



Tobacco Mafia? or Coffee and Cigarettes?

Coffee and cigarettes are an inevitable part of “the morning ritual” to many of us. And while we are awakening and preparing for everything that lies ahead in a new day, we miss the stories hidden behind our coffee and cigarettes, stories which would make even the best Hollywood producers sweat.

On April 27, 2006, in Business.hr, Croatian weekly newspaper, an article about Tobacco Factory Rovinj (TDR) appeared, written by the journalist Danica Juričić, under the title “TDR in Serbia accused for international trafficking of cigarettes”. What is special about this article, so we are giving our comment to it?

Journalist Juričić, for the first time, directly opens Pandora’s Box of “the public secret” on strengths of tobacco lobby and its influence on political structures in Croatia and other countries of the former Yugoslavia. It is often spoken in couloirs about problems tied to cigarette trafficking. Professionals from the organised crime and corruption repression domain often state that this is one of the key problems in the region. In the areas of economy and politics relations, transformation and privatisation, powerful lobbies and groupations, we often trip over this issue (like it is the mother of all problems). It is never spoken about (or heard of) what has been done in order to solve it.

In the article mentioned (which you can read on www.business.hr and www.index.hr), a part of the testimony; made by Vladimir Beba Popović (former close associate of the killed Serbian Prime minister Zoran Đinđić) made during trial for Milorad Luković Legija; is transmitted from the book published by the Helsinki Human Rights Committee from Serbia and with the support from the European Commission Office in Serbia.

According to the text from the book quoted by the Business.hr, Vladimir Beba Popović accuses TDR and the Head of the Croatian weekly newspaper “Nacional”, Mr. Ivo Pukanić, for involvement in the so called “tobacco affair”, an affair tied to trafficking of cigarettes and tobacco products on the territory of the Southeast Europe. According to Popović, Serbia had only 1% of legal tobacco market on which all taxes were paid and 99% of illegal market during the reign of Slobodan Milošević. Popović claims that, during the reign of the murdered Prime Minister Zoran Đinđić, this ratio changed to 60% of legal and 40% of illegal market, and through measures which led to this change, Zoran Đinđić “damaged” tobacco mafia which was losing tens of millions of US dollars per year. Here, it is important to mention that the “legal market” is measured by the number of valid (not falsified) stamps on cigarettes which, according to international law, have the purpose of regulating cigarette production. This implies that a cigarette can be produced only when its buyer is known and when for these cigarettes there are stamps produced and evidenced by the Ministry of Finances.

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Why Serbia was El Dorado of the tobacco mafia during the reign of Slobodan Milošević? Because fictive enterprises registered in Serbia were used for cigarette import which implies that they ordered printing of cigarette stamps. Printed stamps were transported to the country where the amount of cigarettes corresponding to the number of stamps was produced.

Simplified- fictive enterprise justified production with fictive stamps. With these cigarettes, after their production, and after everything appears clean, anything can be done. The conclusion is simple- for cigarette traffic the state is necessary because without state stamps, there is no production and sale.

But, what all this has to do with TDR? In understanding this problem, one more article, from the same newspaper (Business.hr) written by Renata Ivanović, could help. Writing about a former employee of the Tobacco Factory Zagreb, Mrs. Slavica Lovrić, Ivanović states that in the television show "Otvoreno", Slavica Lovrić openly said to Mr. Plinio Cuccurin, former President of the Board of Directors of TDR: "You gentlemen are organising trafficking of cigarettes! Cigarettes from Rovinj are openly sold on markets."

According to the article, Mr. Cuccurin just murmured that this wasn't the subject of the show!

What can be concluded from this- cigarette trafficking is not a public interest topic, so there is no need to debate it on public television? This sketch of events perfectly depicts the social rule "ne talasaj" meaning; don't open "dangerous" topics. "Dangerous" topics are not to be opened, because the public might expect concrete answers from those in power, and especially from the officials. For "dangerous" questions, there is never time and they are never the subject of conversation.

However, this topic is not unknown to Partnership for Social Development. Two years ago, Robert Matijević, former assistant to Director of RH Customs and former Chief of the Department for trafficking repression within the Customs, claimed his case to the association.

Wider public probably doesn't remember that Robert Matijević, with quite pomp, was accused for misuse of his authority, that is, for helping an enterprise with coffee trafficking. His indictment resulted in a first-degree verdict by which Matijević was found guilty. This was "a huge success" by the Ministry of the Interior, state attorney office and USKOK.

When in 2004, Robert Matijević reported his case to the association, time and effort were necessary to untie everything and to put everything in its place.

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Today, we know that Zagreb County Court, in Matijević subject, annulled the first-degree verdict by the Zagreb Municipality Court, and brought the case back to court. It will be very interesting to follow further developments of this case.

One of the most interesting information tied to this story is that, in 2002, Robert Matijević, together with a specially formed team, within the Customs, for trafficking repression, conducted monitoring of TDR activities and discovered around 1.700.000 stamps for Montenegro market. So, the client is known and everything is, as said by Tony Soprano, "legit".

Inconvenient detail is the fact that these stamps were found in a production warehouse, and not in a vault where they were supposed to be, and all of them had the same serial number! International norms, as we said, define production of cigarettes only when the client is known, and stamps are printed and evidenced by the Ministry of the Interior. Unique serial number on stamps is something similar to the unique serial number on money bills. Having the same serial number on more than one stamp is illegal because these stamps are served to mark and register every produced box of cigarettes. Or maybe TDR was preparing to enter the Guinness Book of Records and these stamps were needed for the marking of one gigantic box of cigarettes which would be visible on satellite photos and reach out from Rovinj to Budva?

Even more inconvenient detail was that these stamps which were found in TDR had never been registered as an imported good at Montenegro-Croatia border crossing- a detail which is one of the most serious criminal offences against the payment system of the Republic of Croatia.

All this was, of course, communicated to responsible Croatian authorities for criminal proceedings. Result was criminal claim against Robert Matijević for assistance in coffee trafficking.

In further research, we found one detail which continued to confuse us.

So, according to the official statistics of the Ministry of the Interior, in 2003, there was an increase of around 80% in the number of individuals reported for criminal activities tied to organised crime.



If we search for details tied to this interesting increase, the following information crosses our eyes:

		1999	2000	2001	2002	2003	2004
Avoiding customs control, Art. 298. of the Criminal Law		342	516	518	485	4087	514

* Source: Ministry of the Interior RH

In the overall increase of reported individuals for actions tied to organised crime in Croatia, it is stringent that the biggest increase was in the area of customs control avoiding.

Table cannot give us an answer whether Robert Matijević contributed to this statistics as a culprit, or as someone who, together with his team, conducted serious interventions in trafficking repression. It is interesting that, never before or after, there was such a discrepancy of around 500 cases per year, and an increase of **1000%** reported offenders stays a mystery.

It is spoken of, written about, and big affairs are created around tobacco trafficking. However, no serious answers are given by responsible authorities and institutions on suspicions on networks between criminal organisations, politics, intelligence agencies, media, mafia, tobacco industry and the state. Criminal proceedings are rare, cigarettes are sometimes confiscated, and questions continuously arise.

Maybe all responsible individuals are extremely aware when it comes to health so they don't drink coffee or smoke cigarettes. They are sleepy during the whole day...for years now.

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Zagreb, 2006.