



Pavle Trajanov, the former minister of internal affairs (MIA)

The security sector is plagued by upstarts looking to take greater control from government, even as a rash of robberies show much work remains.

By Xhelal Neziri

The leader of a private security advocacy group sits in a Skopje jail, accused of selling worthless security firm operating licenses for profit and to enhance his own power base. A spree of brazen bank robberies earlier this year has investigators wondering if the guards hired to protect valuables are working with those intent on stealing them.

And rival security firms aligned with political parties have been accused of a host of electoral shenanigans, from stuffing ballot boxes to extortion and killings.

The intersection of politics, crime and security firms is nothing new in the Balkans. But perhaps no country is wrestling more than Macedonia with crucial questions about the role of security agencies, who should regulate them and whether a government monopoly on licensing will curb abuses or create them.

An Organized Crime and Corruption Reporting Project Investigation found deep turmoil in the way private security firms are licensed and monitored. That unrest has created a vacuum where security firms are setting the agenda, often with the help of elected officials.

That clash of ideals is underscored and played out publicly in the case of Angel Jovanovski, a security agency owner who decided he wanted more of the action and ultimately wound up behind bars.

Seeing a chance to gain an edge in the market, Jovanovski, a Skopje businessman, formed a special chamber in 2006, which under Macedonian law is essentially a lobbying group designed to protect the common interests of an industry.

He called the chamber “Detective” and assumed the role of director, adding six police officers, an employee of the army and several other owners of security agencies as founding members.

But instead of just advocating for the security industry, Detective and Jovanovski went into the licensing business. In 2008 and 2009, Jovanovski and his chamber issued 1,300 business licenses to security agencies, primarily for people to work as bodyguards. He charged €1,000 for each license.

Anyone paying the money got a certificate, which they then used to secure work. Detective did no background checks and required no tests and the state had no say in the licenses.

Detective simply kept the money, which according to figures supplied by the courts, would have amounted to €1.3 million. They operated for years without police taking action.

Jovanovski called the licenses legal. The public prosecutor disagreed and brought criminal charges earlier this year, with counts including fraud and document forgery, according to court records.

The case is ongoing and Jovanovski remains detained without bail pending trial.

His arrest brought new scrutiny of the sometimes seamy side of the business. It also highlighted the efforts of government regulators to retain power in a changing market.

Macedonia's recognized regulator is the Chamber of Security Firms, headed by Tihomir Nikolovski. It was established in 1999 and claims it is the only entity legally entitled to issue security licenses to individuals and businesses.

In an interview with OCCRP, Nikolovski acknowledged the rivalry between the two chambers but said the law is unambiguous.

"Only one chamber can have the role of public authority, and it is precisely this chamber that I direct," Nikolovski said. "The chamber Detective is a legitimate one, and the law clearly allows for that. But not the security law. It has no legitimacy to issue licenses."

But licenses – legal or not – were issued and people hired. Now the state must deal with that.

"We have 1,300 people who were taken advantage of and have been told they were legitimate by Detective. Now they have to come to us and pass the exams and pass all procedures for obtaining a legitimate license," Nikolovski said.

Beside the 1,300 individual licenses, 240 different security agencies are accredited in Macedonia: 190 by the government, 50 by Detective. At €400 per agency license, that comes to €8 million.

Jovanovski supporters said the desire to keep all that money for the government motivated prosecutors to arrest him.

“Jovanovski's detention has a political background. We were registered as a chamber in 2006 and our work was legal,” said a member of Detective, who asked to remain anonymous. “The ruling party formed the other chamber led by Nikolovski to control the business in this area. When we reacted against it, the police threatened us and suggested we stop. We did not do that and therefore Jovanovski was arrested,” he said.

Political connections

The clash of security chambers raised a debate in Macedonia about why a country of 2 million people needs 240 private security firms employing 20,000 people. It also has experts and officials talking about what role the major political parties have in the firms and whether security firms are taking active roles in the frequent and rising number of robberies of banks, gas stations and casinos.

One of the political parties opposed to Detective is the ruling Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian Unity (VMRO-DPMNE). It is aligned with the Kometa security agency. That is not in dispute, the agency said.

“We don't hide the fact that we are in a close relationship with VMRO,” Zvonko Kostov, Kometa's director said in interviews with Macedonia media. “We do work for them and take care of security at all the party's meetings.”

But Pavle Trajanov, the former minister of internal affairs (MIA), said ties between political parties and security agencies go far beyond guarding meetings. Trajanov is currently a member of parliament and a recognized expert on security matters.

He said people specifically chosen by the parties have founded some agencies.

“The agencies are in the service of the parties, and they often take actions based on the needs of those parties,” Trajanov said. “The security companies are often involved in the election process by organizing pre-election rallies for those parties, but they are often involved in election incidents that cause a number of irregularities.”

Trajanov said some of those incidents include ballot box stuffing. In 2005, a member of the Osa security agency was caught illegally pumping votes for the Macedonian Social Democrat Union (SDSM) party in Ohrid.

There are other ties. In 2002, SDSM gained power and immediately chose the director of Osa, Branko Bajcevski, to become director of public security in the Macedonian Ministry for Interior Affairs.

Since the transition to a democratic system in 1991, elections in Macedonia have been plagued by problems, including fraud and even two killings. There have been many incidents of ballot box stuffing.

In the parliamentary elections in 2006 a street fight broke out between the security firms for two political parties -- VMRO and the Social Democratic Union of Macedonia (SDSM). SDSM was protected by the agency NIKOV, while the agency Lupus protected VMRO.

And in a 2000 local election 22-year old Fatmir Jakupi was killed by bodyguards of the Democratic Party of Albanians (DPA) party. Police said Jakupi, who was a commissioner in the Party for Democratic Prosperity (PPD), a mainly-Albanian party in Macedonia, was killed at a polling booth in Kodova because he refused orders from DPA activists to fill voting boxes with fake ballots.

The reason for the power struggles and occasional violence is simple: money.

“With these agencies the business is huge,” Trajanov told OCCRP. He said conflicts like those with Jovanovski and Detective are inevitable given the stakes, although he added that under current law Detective’s selling of licenses is clearly illegal.

Still he said, the country should examine whether there is a need for more than one chamber and change the law if necessary. Having the government monopolize the licensing process has not necessarily been a good practice, he said. Besides providing training and support for members, a second chamber can introduce ideas and legislation as part of a more competitive market place, he said.

Before the official government chamber was formed in 1999, groups and individuals with criminal backgrounds actually had the task of regulating the security industry.

The chamber headed by Nikolovski has been credited with improving training, requiring background checks, creating new standards and maintaining order in the industry, but problems persist.

COUNTRY’S SECURITY DILEMMA

Frequent robberies of banks, armored cars and post offices have increased suspicions among law enforcement and experts that the agencies that secure these institutions are providing information to the mafia, including times and routes for money transfers.

In first three months of this year, there were at least 10 bank robberies eight bank robberies, including one in which police arrested an army commander. A June 1 robbery was thwarted when a police officer walked in during the holdup, beginning an exchange of gunfire.

Over the past three years, heists of bank and postal money transfers alone have netted around €2.5 million. In 2007, one theft of an armored car transferring pension money saw the thieves get away with €1 million.

And in February, 2006, one employee of a money exchange office was killed and two others injured when a group of armed criminals robbed the office.

“I am worried by the fact that in the recent years we have larger number robberies,” Trajanov said. “I believe there is no question that security agencies or their members are participating in these robberies.”

Police officials refused to talk to OCCRP about connections between security firms and the robberies.

Nikolovski said that that he could not confirm security firm involvement with complete certainty. However, like Trajanov, he said the methods used in each case cast doubt on the security guards.

“To steal money from a bank, you need information from inside -- people to inform the thieves when and which direction the vehicles transporting money will be going,” Nikolovski said. “If thieves do not have such information, they will not be able to organize a robbery.”

A hint of optimism

Despite problems, Nikolovski said he sees hope that the influence of criminal gangs and politics have had on the security sector are fading away.

First, he said police are becoming more effective in detecting possible links between the largest heists and the security companies, and expects more progress going forward.

And, he said, Macedonia is already seeing the connections between politicians and security agencies starting to slip.

Nikolovski says he has noticed that the biggest companies are acting more professionally and independently.

“Years ago they might have been close to some party, but now they are moving away from them because they see only professionalism ensures long-term profit,” he said. “If you are close to a political party, you can gain a lot for four years, or as long as they are in power. But then you can lose it all when the power goes to the opposition.”