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# **PRIVATE SECURITY IN BOSNIA AND HERZEGOVINA**

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## Gratitude

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## **PREFACE**

The study on the topic Private Security in Bosnia and Herzegovina arose from constant observing of the trend of private security companies, and their influence on security in general, and is made according to the requirements of the scientific and empirical approach.

This study is characterized by the removal of the flaws identified in previous studies, as well as by the widening of some new research areas. The parts concerning legal regulations are, therefore, organized more systematically, the scope and state of private security companies is done in more detail, while the comparative approaches with this sector and the member states of the European Union are performed in basic but important areas.

The basic goal of this study is presenting to the public the number of private security companies, the staff working for them, as well as the weapons they use. It is also of great significance that the study shows the results of the relationship between private security and other social sectors. In this way, the study should contribute to informing the public more thoroughly, and to raising awareness about the contents of private security, the state and scope of it, as well as on the transparency of its work, or to give this problem a more realistic dimension and point out the problems and issues which were not fully considered until now. The recommendations for the improving of this sector are also a great benefit.

During the conducting of the study I came across a number of problems, some of which I have, in my own opinion, resolved successfully, while with some of them I was less successful. Problems arose because, in this case, this is a new area in Bosnia and Herzegovina, and also due to the non-existence of central databases and various legal solutions. The choice of the methodology for determining the state and scope of private security companies posed a significant problem, which is a result of the complexity of the social and political life of our country.

I have analyzed a very wide spectrum of issues from the area of security, and the focus was on the critical processing of previous weaknesses and contradictions between the norm and the

reality. Data from domestic and foreign literature, data of public institutions, scientific knowledge of respected domestic and foreign experts in this area, and information gathered during field research, were used for the analysis of the presented issues.

The study comprises of five chapters tied into a joint and unified whole, which encompasses almost all of the issues regarding private security. Besides all efforts made to meet certain expert, scientific, and pedagogical approaches, this study is probably not without its flaws. Every suggestion and criticism will be of great help in further studies.

Sarajevo, September 2009

Armin Kržalić, Dr. Sci.

## **INTRODUCTION**

Various time periods in the development of BiH society are characterized by various time periods in the development of the system for the protection of property and personal security. This area has, therefore, been regulated by appropriate primary and secondary legislation, which directly or indirectly governed its organization and work, with the police having an emphasized position and role in that system. There were periods when this area was not regulated by law, and public companies themselves organized the security system, by their own discretion.

The rise of modern private security, i.e. the protection of people and property, happens in 2002, when laws on agencies for the protection of people and property were adopted at entity levels. These laws have normatively and legally regulated the area of physical and technical protection of people and property.

Therefore, the time period of the study mostly relates to the period characterized by the existence of legal regulations which governs private security, or the time period from 2002 until 2009.

Regardless of the above-mentioned legal solutions, we believed that more information on what the private security sector is and what contribution society has of it needed to be presented to the public. That is how the need for the study of the whole issue regarding private security, as well as the state and scope of private security companies, even arose.

On the other hand, the successful performing of security related work, especially the conducting of business by private security companies, largely depends on the efficient cooperation with other sectors, especially the police. That is why this study considers the problems which private security companies face with the police and other sectors, while conducting business, from a theoretical and practical point of view.

Finally, Bosnia and Herzegovina decided to take the road of joining the developed world, and to link with more developed democracies. That is one of the basic premises of the state policy which receives political support from everyone in BiH. Besides this declarative approach, the basic precondition for the realization of such a state policy are practical actions, which imply the harmonization of our legal system with the legal standards of the member states of the European Union.

In that regard, we have compared the way private security is regulated in Bosnia and Herzegovina, with private security in the member states of the European Union. The comparison is based on two basic issues in this area: the conditions for the establishing of companies and for the gaining of certificates for PSC's staff, and the work of the companies.

Through the analysis of the results obtained through theoretical thinking and empirical research, certain recommendations, which can be made in the domain of certain legal and practical activities, are presented, with the aim of improving the work, professionalism, and the transparency of the private security sector. The uniqueness of this study lies in the fact that we have, for the first time, obtained valid and scientifically verified results of the state and scope of private security in Bosnia and Herzegovina.



## **PRIVATE SECURITY**

The state has a monopoly on the legitimate use of force and only the state provides for security, only the state is responsible for providing internal security, and defense against threats from the outside. However, in the last several years, events happening on the global stage and a wave of internal conflicts put another phenomenon, known as private security, into the spotlight. Through the privatization of security functions, the private security sector received the role which traditionally belonged to state security bodies. It implies the use of certain active and passive means, and a mode of work providing security and the protection of various subjects. The range of these subjects is large and it encompasses the protection of everything which is not encompassed by the protection provided by public security – the police, or other competent state bodies. The first types of this kind of private security organizations can be found in England, and somewhat later also in the United States of America. Due to urbanization and the rise of crime (1840) the first permanent professional police stations, whose officers took upon themselves security related work which was until then the responsibility of the citizens, were established. However, due to the inability of the police stations of establishing the needed level of security in the community, Alan Pinkerton established the first security company in the country, fifteen years later, with the aim of bringing criminals to justice and ensuring security on the roads.

WWII caused a rise of crime and the plundering of private property, and the police forces could not handle that. Such a situation resulted in two programs of industrial security, one as an independent service in industrial companies, and the other as activities of private professional security companies.

Today, with the expansion of the European Union, the private security sector is experiencing an expansion. The Conference of European Security Services (CoESS) held in 1999, estimated that, at that moment, there were more than 500.000 security officers working for 10.000 private security companies specialized in the safeguarding of industrial zones, offices, public surfaces, shops, embassies, and airports, as well as for the transportation of money and the protection of

individuals and households in the member states of the EU. Peter Singer<sup>1</sup> considers that two important factors contributed to such a quick development of this sector. He sees the first factor being the cutting of public expenditures, in the manner of paying another company to do the work which is usually under the competence of the state, but the state, in this way, rids itself from obligations, responsibilities, and excess staff, and it is considered that a part of the invested funds is returned to the state through taxes. The other factor is the result of the end of the Cold War. Most of the countries joined a security sector reform which produced an excess of military, police, and intelligence personnel, which sought work in the growing private sector.

In the countries of former Yugoslavia, this industry grew rapidly as the war ended, and at that point it was, so to say, in the making. The factors which contributed to the growth of private security in these countries are, before all, weak state institutions, inefficient and authoritative police, corruption in state bodies, as well as a high crime rate.

Based on everything mentioned above, we can say that the private security sector represents an additional level of security besides the one offered by state security structures, which clients obviously readily accept and consider to be of value. In that context we can also offer a theoretical definition according to which **private security is a branch of security which, through organized independent or joint systematic and planned actions by individuals, organizations, private, or professional companies, ensures private protection or the protection of others, as well as the protection of relevant high ranked persons, spaces, businesses, which are not under the jurisdiction of state bodies.**

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<sup>1</sup> Peter Singer is one of the most famous authors who deal with the concept of security sector privatization.

## **Division of private security**

With the intention of bringing the topic of private security closer to the readers, it is necessary to determine the actors of private security, or the division of private security. This division is based on the kind of security services provided. So, most authors who deal with this issue agree that the private security sector can be divided into four basic groups: mercenaries, private military companies, private security companies and private detectives.<sup>2</sup>

We will evaluate every of the four mentioned subjects of private security in short, and point out how they manifest themselves in the state of the private security sector in BiH.

Old-school mercenaries (e.g. Mamertines „the sons of Mars’) – known for sparking wars, for crimes, and causing instability have not completely vanished up to this date. However, today it is quite difficult to find such a kind of private security organizations, since they are being pushed out by a new, much neater generation, known as private military companies. But the old-school „dogs of war’, as mercenaries are often called, are not yet completely extinct. So, according to the UPI Agency: ‘Even today, there are smaller, ad hoc, groups from the Ukraine, Russia, France, Britain, Israel, Croatia, South Africa, and the US which roam the world seeking new conflicts. On the territory of Bosnia and Herzegovina, such a way of organizing private security does not exist, and there are no mercenary activities’.

There are also no private military companies in Bosnia and Herzegovina. Under private military company, we imply those companies which perform military tasks, and which possess the equipment, training, manpower and hierarchy similar to the army.<sup>3</sup> Private military companies offer a wide range of services, from combat and operational support or advices to arms procurement, gathering of intelligence data or rescuing of hostages, etc. These companies mostly hire retired generals and ex-military personnel, and sell their services for profit. The value of today's ‘private military industry’ is measured in millions of dollars, and it is comprised of thousands of firms with tens of thousands of employees around the world. During

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<sup>2</sup> A. Kržalić: *Privatna sigurnost (Private Security)*, Centre for Security Studies, Sarajevo, 2007, page 11

<sup>3</sup> J. Unijat: *Privatne bezbednosne kompanije u Srbiji, prijatelj ili pretnja (Private Security Companies in Serbia, Friend or Threat)*, Centre for Civilian-Military Relations, Belgrade 2008, page 18

the 90's, these companies were used as support to peace operations in Liberia, and lately they are often used in wars in Iraq and Afghanistan, as well as in other low intensity conflicts. However, private military companies are often hired by governments to perform secret operations which the public would not accept. A representative of such thinking is also Peter Singer from the Brookings Institution in Washington, who believes that the use of private military companies provides the American Government the possibility to intervene in conflicts which are not supported by the public.

Private security companies (PSC) provide services with the aim of protecting firms and property, contributing so to crime control. Such an aspect of private security is present everywhere in the world, but newest trends show that the use of such companies' services has grown, especially in regions with lasting or emerging conflicts, where firms and persons feel the need for protection greater than the one the state can provide. In Bosnia and Herzegovina, these companies provide services of physical and technical protection, and are defined in the Law as 'Agencies for the Protection of People and Property', so this study also relates to them.

Private detectives or private detective activities imply gathering allowed data on persons, items, and business performances of legal persons or independent businessman. In Bosnia and Herzegovina, such a method of organization can be found in smaller companies with a small number of employees. These companies are encompassed by this study, and the owners of such companies are most often ex-security service personnel.

## I PRIVATE SECURITY IN BOSNIA AND HERZEGOVINA

### 1.1 Existing forms of organizing private security service

Private security sector is, like other public sectors, determined by the actual social, economic and political circumstances of a country. From the historical point of view one could say that at certain time periods this sector was not regulated by law in Bosnia and Herzegovina and that there was no legal framework for the sector. From the formal legal point of view such situation left no possibility of self-security for the companies, i.e. the companies hired guards who mainly did not have a proper training for the security service. Furthermore, the companies also did not have a legal obligation to organize a security service. Safety and security of the companies' valuables depended exclusively on the readiness of the National Police back then to offer security service to a company. However, after 1951 when the Police for the Security of Industry and Institutions of the Federal People's Republic of Yugoslavia (*industrijsko zavodska milicija FNRJ*<sup>4</sup>) was revoked, the companies were left without any protection. From the legal and factual point of view this police had all the necessary authorities to safeguard companies, institutes and institutions. Some of its authorities were to check identity documents of suspicious persons, to search any premises as potential perpetrator hide-outs, to use other person's vehicle, to use communication devices and to use firearms.

The period of legislative gap in the sector of private security lasted more than 20 years i.e. from 1951 to 1974 when the Republic of Bosnia and Herzegovina within the Socialist Federal Republic of Yugoslavia passed the Law on Public Self-Security.<sup>5</sup> By this Law only social property was protected, and the Law also regulated the role and the status of the police<sup>6</sup> in the self-security system, which was primarily of preventive nature. The Law on Public Self-Security filled the legislative gap, but it did not fully regulate the sector, i.e. it did not define private security as an independent security industry branch. The Law mainly defined the legal

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<sup>4</sup> It should be noted that this police could be called on duty in compliance with the Law on People's Police which was in force between 1946 to 1951 also on the territory of Bosnia and Herzegovina.

<sup>5</sup> Official Gazette of the Socialist Federal Republic of Yugoslavia 9/74, and Official Gazette of the Socialist Republic of Montenegro no. 38/74.

<sup>6</sup> The term 'milicija' was used for the contemporary term 'policija' until the first prewar democratic elections.

base to organize physical and technical security of buildings and other public property, as well as some rights and obligations of persons who carry out security tasks and the conditions to use the firearms.

This type of self-security for the public companies was used until the postwar period, with the exception of the war period in BiH. More precisely, in the period from 1996 to 2002, with the transition to the market economy, we mark the first forms of self-organizing by private companies in order to secure their own property. Prior to these new types of organizations the entities' laws on corporate privatization were adopted as well as the Corporate Law<sup>7</sup> which defined several types of ownership: state, social, private, etc.

Still it should be noted that the mentioned laws did not stipulate special authority to give the right to companies to secure people and property of their corporations and clients. However, this situation did not stop some private business companies to hire private security companies from neighboring countries. The first such company which officially operated in BiH was the Croatian company 'Soko'.<sup>8</sup>

The year 2002 was marked by the privatization of the security sector in Bosnia and Herzegovina. Since this year we can follow-up and analyze the state of the private security sector due to the fact that private companies were given the right to carry out private security service after the adoption of legal regulations in this sector at the level of entities, and two years later, also at the level of the Brčko District. More precisely, these were the first laws which defined in a comprehensive, exact and detailed manner the activities and operations of the private security companies, license conditions for the companies and the supervision of their work. The adoption of these laws considerably accelerated the privatization process in the sector, because the members of the military in BiH and the police, as surplus work force, had a chance to employ their skills in the area of security through the private security companies.

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<sup>7</sup> Corporate Law (Official Gazette of Republika Srpska, no. 24/1998).

<sup>8</sup> Armin Kržalić: Private Security, CSS, 2007, p. 40.

Since the term ‘private security company’ is a conventional expression in the majority of the countries worldwide, we also decided to use the same term in this study. Therefore, we will use the term ‘private security company’ or the acronym ‘PSC’ in further text, although the official name in BiH is ‘agency for protection of people and property’.

## **1.2 Privatization of the security sector under ‘the western model’**

Political changes on the territory of the former communist Yugoslavia, and the changes in the totalitarian systems of the countries in Latin America, Asia and part of Africa, picture the best the course of the political transition. These very recent changes became the main creator of the collective security but also of the security on the national level. Generally speaking, the transition defined a period in the security policy, which contributed also to the privatization of the security sector.

In the scope of political changes, resulted from the fall of the former Socialist Federative Republic of Yugoslavia, Bosnia and Herzegovina (BiH) suffered the largest destruction, damage in economy and human loss<sup>9</sup> during the war waged on its territory from 1992 to 1995. The NATO forces had an important role in maintaining and increasing the level of security after the Dayton Peace Agreement was signed in 1995. In December 2004 the NATO troops was replaced by the European Union troops (EUFOR). Although the level of security increased from day to day, ethnic divisions and narrow party interests were still present in many areas and continued to obstruct a quicker integration process into the EU and NATO.

Even though the privatization process of the private security in BiH was legally defined only in 2002, the first private security companies dealing with the security service appeared immediately after the war in 1995. This period marks a sudden development of the PSCs, which was influenced by several factors as well as by a large number of robberies on money transport vehicles and bank robberies. Such a trend of the PSCs development was expected to a certain extent, because a large number of demobilized soldiers was out of work and ended up

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<sup>9</sup> Total number of victims is estimated at 150.000 to 250.000. See, for example, BBC Online News, National Profile BiH, [http://news.bbc.co.uk/1/hi/world/europe/country\\_profiles/1066886.stm](http://news.bbc.co.uk/1/hi/world/europe/country_profiles/1066886.stm), 5 May 2005.

in the gutter. Additionally there was also a large number of dismissed policemen and members of intelligence services from the three systems at the time. Second factor which affected the development of the PSCs was an increasing rate of crime across the country at the time of high distrust in the state security authorities as a result of which the public lacked security in the postwar time. Theft and armed robberies were types of danger which mostly drove clients to hire the PSCs in BiH, while there was a lesser need for the physical and technical security.

Sudden turn in the privatization of the PSC in 2002 was a consequence of interaction of several factors. First, we assess a long term theory that the agencies are '(half)criminal' organizations and the ever frequent accusations between the agency owners at the time that some agencies work only for a political party or paramilitary units. The fact remains, however, that some of the PSC companies were formed due to the disassembling of police and military units<sup>10</sup>.

Second, new radical reforms of the armies in BiH with the aim to reduce the contingent figures and numerous removals of some officials in the security institutions very much contributed to a quicker drafting of a law on the PSC. At the same time a versatile security service market demand covered by the PSC which operated on a suspicious contract basis hindered the economic development of the state and budget revenues.

The privatization of the private security sector in 2002, i.e. the adoption of laws in the Federation of BiH and Republika Srpska made possible that the ministries of internal affairs direct their efforts to basic activities regarding the supervision of the PSC operations, which made the security sector transparent, more responsible, more cost effective and more efficient.

Finally, it is obvious that the privatization process of the security sector in BiH was carried out carefully by the Government, similar to the same process conducted in the western countries, more precisely by top-down<sup>11</sup> approach, according to Herbert Wolf.

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<sup>10</sup> The PSC Redarstvenik was thus formed by military and police units but today it has managed to transform itself into a modern PSC. Interview: Antonio Bošnjak: general manager of Redarstvenik

<sup>11</sup> Herbert Wolf, *Reconstructing the Public Monopoly of Legitimate Force*. In: Alan Bryden and Marina Caparini, *Private Actors and Security Governance*. DCAF, Geneva 2006, p.4.



### **1.3 LEGAL FRAMEWORK FOR THE PRIVATE SECURITY SERVICE**

Like other Western European countries Bosnia and Herzegovina has laws which regulate the work of the private security sector. This industry is defined by the laws on agencies for the protection of people and property from 2002.<sup>12</sup> Law on Agencies for Protection of People and Property in the Federation of BiH was revised the last time in 2008 and is now called Law on Agencies and Internal Services for Protection of People and Property.<sup>13</sup> Other legal documents relevant for the private security are laws on arms, laws on economic associations, laws on fire protection.

Laws on private security represent special laws, both conceptually and contextually, on the level of entities and of the Brčko District, by which the conditions and the manner of carrying out the security service and the service holder are defined, i.e. the conditions which the persons who directly carry out the security service must fulfill, their authority and duties at work, carrying the uniform, use of firearms and force, organizing of the interior security service, private detective service etc.

#### **1.3.1 Licensing conditions for the private security companies**

According to the current laws on license procedure for the private security companies there are different conditions for establishing such companies, or the order of procedures is different. This was specially emphasized by the owners of the private security companies at a working meeting in Mostar. What are the differences and which type of problems do the owners of these companies have?

Based on Article 9 of the Law on Agencies and Internal Services for Protection of People and Property of the Federation of BiH the owner is obliged to obtain a license for work from the

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<sup>12</sup> Three laws which regulate the work of the private security companies in BiH are: Law on Agencies for Protection of People and Property in the Federation of BiH (Official Gazette of the Federation BiH no. 50. 14 October 2002); Law on Protection of People and Property and Private Detective Services in Republika Srpska (Official Gazette of Republika Srpska no. 50/2002); and Law on Agencies for Security of People and property and Private Detective Services of the Brčko District, adopted on 14 July 2004.

<sup>13</sup> Read more about the Law: Official Gazette of the Federation of BiH, no. 78/08.

responsible cantonal body for internal affairs, and then submit an application to the responsible court to register the company in the court register. Republika Srpska and the Brčko District have a slightly different order of procedures, in that the company first needs to register in the court register, after which an application for license for work needs to be submitted to the responsible body for internal affairs. The three laws have in common the fact that the bodies for internal affairs are responsible to issue a license for work to the companies (cantonal ministries of internal affairs in the Federation of BiH, Centers for public security (CPS) in Republika Srpska and the Police of the Brčko District in the Brčko District).

Checking of history records of the owner and of the company employees also falls under the criteria for granting the license. Articles 12, 11 and 7 of the relevant laws, which relate to the owners, stipulate that the company owner cannot have any records of conviction for criminal offence, i.e. that criminal proceedings are not conducted against him, that he has no previous records of violation of public peace and order, that he is in good state of health etc. Besides that, an owner cannot be a person who was relieved of his command in the military service by the COMSFOR in accordance with the 'Instructions for the Parties'. A license cannot be granted also to the owner who proved to be incapable to perform the licensable service through the history of his previous conduct, and especially those persons who have a history of alcohol abuse, gambling habits, prodigality or violence in the family. The owner must be above 18 years of age.

Registration of the PSCs and their branch offices based on the territory of origin is an additional vague point for both the companies and inspectors in charge to supervise the PSCs. According to Article 9 of the Law on Agencies and Internal Services for Protection of People and Property in the Federation of BiH the agency entry into the court register, conducted by the responsible court, is determined by the place of the agency's headquarters. At the same time if the agency carries out security services out of the place of the agency's headquarters on the territory of the Federation BiH, it is allowed to open a branch office. The branch office has a status of a legal entity and is obliged to obtain a license for work by the cantonal ministries of internal affairs according to the place of the branch office entered in the court register. Moreover, the branch office is obliged to provide at least five certified persons for physical and

technical security as well as the corresponding technical devices and equipment needed to carry out the physical and technical security service.

What does this mean in practice?

If a PSC is founded on the territory of the Sarajevo Canton, it does not mean that a license for work is automatically granted for the whole territory of the Federation of BiH. The same situation is in Republika Srpska, in that the responsible authority is the Center for Public Security (CPS) where the agency is registered. For the additional security activities outside the Sarajevo Canton and Center for Public Security (CPS), it is necessary to register an office branch or a new company which would operate on the respective territory.

Nikola Bender, General Manager of 'Puma Security' from Mostar, thinks that such provision of the Law reflects lack of understanding of the business operation of the sector. 'It leads to double spending for the equipment and other technical devices, which brings the small companies in unequal position to the big companies. In order to register a branch office in Ljubuški, which belongs to another canton, I need to have all technical equipment, staff and transport vehicles as if I were establishing a new company, although it would be not required by the scope of work. I think that this will bring many companies to bankruptcy. The solution would, of course, be that the legislator reduces the criteria for registering the branch offices to an acceptable level'.<sup>14</sup>

Malić Agić, Head of the Security Sector in the Public Company 'Elektroprivreda BiH' is even stricter in this regard. He thinks that the Elektroprivreda is a legal entity on the level of the whole territory of the Federation of BiH and that, therefore, one does not need to apply for establishing of new legal entities for all its branch offices. 'It is enough to register the internal security service in the place of the company's headquarters, and to appoint responsible persons in the branch offices equipped with necessary staff and technical resources' says Agić and adds that such a system would not undermine the security service provided.

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<sup>14</sup> Nikola Bender, General Manager, Puma Security, Round table: Regulating the sector of Agencies for Protection of People and property in BiH by Self-Regulation, Mostar 24 June 2009.

Malik Krivić, Inspector of the Ministry of Internal Affairs of the Federation of BiH, is of the same opinion: „If one registers the PSC headquarters in Sarajevo, then one has the right to operate on the whole territory of the Federation of BiH, and there is no reason to register one’s branch offices as new legal entities, except to fulfill the required legal obligation in regard to technical equipment and staff ‘.<sup>15</sup>

Draženko Miletić has a totally opposite opinion. He thinks that each PSC and the internal security service, which has its branch office on the territory of the Herzegovina Neretva Canton and its headquarters outside of the Canton, must be registered in the court register of the Herzegovina Neretva Canton as a new legal entity. ‘I think that the Law prescribes that the branch offices must be registered by the court and I follow that provision of the Law. Not a single agency will be granted a license for work for its branch offices until it presents a proof of the entry in the court register. It is in our jurisdiction and we will act accordingly also in the future ‘.<sup>16</sup>

After considering all the different opinions, we wanted to identify the real situation regarding the registration of branch offices of the PSC, which operate outside of the cantons in which the agencies registered their headquarters. For that purpose we analyzed the collected feedback information from the courts responsible for the registration and from the ministries of internal affairs responsible for granting a license for work. In the following text we will present some examples of the relation between the PSC entry into the court register and the license by the police authorities for some cantons and some areas of Republika Srpska.

The Posavina Canton, with its seat in Orašje, was the first canton which was subject of our study. According to the submitted information from the Municipal Court in Orašje,<sup>17</sup> one PSC (‘L&T Sigurnost’) was registered by this Court since 2002 and there were no cases of registering branch offices of a PSC with its headquarters outside of this Canton. In the letter from the Ministry of Internal Affairs of the Posavina Canton it is visible that the private

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<sup>15</sup> Second round table: Regulating the Sector of Agencies for Protection of People and property in BiH by Self-Regulation, Mostar 2 July 2009.

<sup>16</sup> Dražen Miletić, Inspector, Ministry of Internal Affairs, Herzegovina Neretva Canton.

<sup>17</sup> Correspondence with the Municipal Court in Orašje no. 025-0-RegZ-09-000 081; from 1 April 2009.

security company 'L&T Sigurnost' from Orašje was granted a license for work, but, at the same time, this Ministry granted a license for work also to the two more branch offices 'Sector Security' Banja Luka and 'Lugonjić M. R'. from Brčko. It is obvious that these two companies work on the territory of the Posavina Canton without being entered into the court register.

Ministry of Internal Affairs of the Una-Sana Canton issued six licenses for work of the PSCs<sup>18</sup> (Bodyguard-Fileković, Bakrač-Security, DSO-Security, SZT, Security S.T.A.R.S. and Čova Security), whereas only five private security companies were entered into the court register. Bakrač Security is not on the list of the PSC companies which are entered in the court register by the Municipal Court in Bihać.<sup>19</sup> It needs to be emphasized that there are also other companies which operate on the territory of the Una-Sana Canton and which are not registered either by the Cantonal Ministry of Internal Affairs or by the responsible court, which could imply an inadequate supervision of the sector by the police authorities. In other words, some companies operate on the territory of the Canton without the granted license by the Cantonal Ministry of Internal Affairs, although the Law clearly prescribes that a company must have a license granted by the Ministry of Internal Affairs, if it wants to start to work.

A pretty similar situation regarding the relation between the registration and the issuing of license for work is present also in other cantons except in the West-Herzegovina Canton and the Herzegovina-Neretva Canton. In these two cantons the number of agencies entered in the court register corresponds to the number of issued licenses by the Ministry of Internal Affairs. Thus eight licenses for work of the PSCs and three licenses for work of the internal security services were issued by the Ministry of Internal Affairs of the Herzegovina-Neretva Canton and three licenses for the PSC were issued by the Ministry of Internal Affairs of the West-Herzegovina Canton.

It should also be noted that in Republika Srpska there are variations in the number of the registered PSCs in the court and the number of issued licenses for work by the Center for Public Security (CPS). Thus two private security companies (Sector Security, Banja Luka,

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<sup>18</sup> Letter of the Ministry of Internal Affairs of the Una Sana Canton no. 05-2/01-04-286/09; from 21 April 2009.

<sup>19</sup> Correspondence with the Municipal Court in Bihać no. 017-0-SU-09-000 270; from 16 April 2009.

business unit Trebinje and Gama Sigurnost, business unit Trebinje)<sup>20</sup> are entered into the court register by the Basic Court in Trebinje, whereas CPS issued four licenses for work to the following private security companies: ‘Sector Security’, ‘Gama Sigurnost’, ‘Wolf Company’ and ‘Centurion’.<sup>21</sup> Therefore, ‘Wolf Company’ from Rogatica and ‘Centurion’ from Bjeljina operate in this area without being entered into the court register by the Basic Court in Trebinje.

### **1.3.2 Licensed activities carried out by the private security companies**

Licensed activities carried out by the private security companies are defined differently in the two BiH entities and the Brčko District. These differences are visible in the very names of the laws which regulate this sector. Thus, Article 2 of the Law on Agencies and Internal Services for Protection of People and Property of the Federation of BiH stipulates that the protection of people and property of companies, institutions and other legal entities is carried out by the private security companies or organized internal security services as legal entities in compliance with the mentioned Law. The agencies cannot engage in protection services of people and property under the authority of the police and other bodies ensuring public peace and order, as well as the protection of the BiH Armed Forces and of the public administration bodies within their area of responsibility.

Even though there were opposite opinions by both citizens and certain authority structures about the PSC, the legislator extended the range of potential clients of the agencies in the new Law from 2008 on the level of the Federation BiH. Article 2 Paragraph 4 of the Law permits physical and technical protection of buildings used by the public administration authorities on the level of the Federation of BiH, cantonal, city and municipal level, unless it is regulated differently by a special provision, as well as the protection of buildings used by political parties. In this way the provisions of the Law are harmonized with the European standards, which were evaluated as discriminating in the previous law. Such provision of the Law is supported by the managers of the PSCs, whom I had interviews with. They are also of the

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<sup>20</sup> Correspondence with the Basic Court in Trebinje, no. 095-0-Su-09-000 160; from 23 June 2009.

<sup>21</sup> Letter from the Ministry of Internal Affairs of Republika Srpska, Center for Public Security Trebinje no.12-04/2-29-14/09; from 19 May 2009.

opinion that the Law leaves a possibility to open new businesses. „Building upon our existing professionalism we have an additional opportunity to extend our capacities and provide better level of security to the public administration authorities as well as to open new employment possibilities’.<sup>22</sup>

Such a move from the legislator’s side builds our confidence in the work of the PSC, in which the owners and the employees of the agencies<sup>23</sup> can take pride as well as those who are in one way or another connected to their work.

Activities related to protection of people and property are activities of physical and technical security.

Laws on Agencies for Protection of People and property and the Private Detective Service in Republika Srpska and the Brčko District almost identically define the protection of people and property. This is also visible in the titles of the laws. Thus these laws define the activity of protection of people and property by the physical and technical security, as well as the activities of a detective by defining the rights and obligations of detective service.

The differences in the security activities regulated by the Law are visible in Republika Srpska and the Brčko District on one side and the Federation of BiH on the other side. The Laws of Republika Srpska and the Brčko District do not include the internal security service and the Law of the Federation of BiH does not include the private detective services. It would be of utmost importance for the PSC and for the legislators to be sensitive to and harmonize these differences in order to create a joint regulation of the security service on the whole territory of Bosnia and Herzegovina. In our study we did not encounter such an example of organizing private security in the European Union countries. That of course does not mean that the existing BiH organizational system is not functional and it is not our intention to criticize the current legal framework. However, the harmonization of the standardized legal practice of the

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<sup>22</sup> Interview: Mirsad Ćatić, owner of the AWG Group. 14 July 2009. Headquarters AWG- Sarajevo.

<sup>23</sup> „The legislator’s decision to extend the range of our potential clients towards the public administration authorities on the level of the Federation of BiH is for us a good signal that we, as a PSC, worked well and that we earned trust by the legislator. That makes us happy and proud of our work.’ - Interview of the author with: Antonio Bošnjak, Executive Director of the agency ‘Redarstvenik’ from Mostar, Mostar 25 June 2009.

private security within the current laws would contribute to a better image of the sector in the region and worldwide. Moreover, the harmonization would mean that the same rules and standards of the private security sector were applied on the whole territory of BiH.

Another lack of coordination between the mentioned laws relates to the security activities carried out for the government authorities. As already mentioned, these kind of activities are permitted by the Law on Agencies and Internal Services for Protection of People and Property of the Federation of BiH, while the Laws in Republika Srpska and the Brčko District strictly prohibit these activities.<sup>24</sup> Such restriction puts the PSC in Republika Srpska and the Brčko District in an unequal position to the PSC in the Federation of BiH, in relation to the potential clients for their services, which is totally opposite to the rules of a common market of Bosnia and Herzegovina.

The two Laws do not restrict the security activities for the political parties, i.e. the protection of their buildings and premises, which was also recognized in the Federation of BiH. „This was the practice in the former times and I hope that it will remain so in the future as well. We also offer services for some other agencies owned by the Government of Republika Srpska (e.g. Archive of Republika Srpska, Office for the Missing Persons in Republika Srpska, Institute for Health Protection of Republika Srpska, etc.), as well as for the City of Banja Luka. We do not see anything wrong in carrying out such activities’, says Dragan Talić, General Manager of Sector Security, from Banja Luka.<sup>25</sup> However, the question is whether such activities are in violation of Article 3 of the existing Law and we leave it to the inspectors in charge of supervision of the PSC work to judge about that. We think that it is a violation of the Law and that the PSC in Republika Srpska should initiate a discussion with the legislator to change these provisions so that they would not be violated in the future.

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<sup>24</sup> Companies and detective agencies which are granted license to engage in activities of protection of people and property i.e. of detective activities respectively **are forbidden** to carry out these activities for the state authorities and the executive authorities on the level of municipality, city and Republika Srpska, Article 3 of the Law on Agencies for Protection of People and property and the Private Detective Services. The agencies for protection of people and property and the detective agencies **are forbidden** to carry out such activities for the government authorities of the Brčko District of BiH and for their members, Article 3 of the Law on Agencies for Protection of People and property and the Private Detective Services of the Brčko District.

<sup>25</sup> Interview: Dragan Talić, General Manager, Sector Security, Banja Luka 24 April 2009.



### **1.3.3 Authorization for using firearms**

We can be free to say that for a security officer working for a private security company the authorization to use firearms is one of the most significant yet one of the most complex rights and we have thus singled out this issue for further analysis. The security officer can use the firearm as an ultimate mean in case all other lenient means have proven insufficient to resist the attack on guarded values. There are also certain conditions that have to be met for a member of the private security company to use firearms. Firstly, the use of firearms should be indispensable. Secondly, the attack has to be simultaneous, immediate and illegitimate and the third condition is that the aforementioned attack could not have been resisted by use of physical force. What must be underlined is that the security officer working for a private security company should warn the other party of its intention to use the firearm on him/her before the actual firing.

All the three existing legal regulations in BiH recognize this authorization and it is currently being subjected to further developments. In accordance with these needs, the private security companies (in FBiH and the RS) can in maximum own a number of firearms for half of their employees while in District Brčko it is one third of the number of the company's employees. These firearms are borne by the security officers for self-defense. In the context of the existing entity laws, the short barrel arms are considered those arms whose length of the barrel does not exceed 20 cm while the length of the whole weapon does not exceed 30 cm. These are self-loading weapons that fire a single shot with one press on the trigger. They can range up to a maximum of 9 mm caliber and they must not have silencers. District Brčko has approved the purchase of semi-automatic, small barrel firearms for private security companies. These firearms reload every time a bullet is fired but can only fire a single shot with one pull of the trigger and the length of their barrel does not exceed 30 cm, i.e. the length of the whole firearm does not exceed 60 cm<sup>26</sup>. We can see that even in the acquisition of firearms for PSCs there are discrepancies between the entities and District Brčko. However, we must not forget that these discrepancies recently existed between the two entities. We thus had the situation that in FBiH,

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<sup>26</sup> Article 17 of the Law on Agencies for Securing People and Property and Private Detective Activity of District Brčko

the PSCs were allowed to purchase short barrel firearms for a maximum of one fifth of their employees. This had significantly aggravated the work of the PSCs and contributed to an increase of attacks on money transports. Due to the initiative of the PSCs and the good will of the legislator- the FBiH Ministry of Internal Affairs – the problem was resolved by passing of the amendments to Article 24 of the Law on Agencies and Interior Services for Protection of People and property<sup>27</sup>. This had placed the PSCs in FBiH in the same position as the PSCs in the RS regarding the acquisition of firearms for the activity of the PSC. This time the legislator in FBiH went one step further and enabled the PSCs in the entity to purchase one semi-automatic long barrel firearm (shotgun, scattergun) for each armored vehicle used for money transport. According to the FBiH assistant Minister of Internal Affairs, Medina Kočan, the legislator has decided to take this step in order to enhance the money transport security and decrease the number of robberies of the money being transported.<sup>28</sup> It yet remains to be seen whether these amendments will bring about positive effects.

One other fact that needs to be underlined regarding the acquisition of weapons and ammunition by the PSCs is that this is being conducted in accordance with the laws in force that regulate the issue of acquisition of weapons and ammunition and the consents of the Cantonal Ministries of Internal Affairs and Centers for Public Security. It has to be said that the activities regarding the acquisition, carrying and bearing of weapons and ammunition are currently regulated on cantonal levels (10 different laws), the level of the RS<sup>29</sup> and District Brčko. Theoretically there is a possibility for PSC from Bihać to purchase firearms by submitting various documents from PSC in Zenica or Mostar.<sup>30</sup> Such a condition is worrying and burdening the PSCs and their owners are stressing the need for the passing of a single

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<sup>27</sup> Official Gazette of the Federation of BiH, no. 78/08

<sup>28</sup> Round table: Organizing the operational sector of the Agencies for protection of people and property, Mostar July 2, 2009.

<sup>29</sup> The RS Law on Weapons and Ammunition (Official Gazette of the RS no. 01-1277/07 and 24/09), Article 1 – The Law on Weapons and Ammunition regulates the procedure for acquiring, carrying and bearing weapons and ammunition, the issuing of firearm licence, permits for carrying firearms and consents for bearing of weapons and ammunition, the seizing of weapons and ammunition, the reparation and remodelling of weapons and the records to be kept by the public companies and other legal entities.

<sup>30</sup> Should the PSC establish its branch in another canton then at the time of submitting the request for the firearms permit it submits the existing weapons in its possession in the other canton or the permits and thus meets the obligation for arms possession. This is the result of the absence of a single weapons register.

frame law that would uniformly define the means of purchasing, carrying and bearing of weapons and ammunition.

The aforementioned limitations for the PSCs regarding the acquisition of firearms for a maximum of one half of its employees engaged in physical protection works is a standard set out by the relevant international documents and our country's undertaken responsibilities. In that sense, the UN Convention against transnational organized crime and the stemming UN Action Plan on prevention, fight and proliferation of illicit small and light arms trafficking have proposed to the state an obligation to implicate itself through the laws, regulations and procedures in the prevention, fight and proliferation of illicit small and light arms trafficking in all their segments. In the same sense, the Regional Micro-Disarmament Standards (RMDS) for South East Europe have established that small and light arms as well as the ammunition represent a huge threat both to the governments and the international and regional efforts to build peace. The most effective ways of their tracking is through interventions and programs for micro disarmament and control of small arms and light weapons (SALW). Finally, the laws on arms have banned carrying of weapons in public places.

#### **1.3.4 New legal regulations in the Federation of Bosnia and Herzegovina**

In this part we will present certain interventions conducted by the legislator which we have failed to mention in the previous parts of the legal analysis. It is important to underline that the expert commission of the FBiH Ministry of Internal Affairs had been preparing the text of the new law for a long period of time. Thus the Law on Agencies and Interior Services for Protection of People and property came into life on December 10, 2008 when it was officially published in the FBiH Official Gazette no. 78/2008 while the existing Law on Agencies for Protection of People and Property (FBiH Official Gazette no. 50/2002) expired.<sup>31</sup>

Even the name points to the differences between the two laws. In the new law, we have the phrase 'interior services' which has additionally clarified the previously ambiguous situation to

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<sup>31</sup> For more on these legal novelties please see magazine „Zaštita’ (Security) – Muamer Bajraktarević

many of the legal entities indicating the need for the harmonization of their security services with the new Law regardless of how they named such a service.

Furthermore, the legislator had resolved the previous obscurities with certain provisions regarding the minimum number of employees for the founding of a PSC and internal security services as well as the number of staff the PSC needs to have in order to conduct activities on physical and technical protection. The previously mentioned novelty refers to the fact that the new law defines the branch office as a legal entity and in parallel defines the means and responsibilities for its establishment.

Having in mind that there had been very modest trainings in the use of firearms, Article 25 regulates the obligation for the PSC to conduct a periodical skills check of handling the firearms and a medical and psycho-physical skills check-up for each of its employees in a matter to be regulated by the regulation issued by the Minister of Internal Affairs.

One of the factors that had surely brought about a hastier adoption of the new Law in FBiH was the attempt to resolve the problem of decertified members of the police forces. The new Law provides that these former police officers may apply for the job of securing people and property once they acquire the certificate. Another novelty in the Law is that persons who have worked at least three years as a police officers, court and prison wardens or military police are not obliged to attend training course for obtaining the certificate.

Article 4, paragraph 3 of the Law defines the technical security in the form of securing people and property by technical means and equipment except for the system of fire alarm. With this definition, the previous deficiencies have been removed and as this area had almost not been defined at all there had been a lot of space for a misuse in conducting the aforementioned activities.

Another very significant amendment can be found in Article 37 of the new Law regarding the granting of consent for the evaluation of threat and elaboration of security measures for certain entities awarded by the FBiH and Cantonal Ministries of Internal Affairs. The corporate

entities can find important novelties in Articles 38 to 47 of the new Law that precisely and clearly define the organization and means of performing the activities of the internal security services.

In defining Chapter IX, the legislator had improved the provisions that had posed a problem to the work of the PSCs in FBiH due to the absence of a chamber. Thus in Chapter IX, Articles 50-53 of the Law, there are clear indicators of a possibility of an establishment of a Chamber as a vocational association further more it defines the terms statute and codex with the aim of enhancing the work of the Chamber members (the PSC and internal security services), establishing the code of conduct, professional ethics and measures for their implementation.

Those are the most significant amendments in legal terms in the area of private security in FBiH. Apart from these amendments, we have had several ‘cosmetic’ changes such as: the obligatory clear display of the official badge while performing the activities on securing of people and property, the obligation of the agencies to report to the relevant institutions the termination of service contracts with the clients, record keeping of the facilities being physically secured and so forth.

#### **RECOMMENDATIONS FOR THE LEGISLATOR:**

- *It is important to harmonize the three existing legal regulations that regulate the work of the private security companies and to pass the frame law in BiH that would comprehensively, substantially and precisely regulate private security;*
- *Eliminate the deficiencies and contradictions not only in the area of interpreting the law but also in the field of law implementation;*
- *It is necessary that the legislator explains the legal provisions regarding the establishment of the PSC, i.e. whether each PSC needs to register its branch office in each canton and apply for license for work by the cantonal ministry of internal affairs;*

- *Urgently pass two additional pieces of secondary legislation in the Federation of BiH.*
- *Perform legal interpretation of primary and secondary legislation in FBiH;*
- *Inform the legislative authorities, especially the members of the Defense and Security Board as well as the parliament delegates on all the specificities and the scope of private security and thus aim to evoke them to trigger a debate in parliament on this subject matter*
- *Establish the central private security register.*

#### **1.4 THE STATUS AND SCOPE OF PRIVATE SECURITY IN BIH**

We cannot say that the business operations of the private security companies in BiH are not legally regulated but what we can say is that there is no single register of the status and the scope of private security companies. When we say status and scope, we primarily mean the number of PSCs, the number of staff trained to perform private security activities and the number of employees currently working in the PSCs as well as the amount of weapons currently in circulation among this staff. The current estimations have shown different results where the CoESS estimates that there are 41 private security companies in BiH with 2000 employees<sup>32</sup> whereas the estimations carried out by the Centre for Security Studies indicate that there are about 70 private security companies currently operating in BiH and employing about 3500 employees.<sup>33</sup> Furthermore it has to be said that the BiH Ministry of Security has gathered information regarding the condition of the PSCs in BiH in order to respond to an inquiry made by a parliament representative.<sup>34</sup> However, this information solely regards the private security companies but excludes the data on the number of internal security services and the private detectives that are treated equally by the law as the private security companies.

All the interviewees in this research agree that it is of utmost importance to conduct an analysis of the conditions in the private security sector. The current conditions, the vagrancy and the ignorance regarding the current position of private security resulted from the fact that the legislator had failed to recognize the importance of establishing the central register for which the relevant authorities that keep evidence on the registration of PSCs would be obliged to submit updated information on the registration of PSCs. It is without doubt that such a register would contribute to the increase of credibility in the work of the PSCs and increase the level of security.

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<sup>32</sup> See: <http://coess.org/stats.htm>

<sup>33</sup> According to its evidence, the CSS made such estimations in 2008 regarding the status of the private security companies in BiH. The estimations were based on the writings of the daily press and discussions with the PSC representatives.

<sup>34</sup> The member of the House of Representatives in the BiH Parliamentary Assembly, Adem Huskić posed the following question at the 52<sup>nd</sup> session of the BiH House of Representatives held on April 29, 2009: ‘How many security agencies are there in BiH, who are their owners, how many employees do they employ and how much weapons do they possess?’

The current state of the private security sector and the ever increasing media writings on the malpractice in the PSCs, the secret armament, the PSCs servicing certain political elites has lead us to take up this very demanding task and make a research on the actual conditions in the private security sector. Hereafter you will be presented with the results of this challenging research.

#### **1.4.1 The scope of private security companies in BiH**

Very little attention has been devoted to the privatization of the security sector in BiH. Apart from the SEESAC research that had analyzed the status of the private security sector in South East Europe, this is the first local research to be done. We have tried in this research to come across exact indicators of the number and scope of the PSCs and to carry a multi-fold analysis of the sector.

In order to make the information on the number and size of the private security sector clearer we would like to underline that we will present the results of the number of private security companies, the number of staff trained to work for the PSCs as well as the amount of weapons currently in circulation among the PSCs. We would also like to highlight that when we mention private security companies we mean the agencies for securing people and property, the internal security service in FBiH and the private detectives in the RS. All the aforementioned legal entities commenced with their activities in 2002 and are treated equally by the law.

In order to carry out a research on the number and scope of the private security companies, we have analyzed the statistical data obtained from the cantonal Ministries of Internal Affairs in FBiH, the CPSs in the RS and the police of District Brčko as well as data received from the courts charged with the registration of legal bodies . According to the analysis based on this data, we can say that there are **169** private security companies currently operating in BiH and that they have **4207** employees working for them. Additionally, they have **1075** pieces of weapons used by the security officers for their operations and tasks. It is important to note that



1452 people have returned their badges since 2002 meaning that they have ceased to perform the tasks of a security officer with the PSCs.

By comparing the statistical data that we have gathered throughout our research regarding the territorial distribution, the number of weapons and the number of certified security officers, we can conclude that the private security company ‘Alarm West’<sup>35</sup> is the leader followed by ‘Sector Security’, ‘Ipon Security’, ‘Top Guard’, ‘Redarstvenik’, ‘BH Sigurnost’ etc.

The number of population in BiH is estimated at 3,842.265 million.<sup>36</sup> This statistical data indicates that there is approximately one security officer for every 1000 citizens. In some parts of the country this ratio is a bit different. Thus we have in District Brčko one security officer for 334 citizens and a similar ratio can be found in Canton Sarajevo. In the RS this ratio is significantly higher and approximately one security officer serves 1724 citizens whereas the situation in the FBiH is identical to the state level, i.e. one security officer for 1000 citizens. According to some data, the average number of security officers per number of capita in the EU is 1 to 500.<sup>37</sup>

REGION	NO. of PSCs	NO. of WEAPONS	ISSUED BADGES	VALID BADGES
<b>Federation of BiH</b>	<b>121</b>	<b>665</b>	<b>3594</b>	<b>3151</b>
<b>Republika Srpska</b>	<b>37</b>	<b>375</b>	<b>1031</b>	<b>843</b>
<b>District Brčko BiH Tuzla</b>	<b>11</b>	<b>35</b>	<b>394</b>	<b>213</b>
<b>TOTAL BiH</b>	<b>169</b>	<b>1075</b>	<b>5019</b>	<b>4207</b>

**Table:** Overview of the conditions in the private security sector in BiH

<sup>35</sup> At the time of our research, ‘Alarm West’ was undergoing new registration of the company and in future they will continue to work under the name ‘Alarm West Group’ (AWG) based on partnerships, comprised of: Alarm West, B.I.G.A., Gavran, Gama, Eagle, Securitas and AWG Banja Luka.

<sup>36</sup> The estimations of the BiH Agency for Statistics dating back to June 30 2008. [http:// bhas.ba](http://bhas.ba)

<sup>37</sup> Panoramic Overview of Security Industry in the 25 Member States of the European Union, CoESS/UNI – Europa, 2009

If we are comparing the numbers in the public security and private security sectors, the research shows that the statistics are in favor of the police. Thus the ratio of policemen to security officers<sup>38</sup> in BiH is 4.5:1 in favor of police forces.

By generally viewing the development of private security<sup>39</sup> where in some countries the ratio of police officers to security officers is almost equal, we can say that further development of this branch is expected in the future.

In order to make the presentation of the status and the scope of private security in BiH very clear to the public, we have divided the analysis of this sector by entities and District Brčko. We have thus gained a clearer picture of the situation in the sector among the entities (the number of PSCs, the number of weapons) and we have demystified the frequent media claims that this sector is arming itself due to the absence of control in the issuing of weapon possession permits by the PSCs.

<b>PRIVATE SECURITY IN BOSNIA AND HERZEGOVINA</b>	
<b>Number of private security companies (PSCs):</b>	<b>169</b>
<b>Number of certified staff in the PSCs:</b>	<b>4207</b>
<b>Number of weapons with permits in the PSCs:</b>	<b>1075</b>
<b>Ratio of number of security officers per capita:</b>	<b>1:1000</b>
<b>Ratio of no. of security officers and police officers:</b>	<b>1:4,5</b>
<b>Security officer profile:</b>	
<b>Average age:</b>	<b>29 years old</b>
<b>Wearing uniform and carrying firearms:</b>	<b>YES</b>
<b>Went through training and holds certificate:</b>	<b>YES</b>

<sup>38</sup> In South Africa there are 4 security officers to one police officer amounting to a total of 4500 private security companies employing half-a-million of employees; In Nicaragua the first private security company was established in 1990 while this number increased to 52 in year 2001; in Panama there were 14 PSC in 1990 and 108 in 1999; in Costa Rica, 28 PSCs in 1994 to 754 in 2001. According to the Brazilian Federal police data, there are 1.120.842 private security officers in Brazil working for 2865 legally registered companies and handling about 413.994 guns.

<sup>39</sup> The increased growth is expected in developing regions such as Asia, the Latin America, Eastern Europe, Africa and the Middle East. It is deemed that China will be the leader in market growth in this decade with a 20% annual growth.

#### **1.4.1.1 Number and scope of private security companies in the Federation of BiH**

The Federation of Bosnia and Herzegovina (FBiH) is one of the two entities in BiH. By signing the Washington Agreement on March 18, 1994 the Croat-Bosniak conflict was put to an end and the Federation of BiH was established by the Law on Federal Units<sup>40</sup>. The Federation is comprised of 10 cantons names and seats of which are defined by the Constitution. Approximately 2.5 million people currently live on the territory of the Federation of Bosnia and Herzegovina.<sup>41</sup>

The private security emerged in FBiH in 1996. This industrial branch began its development in legal frames from 2002 with the aim of protecting the citizens from any form of abuse. The private security companies in this sector nowadays primarily provide security services of property, transports of money and valuable possessions, securing public gatherings, access control, installation and maintenance of alarm systems.

FBiH is the area with the biggest number of PSCs in BiH. Thus, there are 121 such companies spread on an area of 26,110.5 km<sup>2</sup>. The private security companies hold 665 firearms for the needs of the security officers. The total number of employees in this sector amounts to 3151 while 1083 security officers have returned their badges and ended their work in the private security companies. That means that for each 1000 citizens in FBiH there is one security officer. However, this ratio is variable depending on the canton. The largest concentration of security officers is in Canton Sarajevo where we have three security officers for 1,000 citizens. This is followed by Herzegovina-Neretva Canton where the ratio is 1,000: 2.8 and Tuzla Canton with the ratio of 1,000:1.5. In the remaining cantons the ratio falls below 1 security officer per 1,000 citizens. If we view the ratio of the public security (police officers) and the private security (security officers) we can note that this ratio is 3,6 : 1 in favor of the public security.

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<sup>40</sup> FBiH Official Gazette, no. 9/96

<sup>41</sup> The number of population reflects the estimation of the number of present population on June 30, 2008. All the data is based on statistical indicators taken over from the FBiH Bureau for Statistics. <http://www.fzs.ba/Podaci/Federacijaubrojkama2008.pdf>

On the grounds of the analysis<sup>42</sup> that stems from the gathered data, we can conclude that ‘Alarm West’ is the private security company most widely spread on the territory of FBiH, it employs the biggest number of security officers and it possesses the largest number of weapons. ‘Alarm West’ is followed by ‘Ipon Security’, ‘Top Guard’, ‘Redarstvenik’, ‘BH Sigurnost’ etc.

<b>REGION</b>	<b>NO. of PSCs</b>	<b>NO. of WEAPONS</b>	<b>ISSUED BADGES</b>	<b>VALID BADGES</b>
<b>Una-Sana Canton, Bihac</b>	<b>8</b>	<b>41</b>	<b>297</b>	<b>170</b>
<b>Posavina Canton, Orasje</b>	<b>3</b>	<b>/</b>	<b>19</b>	<b>19</b>
<b>Tuzla Canton, Tuzla</b>	<b>19</b>	<b>67</b>	<b>/</b>	<b>640</b>
<b>Central Bosnia Canton, Travnik</b>	<b>8</b>	<b>27</b>	<b>124</b>	<b>86</b>
<b>Canton 10 Livno</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>
<b>Herzegovina-Neretva Canton, Mostar</b>	<b>11</b>	<b>166</b>	<b>1073</b>	<b>653</b>
<b>Zenica-Doboj Canton, Zenica</b>	<b>14</b>	<b>39</b>	<b>319</b>	<b>210</b>
<b>Bosnia-Podrinje Canton, Goražde</b>	<b>2</b>	<b>7</b>	<b>29</b>	<b>28</b>
<b>West Herzegovina Canton, Ljubuški</b>	<b>3</b>	<b>6</b>	<b>46</b>	<b>39</b>
<b>Canton Sarajevo, Sarajevo</b>	<b>53</b>	<b>312</b>	<b>1687</b>	<b>1306</b>
<b>TOTAL</b>	<b>121</b>	<b>665</b>	<b>3594</b>	<b>3151</b>

Table: Overview of the conditions in the private security sector in FBiH

The private security companies are more serviceable in performing the daily routine tasks in securing people and property. However, it has to be said that the aforementioned tasks of the PSC are logically complimented with the tasks of the police which enables the police officers to devote more quality time to their principle tasks.

<sup>42</sup> The analysis was conducted on the grounds of the number of registered branch offices in BiH, the number of weapons in the possession of the agencies and the number of certified staff for the tasks of a security officer.

#### 1.4.1.1.1 Una-Sana Canton

Una-Sana Canton spreads in the north-west part of **Bosnia and Herzegovina** on the total area of 4,841 km<sup>2</sup> or 8.2% of the total territory of BiH. There are 287,998 inhabitants of this canton and the cantonal center is in **Bihać**.



There are 8 private companies operating in this region. It is important to note that of these eight companies, one PSC deals solely with technical security (S.T.Z. Bihać) whose founder is 'Infokomerc' d.o.o. Bihać. Two companies are organized as internal security services within corporations: 'Dom zdravlja' Cazin (Health Centre in Cazin) and 'Grupex' company from Velika Kladuša.

There are 170 employees in the private security sector in Una-Sana Canton performing the job of security officers in the aforementioned PSCs but also in the PSCs with their branch offices in the Canton that are not registered in the court register and the cantonal Ministry of Internal Affairs. In accordance with the Law on Agencies and Interior Services for Protection of People and Property<sup>43</sup>, Una-Sana Cantonal Ministry of Internal Affairs had issued 41 permits to the PSCs for the purchase of 41 short barrel firearms (9 mm, 7.62 mm and 7.65 mm)

The private security companies in this region primarily provide security for the banks, their branch offices (75%), industrial companies (7%) and other companies (10%), bars, restaurants and clubs (6%), apartments and houses (0.90%)<sup>44</sup>. It should be mentioned that the current private security sector is mainly focused on technical and physical security.

<sup>43</sup> FBiH Official Gazette no. 78/08

<sup>44</sup> Interview: Mr. Husein Karajić, 'Čova Security', April 23, 2009 – Velika Kladuša

Due to the fact that the private security sector employs a large number of employees in the Una-Sana Canton, we have tried to come across information whether there had been any cantonal government stimulus to this sector. In our discussions with the PSC representatives we found out that no PSC had ever received any aid from the cantonal government. One discouraging fact is that the PSCs have a hierarchical organization with mostly three levels: the supervisory board, the manager and the owner.

Hereafter is a table with the names of companies and services operating in the Una-Sana Canton together with the number of weapons currently in circulation in these companies.

<b>No.</b>	<b>Name of PSC of security service</b>	<b>Location</b>	
<b>1.</b>	<b>Bodyguard - Fileković</b>	<b>Bihać</b>	<b>PSC</b>
<b>2.</b>	<b>Bakrač Security</b>	<b>Bihać</b>	<b>PSC</b>
<b>3.</b>	<b>DSO Security</b>	<b>Bihać</b>	<b>PSC</b>
<b>4.</b>	<b>Security S.T.A.R.S.</b>	<b>Bihać</b>	<b>PSC</b>
<b>5.</b>	<b>Čova Security</b>	<b>Velika Kladuša</b>	<b>PSC</b>
<b>6.</b>	<b>S.T.Z.</b>	<b>Bihać</b>	<b>PSC</b>
<b>7.</b>	<b>Dom zdravlja Cazin</b>	<b>Cazin</b>	<b>Security Service</b>
<b>8.</b>	<b>„Grupex’ company</b>	<b>Velika Kladuša</b>	<b>Security Service</b>

#### 1.4.1.1.2 Posavina Canton

With an area of 324.6 km<sup>2</sup>, Posavina Canton is situated in the north of BiH and is comprised of two split territorial areas. The Canton is made up of three municipalities: Odžak, Domaljevac-Šamac and Orašje.



According to the information of the FBiH Bureau for Statistics dating back to 2004, there are 40,513 inhabitants in Posavina Canton.

The private security sector in this canton is organized among the three private security companies.<sup>45</sup> There is one registered PSC and two branch offices with their headquarters outside the Canton. ‘L.T. Sigurnost’ Orašje is a PSC with its headquarters in Orašje. This company employs five security officers and they have submitted a request for the issuing of arms permit to the Cantonal Ministry of Internal Affairs which is still in operational procedure.

As mentioned previously, the Posavina Cantonal Ministry of Internal Affairs has issued working permits to two PSC branch offices: ‘Sector Security’ d.o.o. Banja Luka employing 6 security officers without any weapons and ‘Lugonjic M.R.’ d.o.o. Brčko, employing 8 security officers without any weapons.

According to the aforementioned information, we can conclude that Posavina Canton is the only region that does not have any weapons in circulation among the private security companies. Surely this situation is bound to change in the time to come.

Additionally, there are no internal security services established in this region but the private security sector is solely operating through the three mentioned PSCs.

<sup>45</sup> Official letter of the Posavina Cantonal Ministry of Internal Affairs no. 02-1-04-176/09 from July 9, 2009

Table: PSCs in Posavina Canton

No.	Name of PSC of security service	Location	
1.	L.T. Sigurnost	Orašje	PSC
2.	Sector Security	Orašje- Banja Luka	PSC- branch office
3.	Lugonjić M.R.	Orašje – Brčko	PSC- branch office

### 1.4.1.1.3 Tuzla Canton

Tuzla Canton is located in the south-eastern part of BiH and spreads on 11.1% of the total territory of the Federation of **Bosnia and Herzegovina**. The Canton is comprised of 13 municipalities: **Banovići, Čelić, Dobož Istok, Gračanica, Gradačac, Kalesija, Kladanj, Lukavac, Sapna, Srebrenik, Teočak, Tuzla i Živinice**. It takes up an area of 2,908 km<sup>2</sup> and has 500,000 inhabitants.



This canton has a very developed economy. The region is rich with various resources that have been used as grounds for a range industrial production. The industrial products and various goods that have reached this region have overpowered the traditional craftsmanship and local merchant trade. With the rise of corporate activities, the need for the protection of facilities that host such activities has arisen. The accelerated post-war development, the emersion of private capital and an ever increasing number of attacks on private property have resulted in the establishment of the private security sector in Tuzla Canton.

Thus, today we have 19 private security companies that operate in the region of Tuzla Canton. These companies own 67 pieces of weapons - short barrel firearms. The agencies employ 640



security officers that conduct their tasks in accordance with the law. Pursuant to Article 24, paragraph 3, the FBiH Ministry of Internal Affairs had granted permission to the private security company ‘Protection BH – Živinice’ to purchase one semi-automatic piece of weapon (shotgun- scattergun).

Out of the 19 PSCs operating in the region, 12 have their headquarters in the Tuzla Canton while 7 of these are branch offices with their headquarters outside the Canton. Of these 7 branch offices that have operational clearances for Tuzla Canton, 3 have their headquarters in Sarajevo (Eagle Sigurnost, Alarm West and Gama Sigurnost), two are seated in Mostar (Ipon Security and Tip Security), one is seated in District Brčko (Flek) and one in Banja Luka (Sector Security.) ‘BH Sigurnost’ from Tuzla has the highest number of employees – 137 security officers while ‘Flek’ from District Brčko takes up second place with 103 security officers. It is important to note that Tuzla Cantonal Ministry of Internal Affairs has no information whether two branch offices – ‘Eagle Sigurnost’ Sarajevo and ‘Gama Sigurnost’ Sarajevo – own any weapons.

The private security companies mostly secure business premises, commercial banks, industrial companies, apartment and houses, sports events etc.

In the following table is an overview of the PSCs operating in Tuzla Canton:

No.	Name of PSC of security service	Location	
1.	Titob	Tuzla	PSC
2.	Soko BH	Tuzla	PSC
3.	Cobra-Security	Tuzla	PSC
4.	BH Sigurnost	Tuzla	PSC
5.	Shark Security	Tuzla	PSC
6.	Protection BiH	Živinice	PSC
7.	A&M Security	Banovići	PSC
8.	Zmaj od Bosne	Gradačac	PSC
9.	Numanović	Banovići	PSC
10.	Alarm BH	Živinice	PSC
11.	Sheriff	Gračanica	PSC

12.	<b>TZ Sigurnost</b>	<b>Tuzla</b>	<b>PSC</b>
13.	<b>Eagle Sigurnost</b>	<b>Gračanica-Sarajevo</b>	<b>PSC – branch</b>
14.	<b>Alarm West</b>	<b>Tuzla – Mostar</b>	<b>PSC – branch</b>
15.	<b>Gama Sigurnost</b>	<b>Tuzla – Sarajevo</b>	<b>PSC – branch</b>
16.	<b>Flek</b>	<b>Tuzla – Brčko</b>	<b>PSC – branch</b>
17.	<b>Tip Security</b>	<b>Tuzla – Sarajevo</b>	<b>PSC – branch</b>
18.	<b>Ipon Security</b>	<b>Tuzla – Mostar</b>	<b>PSC – branch</b>
19.	<b>Sector Security</b>	<b>Tuzla - Banja Luka</b>	<b>PSC – branch</b>

#### 1.4.1.1.4 Zenica-Doboj Canton

With its area of 3904 km<sup>2</sup> and approximately 400,000 inhabitants, Zenica-Doboj Canton is situated in the central part of BiH. The Canton is comprised of 12 municipalities: Breza, Doboj South, Kakanj, Maglaj, Olovo, Tešanj, Vareš, Visoko, Zavidovici, Zenica, Zepce and Usora. The Cantonal centre is Zenica. Its territory borders with the RS and Tuzla Canton, Central-Bosnia Canton and Canton Sarajevo.



The private security sector is organized through private security companies. The owners-founders of these companies are private individuals or legal entities that have passed the verifications stipulated by the law in the approval process for the operation of the agencies. This data can be found at the Zenica Municipal Court where they have been listed in the court register.

There are 14 agencies that provide private security services in Zenica-Doboj Canton. Five PSCs have registered headquarters in the Canton (A.E. Sigurnost, Condor, Gavran, Garda and Galax Security), eight are registered as internal security services (Rudnik mrkog uglja Breza (Brown-Coal Mine Breza), Rudnik mrkog uglja Zenica (Brown-Coal Mine Zenica), DD

Metalno, JU Kantonalna bolnica (Cantonal hospital), Natron- Hayat Maglaj, Rudnik mrkog uglja Kakanj (Brown-Coal Mine Kakanj), Alma-Ras Olovo and Arcelormittal Zenica), while Sector Security with its seat in Banja Luka has a registered PSC branch office in Zenica.

According to the number of issued badges, we can say that the registered PSC companies in the Canton employ 210 employees holding a certificate for providing security services.

The aforementioned companies have been granted an approval by the Cantonal Ministry of Internal Affairs for the purchase of 39 short barrel firearms – up to 9 mm guns. The procurement procedure for these firearms was conducted in accordance with the Law on Agencies for Protection of People and Property (FBiH Official Gazette, no. 50/02) and Law on Agencies and Interior Services for Protection of People and Property (FBiH Official Gazette no. 78/08) respectively.

Furthermore, it is important to mention that there is unfair competition in this region. This competition is evident in two segments. The first is systematic and the second is economically conditioned. The unfair competition in the systematic terms is created by the PSC's partner- the Ministry of Internal Affairs. The police is entitled to commercialize some of its services (eg. money transport) which directly puts the private security companies in an unequal position to the police. The second element of unfair competition is of purely economic nature. According to the allegations of one source, which was later confirmed at the meeting in Mostar, most of the leading companies lost on one public tender despite offering a price of its service almost below the minimum level after one company offered a price that was economically unsustainable. Such a price would not be able to cover the basic needs of the employees (health and social insurance) let alone the salary.

This situation will be repeated until the clients using the private security service figure out whether they need passive physical security or a slightly more expensive offer, i.e. a company that provides higher quality services and has better human and technical resources. It is thus important to work in raising the awareness among the clients in order for them to organize themselves and request higher quality of private security services.

In our research we did not come across information on function abuse and misuse of legally granted authorities by the security officers during the performance of their tasks in this region.

**Tabel:** PSC in Zenica-Doboj Canton

<b>No.</b>	<b>Name of PSC of security service</b>	<b>Location</b>	
1.	A.E. Sigurnost	Zenica	PSC
2.	Condor	Zenica	PSC
3.	Gavran	Zenica	PSC
4.	Garda	Tešanj	PSC
5.	Galax Security	Tešanj	PSC
6.	Sector Security	Zenica – Banja Luka	PSC – branch office
7.	Brown-coal Mine ‘Breza’	Breza	PSC- Security Service
8.	Brown-coal Mine ‘Zenica’	Zenica	PSC- Security Service
9.	DD Metalno	Zenica	PSC- Security Service
10.	Cantonal Hospital Zenica	Ženica	PSC- Security Service
11.	Natron –Hayat Maglaj	Maglaj	PSC- Security Service
12.	Brown-coal Mine Kakanj	Kakanj	PSC- Security Service
13.	Alma – Ras Olovo	Olovo	PSC- Security Service
14.	Arcelormittal Zenica	Zenica	PSC- Security Service

#### **1.4.1.1.5 Bosnia-Podrinje Canton**

Bosnia-Podrinje Canton is comprised of three municipalities: Goražde, Foča-Ustikolina and Pale-Prača. The area of the Canton equals to 585 km<sup>2</sup> with 33,225 inhabitants. Through a passage over the mountain saddle Grebak, the Canton directly borders Canton Sarajevo while the remaining parts of the territory borders with the municipalities in the RS: Goražde, Foča and Pale.

There are two registered private security companies in the Bosnia-Podrinje Canton. ‘Pobjeda Sigurnost’ is a company seated in Goražde and registered to provide private security services to legal entities and private individuals in the canton. The company has one registered firearm (9 mm caliber gun).

‘Unis Ginex’ is a company registered as an internal security service. This company is also seated in Goražde and it holds one firearm for its security officers (9 mm caliber gun). We can conclude that there are two firearms<sup>46</sup> in possession of the private security companies in Bosnia-Podrinje Canton.

The Cantonal Ministry of Internal Affairs has issued 29 official badges to the security officers in the mentioned PSCs. One badge had been returned and annulled thus leaving 28 certified security officers working in the private security sector.

‘Pobjeda Sigurnost’ company has so far concluded three contracts for providing security services private individuals and legal entities. These contracts have been duly reported to the cantonal Ministry of Internal Affairs.

**Table:** PSCs in Bosnia-Podrinje Canton

<b>No.</b>	<b>Name of PSC of security service</b>	<b>Location</b>	
<b>1.</b>	<b>Pobjeda Sigurnost</b>	<b>Goražde</b>	<b>PSC</b>
<b>2.</b>	<b>Ginex d.d.</b>	<b>Orašje- Banja Luka</b>	<b>PSC- Security service</b>

<sup>46</sup> It is important to underline that the Police Administration of the Bosnia-Podrinje Ministry of Internal Affairs has granted an approval to the private security company on the grounds of a consent by the FBiH Ministry of Internal Affairs to purchase five guns but this purchase has not been concluded yet. The Official letter of the Cantonal Ministry of Internal Affairs Gorazde, no. 07-01-3917/09 dated: May 25, 2009.

#### 1.4.1.1.6 Central Bosnia Canton

Central Bosnia Canton covers the area of 3,189 km<sup>2</sup>, which is 12% of the territory of Federation of BiH, with more than 255,000 inhabitants. Due to its geographical position it acts as an important crossroad for BiH and European roads, and important transit zone.



Public security is in the hands of the police forces organized through the Ministry of Internal Affairs and the four police stations. The main purpose of this type of activity of police forces is to establish better relations with users of police services, to present the work of the police to citizens and to exchange experiences in joint fight against potential criminal offenders. Apart from the above mentioned actors, private security companies also play a huge role in these efforts. They should act as partners of the police, and use their cooperation with clients to improve public safety. This partnership has been quite solid in the Central Bosnia Canton, but it should be improved even more in the future.

For the purpose of establishing of private security, Ministry of Internal Affairs of the Central Bosnia Canton issued work permits for eight companies registered on the territory of the canton. Six of them are registered as internal security agencies and two as PSCs – ‘Coin Security’ registered in Vitez and ‘BB Guard’ registered in Bugojno.

For business purposes, these companies have 27 guns. From a business point of view, and based on contracts for protection signed with private and legal persons during the period 2004 - 2009, private security companies closed the highest number of contracts in 2007 – 166.<sup>47</sup>

<sup>47</sup> Response from MIA of Central Bosnia Canton, number:02/1-3-04-1-373/09 dated 28.04.2009

When it comes to security officers of private security companies, they need to go through the training in the licensed centers, and once they pass the exam, they get a certificate. On the territory of Central Bosnia Canton, private security sector employs 86 security officers.

On the territory of this Canton, there are also 16 PSCs active, but with their main offices registered elsewhere; also, Ministry of Internal Affairs of Central Bosnia Canton did not issue them with work permits.

**Table:** PSCs in Central Bosnia Canton

<b>No.</b>	<b>Name of PSC or security service</b>	<b>Location</b>	
1.	Coin Security	Vitez	PSC
2.	BB Guard	Bugojno	PSC
3.	Fis doo Vitez	Vitez	PSC – security service
4.	Sarajevski kiseljak	Kiseljak	PSC – security service
5.	TRZ Travnik	Travnik	PSC – security service
6.	Grakop	Kiseljak	PSC – security service
7.	Konfekcija Borac d.d.	Travnik	PSC – security service
8.	Rudnik uglja Gračanica	Gornji Vakuf	PSC – security service

#### 1.4.1.1.7 Herzegovina – Neretva Canton

Herzegovina – Neretva Canton covers the area of about 4,500 km<sup>2</sup> from Makljen and Ivan-sedlo on the North to Neum and Adriatic Coast on the South. It includes fourteen municipalities with about 230,000 inhabitants.

Mostar is located at the center of this canton, and it is also political, economic, financial and cultural center of Herzegovina.

Private security sector includes 11 companies organized as private security companies. Three companies act as internal security service (Aluminij d.o.o, JP Hrvatske telekomunikacije d.o.o. and Igman d.o.o. Konjic), while the remaining 8 private security companies have their head offices registered on the territory of this canton.<sup>48</sup> It should be noted that only companies registered in this canton operate on its territory, while there are examples of the founder being from another canton or entity. Private security company employing the largest number of workers is ‘Alarm West’ registered in Blagaj, and it is followed by ‘Ipon Security’, ‘Top Guard’, ‘Redarstvenik’, etc. Private security companies in this canton employ total number of 1530 security officers.<sup>49</sup>



The Law on Agencies and Internal Services for Protection of People and Property allows possession of weapons for half of the company’s employees. In line with this law, the companies have acquired 166 pieces of firearms to be used by security officers. Firearms are owned by the companies, and security officers may use it only when on duty. Also, it is forbidden to carry the weapons home, and companies are responsible for keeping records on issuing and return of weapons.

<sup>48</sup> Response from MIA of Herzegovina – Neretva Canton, number: 02-03/1-04-58-1655/09 dated 29.05.2009

<sup>49</sup> Response from MIA of Herzegovina – Neretva Canton, number: 02-01-04-570-5/09 dated 08.06.2009



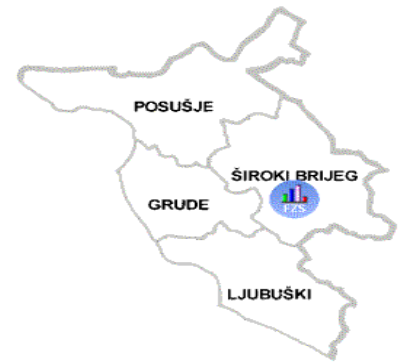
The following table shows data on names and main offices of private security companies in Herzegovina – Neretva Canton.

<b>No.</b>	<b>Name of PSC or security service</b>	<b>Location</b>	
<b>1.</b>	<b>Ipon Security</b>	<b>Mostar</b>	<b>PSC</b>
<b>2.</b>	<b>Alarm West</b>	<b>Mostar</b>	<b>PSC</b>
<b>3.</b>	<b>Puma Security</b>	<b>Mostar</b>	<b>PSC</b>
<b>4.</b>	<b>Redarstvenik</b>	<b>Mostar</b>	<b>PSC</b>
<b>5.</b>	<b>Top Guard</b>	<b>Mostar</b>	<b>PSC</b>
<b>6.</b>	<b>Patriot Security</b>	<b>Mostar</b>	<b>PSC</b>
<b>7.</b>	<b>Delta Security</b>	<b>Čitluk</b>	<b>PSC</b>
<b>8.</b>	<b>Elite Security</b>	<b>Mostar</b>	<b>PSC</b>
<b>9.</b>	<b>Aluminij d.o.o.</b>	<b>Mostar</b>	<b>PSC – protection service</b>
<b>10.</b>	<b>JU Hrvatske telekomunikacije d.o.o.</b>	<b>Mostar</b>	<b>PSC – protection service</b>
<b>11.</b>	<b>Igman d.o.o.</b>	<b>Konjic</b>	<b>PSC – protection service</b>

#### 1.4.1.1.8 West – Herzegovina Canton

West – Herzegovina Canton covers the area of 1362.2 km<sup>2</sup>, with about 82,000 inhabitants, and its center is located in Široki Brijeg.

Just as other cantons of Federation of BiH, West – Herzegovina Canton established its private security sector. Private security sector is consisted of three private security companies employing 39 certified security officers. Regarding the number of employees ‘Kamir Company’ from Široki Brijeg employs the largest number of workers; it is followed by ‘Sigurnost



Dropuljić’ from Ljubuški and ‘AIK Zaštita’ from Široki Brijeg. Also, ‘Kamir Company’ has concluded the highest number contracts regarding protection of legal and private persons since 2004 - 146 contracts.<sup>50</sup> Private security companies, for the needs of their security operations, own 6 pieces of firearms – 9 mm guns. ‘Kamir Company’ does not own any firearms since it provides technical protection services only.

On the territory of this canton there is no legal person issued with a permission to establish internal protection services.

**Table:** PSC in West – Herzegovina Canton

No.	Name of PSC or security service	Location	
1.	Sigurnost Dropuljić	Ljubuški	PSC
2.	Kamir	Široki Brijeg	PSC
3.	AIK – Zaštita	Široki Brijeg	PSC

<sup>50</sup> Response from MIA of West – Herzegovina Canton, number: 02-3-1-267/09 dated 02.06.2009

#### 1.4.1.1.9 Canton 10

Canton 10 – Livno Canton is located in the west part of the Federation, along the border with Croatia. Its most important centre is **Livno**. The canton includes six municipalities: **Drvar**, **Bosansko Grahovo**, **Glamoč**, **Kupres**, **Livno**, **Tomislavgrad**, and covers the territory of 4,934 km<sup>2</sup> or 19% of the territory of Federation of BiH. This area has about 82,000 inhabitants.



Regarding private security in this area, it doesn't exist *de jure*, since the Ministry of Internal Affairs has not issued any permits for private security companies. In practice, private security services are available thanks to security companies registered in other cantons. Business activity of these companies (the ones not registered at the Ministry of Internal Affairs) is disputable. During our research, we have found out that the Municipal Court in Livno has the records of registration of private security company MP Security,<sup>51</sup> but according to Ministry of Internal Affairs data, it was not issued with work permit. Thus Livno Canton is the only canton in FBiH with no PSCs registered at the Ministry of Internal Affairs.<sup>52</sup>

<sup>51</sup> Letter from the Municipal Court in Livno, number 068-0-RegZ-09-000080, dated 26.03.2009

<sup>52</sup> Response from the MIA of Canton 10, number: 02-1-474/09 dated 25.06.2009

#### 1.4.1.1.10 Sarajevo Canton

Sarajevo Canton covers the territory of 1276.9 km<sup>2</sup> and has about 422,000 inhabitants. On its eastern and southeastern side, the Canton borders with Republika Srpska, on southern and southwestern side with Herzegovina – Neretva Canton, on the western side with Central Bosnia Canton, and on the northern side, with Zenica – Dobož Canton.



Introduction and development of private security began at the end of 1995.<sup>53</sup> In fact, the private security market started to operate

in 2002. At that time, institutional system enacted a law that defined activity and control of private security companies.<sup>54</sup>

These circumstances led to an increase and rapid development of private security companies during the period 2002 - 2006. In June 2009, there were 1306 security officers employed in private security companies, where 312 had firearms (gun) as a company property. That means that per 100,000 of citizens of Sarajevo Canton there are 311 private security officers, that is, three security officers per 1000 citizens. At the same time, public security, i.e. the police, had 1387 employees (police officers in uniforms), which is 3 police officers per 1000 citizens. As we can see, Sarajevo Canton has 1:1 ratio of police officers and private security officers.

<sup>53</sup> The first company of this kind that officially operated in BiH was the Croatian firm ‘Soko’, and the first BiH company started in 1996 – ‘BLOC Company’. For more details see: A. Kržalić: *Privatna Sigurnost (Private Security)*, Centre for Security Studies, Sarajevo 2007, page 40.

<sup>54</sup> The law was titled the Law on Agencies for Protection of People and Property; it came into force on 14<sup>th</sup> October 2002. More details on this law see Official Gazette of Federation of BiH, year IX, issue no. 50.

Regarding the structure of private security, it includes 24 private security companies and 29 internal protection services,<sup>55</sup> issued with permit to provide private security services by the Ministry of Internal Affairs. Out of 312 pieces of weapons used by the private security sector of the Canton, 204 pieces are used in private security companies and 108 pieces is owned by internal protection services.<sup>56</sup>

Survey of private security market in Sarajevo Canton leads to the conclusion that, at the current moment, technical and physical protection represent the main activity of private security. Data indicate that private security companies have concluded many contracts. Until today, private security companies have concluded 6997 contracts for provision of physical and technical protection.

The research on compatibility of activities of police forces and private security companies showed some positive results. This means that private security companies are becoming partners of the police forces and that they provide significant support for police operations. This also means that private security companies are becoming independent force that can be used for maintaining public safety (for example, participation in security of public meetings). Of course, the state should support the private security sector and facilitate cooperation between the police and private security companies.

It should be noted that not one private security company has ever received any form of support (employment incentives) by any government in FBiH. This indicates that the governments failed to recognize the importance of the private security sector, as well as its role and potential benefit they could harvest from this sector.

Also, during the research we have noticed that some entertainment facilities (mainly clubs) have their own private security personnel whose activity is not in line with the Law on Agencies and Internal Services for Protection of People and Property. Not only that they do not work in line with this Law, but they are also of suspicious background. We believe that the

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<sup>55</sup> Internal security services are legally treated the same way as private security companies.

<sup>56</sup> Letter from the Ministry of Internal Affairs of Sarajevo Canton, number: 03/03-1-04-1-5349/2009 dated 06.05.2009

inspection should check the work of such security personnel and inform the public on their methods.

The following table shows number, name and main office location of private security companies in Sarajevo Canton:

<b>No.</b>	<b>Name of PSC or security service</b>	<b>Location</b>	
1.	Tip Security	Sarajevo	PSC
2.	Gama & Sigurnost	Sarajevo	PSC
3.	Sova – Konis	Sarajevo	PSC
4.	Sinsa	Sarajevo	PSC
5.	Top Line Security	Sarajevo	PSC
6.	Sicra Security	Sarajevo	PSC
7.	Securitas CIPOS	Sarajevo	PSC
8.	Glock Sigurnost	Sarajevo	PSC
9.	UNILAB	Sarajevo	PSC
10.	B.I.G.A.	Sarajevo	PSC
11.	DSC	Sarajevo	PSC
12.	SAS Security	Sarajevo	PSC
13.	Sword Security	Sarajevo	PSC
14.	Softis Security	Sarajevo	PSC
15.	Middle Point Electronics	Sarajevo	PSC
16.	Eagle Sigurnost	Sarajevo	PSC
17.	SCUTUM	Sarajevo	PSC
18.	ENIGMA	Sarajevo	PSC
19.	Pro team	Sarajevo	PSC
20.	Valter	Sarajevo	PSC
21.	M 97	Sarajevo	PSC
22.	GM & Max	Sarajevo	PSC
23.	Group E&C	Sarajevo	PSC
24.	SECTOR Security	Sarajevo-Banja Luka	PSC
25.	KJKP 'Vodovod i kanalizacija'	Sarajevo	PSC – protection service
26.	BH Telecom	Sarajevo	PSC – protection service

*Private Security in Bosnia and Herzegovina*

27.	<b>CENTAR SKENDERIJA</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
28.	<b>JU ‘Klinički centar Univerziteta u Sarajevu’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
29.	<b>JP ‘Željeznice Federacije BiH’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
30.	<b>JP ‘BH POŠTA’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
31.	<b>‘Služba za zajedničke poslove organa i tijela Federacije BiH’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
32.	<b>KJKP ‘SARAJEVOGAS’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
33.	<b>‘ENERGOINVEST’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
34.	<b>KJKP ‘RAD’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
35.	<b>‘Razvojna banka Federacije BiH’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
36.	<b>JP ‘Javni radio televizijski servis Bosne i Hercegovine’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
37.	<b>‘ŽICA’ d.d.</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
38.	<b>KJKP ‘Gradski sobračaj’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
39.	<b>‘Dallas BH’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
40.	<b>‘Bau &amp; Garten’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
41.	<b>JP ‘Međunarodni aerodrom Sarajevo’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
42.	<b>HBRD ‘Hoteli Ilidža’ d.d.</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
43.	<b>‘PRETIS’ d.d.</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
44.	<b>‘Bosmal’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
45.	<b>HTP ‘Holiday Inn’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
46.	<b>‘Mercator TC’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
47.	<b>‘Regulatorna agencija za komunikacije’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
48.	<b>‘Pro Credit Bank’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
49.	<b>‘Fabrika duhana Sarajevo’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
50.	<b>‘Tehničko - remontni zavod Hadžići’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
51.	<b>‘Fond Kantona Sarajevo’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
52.	<b>KJU ‘Gerontološki Centar’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>
53.	<b>‘Zavod za transfuzijsku medicinu FBIH’</b>	<b>Sarajevo</b>	<b>PSC – protection service</b>

#### **1.4.1.2 Number and scope of private security companies in Republika Srpska**

According to Dayton Agreement Republika Srpska is one of two entities in Bosnia and Herzegovina, with one-house parliament. It covers 49% of territory of BiH, that is, 24,617 km<sup>2</sup> with population of 1,439,673.<sup>57</sup> National Assembly consists of 83 representatives elected every four years. The Parliament has the legislative power and the Government of RS executive power. The president is elected in direct elections every four years.

Republika Srpska has its own government, emblem, anthem, president, assembly, postal system and police.

With regard to private security, Federation of BiH and Republika Srpska went through changes during the period 1996 - 2002. During this period, the concept of organized and legal involvement of all security entities in protection of state and public property was abandoned due to transition to market economy and legitimate introduction of several types of property: state-owned, public, private, etc.<sup>58</sup> Another important step that allowed establishing of private security in this region was enactment of the Law on Agencies for Protection of People and Property and Private Detective Services of Republika Srpska.<sup>59</sup> The law was enacted in 2002 and, among other things, for the first time the law comprehensively, precisely and profoundly regulates conditions for establishing of private security companies, that is, provision of protection for people and property, as well as the immediate monitoring of PSC activities by the relevant entity authorities, primarily the Ministry of Internal Affairs.

The Law defines standards for establishing of private security companies. In line with these standards, since 2002 until 2009, 37 private security companies have been established and operating in Republika Srpska.

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<sup>57</sup> Data from RS Institute of Statistics, Republika Srpska in numbers.

<http://www.rzs.rs.ba/PublikacijeLAT.htm#RS>

<sup>58</sup> Milan Daničić and Ljubomir Stajić: *Privatna bezbjednost (Private security)*, Internal Affairs College, Banja Luka 2008. Page 90.

<sup>59</sup> The law is consisted of nine parts dealing with the following areas: basic provisions, activities of protection of people and property, requirements for establishing of the company for protection of people and property, detective activity and private detective, records, monitoring, authorization to enact regulation, penal provisions and transitory and final provisions.



The Law provides precise definition of requirements that need to be met by security personnel in order to acquire permits to perform activities of protection of people and property. Once these requirements are met, security personnel can be issued with a badge proving the identity and authorization to provide services of physical and technical protection. The badge is issued by the Center for Public Security, according to the place of residence of the applicant. In line with this regulation Centers for Public Security<sup>60</sup> have issued 1031 badges by July 2009, where **843** are considered valid.

**Table:** Review of state of private security in Republika Srpska

<b>AREA</b>	<b>NUMBER OF PSC</b>	<b>NUMBER OF WEAPONS</b>	<b>ISSUED BADGES</b>	<b>VALID BADGES</b>
<b>Banja Luka</b>	<b>16</b>	<b>220</b>	<b>628</b>	<b>482</b>
<b>Doboj</b>	<b>8</b>	<b>36</b>	<b>106</b>	<b>106</b>
<b>Bijeljina</b>	<b>5</b>	<b>40</b>	<b>82</b>	<b>82</b>
<b>Trebinje</b>	<b>4</b>	<b>32</b>	<b>64</b>	<b>54</b>
<b>Istočno Sarajevo</b>	<b>4</b>	<b>47</b>	<b>151</b>	<b>119</b>
<b>TOTAL</b>	<b>37</b>	<b>375</b>	<b>1031</b>	<b>843</b>

The badge may be returned or the Center for Public Security may revoke the badge within three days, in case some of the necessary requirements for activities of physical protection cease to exist or if the holder of the badge terminates his employment. On these bases, 188 badges have been returned to Centers for Public Security.

Also, in Republika Srpska, **37** private security companies employ **843 security officers**, with **375** registered pieces of firearms. The weapons are registered in accordance with the Law on Weapons and Ammunition of Republika Srpska and Law on Agencies for Protection of People and Property and Private Detective Services. Private security companies keep neat records on

<sup>60</sup> MIA operates with five Centers for Public Security (Banja Luka, Doboj, Bijeljina, Trebinje and Istočno Sarajevo).

their weapons and provide daily information on issued weapons and persons responsible. The weapons are owned by the company and security officers can carry it only when on duty.

The highest concentration of private security companies is on the territory of Center for Public Security Banja Luka, with 16 private security companies; on the territory of CPS Dobož there are 8 PSCs, and in the remaining three regions (Bijeljina, Trebinje and Istočno Sarajevo) there is almost the same number of 4 PSCs.

According to the analysis of statistical results of the research, 'Sector Security' and 'Centurion' are private security companies that have the authorization to operate in all five Centers for Public Security of RS. We can say that 'Sector Security' is the leading company in terms of number of employees and weapons owned on the territory of RS; it is followed by 'Centurion', 'Alarm West', 'Mega Security', 'Wolf Security', etc.

On the territory of Republika Srpska, there is one security officer per 1724 citizens, that is, the ratio is 1000:0.5. If these statistical data based on the population is compared with FBiH, it is evident that the number of security officers is doubled in the Federation. Of course, this is also reflected on the relationship between public and private security, thus in Republika Srpska there are 8 per one security officer (8:1).

Ministry of Internal Affairs is responsible for internal affairs<sup>61</sup> in Republika Srpska, while the police are responsible for control of activities and work of private security companies. Territorial police is organized into five sectors, each under the relevant Center for Public Security. Since Centers for Public Security are responsible for issuing of work permits for PSCs, certification of security officers and other affairs, in the following text we will present a review of state of PSC, according to territorial jurisdiction of Centers for Public Security of the Ministry of Internal Affairs of RS.

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<sup>61</sup> For more on internal affairs see the Law on Internal Affairs, 'Official Gazette of Republika Srpska' issue no 48, dated 24<sup>th</sup> January 2003.

#### 1.4.1.2.1 State of private security on the territory of CPS Banja Luka

The territory of Center for Public Security Banja Luka is the territory with the largest number of registered private security companies in Republika Srpska. By July 2009, 15 private security companies and one private detective agency have been registered on the territory of Center for Public Security Banja Luka<sup>62</sup>, with all of them holding the appropriate work permit. These companies mainly deal with provision of services of physical and technical protection.



Center for Public Security has issued 628 badges for security officers employed by private security companies. However, badges have been revoked and cancelled for 146 persons, mainly due to change of the employer. Based on this data, we can say that the private security sector in this territory employs 482 persons.

For the needs of 15 private security companies, Center for Public Security Banja Luka has issued 220 weapon licenses. The largest number of weapons is owned by ‘Sektor Security’, and the smallest by ‘Gama Sigurnost’.

When it comes to regularity of work of private security companies, Center for Public Security Banja Luka has not had the need to ban any PSC so far, but has revoked work permit for the Agency for Brokerage and Financial Services – APIF and Detective Agency from Gradiška because there was no need for further business activity of these agencies. Also, license for private security company ‘Ipon Security’ was cancelled because the agency failed to start its business activity within the defined deadline.

<sup>62</sup> Letter from CPS Banja Luka, number: 08-052-147/09

In terms of abuse of the position by security officers working for private security companies, there were some cases of such kind so the Center for Public Security initiated a criminal procedure (report sent to Prosecutor's Office), in cases of: criminal offence of 'bodily injury', two cases of 'theft' and one case of 'compulsion'.

All visited private security companies have their hierarchy.<sup>63</sup> It usually includes the steering board, the director and the owner. Companies compile annual reports and send it to Ministry of Internal Affairs of Republika Srpska. Representatives of private security companies we interviewed claim that none of the companies on this territory has received any form of subsidy from the Government. Also, they claim that PSCs are in no way connected to any criminal groups, but that there is a possibility that some members of PSCs may be linked to criminal groups.<sup>64</sup> This could challenge the police to investigate this issue in order to confirm or deny these insinuations.

Also, representatives of private security companies believe that it would be necessary harmonize laws applying to activities of PSCs throughout BiH.

**Table:** Review of PSCs registered at the Center for Public Security Banja Luka

<b>No.</b>	<b>Name of PSC or security service</b>	<b>Location</b>	
<b>1.</b>	<b>Sector Security</b>	<b>Banja Luka</b>	<b>PSC</b>
<b>2.</b>	<b>Alarm West</b>	<b>Banja Luka</b>	<b>PSC</b>
<b>3.</b>	<b>Bond</b>	<b>Banja Luka</b>	<b>PSC</b>
<b>4.</b>	<b>Integra Inžinjeri</b>	<b>Banja Luka</b>	<b>PSC</b>
<b>5.</b>	<b>Gama sigurnost</b>	<b>Banja Luka</b>	<b>PSC</b>
<b>6.</b>	<b>Centurion</b>	<b>Banja Luka – Bijeljina</b>	<b>PSC – business office</b>
<b>7.</b>	<b>New Sanatron</b>	<b>Novi Grad</b>	<b>PSC</b>
<b>8.</b>	<b>Nokaut Sigurnost</b>	<b>Banja Luka</b>	<b>PSC</b>
<b>9.</b>	<b>SEPO Security</b>	<b>Banja Luka</b>	<b>PSC</b>
<b>10.</b>	<b>Security Wolf</b>	<b>Banja Luka - Rogatica</b>	<b>PSC – business office</b>

<sup>63</sup> During our visit to this region on 23<sup>rd</sup> and 24<sup>th</sup> April 2009, we have visited and interviewed representatives of: 'Bond' d.o.o., 'Sector Security' and 'Elite Security'.

<sup>64</sup> Interview with the representative of 'Bond' d.o.o. Banja Luka and representative of 'Sector Security', 24.04.2009, Banja Luka.

11.	Federal	Novi Grad	PSC
12.	BGF Security	Kozarac	PSC
13.	Elite Security	Nova Topola	PSC
14.	Alpha Security	Banja Luka	PSC
15.	Sigurnost 'Soko'	Banja Luka	PSC
16.	Dosije X	Sarajevo	PSC - detective

#### 1.4.1.2.2 State of private security in the area of the CPS Doboj

In the area of Doboj, the development of private security can be traced back to the period of 2002, when the first private security companies started their work. The markets of these companies have not changed significantly. So even today, private security companies in this area offer most of their services to banks and their branch offices, malls, private hospitality facilities and citizens. These are mainly the technical and physical protection services.



CPS Doboj has issued 8 private security companies with work permits. It should be noted that two companies have their registered office in the area of Teslić, one in the area of Doboj, while the remaining companies are branch offices of private security companies that have registered office outside of the area of the CPS Doboj.

In this area, 106 security officers are employed in the private security sector, and most of security officers are employed by 'Sector Security' (50 employees). For the purposes of security officers, the private security companies are entitled to procure firearms. Thus, three companies from this area (Sector Security, Mega Security and Wolf Security) in accordance

with approval issued by the PSC, procured 36 pieces of firearms - guns. Other companies have not been issued with approvals to procure and hold firearms.

We can say that the state of private security in this area is reflected in 8 private security companies, which employ 106 security officers, among which there are 36 pieces of firearms, guns, circulating.<sup>65</sup>

It should also be noted that in its previous work the CPS Doboj has not withdrawn work permits from any private security company, and there were no criminal proceedings against any member of these security companies.

**Table:** Overview of PSC registered at the CPS Doboj

<b>Ser. No.</b>	<b>Name of the PSC or detective company</b>	<b>Location</b>	
<b>1.</b>	<b>Sector Security</b>	<b>Doboj – Banja Luka</b>	<b>PSC – branch</b>
<b>2.</b>	<b>Mega Security</b>	<b>Doboj</b>	<b>PSC</b>
<b>3.</b>	<b>Wolf Company</b>	<b>Doboj - Rogatica</b>	<b>PSC – branch</b>
<b>4.</b>	<b>Centurion</b>	<b>Modrica - Bijeljina</b>	<b>PSC – branch</b>
<b>5.</b>	<b>Alarm West</b>	<b>Derventa – B. Luka</b>	<b>PSC – branch</b>
<b>6.</b>	<b>B.I.G.A.</b>	<b>Doboj - Sarajevo</b>	<b>PSC – branch</b>
<b>7.</b>	<b>Geofon</b>	<b>Teslić</b>	<b>PSC</b>
<b>8.</b>	<b>Antena NET*</b>	<b>Teslić</b>	<b>PSC</b>

<sup>65</sup> Letter from the CPS Doboj, No.:09-01-052-829/09 of 8 May 2009.

\* This company was issued with license to perform the services of physical and technical protection of people and property, but not with the approval to start work.

### 1.4.1.2.3 State of private security in the area of the CPS Bijeljina

The Center for Public Security Bijeljina is authorized for issuing private security companies in this area with work permits. Its competence also includes certification of security officers and control of work of private security companies. In accordance with the control competence, the CPS has conducted control of work of private security companies and until July 2009 it did not find any irregularities in business operations of these companies.



When it comes to private security in this area, we can say that it is uplifting and consists of five private security companies. These companies have regularly obtained licenses to provide the services of protection of people and property from the CPS Bijeljina.

Private security companies in this area have 82 authorized employees (security officers), and the largest number of security officers is employed by the companies ‘Sector Security’ (29), ‘Centurion’ (26) and ‘Alarm West’ (16).<sup>66</sup>

For the purposes of its business, five private security companies, which employ 82 authorized employees, have procured 40 pieces of firearms - guns.

**Table:** Overview of the PSC registered at the CPS Bijeljina

Ser. No.	Name of the PSC or detective company	Location	
1.	Sector Security	Bijeljina – B. Luka	PSC - branch
2.	Centurion	Bijeljina	PSC
3.	Alarm West	Bijeljina – B. Luka	PSC – branch

<sup>66</sup> Letter from the CPS Bijeljina, No.:10-01-123/09 of 15 May 2009.

4.	Security Wolf	Bijeljina	PSC
5.	Alpha security	Bijeljina	PSC

#### 1.4.1.2.4 State of private security in the area of the CPS Istočno Sarajevo

Private security in this area is organized into four private security companies which have obtained the work permit in accordance with the law from the CPS Istočno Sarajevo. Three of four private security companies are business units, while one company has registered seat in this area.



All companies that operate in the area of CPS Istocno Sarajevo have licenses for firearms. In total, these companies possess 47 pieces of firearms, for which they have duly obtained licenses. Of course, these are the firearms - short barrel guns, or guns. Sector Security, in this area has employed the largest number of security officers, and also has the biggest number of firearms, followed by 'Volf Security', 'Centurion' and 'Gama'.

For the purposes of private security, CPS has certified 151 individuals, but due to termination of work or change of the employer, it has annulled 31 badges, while one was annulled due to permanent revocation of the license to perform the private security services from a member of 'Volf Security'.<sup>67</sup> So today in this area there are 119 certified security officers who work for private security companies.

<sup>67</sup> Since a criminal proceeding is in process against Mr. Nenad Radovic, a member of 'Volf Security', for criminal act of murder, he was permanently deprived of the certificate for performing of private security services.



**Table:** Overview of the PSC registered at the CPS Istočno Sarajevo

Ser. No.	Name of the PSC or detective company	Location	
1.	Sector Security	Pale – B. Luka	PSC - branch
2.	Centurion	Lukavica - Bijeljina	PSC - branch
3.	Gama Sigurnost	I. Sarajevo – B. Luka	PSC – branch
4.	Volf Security	Pale	PSC

#### 1.4.1.2.5 State of private security in the area of the CPS Trebinje

The CPS Trebinje is responsible for maintaining of public order and peace in the area of Nevesinje, Gacko, Berkovici, Ljubinje, Bileća and Trebinje. This Center is also competent for work and control of private security in this area.



The private security sector of this area consists of four private security companies concentrated in the seat of the area, which is Trebinje. These companies are the business offices of the PSC that have registered seat outside this area. This means that all four companies operate as business units. Bearing in mind that the CPS has issued this companies with work permits, we wanted to check whether they have completed the registration of their business units at the Basic Court in Trebinje. On the basis of the memo<sup>68</sup> that we have received from the Court, it can be seen that ‘Sector Security’ from Banja Luka and ‘Gama Sigurnost’ have completed the registration of their business offices in the Court Register which is in accordance with the Law on Agencies for Protection of People and Property and Private Detective Activity<sup>69</sup> and the Law on Enterprises, while ‘Wolf Company’ d.o.o. Rogatica and ‘Centurion’

<sup>68</sup> Letter from the Basic Court in Trebinje No: 095-0-Su-09-000 160 of 23 June 2009.

<sup>69</sup> Article 9 of this Law reads: activity of protection of people and property may be performed by the companies in accordance with Article 8 of the Law on Enterprises. Article 8 of the Law on Enterprises Paragraph 1 defines that the companies may be founded by physical, or legal persons, respectively (hereinafter: Founders). Furthermore, as

from Bijeljina have not completed that obligation. Binding registration of business subjects, in this case of private security companies, derives from the Law on Registration of Business Subjects.<sup>70</sup> It should be noted that similar company business running is certainly present in other areas as well, but we have not obtained information from other Courts, although we have been waiting for it for several months.

Therefore it will be essential that the inspectors of the CPSs re-verify the procedure of registration of the business offices of PSC in the area of the entire Republika Srpska.

As regards the bulkiness of work and employment, ‘Sector Security’ is the company which also in this area employs the biggest number of security officers. There are 54 people certified who perform private security services.

For the purposes of four private security companies, CPS has approved the procurement of 47 guns, which are owned by the companies and every company is due to keep records on those. In previous business operations of PSCs there has not been any withdrawal of work permits neither there has been any criminal proceeding against members of private security companies.

**Table:** Overview of PSC registered at the CPS Trebinje

<b>Ser. No.</b>	<b>Name of the PSC or detective company</b>	<b>Location</b>	
<b>1.</b>	<b>Sector Security</b>	<b>Trebinje – B. Luka</b>	<b>PSC - branch</b>
<b>2.</b>	<b>Centurion</b>	<b>Trebinje - Bijeljina</b>	<b>PSC - branch</b>
<b>3.</b>	<b>Gama Sigurnost</b>	<b>Trebinje – B. Luka</b>	<b>PSC – branch</b>
<b>4.</b>	<b>Wolf Compani</b>	<b>Trebinje - Rogatica</b>	<b>PSC - branch</b>

regards the registered office of the company, Article 22 Paragraph 1 defines that the registered office of the company is the place in which the company performs its activity, and if the activity is performed in several places, the registered office of the company is the place in which the seat of the management is. Paragraph 2. The registered office shall be entered into the Register. As regards the registration into the Register of a part of the company Article 23 is clear and reads: A part of the company with some authorizations in legal dealings shall be entered into the Register according to the registered office of the company and the part of the company performing the activities from the company's business activity in a place out of the registered office of the company – also into the Register according to the place of performing of those activities. See more: Law on Enterprises (Official Gazette of RS. No. 24/98, 62/02, 66/02, 38/03, 97/04, 34/06).

<sup>70</sup> Article 4 a Obligation – all business subjects defined as such by this and other separate Law of RS shall be obliged, prior to the commencement of the business activity they intent to perform, to register at the competent Court Register.

### **1.4.1.3 Number and scope of private security companies in Brčko District**

Brčko District BiH is a unique administrative unit of local self-government which is under the sovereignty of Bosnia and Herzegovina. The territory of Brčko District BiH covers the entire territory of the Municipality Brčko since 1 January 1991. The District is located in northern BiH, on the right bank of the Sava River and occupies the surface of 493 km<sup>2</sup>, which is 1% of BiH.

To maintain public order and peace, the District has its own police force (280 police officers),<sup>71</sup> performing all police functions provided by the Law.

Private security in the area of District Brčko was established on 14 July 2004, with passing of the Law on Agencies for Protection of People and Property and Private Detective Activity. The scope of private security industry so far in this area is almost unexplored. This study includes the scope of private security from 2004 to July 2009.

The above Law defines the activity of private security companies, which is reflected in protection of people and property with physical and technical security, as well as in the method of business operations of detective agencies.<sup>72</sup> This Law suggests that, for the purpose of establishment of a private security company, after registration in the Court Register at the Basic Court of BD, it is necessary to request a work permit from the Police of Brčko District. The owners and operational staff are subject to checks of criminal history. Individuals who were punished for breaking of public order and peace with characteristic of violence, or for criminal acts or who excessively enjoy alcohol, have a passion for gambling and are prone to violence in the family, may not be the owners, nor do the private security business.

Training and certification for obtaining of authorization to perform physical and technical security services are required, but at a very low level, like in the Entities.

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<sup>71</sup> Regulation of Law Enforcement: Further plan of reform in BiH, ICG Report for the Balkans No. 130, pg. 51 May 2002.

<sup>72</sup> Law on Agencies for Protection of People and Property and Private Detective Activity., Article 4 and Article 35.

Wearing uniforms is required; it must be clearly distinguishable from the police uniforms or uniforms of government official of Brčko District BiH. Persons on duty shall wear badges, as prescribed by the Chief of BD Police.

Ownership and use of semi-automatic short barrel firearms for up to one-third of the employed security members is allowed with several restrictions. Likewise, in performing of physical security services, a security member is allowed to use physical force only if he/she cannot otherwise reject an immediate illegal attack jeopardizing his/her life, the life of people he/she protects, or if there is an intention to destroy or damage the property he/she protects.<sup>73</sup>

The Police of Brčko District BiH is authorized to issue the private security companies with work permits, as well as work permits for security sector employees. In addition, the Police perform administrative, or inspection control over the implementation of the Law on Agencies for Protection of People and Property and Private Detective Activity.

Today, in the area of Brčko District, there are 11 private security companies with work permit, out of which two people<sup>74</sup> are authorized to perform the detective services.<sup>75</sup> For the purposes of private security companies, the BD BiH Police has issued 394 individuals with badges for performing of protection services. Due to the change of employers, 181 official badges were returned, so that today 213 people work in this area in private security sector.<sup>76</sup>

**Table:** Overview of the state of private security in Brčko District BiH

AREA	NUMBER OF PSC	NUMBER OF WEAPONS	ISSUED BADGES	VALID BADGES
Brčko District	11	35	394	213

<sup>73</sup> Article 19.

<sup>74</sup> The BD Police has issued two licenses for performing of the detective services, as follows: to Mr. Predrag Ceranic and Mr. Risto Lugonjic. Mr. Predrag Ceranic returned his license on 14 July 2007, due to termination of work of the detective agency, so that only Mr. Risto Lugonjic has license to perform these services in this area.

<sup>75</sup> In addition to the guaranteed discretion, the detective agencies offer their services per cost ranging from KM 8 to 25, plus compensation for fuel. In the detective agency ‘Kobra’ they say that they have the most of work concerning the issue of adultery, while Mr. Sreto Anicici, the director of the detective agency ‘Bond’ from Banja Luka told us that they have dealt with adultery until recently, but now they deal with physical and technical protection of the citizens.

<sup>76</sup> Letter from the Police of District Brčko BiH, No.:14.04-48-2940/09 of 30 March 2009.

The population of District Brčko BiH is estimated at 75,643.<sup>77</sup> This means that there is one security officer per every 334 citizens. Or, there are (or will be soon) 3 security officers per 1,000 inhabitants. When we compare these results with the number of police officers<sup>78</sup> in the District, we obtain approximately the same ratio, which is a mild advantage in favor of public security, police. (Police / security officers ratio 1.2:1).

For the purposes of performing duties and tasks, the private security companies are entitled to procure firearms. So they have exercised this right and filed requests to procure the firearms to the District Police. On the basis of these requests, the Police issued the authorizations for the purchase of 35 pieces of firearms. However, it should be noted that the company ‘Centurion’ has reported the theft of two guns, and ‘Lugonjic M.R.’ the theft of 1 gun. Likewise, due to the criminal proceeding, the Police have temporarily confiscated 9 guns from the company ‘Lugonjic M.R.’

**Table:** Overview of PSC in Brčko District BiH

Ser. No.	Name of the PSC or detective company	Location	
1.	Alarm West	Brčko	PSC
2.	Aman 131	Brčko	PSC
3.	Bimal DOO	Brčko	PSC
4.	Centurion	Brčko	PSC
5.	Cobra Security	Brčko	PSC
6.	Flek	Brčko	PSC
7.	Ipon Security	Brčko	PSC
8.	Lugonjic M.R.	Brčko	PSC
9.	Poskok	Brčko	PSC
10.	Santovac	Brčko	PSC
11.	Sector Security	Brčko	PSC – protection service

<sup>77</sup> Agency for Statistics of BiH, Demography 2004 – 2008.  
[http://www.bhas.ba/Arhiva/2009/Brcko/DEM\\_2008.pdf](http://www.bhas.ba/Arhiva/2009/Brcko/DEM_2008.pdf)

<sup>78</sup> Comparison made on the basis of the data that DB has 280 police officers. Source: ICG Report for the Balkans No. 130. 10 May 2002, pg. 51.



## **II RELATIONSHIP BETWEEN PRIVATE SECURITY SECTOR AND OTHER SECTORS**

In this part of the study we would like to present some basic information on the relationship between the private security sector and other sectors, which we have found out during the five-month field research. Obviously it is difficult to specifically state which or how many sectors we have explored, but we have focused on the relationship between the police and private security sector, politics and private security sector, private security sector and organized crime, and relationships within the private security sector, i.e. the relationship between the private security companies.

Given that we have been limited in the time, and that we have been exploring a specific field for which it was difficult to find the interlocutors, there remains the possibility to explore this segment in more details and more deeply in future.

### **2.1 Private security and police**

The relationship between private security and police deserves special attention, because private security is associated with the legal system through public security; i.e. through the police. The Police have authority to issue private security companies with work permits, as well as security sector employees with work permits. In addition, the police perform the administrative, or inspection control over the implementation of the Law, as well as of regulations adopted pursuant to it.

In the framework of the control, it should be noted that the inspection of performing of private security tasks is conducted by specialized authorized officials (inspectors) of the Ministry of Internal Affairs, and in performing of supervision they may request the assistance of other police officers.<sup>79</sup>

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<sup>79</sup> Conversation with the inspector of Federal MIA, Mr. Malik Krivić, in Mostar, 2 July 2009.

Although it may not be denied that there are many potential problems in this form of cooperation, the representatives of the companies, as well as the MIA inspectors, are satisfied with the current work method. If during the supervision activities they detect some deficiencies at PSC, the inspectors have the practice to order them to remove those deficiencies in a certain period of time. 'We do not aim at imposing of a ban on a private security company, if we observe any deficiencies during the control, but we order them to remedy these deficiencies in a definite period of time, and the companies observe our request.'<sup>80</sup>

The PSC representatives are satisfied with current inspection supervision, but at the same time they also request the supervision over the work of the companies to be conducted more often.<sup>81</sup> However, there are some cases where the representatives of private security companies doubt that their company has become the target of the control only because of the owner's origin. So the director of 'Sword Security', Mr. Asim Younis, claims that the EUFOR's<sup>82</sup> invasion into its premises has been caused by his Arab origin, because one month earlier an inspection was conducted in his company which did not find any irregularities in its work. 'We are in the final phase of development of a million-worth contract with a London company, which is under the direct control of the Government of Great Britain, on the basis of which we will employ our personnel around the world', Younis said, 'I believe that it bothers someone'.<sup>83</sup> The company 'Sword' has also filed criminal charges against the director of the Police Administration of Federal Ministry of Internal Affairs (MIA), Mr. Zlatko Miletić, based on the opinion of the former Federal Minister of MIA, Mr. Mevludin Halilovic, which states that Mr. Miletić has abused his position, when in November last year he banned the seminar organized by the company 'Sword'. 'Sword's' complaint against Mr. Miletić was rejected.

When it comes to the partnership between private security and police, it is burdened with a lack of mutual respect, in which, it has to be acknowledged the police leads. According to Mr.

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<sup>80</sup> Ibid

<sup>81</sup> The statements of the representatives of private security companies, who we have interviewed, as well as those who attended the meetings in Mostar.

<sup>82</sup> Three companies became the targets of EUFOR's surveillance on 28 July 2005: Puma from Mostar, Sector Security from Banja Luka and Sword Security from Sarajevo. 'EUFOR has a legitimate interest in surveillance in order to make sure that they act in accordance with the Dayton Accords and Bosnian regulations on possession of firearms', taken from EUFOR's announcement.

<sup>83</sup> Taken from [www.index.hr](http://www.index.hr), on Thursday, 28 July 2005.



Dragan Talic, this problem occurs because of misunderstanding of the mutual role and function in the achievement of the projected security standards. ‘The police sees the security as an expression of exclusivity, and the problem also lies in the fact that the police academy does not train and direct the student (both police officers and security officers) that they are a part of a single security system, and that they have a common goal’.<sup>84</sup>

However, the encouraging fact is that many police officials have clearly understood and accepted the importance of social inclusion of private security companies in the prevention of crime, primarily having in view the security of large public gatherings. Recently, a promising cooperation has been observed, both as regards this issue and as regards the discovering of perpetrators of crimes. The cooperation between these two sectors is taking place within the limits of their rights and duties that both services may apply in certain situations, e.g. during a criminal act committed in the companies, capturing the perpetrator of a criminal act, disposing of video records etc.

The chief of the security sector in ‘Elektroprivreda BiH’, Mr. Malić Agić says that ‘it is quite logical that the cooperation between these sectors should be present at maximum, because the security of one facility may not be considered separately from and independently on other facilities. Some facilities, because of their importance, require special protection measures, which unconditionally implies a meaningful and more organized cooperation between the police and internal security service or private security companies’.<sup>85</sup>

Private security companies want to upgrade this cooperation to an even higher level. We are willing to put our operational center and technical resources at the disposal of the police, participate in common trainings, develop a common strategy, all in order to increase the security of the citizens of this country.<sup>86</sup>

It is obvious that private security sector and the police have a big part of the area where they can improve their cooperation. As mentioned above, there is the readiness of the management

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<sup>84</sup> Interview, Mr. Dragan Talic, 24 April 2009, in Banja Luka.

<sup>85</sup> Interview with the chief of the security sector, 31 July 2009, in Sarajevo

<sup>86</sup> Interview, Mr. Mirsad Catic, AWG Group

of private security companies, and the initiative of the management of the police is the one that should initiate actions, set general goals and increase the level of security.

## **2.2 Private security and politics**

If we look at private security as a business function of the companies, we may claim with certainty that its basic objective is to build and establish the conditions for safe operations and improvement of business activity. However, the question arises whether this sector, having in view its specifics and role, may remain immune to the interfering of the politics in its work, or, the efforts of some politicians or political elites to manage private security companies.

In the last year, in Bosnia and Herzegovina, the media write more and more that some politicians have control over some private security companies. Thus, 'Dnevni Avaz said that it has unofficially learned that 'since he came to power, the RS Prime Minister, Mr. Milorad Dodik is intensely working on creating of his private guard.' Avaz further states that 'Dodik's police, organized in a security company, armed with special equipment - guns of caliber nine millimeters, long barrel firearms - has a dozen of armored vehicles and sophisticated interception equipment and all that serves him to deal with his political opponents, but also for interception of foreign diplomats in BiH.'<sup>87</sup>

Similar to these, the accusations against the Prime Minister Dodik were broadcasted by the Federal television in the show '60 minuta' (60 minutes). But, that is not all; the media also wrote that there is a parallel intelligence system existing in BiH through 'Ipon Security' from Mostar, run by Mr. Ivan Vuksic. The web portal 'Necenzurisano' (Uncensored) states that this system was established by Croatian Minister of Internal Affairs, Mr. Tomislav Karamarko.<sup>88</sup> This web site also mentions that Karamarko's network further expands to Mr. Hasan Čengić and Mr. Bakir Izetbegović.

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<sup>87</sup> Gregorian disbands Dodik's guard? Dnevni Avaz, 10 June 2009, pg. 2.

<sup>88</sup> See: [www.necenzurisano.com](http://www.necenzurisano.com), Parallel intelligence system through 'Ipon Security' operationally lead by Mr. Ivan Vuksic.

Mr. Dragan Babić, the President of the National Front (Narodni front) from Banja Luka, confirmed the allegations of 'Dnevni Avaz' and told us that he has some information from reliable sources that the company 'Elite Security' from Laktaši has illegally acquired 1 000 of *hecklers* from Serbia and that they are ready at every moment to defend Mr. Milorad Dodik, if SIPA tries to arrest him.<sup>89</sup> Furthermore, Mr. Babić emphasized that 'Alpha Security' has nearly 70 employees and they are intelligence agents of 410<sup>th</sup> military-intelligence center of the Army of RS, disbanded by the international community due to illegal interception.

'Centurion' from Bijeljina – which was allocated a loan in amount of KM 451,591 by the Investment – Development Bank of RS in April 2009 - is also told to be linked to the politics.

Taking into account such allegations of the media, as well as the fact that for this problem it is very difficult to find interlocutors, we have started an empirical research of the mentioned allegations. Thus, while we conducted our study we talked with the representatives of private security companies, experts who follow this field and some of the sources of media texts.

Almost all respondents from private security sector identify themselves today as a part of a corporation or business, and most of them work on that ground. However, some representatives of private security companies claim that some private security companies are privileged by the authorities, but that there are not their companies.<sup>90</sup> To our question whether those are PSC 'Alpha', 'Elit' or 'Sector Security', they responded with a *negative answer*. They also told us that they do not believe all those media allegations relating to these companies. So, Mr. Sreto Aničić from Bond security said: 'Knowing the profile of the people who lead these agencies, I am convinced that these agencies operate in accordance with the law and that their only interest is the survival in the market'. This opinion is shared by other interviewed representatives of private security companies. However, Mr. Dragomir Babić from National Front does not agree with them, claiming the opposite and emphasizing that 'Security Wolf' with registered office in Rogatica, 'Centurion' from Bijeljina, 'Elit Security' from Laktaši and 'Alpha' from Banja Luka, employ former members of KOS, members of the Army of RS and police who are

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<sup>89</sup> Interview, Banja Luka.

<sup>90</sup> Interview with the representatives of Sector Security, Elite Security and Bond from Banja Luka.

brought in connection with a network of support to the war criminal Ratko Mladić. Mr. Velibor Sotra and the chief of Dodik's personal security, Mr. Miloš Čubrilović play the major role in hiring of these people.<sup>91</sup>

Mr. Velibor Šotra qualified these Babić's allegations as speculations, and absolute untruths and invited the authorities to investigate all mentioned allegations.<sup>92</sup>

The Director of the Center for Defendology, Security, Sociology and Criminology, Mr. Duško Vejnović told us that they in the Center have followed the work of private security sector since 2002 and have not noticed any irregularities. 'In interviews with the representatives of the police, we constantly obtain compliments on the work of private security companies, and EUFOR's controls did not find any major violations for which a company would have been forbidden to work', Mr. Vejnović said. However, Professor Vejnović sees the connection between the politics and private security companies as indirectly linked to obtaining of better business engagements.

Through the analysis of the clients of PSCs,<sup>93</sup> partially it is possible to confirm the mediatory political influence in obtaining engagements for PSCs; however, such rumors can be denied by such examples as the example of 'Alarm West' from Mostar, the company that won large business contracts in the area of RS, e.g. for securing of Pošte Srpske (Postal Services of RS). Following the trace of these engagements, we visited the office of 'Alarm West' and talked with Mr. Mirsad Catić, the company's owner.

'Alarm West company has operated since its establishment as a business company, and the business is all we are interested in. All we ask from the authorities is to see us as an economic subject and to conduct the control through the executive power. And as regards the job with Pošte Srpske, we offered the best bid in the tender and obtained the job', said Mr. Catić.

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<sup>91</sup> Interview with Mr. Dragomir Babić.

<sup>92</sup> Interview with CSS.

<sup>93</sup> Business clients of Alpha Security are: Pevac Banja Luka, Bobar banka – branches Banja Luka, Bijeljina, Brčko, Mrkonjić Grad, OMV gas station Banja Luka and Bijeljina. Security Wolf: Komercijalna banka, Balkan Investment Bank, KK Leutar.

During the research, we also checked the media allegations that ‘Elite Security’ from Nova Topola has a training site where they conduct the training of the private Dodik’s security officers. The results have shown that it was a private security company owned by Mr. Željko Pepić, and which for the needs of the company ‘Farmaland’ protects the property where the livestock breeding is done. It should also be noted that ‘Elit Security’ in this area does not have a private training site for special forces or any license to hold the firearms obtained from CPS Banja Luka. These results were confirmed by the Center for research journalism (CIN) in ‘Dnevni Avaz, in August 2009.’<sup>94</sup>

Starting from these results, and in the absence of the exact data on connection of these two sectors, we can only claim that there is a perception of political influence on the work of private security companies and that in the future it may contribute to some companies starting to act in accordance with that perception or obtaining a better business contract through corruption.

### **2.3 Private security and organized crime**

In a situation of economic crisis, and a slow and inert legal system, private security represents an attractive target for groups and networks of organized crime. However, due to the sensitivity of this topic it is very difficult to find any direct evidence of the relationship between PSCs and organized crime groups. Those are mostly related to media allegations similar to those that Mr. Franc Orazen from Ljubljana has formed ‘Mega Security’ in Doboj and through its staff he deals with racketeering and debt collection.<sup>95</sup> Orazen has performed intelligence tasks in the EUFOR military mission, and continued dealing with that upon the establishment of the agency. Besides these, several other PSC have also been pointed out by the media as having connections with criminal groups.

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<sup>94</sup> Kapora: Security officers do not protect Dodik but 2,700 cows, Dnevni Avaz, pg. 13 of 14 August 2009

<sup>95</sup> Dnevni Avaz, pg. 13 of 10 June 2009

This conviction that there is some connection between private security companies and organized crime was made even stronger by the operations ban for ‘Alpha Security’ Agency imposed by OHR. With this ban, the Supervisor for Brčko, Mr. Raffi Gregorian banned ‘Alpha Security’ and few other related private security companies to work in Brčko District for five years, and ‘Centurion Security’ to expand the existing jobs in the District during the same period.<sup>96</sup> The Supervisor decided to make this move after he has received the undeniable information from the international intelligence sources in BiH that the members of ‘Alpha Security’ participated in intelligence and counter-intelligence activities directed against him, against OHR and the staff of the Office for Implementation of the Final Decision for Brčko. These activities were condemned by the Steering Committee of the Peace Implementation Council, at the meeting held on 26 March 2009.

During the empirical research we have tried to obtain the opinion of the representatives of PSCs on the connections between organized crime and PSCs. Almost all interviewed individuals considered that there is a possibility that some members of private security companies have abused their position out of their working hours, but that there is no chance that some owner of a private security company has supported their activities, or that a PSC stands behind it. They also believe that the international intelligence sources should share all information on irregularity of work of private security companies with our authorities (SIPA, MIA RS), so that they could check them and if there are grounds for suspicion, to ban the work of that company in the entire BiH territory. This treatment should be equal for all, regardless of the PSC concerned. Such method of work would demystify the relationship of PSC and organized crime, and this would be a good test for the police as well, how seriously and successfully they perform the control of PSC.

Also after the wiretapping scandal involving the Supervisor for Brčko, we asked the chief of the Police in District Brčko, Mr. Goran Lujčić, whether they act in accordance with the above mentioned instructions. ‘The Police will monitor the presence of the agencies for a period of five years as specified in the Supervisor’s order. Only the company ‘Centurion’ is located in

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<sup>96</sup> Taken from Sarajevo-x.com, of 9 June 2009

Brčko and we conduct inspection of that agency very often and randomly to observe the compliance with the order.’<sup>97</sup>

According to his words, misdemeanor liabilities were observed in this agency. However, after the decision on temporary ban was made, ‘Centurion’ removed the deficiencies quickly.

Furthermore, the raids conducted by EUFOR on several occasions throughout BiH discovered the holding of illegal stocks of weapons, ammunition and explosives in the premises of several private security companies.<sup>98</sup> Such stocks are a clear indicator that some PSC possess considerable quantities of material which can be linked to criminal purposes, and not for security services.

Despite all the above it has to be pointed out that no PSC within the territory of Bosnia and Herzegovina has been forbidden to work, meaning that no direct connection between PSC and organized crime has ever been proven. Most of the acquisitions have thus been based on the observation of irregularities as well as the partial restrictions to the work of some private security companies.

## **2.4 Relationship between private security companies**

Private security in BiH is burdened with poor relationship between private security companies. This relationship almost does not exist. PSCs mutually poorly cooperate, and even if there are some cases of cooperation, then it is the cooperation between the companies owned by the same owner.

Such relationship between private security companies is most often the result of a competitive relationship related to offering lower prices on tenders. The lowering of the price reduces the hourly wage of an employee, decreases motivation and the quality of work of the employee.<sup>99</sup>

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<sup>97</sup> Telephone conversation with Mr. Goran Lujić, Chief of BD Police, 13 August 2009.

<sup>98</sup> EUFOR searched private security agencies in Sarajevo, Banja Luka and Mostar – 28 July 2005; Dnevni Avaz, Nezavisne Novine, 29 July 2005.

<sup>99</sup> Interview, Mr. Mustafa Galijatović, Gama Sigurnost.

With such approach private security companies are destroying themselves, said Mr. Ivan Knezović, the responsible person of the internal security service in HT Mostar.<sup>100</sup> He believes that any price below KM 6 per hour is unacceptable, and says that the problem of the price is there due to the absence of the Chamber. Many private security companies recognize this problem and believe that it is necessary to establish the Chamber, which is in FBiH a legal obligation as well.

There were some attempts to make an agreement on the minimum cost of work, but the security officers did not succeed in that. Some accuse private security companies from Sarajevo for that and say that ‘as long as they lead this initiative we will not participate in it’. Someone neutral should be found who will initiate the discussion on the establishment of the Chamber that would protect the work of PSCs.’<sup>101</sup>

On the other hand, the burden for these relationships is also overlapping of operations, especially in terms of a PSC from one Canton operating in another. Thus PSC Kondor from Zenica and Patriot from Mostar are arguing over the security services for the facility of ‘Hekom’ in Mostar.

The encouraging fact is that the most of the owners of PSCs are ready to form an association of PSCs or a Chamber which would protect their work, as well as that the representatives of the MIA of the Federation of BiH state that the MIA stands at their disposal in an advisory sense when it comes to solving of this issue.<sup>102</sup>

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<sup>100</sup> There are big savings for a company if an PCS is hired to perform security services. Thus, we in HT Mostar have saved a half of million KM at the annual level, after we hired a PSC. Mr. Ivan Knezović, Interview, 24 June 2009, Mostar.

<sup>101</sup> Interview, Mr. Mustafa Begović, Patriot Security – Mostar, 24 June 2009.

<sup>102</sup> Ms Medina Kočan, Federal Ministry of Internal Affairs, Assistant Minister. Meeting in Mostar, 2 July 2009.



## **RECOMMENDATIONS FOR IMPROVING RELATIONS AMONGST SECTORS OF PRIVATE SECURITY WITH OTHER SECTORS**

- According to the above, and in order to improve the relationship between these two sectors, we suggest that the private security sector gets more involved in the maintaining of security in communities. This would be possible if private security companies be allowed to perform the patrolling tasks.
- The Entity Ministries should develop the central registers of PSCs and update them regularly.
- It is necessary to make more frequent control of the work of PSCs, as well as of their personnel;
- To improve the relationship between private security companies, we suggest the establishment of a professional association which would work to protect the interests of private security companies, and also to form, as soon as possible, the Chamber which is also a legal obligation in FBiH. We recommend them to take over the successful models of professional organization from their colleagues in the European Union.
- We suggest the directors of private security companies to invest more in retaining of trusted and skilled staff and in the improvement of conditions at work; also to reach an agreement on minimum prices.
- We recommend the security officers and other staff employed in PSCs to organize them in a Union in order to obtain better conditions at work and higher wages in an organized manner.



### **III CONTROL AND OPERATIONS OF PRIVATE SECURITY COMPANIES**

#### **3.1 Control**

According to the existing legal solutions, the police<sup>103</sup> are authorized to issue private security companies with work permits. In addition, the police perform the administrative, or inspection control over the implementation of the Law regulating private security. Inspection is also conducted by specialized authorized officials (inspectors) from the Ministry of Internal Affairs, who may request the assistance from other police officers.

Most of the respondents, representatives of private security sector and police agree that this control is not well-organized. The PSC representatives consider that the control of their companies should be general, in the framework of hiring of people from third party, or in combination of private and public sectors.

However, there are different opinions regarding who should be responsible for that control. A great majority of the interviewees thinks that this control should be conducted by the ones that are performing it now, i.e. regular Police of MIA, while one part of them considers that with such control the PSC and police are not equal partners, and that the control should be displaced from MIA.

Another thing that we wanted to know is whether the Joint Commission for Defense and Security in BiH would be able to perform the control of the private security sector. Most of the respondents did not think so, but they thought that the best control could be performed by an advisory body.

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<sup>103</sup> In the Federation of BiH this is the Ministry of Internal Affairs of the Canton, in Republika Srpska these are CPSs, and in District Brčko BiH it is the DB Police.

Obviously, there are normative preconditions for the control of private security sector, but this sector is out of any control by the state institutions. The parliamentary oversight of the work of private security companies does not exist.

### **3.2 Operations of private security companies**

During the field research of private security companies, we got convinced that there are companies<sup>104</sup> that succeeded in bringing its vehicle fleet up to 40 vehicles, some armored, some special-purpose vehicles. These companies also have modern liaison systems: radio stations, internal mobile telephony, and specialized equipment for the transfer of money, modern uniforms and allowed weapons. Some of them also provide the services of video surveillance with intervention teams that are mobile 24 hours and respond to the alarm notification.

On the other hand there are some companies that due to bad management or due to the loss of clients economically impoverished and experienced bankruptcy. These companies by the rule of business get bought by the bigger ones, or their employees simply turn into the other, more developed companies.<sup>105</sup>

In general, viewed from the aspect of technical equipment for business of a private security company, we can say that it depends on the scope of works and clients. The higher scope of business is, with strong clients, the greater is the possibility of profit for the company, which allows greater investments in technical and material equipment.

#### **Clients**

The nature and demands of the private security market depend, certainly, on its security needs. Market research shows that at this point, technical and physical security of the building as well

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<sup>105</sup> A good example is the company 'Cipos' bought by 'Alarm West'.

as the transportation of the money represents the main orientation of private security companies.

The clients of private security companies include different subjects. These are mostly public companies, different public institutions, private companies and farms, commercial banks, embassies, entertainment institutions, industrial companies, apartments and houses etc.

We can freely say that the banks played the most important role in the rise of private security in BiH. Even today, for most private security companies they represent their primary clients. However, there are some PSC which have succeeded in reducing their business dependence on the banks as the most important clients.<sup>106</sup>

When it comes to influence of clients to the operations of private security companies, we can register a trend of increased requirements for quality of security services by international organizations, banks, embassies and even the citizens. We may characterize such approach as a positive trend, given that it increases the possibility of the competitiveness of PSC, and thereby directly the quality of the services provided.

Some of our interviewees who work for banks argued that private security companies are professional in their work and respect the signed contracts. However, they have expressed their concern and disappointment with the police investigations in discovering of bank robberies, because they are slow, inert and it is hard to know who the person in charge of the investigation is.<sup>107</sup>

The others, however, consider that private security companies do not take into account any prevention of unwanted events –weather related to the agency, clients or random passers-by:

‘Private security companies daily make big mistakes in the tasks of the delivery of money to the banks located in the streets in the pedestrian zone.<sup>108</sup> Thus their staff delivers money to banks when the crowd is the biggest and when there are many pedestrians in the

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<sup>106</sup> ‘Alarm West’ does not base its market on public enterprises and banks. Thus in the total percentage of its clients, 3% goes to public enterprises, 40% are banks and their business offices while the rest covers the private-owned companies and the citizens' apartments and houses. Interview with the company's director

<sup>107</sup> Interview with people working on bank security services.

<sup>108</sup> This concerns the Ferhadija Street in Sarajevo.

street. This is usually made at noon. With this procedure, driving their vehicle through the pedestrian zones, the companies and staff seem to want to be seen, and they are not aware that with this very act in such circumstances they attract the potential robbers and endanger the security of random passers-by, pedestrians or guests in the restaurants and coffee shops. We do not see the reason why the delivery of the money could not be done in the morning when there is no crowd and no pedestrians in the street.<sup>109</sup>

When it comes to the financial side, clients believe that it is a smaller investment for them to pay only for the technical surveillance and security systems, but that in that case the banks are more exposed to the possibility of robbery. Mr. Dragan Talić, general director of 'Sector Security', claims that the bank robberies are much rarer in the banks with physical protection than in those business offices equipped only with technical surveillance.

'The banks that were not protected by security officers were more often the targets of attack; thus last year in the area between Brčko and Šamac, where the banks did not have physical protection, there were about six attacks on the offices. The robbers know that there is less money in smaller business offices, but they still decide to rob them because they know that no one will resist', Mr. Talić explains.<sup>110</sup>

This attitude towards the advantages and disadvantages of technical security in banks is shared by our interlocutors from banks. Furthermore, they point out that the Regulation on minimum standards of technical and physical security of financial institutions<sup>111</sup> does not solve the problem of bank robberies, although that regulation has placed great requirements before financial institutions.

„We in the banks can provide standards of technical and physical security, but that does not guarantee us that in case of robbery the police will use all collected evidence and that the

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<sup>109</sup> Interview with the person responsible for public security

<sup>110</sup> Interview, Banja Luka

<sup>111</sup> Financial institutions should introduce the security measures envisaged by the Decree of the Government of FBiH, not later than October 2009.

case will be solved, and the bank compensated for. Therefore it is much safer for us to use this kind of security and maintain level of secure compensation in case of robbery'<sup>112</sup>

In support to this assessment we see the data of MIA of the Federation of BiH, where in the first six months of 2009, one of four bank robberies was successfully solved. Robbery of the branch office of 'Privredna banka' in Konjic was solved, while the robberies of 'UniCredit bank' in Mostar, 'Volksbank' in Mostar and 'Intesa SanPaolo bank' in Sarajevo remained unresolved.<sup>113</sup>

In addition to banks, the bet shops more and more often become the targets of attacks. The bet shop representatives have reacted furiously to the mentioned Regulation of the Government of the Federation of BiH. Thus, the head of the Financial department of the bet shops „Premier”, Mr. Krešo Vukoja, believes that this Regulation will not contribute to reducing of attacks on bet shops, but represents an additional financial burden for them, which they will not be able to stand. 'According to that Regulation, we should employ another 600 people who would work as security, and that is impossible to endure'<sup>114</sup>. He believes that the criminals are always three steps ahead of the police, supporting that with the fact that each robbery they had happens in three minutes, and it takes at least 15 minutes for the police to arrive at the site, and they usually arrive an hour later. The response to such events is possible only with the joint action of physical, technical and police protection, as it is considered in the lotteries and bet shops.

In addition to the above mentioned, most of our interlocutors agree that in the most of robberies to date the human factor has failed,<sup>115</sup> and therefore they believe that in the future the maximum attention should be paid to the continuing work to raise the security culture of all employees, but also of the police officers.

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<sup>112</sup> Assessment made by two interviewees from a bank.

<sup>113</sup> The amount of the stolen money in these three robberies is KM 64,600 and EUR 4,600.

<sup>114</sup> Nezavisne Novine, 2 September 2009.

<sup>115</sup> There were cases when the bank employees were thieves. Thus Radenko Stojanovic, nicknamed Radja from Banja Luka, the employee of the security of Balkan investment bank in Banja Luka, stole more than 1 million KM from the bank treasury. The motive for robbery was knowledge of the suspect that he would lose his job soon. Stojanovic was arrested on 29 May in Sanski Most, and during the arrest he was wounded, Nezavisne Novine, 12 July 2008.

The transport of money is also a service that private security companies provide to clients. This service requires high standards of technological equipment and quality of the staff working as security. The major clients, when this service is in question, are the banks.

As one of the problems in securing of transportation of money, the PSC owners see the non-compliance with the new Law on Arms, according to which it is allowed that the employees working as security in the transport of money have short barrel guns, and this legal provision is not harmonized with the Law on Agencies and therefore is not applied in the work yet.

Another problem that arises is the absence of the laws or pieces of secondary legislation that would regulate the requirements that the business premises should meet in order to have a bank opened in them. 'We also have some improper vaults and we witness the opening of banks in all sorts of premises. One facility in a year changes the most different activities, from a retail shop, then boutique, and then after a while in the same premises a bank is open', Mr. Talić says.<sup>116</sup>

The lack of minimal standards, according to the words of one interlocutor, is illustrated by the example in which two men in an Audi used to pick up the money from the clients. Fortunately, such cases occur rarely in practice now, but what concerns is that the number of interceptions and attacks to the transport of money is growing<sup>117</sup> year by year.

According to incomplete information from the media, since 1999 to date, there were 214 attacks on bank, former Payment Operations Institute, as well as on the postmen in the street and the transport of money. Over KM 27 million were stolen, or attempted to be stolen; and something over 2 million goes on unsuccessful theft attempts.<sup>118</sup>

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<sup>116</sup> Interview, Banja Luka.

<sup>117</sup> In his statement for 'Nezavisne Novine' of 2 September 2009, Mr. Tihomir Petrić, general inspector in FMIA, claims that robberies during the transport of money will not happen anymore, because the stolen money will be sprayed with liquid from a machine with a press on the button and in that way destroyed. That machine will be in the bags in which the money is transported.

<sup>118</sup> For a significant number of thefts, the media did not obtain the information on the quantity of the stolen money, so that essentially the approximate amount is not known. The number of the solved robberies is minimal, and the money returned may be considered equal to zero without erring too much. Taken from [www.bosnare.ba](http://www.bosnare.ba)



*Private Security in Bosnia and Herzegovina*

Year	Number of robberies	Confiscated or attempted to be confiscated in KM	Number of robberies every 10 days	The average stolen in KM
1999	2	629,000	183	314,500
2000	2	/	/	/
2001	3	567,00	122	189,000
2002	19	3.029,250	19	159,434
2003	30	2.456,904	12	81,897
2004	60	5.572,385	6	92,973
2005	32	4.813,513	11	150,422
2006	32	7.157,359	11	223,667
2007	35	3.335,685	10	95,305
2008	46	2.875,196	8	62,504
2009	33	891,546	7	27,017
<b>UKUPNO:</b>	<b>294</b>	<b>31.327,838</b>	<b>57</b>	<b>106.557</b>

Table: Review of robberies in BiH<sup>119</sup>

Analysis of the media writing about the number of bank robberies and money transport interceptions shows a significant increase in these activities on an annual basis, since 2002. More accurately, since the private security companies have taken over the work of transport of money from the police. So in the period from 1999 to 2001 on an annual basis there were 24 attacks on banks or once every 15 days, while there were no interceptions of the transport of money. Since 2002, when private security companies took over the activities of transport of money from the police, increase in the number of attacks on banks and interceptions of the transport of money occurred. The annual level of these attacks reached the number of 34 or one attack every 10 days.

This increase of 10 attacks since 2002 mainly refers to the interception of the money transport.<sup>120</sup> It was logical to expect that the robbers would shift their orientation just to this activity because the transport of money was performed by private security companies that were quite less equipped and not armed as it was the police. Today the situation is far better as regards the equipment for transport of money, but what remains the problem of PSCs is the legal restriction on the use of firearms for protection of the transport of money. So it can be expected that this trend might continue in the future as well.

<sup>119</sup> Pregled je napravljen na osnovu medijski izvještavanja a obuhvata pljačke banaka, pošta i zavoda za platni promet do 27.08.2009. Podaci dobiveni zahvaljujući ljubaznom i susretljivom osoblju Bosnare.

<sup>120</sup> Such a case happened at the Airport Sarajevo on 5 December 2007 when KM 2.5 million was stolen during the robbery.

From the Central Bank of BiH they say that they are aware of this problem, and say that banks, in addition to usual protection measures, have begun to introduce new technologies in the transport of money, such as security cases and staining of the money. 'Central Bank launched an initiative in 2007 according to which the announcements of the transport of money from and to the Central Bank of BiH will be encrypted. Thereby all commercial banks get the opportunity to secretly send a message to the Central Bank, so that the transport of money could be secret. In most cases, the commercial banks use crypto protection during taking over or delivering of money to the Central Bank'.<sup>121</sup>

In principle we can say that the identification of fields of the activity of private security sector shows: firstly, the variety of the services provided by the companies, secondly, the variety of clients, and thirdly, commitment of private security companies to prevention of crimes.

In the future, the increase is expected in the trend of private security as well as the taking over of more engagements by the private security companies, for instance, securing the work of public companies, municipal and city institutions, bet shops, lottery premises etc.

### **Insurance companies**

In the area of BiH, 27 insurance companies worked in 2008, with a realized total premium of KM 452 million in the same year. In addition to the fact that the insurance companies have a significant share in BiH financial market, they also represent one of the leading factors which may greatly contribute to the improvement of the work of private security companies. Statistics indicators show that since 2003, there have been three most important insurance companies—'Sarajevo osiguranje', 'Bosna – Sunce osiguranje' and 'Croatia osiguranje'.

Analyzing the realized insurance premiums, we have come to the conclusion that these companies do not make a difference when it comes to quality and type of the property

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<sup>121</sup> Public Relations Service of the Central bank of BiH.

insurance. Thus in the group of insurance, they make the division into the insurance of goods in transport and other damage to property.<sup>122</sup>

Most respondents from the banking sector, as well as of the PSC representatives indicated to a big indifference of the insurance companies regarding the business improvement in private security sector, which is the probably the result of a lack of skilled staff for assessment of operations related to property and transport insurance.

When it comes to the security (physical or technical) of the bank premises, the insurance companies apply generalized rules. There are no prescribed standards or quota of premiums related to the security of the bank premises. So that the amount of the premium is the same whether you have the security in the bank or not; or whether the bank – branch office is located in the center of the city or somewhere in the suburb. It is obvious that for the insurance companies the quality of the provided security in the facilities has no influence on the amount of the premium and conditions of insurance.

During discussions with representatives of the banking sector, we learned that there are often the cases where the banks or other companies sign a contract on insurance and insure certain property, while the agents of the insurance company never show up for the assessment of the bank.

Like the representatives of the banking sector, the representatives of private security companies also mention the same examples of non-professionalism in the work of the insurance companies. They also face the problems such as lack of prescribed standards for transportation, packaging and storage of money. Similarly, the PSC representatives mention that the insurance companies act monopolistically and are not interested in any kind of improvement that would contribute to strengthening of BiH financial sector and security.

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<sup>122</sup> The share of the premium in insurance of goods and transport for 2007 was 0.73% (1.509,233), while 5.67% is the share from the category of other damage to the property (11.667,874). Taken from [www.bosnare.ba](http://www.bosnare.ba)

We have also confirmed the indifference of the insurance companies during the study, because we have managed to get in contact with one insurance company, while the others were quite indifferent to any meeting or cooperation. So we were not able to hear the opinions of insurance company during this study.

## **RECOMMENDATIONS FOR IMPROVING CONTROL AND CONDUCT OF PRIVATE SECURITY COMPANIES**

- **Establish an agreement on the minimum security measures which have to be fulfilled during transportation of money. It is necessary to limit the amount of money that may be transferred in one transport.**
- **During transport, the original cases with paint should be used so that - in case of the robbery - the money would be made unusable.**
- **Minimum security measures should be specified that would be acceptable for all subjects. In particular video surveillance should be used as the main tool for documenting the committed robbery**
- **Delivery of money to the banks in pedestrian zones should be made in the hours when the frequency of pedestrians is the lowest.**
- **Establish rules which will demand of insurance companies' greater interest and a more adequate treatment of the financial sector and private security companies**
- **Insurance companies should come up with their own system of security evaluation, and hence in respect to the funds invested and PSC formulate premiums within their insurance policies.**

#### **IV COMPARISON OF PRIVATE SECURITY IN BOSNIA AND HERZEGOVINA WITH PRIVATE SECURITY IN THE COUNTRIES OF THE EUROPEAN UNION**

In seven years, private security in Bosnia and Herzegovina, as well as in the countries of the European Union has experienced significant expansion, both in the number of private security companies and in the increase in the number of employees and enhancement of the quality of the services they provide. Thus the number of employees in PSCs in many countries became equal to the number of police officers a long time ago, while in some countries it even exceeds that number; in BiH it is below that level and is 4.5 : 1 in favor of the police. Almost all EU countries have the appropriate special legislation governing this area. Similarly, our country has special laws, too (FBiH, RS and DB), in this area.

Bellow we compare private security arrangement in Bosnia and Herzegovina, with private security in the countries of the European Union. The comparison is based on two main fields in this area:

- Conditions for the establishment of companies and conditions for obtaining of the certificate for PSC personnel; and
- Operations of private security companies.

When speaking about the conditions for the establishment of companies, we will compare the actors responsible for issuing of PSC with work permit/license and its duration. As regards the conditions for acquiring of the certificate, we will compare the conditions for obtaining of the certificate, checking of the personnel and the time period for training of employees.

In the other segment that will be used for comparison, we will compare the type of means of coercion that may be used by certified personnel, attitude towards the use of firearms, storage of firearms, as well as control and oversight of private security companies. For a better overview, we opted for a tabular review of results of the comparison.

**COMPARATIVE OVERVIEW OF THE SOLUTIONS OF PRIVATE SECURITY IN BIH WITH THE COUNTRIES OF  
THE EUROPEAN UNION<sup>123</sup>**

**ESTABLISHMENT OF PRIVATE SECURITY COMPANIES AND CERTIFICATION OF EMPLOYEES**

<b>COUNTRIES</b> <b>Fields of comp.</b>	<b>Bosnia and Herzegovina</b>	<b>Austria</b>	<b>Belgium</b>	<b>Bulgaria</b>	<b>Denmark</b>	<b>France</b>	<b>Germany</b>	<b>Great Britain</b>	<b>Italy</b>
<b>Issuance of permits/licenses for work in the company</b>	MIA and Police	Governor of the Province	MIA with consultation with the Ministry of Justice	director of National Police	police	MIA	Chamber of Commerce	new body established for purposes of private industry	court
<b>Time limit of permit/license</b>	No limits	No limits	5 years	3 years	5 years	No limits	No limits	individual licenses for 3 years	No limits
<b>Conditions for acquiring certificate of an employee in the company</b>	-attending of proper training and passed exam, -mental and physical ability - BiH citizen, -secondary school at least, -no criminal proceeding in past and not previously convicted, - meeting moral standards, not removed or released from service.	- legal age -obligatory professional qualification -passed the test of knowledge	-adequate training, education and experience; -from completion of engagement in public sec. at least 5 years should have passed; -meeting moral standards; -not previously convicted	-confirmation that is not under investigation for general criminal acts	-legal age -completed (or in the process of completion) 111 hours of basic training	- without criminal record - successfully completed training - five years elapsed, if the person is a member of public security	-legal age, -training in relevant regulations; -without criminal record	-mental and physical ability; - without criminal record	-legal age, -Italian citizenship; -military obligation fulfilled

<sup>123</sup> Data used for purposes of comparison: Dimitrijevic, Ivan: Uperedni prikaz zakonodavstva industrije privatne bezbednosti u EU (Comparative overview of legislation of private security industry in EU), Students' Club, Faculty of Security, Belgrade 2006.

	<b>Bosnia and Herzegovina</b>	<b>Austria</b>	<b>Belgium</b>	<b>Bulgaria</b>	<b>Denmark</b>	<b>France</b>	<b>Germany</b>	<b>Great Britain</b>	<b>Italy</b>
<b>Security checks of employees of security</b>	- check of criminal background performed by the Ministry of Justice and Police	-check of moral values, performed by regional police -no criminal history checks	-investigations of criminal and work background of the owners and managers of the PSC by the Ministry of Justice	- exists	-exists	- performed by the police	-check of criminal background performed by the police	-check of criminal background	-check of criminal background and personal qualities
<b>Training of security officers</b>	-training consists of 40 hours of theory and 10 hours of practice, - performed by entity ministries of Internal Affairs, Faculty of Criminology Sciences	-training organized by PSC, which decides on contents and duration of training -basic training is 3-day course, which serves for certification of attendants	-required training: for managers at least 72 hours, for employees 66 hours, -training by licensed centers, issued certificate, - commission consults MIA about contents of the training	-duration 6 days	- duration 111 hours, performed by a national school for security	- 32 hours for supervision, -70 hours for transport of money, - 70 hours for airports	- 40 hours, performed by the Chamber of Commerce	- voluntary training, currently at the level of the company	-40 hours of theory and 40 hours of practical training

## OPERATIONS OF PCS

COUNTRIES Fields of comp.	Bosnia and Herzegovina	Austria	Belgium	Bulgaria	Denmark	France	Germany	Great Britain	Italy
<b>Use of means of coercion</b>	- physical force	- use as chosen	-pistol or gun, caliber 10 mm or baton long up to 45cm	-physical force, handcuffs, rubber truncheon and batons	-physical force-use of dogs with special license	-physical force	-physical force-use of dogs with special license	/	-use of dogs
<b>Use of firearms</b>	- allowed	- allowed	- allowed with proper license	- regulated by separate law on firearms, ammunition, - must have two licenses	- forbidden	- allowed only during transport of money	- allowed only with special license	-forbidden	-allowed
<b>Keeping and storage of firearms</b>	-metal vaults, records kept -PSC is the owner of firearms - firearms carried only when on duty	- in a secured area or room	- in a warehouse, supervised by an authorized employee	- in metal vaults, under armed physical protection	/	/	/	/	/
<b>Control and monitoring</b>	Inspectors at the police	-police	police or public officials responsible for control	-police	/	-police	-police	/	-police



## **V COMPLIANCE WITH EUROPEAN LAW AND INTERNATIONAL STANDARDS**

Bosnia and Herzegovina has opted for the road of inclusion into the developed world and connecting with the developed democracies. This is one of the fundamental premises of the state policy which obtains receives the general political support in BiH. In addition to this declarative approach, the basic precondition for realization of such state policy is practical action, which includes the harmonization of our legal system with the legal standards of the countries of the European Union.

Following these trends, the legal system of BiH has to include contemporary legal contents, which are regionally and globally accepted. In our reform commitments, the realization of the constitutional and legal arrangements on the principles of a legal state, political and propriety pluralism and market economy is possible only if the appropriate legislation of democratic states, the most developed EU states, are timely adopted and applied, according to our conditions and tradition.

In this sense, the majority of solutions contained in the laws on private security in BiH are consistent with the standards of the comparative law of the developed countries and research of jurisprudence, and are compatible with the solutions contained in:

- United Nations Convention against Transnational Organized Crime;
- UN Program of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons (SALW);
- UN Program to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons and any parts thereof; and
- UN Firearms Protocol to prevent illegal production and smuggling of firearms, parts and components thereof and ammunition.

Analyzing the existing laws in BiH, we have noted that in a big part, conceptually and in contents, BiH has the same model of private security like USA at the level of Federal units, France, Belgium, Greece, and the countries of the region - Slovenia and Croatia.

Studying the experiences of Slovenia and Croatia and the existing legal solutions, a need was observed for constant adjustments and amending of legislation, in order to achieve full harmonization with the legislation of the European Union.

## **5.1 Montreux Document**

We have recently witnessed more and more frequent initiatives at the international level, aimed to reach certain international standards for private security. One similar initiative was launched by the Government of Switzerland and the International Red Cross, in 2006, in order to promote the existence of International Humanitarian Law and Human Rights.

This initiative has resulted in the adoption of the Montreux Document, which contains the rules and good practices relating to private military security companies operating in armed conflicts. The Document was presented at the Session of the Security Council held on 6 October 2008.

The Montreux Document imposes certain standards on the countries that contract the works, the countries where they operate and the countries which the private military and private security companies come from. For every category it contains the international legal obligations derived from the International Humanitarian Law and Human Rights.<sup>124</sup>

Our country is the only country in the region that is a signatory of this Document. It signed the Document on 9 March 2009.

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<sup>124</sup> For more details on the Montreux Document, visit:  
[http://www.icrc.org/web/eng/siteeng0.nsf/htmlall/montreux-document-170908/\\$FILE/Montreux-Documents-eng.pdf](http://www.icrc.org/web/eng/siteeng0.nsf/htmlall/montreux-document-170908/$FILE/Montreux-Documents-eng.pdf)

## **5.2 European Commission for Democracy through Law – Venice Commission**

European Commission for Democracy through Law has also put the private security in its focus. Thus, in its Report dated of 29 June 2009, entitled ‘Private Military and Security Companies (PMSC) and the Reduction of the State Monopoly’, analyzes the regulation of private security in most countries and promotes the international regulation and self-regulation for PMSC.

Due to the knowledge that the existing systems of national regulations in most countries regulate the activities of PMSC within their territory, and that no country of the European Union has a general regulations for the activities of their PMSC in other countries, the Venice Commission therefore considers that there is a strong need for international regulations of operations of PSC and PMC.

Chapter 9 promotes that such agreement should contain the provisions by which the PMSC sector should establish self-regulation mechanisms, including binding rules of conduct and the establishment of an Ombudsman for PMSC, or a Research Team that would deal with violations of standards.

At the moment, the Geneva Center for Democratic Control of Armed Forces (DCAF) from Switzerland is intensely working on such advocating of the international self-regulation.



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9. **Zakonu o unutrašnjim poslovima, „Službeni glasnik Republike Srpske“ broj 48. od 24. 01. 2003.**

## List of interviewees

1. **Amel Kadić, Volksbanka, Sarajevo 03.07.2009.;**
2. **Antonio Bošnjak, Executive Director of Redarstvenika;**
3. **Dragan Babić, President of the Narodni Front from Banja Luka;**
4. **Dragan Talić, General Director of Sector Security, Banja Luka 24.04.2009.**
5. **Dražen Miletić, Inspector in the MIA HNK Canton. Mostar 24 June 2009;**
6. **Duško Vejnović, Director of Defendologija Center, Banja Luka, 23.04.09.**
7. **Goranom Lujićem, Chief of Police BD, 13 August 2009, by telephone**
8. **Husein Karajić, Director of Čova Security, 23.04.09. Velika Kladuša**
9. **Ivan Knezović, 24 June 2009, Mostar.**
10. **Krivić Malik Inspector within the Federal MIA, Mostar 02 July 2009**
11. **Malić Agić, Head of Security Sector in JP „Elektroprivreda BiH“ 31.07.2009. Sarajevo;**
12. **Medina Kočan, Federal MIA. Meeting in Mostar, 02 July 2009.**
13. **Mirsad Ćatić, Owner of AWG Grupe 14.07.2009. Head office AWG- Sarajevo**
14. **Muji Karović; Head of Sector for Technical Support, Volksbanka, Sarajevo 03.07.2009.;**
15. **Mustafa Begović, Patriot Security – Mostar, 24 June 2009**
16. **Mustafa Galijatović, Gama Sigurnost, 14.07.2009. Head office AWG- Sarajevo**
17. **Nikola Bender, Director of Puma Security, Round Table: Uređenje sektora rada Agencija za zaštitu lica i imovine u BiH, putem samoregulacije, Mostar 24 June 2009.**
18. **Sreto Aničić, Director of Bonda, 24.04.2009, Banja Luka;**

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