

SNSD and SDA failed to report donations from Ceca Ražnatović and Hari Varešanović

The Alliance of Independent Social Democrats (SNSD) and the Party of Democratic Action (SDA) have violated the Law on Financing of Political Parties by failing to report free music concerts by stars from Serbia and Bosnia and Herzegovina (BiH) at their election rallies in 2010 as donations.

The Central Electoral Commission's (CIK) Department for Auditing Financial Operations of Political Parties in its latest reports about SNSD and SDA wrote that these parties have not presented evidence they ever paid Serbian folk singer Svetlana Ceca Ražnatović and BiH singers Hari Varešanović, Amira Medunjanin, Eldin Huseinbegović and Kenan Mačković.

They violated the law because services of the stars were not recorded as party donations and because, their free concert exceeded the amount of permitted party donations.

The law says a person cannot donate more than eight average net salaries in BiH, which according to the statistical data from that year, was about 6,400 KM.

Ražnatović allegedly also performed free-of-charge on Sept. 28 and Oct. 1 at SNSD's rallies in Bijeljina and Banja Luka. The auditor's report reads that the value of rendered services exceeds the cap of allowed donations considering the rating and popularity of Ražnatović and the average cost of her concerts.

Reporters from the Center for Investigative Reporting in Sarajevo (CIN) have acquired paperwork showing that this

singer's show during the sports event the Night of the Champions in Banja Luka cost taxpayers 100,000 KM in 2008.

SDA has used stars at as many as five electoral rallies according to auditors. The concert of Varešanović and three other singers at the SDA's central electoral rally in Sarajevo's Zetra hall on Oct. 1, 2010, was as example.

Varešanović's manager Senad Rožajac did not want to reveal to CIN reporters how much his client's concert cost.. He said that Varešanović's concert at the SDA's election rally was a personal matter.

Donations from Unauthorized Sources

Auditors found in 2010 that almost all BiH parties violated the Law on Financing of Political Parties and most of all its provisions related to accepting donations from the unauthorized sources.

The People's Party for Work and Betterment (NSRZB), for example, used false identities in order to justify donations it received in 2010. The party recorded cash donations from deceased persons and receivables from a non-existent political party.

The auditors compared records from the report that NSRZB submitted to the Elections Commission with records from the databases of the Agency for the Identification Documents and found that the donation reporting was not legitimate. One donor was pronounced dead in November 2007, while another had held his residence in BiH only since 2012. The party said that it received 9,000 KM from these persons. It also showed in its business books receivables from the Bosniak Party of Law to the tune of 10,000 KM. Election authorities know of no such party.

Auditors also found that NSRZB paid for advertising material a firm incorporated in the Seychelles. This island is infamous

as an offshore zone for firms looking to launder money or evade taxes.

The law on financing political parties forbids parties from taking donations from companies that supply government agencies. A number of parties violated this provision.

SDA is among those that received most of these illegitimate donations. During 2010 it received 56,600 KM from 25 private firms that had public procurement contracts. Among SDA donors are construction companies and firms trading in oil and oil derivatives and their donations range from several hundred to several thousand KM. Several companies donated to more than one party. Tešanj-based Hifa – Benz and its sister firm from Sarajevo Hifa – Petrol donated to SDA and to the Party for BiH. These companies supplied oil to the Zenica Canton Ministry of Internal Affairs and to the FBiH Bureau for Territorial Defense in 2010.

SNSD has also been receiving donations from firms doing business with the government. The auditors found that the party received a combined donation of around 17,000 KM from two firms that held contracts with municipalities. SNSD received a donation from the Construction Institute IG Banja Luka during 2010 in the amount of 6,320 KM. This firm had a contract with the Novo Sarajevo Borough. Also, ŽGP Dobož, a joint-stock company for construction which was commissioned by the Šamac Municipality, renovated SNSD municipal offices in Dobož for free – a value of 10,800 KM.

Parties rarely return illegitimate donations. One exception is the Croatian Democratic Union which returned in March 2012 a donation worth around 27,000 KM from several firms during 2010. The party also returned to the town of Bugojno and to the Central Bosnian Canton 1,000 KM each.

Audit reports show that parties continue using municipal office space at no cost or for rents far under market price,

even though this is against the law.

Some parties have boosted their revenue by renting out business premises which they do not own. The Social Democratic Party of BiH earned 37,000 KM in 2010 by renting out business premises and flats which it did not own in Sarajevo, Zenica, Zavidovići, Bosansko Grahovo, Vareš and Gračanica.

SDA has reported revenue of 5,000 KM in this way.

Most party income derives from municipal grants fueled by taxpayers. In its reports on the audit of financial statements of political parties the Elections Commission has emphasized that the audit was done on a sample basis so that there is a possibility that bigger illegalities might have gone undetected.