

**UNITED  
NATIONS**

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International Tribunal for the  
Prosecution of Persons  
Responsible for Serious Violations of  
International Humanitarian Law  
Committed in the Territory of the  
former Yugoslavia since 1991

Case No. IT-04-75-T  
Date: 14 June 2013

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**IN TRIAL CHAMBER II**

**Before:** Judge Guy Delvoie, Presiding  
Judge Burton Hall  
Judge Antoine Kesia-Mbe Mindua

**Registrar:** Mr. John Hocking

**Date:** 14 June 2013

**THE PROSECUTOR**

v.

**GORAN HADŽIĆ**

***PUBLIC WITH ANNEX***

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**PROSECUTION MOTION FOR THE ADMISSION OF  
MORTEN TORKILDSEN'S EXPERT REPORT AND ITS  
ASSOCIATED EXHIBITS**

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**The Office of the Prosecutor:**

Mr. Douglas Stringer

**Counsel for Goran Hadžić:**

Mr. Zoran Živanović  
Mr. Christopher Gosnell

**THE INTERNATIONAL CRIMINAL TRIBUNAL**  
**FOR THE FORMER YUGOSLAVIA**

**Case No. IT-04-75-T**

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**I. Introduction**

1. As directed by the Trial Chamber,<sup>1</sup> the Prosecution hereby seeks admission of the expert report of Morten Torkildsen ("the Report"), dated 18 November 2002, as well as the 34 unadmitted documents incorporated therein ("the Associated Exhibits"). The Report – bearing Rule 65ter number 02477 – and the Associated Exhibits are relevant and probative to the issues in the case.
2. The Prosecution does not seek to rely on paragraphs 16 (from line four to the end of the paragraph), 23, and 79 through 83 of the Report.
3. The Annex to this motion sets forth relevant information pertaining to the 34 Associated Exhibits being tendered in conjunction with the Report, including: (i) the Tab number referenced in the Witness Exhibit List previously provided to the Chamber and Defence, (ii) the Rule 65ter number assigned in this case to each Associated Exhibit as well as a notation referencing whether the Report quoted the document, (iii) the paragraph(s) of the Report discussing each Associated Exhibit, (iv) the Rule 65ter

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<sup>1</sup> T.5034; Email from the Legal Officer of the Trial Chamber, dated 22 May 2013.

exhibit number previously assigned in the *Prosecutor v. Slobodan Milošević*<sup>2</sup> case and referenced in the Report, (v) the description of each Associated Exhibit, (vi) the date of each Associated Exhibit and (vii) the trial transcript page, if any, at which the Associated Exhibit was discussed during Mr. Torkildsen's testimony.

## II. Professional background

4. Mr. Torkildsen testified before the Chamber on 28 May 2013. Two Trial Chambers – in the cases of *Prosecutor v. Slobodan Milošević*<sup>3</sup> and *Prosecutor v. Momčilo Perišić*<sup>4</sup> – previously qualified him as an expert, admitting both his Report and the Associated Exhibits. Mr. Torkildsen holds a masters degree in the areas of trade and finance.<sup>5</sup> He has over 20 years of experience in the field of financial investigation. His experience as a financial investigator has included investigating cases involving allegations of fraud, corruption, and other financial irregularities. Mr. Torkildsen was the first foreign European investigator to be granted so-called section 2 powers by the UK Serious Fraud Office to conduct an investigation on UK territory. In the last two years, he conducted audits/investigations in a number of African countries regarding possible corruption and misuse of development aid funding.<sup>6</sup>

5. In addition to being an expert witness in the *Milošević* and *Perišić* cases, Mr. Torkildsen also appeared before the International Court of Justice to plead the financial aspects of the case brought by Bosnia-Herzegovina against Serbia and Montenegro.<sup>7</sup>

## III. The Report is relevant

6. The Report is relevant and probative of key issues related to, *inter alia*, the joint criminal enterprise alleged in the Second Amended Indictment, particularly paragraphs 10, 11, and 13. The Report details the means by which the Socialist/Federal Republic of Yugoslavia (“S/FRY”) and/or the Republic of Serbia provided financial and material support to Serbian Autonomous District (“SAO”) Krajina, SAO Western Slavonia, Eastern Slavonia, Baranja and Western Srem (later collectively referred to the “RSK”), as well as Republika Srpska (“RS”). This support took the form of direct financial assistance as well as military equipment, food, personnel and expertise provided to Serb

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<sup>2</sup> Case No. IT-02-54-T.

<sup>3</sup> T.4989.

<sup>4</sup> Case No. IT-04-81-T; T.4989.

<sup>5</sup> T.4988-4989.

<sup>6</sup> Exh.P01974.

<sup>7</sup> T.4989.

military units and Serb civilian government organs established in the RSK and the RS. In this manner, JCE members coordinated and cooperated to provide financial, material and logistical assistance to the Serb Forces and to facilitate their operations in furtherance of the common purpose as alleged in the Indictment. Through his direct contacts with the Serbian leadership and those of his representatives, the Accused Goran Hadžić organised the financial and logistical support from Belgrade for units on the ground in furtherance of their common interests to create ethnic-Serb entities and unite Serbs in a single state.

7. According to the Report, funding for the Serbian Army of Krajina (“SVK”) and Army of the RS (“VRS”) emerged from a single financing plan for all three Serb armies: the JNA (later the VJ), the VRS and the SVK. A large part of the financial and material support for these armies was provided indirectly and secretly through contributions made to cover the budget deficits of the RS and the RSK.<sup>8</sup>

8. In the areas of monetary policy and banking, the National Banks of the RSK and RS operated as main branch offices of the National Bank of Yugoslavia (NBJ) in Belgrade, and under its authority alone. These banks ultimately financed the RSK and the RS armies.<sup>9</sup>

9. RSK (and RS) budget deficits were covered by the supply of primary issue from the (S)FRY.<sup>10</sup> The SFRY printed new money and distributed it to the National Banks of the RSK and the RS, often through their respective SDK centres in Banja Luka and Knin.<sup>11</sup> There existed a system of direct payment in response to direct requests to Belgrade from both the RSK and the RS.<sup>12</sup> A large portion of the expenditure of the budgets of the RS and the RSK were comprised of expenses for the military forces and the police.<sup>13</sup>

10. The Republic of Serbia’s Ministry of Defence (“MOD”) played a vital role in coordinating assistance made to the Serb-controlled districts in Croatia.<sup>14</sup> The Territorial Defence of the RSK would request supplies from the Serbian MOD. The Serbian MOD would then make a request to the Government of Serbia. It was then for the highest

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<sup>8</sup> Report, paras.24-32, 99-100.

<sup>9</sup> Report, paras.27-28.

<sup>10</sup> Report, para.25; T.4996.

<sup>11</sup> Report, para.61.

<sup>12</sup> Report, paras.63-69, *citing* Rule 65*ter* numbers 01026, 01372 and 01805.

<sup>13</sup> Report, para.73.

<sup>14</sup> Report, paras.90-98.

political and military leaders of the Republic of Serbia to provide financing and materials to the Serb-controlled districts in Croatia.<sup>15</sup>

#### **IV. The Associated Exhibits are relevant and probative**

11. The Prosecution requests the admission of the Associated Exhibits listed in the Annex appended to this motion. They are integral to understanding the analyses and conclusions presented in the Report. Eight of them were addressed during Mr. Torkildsen's testimony – *65ter* numbers 00208, 00242, 00253, 00265, 00568, 01017, 01143, and 01926. It is therefore necessary to review the Report in conjunction with the exhibits cited therein in order to assess the accuracy and the reliability of the report, as well as the weight to be ascribed to the expert evidence.

12. During his testimony, Mr. Torkildsen described at length the methodology he implemented in producing the Report and selecting documents referenced therein.<sup>16</sup> The Report consists of an analysis of financial aspects of military and other documents pertaining to the issue of assistance provided by the S/FRY and/or the RSK, as well as RS.

13. The Associated Exhibits pertain to relevant issues in the case, including the implementation of the JCE: (i) the financing of the JNA during 1991 and 1992 by SFRY through primary issues<sup>17</sup>; (ii) the monetary integration between the (S)FRY, the RSK and the RS<sup>18</sup>; and (iii) Serbia's financial assistance to the RSK.<sup>19</sup>

#### **V. Relief sought**

14. For the foregoing reasons, the Prosecution respectfully requests that the Trial Chamber:

- a. Admit the Report ; and

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<sup>15</sup> Report, paras.91-92.

<sup>16</sup> T.4994.

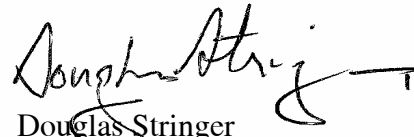
<sup>17</sup> Rule *65ter* numbers 00208, 00253, 00265, 00282, 00295, and 00351, referenced in Report, paras.17- 22.

<sup>18</sup> Rule *65ter* numbers 00568, 02018, 02030, and 02147, referenced in Report, paras.25, 33, 35-36, 39, 43-46, 48, 50.

<sup>19</sup> Rule *65ter* numbers 00568, 00781, 00801, 00924 01178, 01372, and 01805, referenced in Report, paras.65, 67, 70-71, 93-95.

- b. Admit the Associated Exhibits listed in the Annex to this motion.

Word Count: 1225



Douglas Stringer  
Senior Trial Attorney

Dated this 14<sup>th</sup> day of June 2013  
At The Hague, The Netherlands

**THE INTERNATIONAL CRIMINAL TRIBUNAL  
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**ANNEX A TO PROSECUTION MOTION FOR THE ADMISSION OF  
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EXHIBITS**

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Tab order	R65ter number	Paragraph(s) of Expert Report	Exhibit Numbers Referenced in Report	Description	Date	Referenced in Testimony
1	65ter#00208	18	65ter#02477 C168	SIV (Federal Executive Council) Proposal for the federal budget for July-September 1991, dated 21 July 1991	21/07/1991	T.5003
2	65ter#00242	57	C4272	Decision of the Executive Council of the Glina Municipal Assembly, substituting auditing service of Republic of Croatia for that of the Republic of Serbia, dated 13 August 1991	13/08/1991	T.5003
3	65ter#00253 (pp.7, 37-38 quoted )	17, 19, and 61	C4274	Transcript of a PSFRY Meeting held on 21 August 91.	21/08/1991	T.5007
4	65ter#00265 (p.1 quoted)	20	C324	Document from SIV (Federal Executive Council) titled "Law on Revenue Sources for Financing Certain National Defence Requirements in 1991", dated September 1991	??-09-1991	T.5005
5	65ter#00282 (p.2 quoted )	21	C4277	Letter from SIV (Federal Executive Council) addressed to the General Secretary of the SFRY Presidency, re: SIV proposed law about the financing of determined national defence requirement for 1991, dated 9 September 1991	09/09/1991	
6	65ter#00295	21	C4279	Notice from the legal department of the Socialisticka Federativna Republika Jugoslavija Presidency titled "Note concerning the proposal of the Federal Executive Council on the provisional financing of the Jugoslovenska Narodna Armija to the end of 1991"	12/09/1991	
10	65ter#00351 (pp.7-8 quoted)	22	C4313	Draft Minutes from the 143rd sitting of the PSFRY on 1 October 1991, chaired by Branko KOSTIC	01/10/1991	
13	65ter#00568 (p.1 quoted)	25, 33, and 98	C4682	Official record of the conversation of the Republika Srpske Krajine representatives with Slobodan MILOSEVIC on 12 November 1992.	12/11/1992	T.4997

Tab order	R65ter number	Paragraph(s) of Expert Report	Exhibit Numbers Referenced in Report	Description	Date	Referenced in Testimony
14	65ter#00781	93	65ter#02477 C4387	Official letter by Branislav KUZMANOVIC, MOD of Republic of Serbia, dated 11 December 1991, re: supply request by Lika Territorialna obrana and proper procedure for such requests	11/12/1991	
15	65ter#00801 (quoted p.3)	94	C4391	Documents re: connections between the Republika Srpske Krajine and the Republic of Serbia during 1991-1995, including request sent to Ministry of Defence of Republic of Serbia requesting reinforcements, dated 16 December 1991	16/12/1991	
16	65ter#00874	108	C4406	Cover letter from Milutin KUKANJAC dated 9 January 1992 with attached order from Blagoje ADZIC dated 31 December 1991, both re: Territorialna obrana unit requests to the Jugoslovenska Narodna Armija.	09/01/1992	
17	65ter#00924	95	C4875	Letter from Republic of Serbia Ministry of Defence to SAO Krajina Territorialna obrana dated 8 February 1992	08/02/1992	
19	65ter#01017 (p.2 quoted)	109	C4493	Order from Vladan SLJIVIC dated 7 April 1992 re: location of Jugoslovenska Narodna Armija units from Republika Srpske Krajine and establishment of Republika Srpske Krajine Main Staff Territorialna obrana Logistics Base.	07/04/1992	T.5053
20	65ter#01026	64	B3292	Minutes of the joint meeting of the Republika Srpska National Security and Republika Srpska Government dated 15-Apr-92 signed by Radovan KARADZIC, the President of the Council regarding the methods of work in war conditions, appointment of new Government	15/04/1992	
22	65ter#01143 (pp.1-2 quoted)	25, 62, and 73	B3501	Official Gazette of the Bosnian Serb republic, Volume I (1992), Issue 8. May/June 1992.	31/05/1992	T.5007

Tab order	R65ter number	Paragraph(s) of Expert Report	Exhibit Numbers Referenced in Report	Description	Date	Referenced in Testimony
24	65ter#01178 (p.1 quoted)	70 and 71	65ter#02477 C4636	A request by Vojin Peuraca to the Belgrade Bank, dated 25 June 1992	25/06/1992	
25	65ter#01254 (p.1 quoted)	113	C4652	1st KK (Krajina Corps) urgent request to the Command of 1KK pkpo for ammunition dated 11 September 1992	11/09/1992	
26	65ter#01260 (pp.1, 5 quoted)	15, 74, and 110	B5507	Report on the Army of Republika Srpska (the later VRS): "On the results achieved on the front, state of the Army of Republika Srpska, problems and tasks in the forthcoming period" signed by Ratko MLADIC dated September 1992	15/09/1992	
28	65ter#01370 (p.1 quoted)	77	B4558	Letter to Governor Vracar of the Republika Srpska National Bank from Minister of Defense SUBOTIC dated 18 November 1992 Requesting Payment of Bills out of the Credit from the Emission	18/11/1992	
29	65ter#01372 (p.3 quoted)	65	C4683	Record of Conclusions Reached at Joint Meeting of Republika Srpske Krajine Government and SAO SBZS Regional Council, held in Vukovar on 18 November 1992, Regarding the Monetary Policy, Money Transactions, and the Status of the Regional Council.	18/11/1992	
30	65ter#01377 (p.1 quoted)	77	B4557	Correspondence Concerning a Request for Credit Extension, Two Letters Signed by Milan Kecman and Dorde Dukic, dated 24 November 1992	24/11/1992	
31	65ter#01464 (p.28 and p.24 quoted)	112	C4695	Analysis of activity concerning elements of combat readiness in 1992 signed by Momir Talic, February 1993	??-02-1993	
32	65ter#01578 (p.102 quoted)	75, 111, and 114	C4712	Report entitled "Analysis of the Combat Readiness and Activities of the Army of Republika Srpska in 1992"	01/04/1993	

Tab order	R65ter number	Paragraph(s) of Expert Report	Exhibit Numbers Referenced in Report	Description	Date	Referenced in Testimony
34	65ter#01633 (p.1 quoted)	100	65ter#02477 C4721	Article entitled "Slobodan MILOSEVIC argues for acceptance of Bosnian Peace Plan: "Serbia Needs Peace"" in Belgrade Tanjug, dated 11 May 1993	11/05/1993	
36	65ter#01805 (p.1 quoted)	67 and 115	C4739	Letter from Federal Ministry of Defence to Military Publishing and Press Centre stating that the Ministry of Defence has approved for Republika Srpske Krajine financial help in the amount of 480.259 billion dinars. (30-09-1993)	30/09/1993	
38	65ter#01926 (p.20 quoted)	116	C4752	Memorandum on Coordination of Tasks of the Vojska Jugoslavije (Yugoslav Army), dated 17 December 1993	17/12/1993	T.4996
40	65ter#02018 (p.3 quoted)	48	C4764	Instructions for work linking national banks of the FRY, Republika Srpska and Republika Srpske Krajine.	28/02/1994	
41	65ter#02030 (pp.2, 3, 4, 5, 7, 10 quoted)	25, 35, 36, 39, 43, 44, 45, 46, 50, 62, 73 84, and 88	C4769	Business review of National Bank of Republika Srpska in accordance with the realization of the programme of the Monetary Policy in FRY, Republika Srpska and Republika Srpske Krajine"	08/04/1994	
42	65ter#02044 (p.1 quoted)	119	C4777	Document regarding the payment of SRK conscripts from accounts at the National Bank of Yugoslavia via VRC Banja Luka	05/05/1994	
43	65ter#02050 (pp.2-3 quoted)	50	C4779	Official note of meeting of National Banks of Republika Srpske Krajine, Republika Srpska and FRY discussing unified monetary policy"	12/05/1994	
44	65ter#02093 (p.1 quoted)	117	C4795	Document by Rade TANJGA, Republika Srpske Krajine MOD, no. 02/36-1 from 22-Nov-94, regarding a request for financing ARSK"	22/11/1994	

Tab order	R65ter number	Paragraph(s) of Expert Report	Exhibit Numbers Referenced in Report	Description	Date	Referenced in Testimony
45	65ter#02147 (p.1 quoted)	46	65ter#02477 C4810	A letter from Manojlo CORIC, Governor of National Bank of Republika Srpska, to Vojo TOMIC at the National Bank of Yugoslavia, pertaining to the exchange of notes withdrawn from circulation, dated 2 June 1995	02/06/1995	
47	65ter#02443 (p.2 quoted)	15 and 99	K2575	Statements by Slobodan MILOSEVIC in relation to financial matters	02/04/2001	
81	65ter#02476	86, Appendix	C5356	Letter dated 4 November 2002 from The National Bank of Yugoslavia to the ICTY attached to a table of exchange rates for January 1991 to December 1995	04/11/2002	