

A money laundering investigation into Bosnian businessman Damir Fazlic was aborted when Albanian prosecutors failed to untangle the nexus of offshore companies supplying him with funds. But the Balkan Investigative Reporting Network (BIRN) has now succeeded in tracking the 2.5m euro funnelled to Fazlic to buy land in Albania, to the offshore empire of Serb energy tycoon Vojin Lazarevic.

And we can reveal that the controversial duo have invested a further 30 million euros into the site in Porto Romano, near Durres, and are now looking for investors to build a giant petrol terminal and a hub for US shale gas.

Fazlic told BIRN that potential backers include American Wesley Clark, the former Nato supreme commander who is involved in a string of Canadian and US energy firms.

The Lazarevic link

The use of offshore firms, the bypassing of the banking system through cash purchases, and repeated sale of the land for larger sums between local villagers, intermediaries and Fazlic all raised red flags for money laundering investigators in Albania.

But the case was dropped in 2009, before prosecutors discovered the origin of the money and could decide whether the case warranted further investigation, because requests for information from Cyprus and Bosnia officials were ignored. Fazlic, a close ally of former PM Berisha, maintains he is innocent of all charges.

In the murky world of offshore havens, real owners rarely appear in official paperwork thanks to armies of shell firms, lawyers and proxies.

The same is true of Fazlic and Lazarevic, who employ a variety of legal methods to obscure their wealth and company ownership. Despite persistent rumours, neither has previously admitted to working together and Fazlic went as far as denying all involvement with Lazarevic's holding company, Rudnap, in a 2008 interview.

Using official company records from Moscow to Cyprus, and a cache of 1,000 pages of court material, our investigation shows how money moved from offshore havens, including St Vincent and the Grenadines, via Switzerland to Albania in order to buy land for giant energy projects.

The real estate, held by two "shell" firms registered in Tirana, was then transferred back offshore to Cyprus in a series of transactions which obscured the real ownership.

Unusually, Fazlic and Lazarevic do appear as joint owners of one Cypriot-based company - Poligraf Invests Ltd.

It was set up to hold shares in Petrol Slovenia Tirana Wholesale, 55 per cent of which is owned by Petrol dd, Slovenia's biggest energy company, and the rest by the Fazlic-Lazarevic owned Poligraf Invests Ltd. Petrol Slovenia Tirana Wholesale's official filings show that it planned to buy or build gas and petrol facilities and was a contender to invest in Fazlic's holdings in Porto Romano, but was liquidated in 2011.

Fazlic also officially declared himself the owner of the two shell firms in Albania, Crown

Acquisitions and Alpha Shpk, a decision he says he now regrets.

In an exclusive interview, he told BIRN that, with hindsight, he would have further obscured his involvement by using proxy lawyers to buy the land.

“I would have done it so that you guys don’t know where the beginning or where the end is,” he said. “I would have done it so that you guys don’t even know where the money came from.” Irregular land deals

Fazlic’s properties in Porto Romano are marked in red.

Prosecutors opened the investigation into possible money laundering in October 2008 after details emerged of the sale of Fazlic’s Crown Acquisitions to a Cypriot-based firm, Altaria Research Limited, registered through a range of proxies which are closely linked to Lazarevic. Altaria Research Limited paid 1.75m euros despite the Albanian firm remaining unregistered with the tax authorities and appearing to be inactive.

Investigators later discovered it had quietly bought nine hectares of land, worth 1.35m euros, acquired through a series of cash transactions, using funds which had been deposited in Fazlic’s personal bank account from tax havens.

BIRN has discovered that 1.5m euros was funnelled to Fazlic’s private account from Pluto International, a firm based in the Caribbean tax haven of St Vincent and the Grenadines.

The money was withdrawn in cash to buy nine hectares of land.

Pluto International is owned by Vojin Lazarevic, the eighth richest Serbian businessman who holds assets and cash in excess of 170m euros, according to official records from Russian Central Bank. The information was previously disclosed as Pluto International is part owner of a Russian bank, Euroaxis. Pluto International played a key role in the controversial 2004 takeover of Serbia’s National Savings Bank, currently under investigation for corruption. The investigation is ongoing, with prosecutors recently having interviewed former finance minister and head of the Serbian Central Bank Mladjan Dinkic. Lazarevic has not been named by prosecutors.

A further 950,000 euros was deposited in Fazlic’s personal account later in 2007 by Irongold Services Limited, which is owned by Lazarevic through a range of offshore entities including Pluto International.

The money from Irongold Services was withdrawn in cash by Fazlic’s lawyer, Flutura Kola, in order to buy a further five hectares of land in Porto Romano for his firm Alpha Shpk.

BIRN found no evidence Lazarevic’s investments were improper, but the Serb energy tycoon has never been questioned on the origin of the funds or why he choose to channel the money to Fazlic in such a way because Albanian prosecutors dropped the case. He declined to be interviewed on the issue.

Source; BIRN, more details on article on BIRN site