bank where war profits were stored.

Chapter 5: 1993 saw the start of a big police operation against arms dealers. Criminal investigators discovered that railway, too, had often been used for illicit transports, however only one case had been documented. A train from Swiss Basel entered Slovenia, but instead of Hungary, it ended in Croatia. Police investigation was boosted after insiders from the Ministry of Defense contacted police. In a highly secretive meeting, two men, codenamed Taxi driver and Sheatfish, reported all they knew about arms trafficking. Police consequently began several official investigations, but the Ministry of Defense activated the counter-intelligence department of the military secret service as well as the special forces unit. They treated police investigations as enemy intelligence operations. They wanted to capture police informers and present them to Slovene public as enemy spies.

Chapter 6: Finally, on 20 March 1994, after weeks of spy games, a military special forces squad brutally arrested one police informer and planted forged secret documents in his car. Eight days later the Minister of Defense Janez Janša was unseated from his position by the parliament. But in the a week after arrest, Slovenia was on the brink of a coup d'etat. Military special forces soldiers operated secretly, armed and in civilian clothes, in the capital Ljubljana. Conversely, Slovene police undertook all protective measures, monitored military movements and increased personal protection of high ranking statesmen. Fortunately, military units retreated without action. Four members of the special forces unit later faced trial for their action, but were acquitted as a prosecutor delayed prosecution so long that the statute of limitation expired.

Chapter 7: After Janša's removal, a special inquiry was initiated in the military secret service. Dozens of officers spoke out about arms deals between 1991 and 1993. One of the officers confessed that they had collected 60 millions of Deutschmarks in cash, another said he had personally counted 17 million Deutschmarks in cash in a single night at the military secret service headquarters. They disclosed that numerous Croatians and Bosnians visited their superior Andrej Lovšin as customers, and revealed information about various shipments which had begun their journey in Slovene ammunition dumps and had been paid for in cash. After the end of the special inquiry, the report was presented to the new Minister of Defense Jelko Kacin, who then passed it to the Prime Minister Janez Drnovšek. After this, everything grew silent. All criminal charges against the Ministry of Defense officials were later dropped by the prosecutors.

Chapter 8: Having retained millions of war profits, Slovene arms dealers indulged in car shopping in

the neighbouring Austria. They purchased dozens of cars for the Ministry of Defense. Minister Janša and chief of military secret service Andrej Lovšin competed as to who would drive a more luxurious Audi. In addition, donations from the Slovene emigration community, collected worldwide after the ten-day military conflict with the Yugoslav People's Army in 1991, were spent in a similar way. Instead of passing them to victims of the military aggression, as it had been originally intended, they instead bought 60 cars for the military secret service and the criminal police.

Chapter 9: Several millions were forwarded to the company Hillbrook Ltd., based in Grimsby, United Kingdom. It was owned by the half-sister of Andrej Lovšin and used for money laundering. Lovšin even set up an additional company, Industrial Project Engineering, at the same address, and a company with the same name in Sharjah, United Arab Emirates. They tried to evade the UN arms embargo as well as import state-of-the-art eavesdropping equipment from the United States of America with the aid of the two newly founded companies. Attempt failed, criminal investigation was also foiled. Slovene criminal police sent numerous requests to British police for international legal assistance through the Interpol Bureau, but sometimes their messages went missing or were replied with very short responses after three months or obstructed in another manner. Finally, after the British side showed no interest in assistance, the Slovene police gave the investigation up.

Chapter 10: In July 1993, the Minister of Defense Janez Janša surprised the Slovene public by revealing 12 containers of illicit arms consignment at the Maribor airport. He claimed weapons had been intended for a communist coup and were owned by the chief of the regional department of the civil secret service. But this was far from the truth. In reality, Slovenia had been providing logistical support in clandestine international operation to arm Bosnian Muslims. In September 1992, a transport airplane Ilyushin 76 made four flights from Khartoum, Sudan, and transported 130 tons of weapons of Chinese origin; this was enough to equip two infantry brigades. They tried to forward it to Bosnia by helicopter, but after the start of military clashes between Croats and Bosnians, this was an impossible task. The Maribor scandal also led to the first parliamentary inquiry, but it was soon halted as the head of inquiry received serious threats claiming his little daughter would be attacked with hydrochloride acid.

Chapter 11: Deceptive discovery of the Maribor shipment was a success. Rather than pursuing the Ministry of Defense, the Slovene criminal police focused all their capacities and efforts on investigating the Maribor case, which took many months. They charged half a dozen of civil secret service employees, but they were all acquitted at court later. Prosecution found that they had acted in accordance with orders given by the highest Slovene authorities. The buyer of the Maribor shipment, Hasan Čengić, was a representative of the Bosnian president Alija Izetbegović, who asked the then Slovene president Milan Kučan to open an additional logistical channel as Janša had been selling weapons at soaring prices. Money for the weapons purchase by Bosnians had been provided by the Third World Relief Agency from Vienna, led by Sudanese citizen El Fatih Ali Hassanein, who was connected to Osama bin Laden. The Viennese humanitarian agency received more than 200 million dollars of donations from numerous Muslim states around the world, but 81 million dollars had been raised - in cash.

Chapter 12: 1999 saw the beginning of a second parliamentary inquiry in Slovenia. Members of parliament wanted to analyze the Maribor shipment as well as investigate the huge sale of arms from the biggest ammunition dump in Zgornja Ložnica. However, the inquiry encountered various obstacles. The former head of the intelligence department of the military secret service Vomo revealed the truth at a session closed for public. He explained that several millions of war profits and sensitive documents had been transferred from his secret service to the special forces military base in Kočevska Reka. This

had been done following a command by minister Janez Janša, he said. But his testimony was lost. The secretary general of the National Assembly explained that technicians in the recording room forgot to press the record button during his testimony. In truth, most important testimony was recorded and analyzed by Janša's followers in the military secret service and destroyed. Head of the parliamentary inquiry Rudolf Moge received death threats soon after.

Chapter 13: After a crucial testimony in parliament, Janša publicly confessed for the first time that the Ministry of Defense had sold weapons also for cash. He claimed that they had used it for several investments and purchases of new weapons and equipment for the Slovene Army. However, Janša also sold weapons to Branimir Glavaš from Osijek, who was later convicted for war crimes. When members of parliament demanded a handover report between Janez Janša and Jelko Kacin, the minister who succeeded him, from the Slovene prosecutor's office, they only found the first page of the document. All other pages went missing as one of the prosecutors destroyed them. But a comparative analysis of this handover report made by military experts and actual weapons stocks in ammunition dumps revealed huge discrepancies. Investigators discovered that 14,080 Kalashnikov automatic rifles and five million rounds had disappeared. They also found a substantial discrepancy between earnings presented by Janša and the actual quantity of weapons sold. Roughly 10 million Deutsch-marks were missing.

Chapter 14: In reality, the Slovene Ministry of Defense had sold arms and ammunition to Croatian and Bosnian customers at prices which had been four or five times higher than their standard market values. The parliamentary inquiry discovered this after a document from the Croatian city of Split indicating actual prices surfaced. Despite considerable effort, Moge's inquiry still hadn't finished its task. Slovene government fell in May 2000 and report of the inquiry never reached the National Assembly. Moge faced serious repercussions. First, someone damaged the brakes on his car while in the parliamentary garage, and he received serious injuries in an incident at the Croatian seaside. A boat carrying Czech tourists crashed into Moge's boat and broke his spine. Member of parliament was seriously injured in Croatia and left without any support from the Slovene state, but he survived.

Chapter 15: The third and last parliamentary inquiry into arms dealing, led by Milan M. Cvikl, was triggered by the biggest arms deal in the history of Slovenia – 278 million EUR purchase of the Finnish armored vehicles Patria concluded in 2006. Between 2004 and 2008 Janša served as Prime Minister of Slovenia; the period was marked by his authoritarian rule and the fact that many of his subordinates from his arms dealing times managed to easily obtain top positions in the government as well as state-owned companies. However, the last parliamentary inquiry was halted after Cvikl wanted to meet with Finnish criminal investigators who had investigated bribery in the Patria arms deal. Janša's men broke into his email and cancelled an already announced session of the parliamentary inquiry. Similarly, Cvikl was later also removed from his position. Several professional prosecutors resigned due to political pressures during Janša's reign, including the chief prosecutor investigator of the Patria bribery case. When Austrian police issued an urgent Interpol notice on the grounds of suspicion of money laundering related to the Patria arms purchase in February 2007, Slovene police misplaced the notice and failed to respond for 15 months. As a result, almost all evidence concerning communication between Slovene suspects was lost forever.

Chapter 16: The Patria deal was settled already in the summer of 2005. During interrogation, a representative of Patria for Slovenia confessed that they knew money was intended for Janša's SDS party. A 7.5% commission (12.1 million euros) was intended for Viennese businessman Hans Wolfgang Riedl, who would deliver it to Walter Wolf (4.2% or 6.7 million euros) and Jure Cekuta (1% or 1.6 million euros). Wolf's task was to deliver the money to Janša's SDS party. These kickbacks had been agreed well in advance of 15 December 2005 when the international call for tender concerning

135 armored vehicles was officially opened by the Slovene Ministry of Defense. But Slovene arms dealers were even greedier. They demanded an advance payment equalling 30% within 30 days after the signature of the contract. Patria's management agreed to this demand after intense pressure from Slovenia to, however Riedl and Wolf were caught by the Austrian money laundering prevention system. Nevertheless, according to Austrian prosecutors, Riedl managed to receive 900,000 euros in cash and brought it to Slovenia. The Patria bribery case is under investigation in Finland, Austria and Slovenia. Two dozens of suspects are on trial for bribery and industrial espionage, one of them being the former and current Prime Minister of Slovenia, former chairperson of the Council of the European Union in the first half of 2008, and one of the biggest arms dealers in the region – Janez Janša.