

Cyprus has been most co-operative, says Yugoslav bank chief

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Money trail: huge probe is under way

(From front page)

Deposits were all conducted legally, leaving behind a wealth of paper work to be used now as evidence.

Dinkic said the Milosevic family member with an account in Cyprus was not on the EU blacklist. The account will be frozen as soon as the suspicions are confirmed.

The Yugoslav official added that money had also found its way to "very rich European countries, and with sanctions against Yugoslavia, this would be very cheeky".

While Yugoslavia had approached other countries for support, Dinkic said that Cyprus had been the first country to co-operate with the investigators.

At the end of the news conference, the Central Bank governor also announced that his government was applying to the Central Bank to re-license Beogradaska Banka and allow it to continue to operate in Cyprus.

"One of the top priorities of the government, the IMF and the World Bank is to support Beogradaska Banka, one of the best chains to recover among the big state banks in Yugoslavia," Dinkic said.

The news conference was held in the disused premises of the Nicosia branch of the Yugoslav bank on Kennedy Avenue.

Laundering: huge probe under way

By Jennie Matthew

THE GOVERNOR of the Yugoslav Central Bank, Mladjen Dinkic said yesterday that Cyprus had been the main destination for money laundered from Yugoslavia between 1991 and 1994.

He presented Attorney-general Alecos Markides with "more than 10" names of offshore companies based in Cyprus and owned by the Yugoslav state and two pages of company account numbers, which he suspects of being involved in illegal money laundering.

He said that among the information were details about an account held by a close relative of ousted former Yugoslav president Slobodan Milosevic.

The account is still active and was only located in the last few weeks.

"According to our estimates, \$4 billion left Yugoslavia between 1992 and 1994.

"That does not mean that all the money came to Cyprus, but a significant part did," he said.

Speaking at a news conference after nearly two days of meetings with Markides, Foreign Minister Yiannakis Cassoulides and Central Bank Governor Afxentios Afxentiou, Dinkic said the current list was "just the beginning".

"This is a massive investigation and we will start step by step," he said, adding that he expected results "relatively soon".

This week's meetings between top-level government officials and the Yugoslav Central Bank governor have established that there is no legal obstacle to the Serbian investigation going ahead.

Dinkic expects to present more details to Markides next week. Cassoulides is due to fly to Belgrade on March 28 for a 48-hour visit, where he is expected to give the official green light for Yugoslavia to proceed with the Cyprus investigations.



Dinkic at the Beogradaska Banka yesterday

(Photo: Christos Theodorides)

Dinkic said money from Yugoslavia was either flown direct to Larnaca on JAT flights, until the sanctions were imposed in May 1992, and then on other airlines.

Another route was via neighbouring countries such as Romania - the money was smuggled out in the

name of private individuals or Milosevic associates.

Before the UN imposed economic sanctions that prohibited international transactions in May 1992, money was simply hoarded at the Beogradaska Banka in Nicosia.

Thereafter, Dinkic said the money

was banked in accounts set up in the name of offshore companies at Cyprus banks, where some remained but most was transferred all over the world.

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