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On August 1st, 2012, on the basis of a "suspicion" of criminal offence abuse of power, the Zrenjanin Police arrested Jugoremedija's General Director, Zdravko Deurić and Financial Director Anika Malušić, as well as a Director of Penpharm, Milana Zlokas. Those under arrest are the very individuals who brought to light the plunder associated with the first "privatization" of Jugoremedija, a process now facing scrutiny by the European Commission.

These arbitrary arrests resulted in significant breaches of the law on criminal procedure, because prior to the issuance of decisions on detention, the detainees were not allowed to present defenses: they were not informed of the charges against them, nor were they interrogated, contrary to any minimum guarantees of liberty and due process. The investigation was opened on August 3<sup>rd</sup>, when Zdravko Deurić and Milana Zlokas were ordered detained for one month, on the basis of the need to "examine witnesses", while the other defendants were released. The detention will be one month only formally, but *de facto* at least two months, as the investigating judge is on vacation while the Court is on annual recess. As a result, detainees must remain in prison, ostensibly to prevent undue "influence of witnesses", although in this matter, the relevant facts will be established through financial and other documents, and not on the basis of witness testimony.

Upon opening their investigation, the Zrenjanin Police continued to "build" their case on a foundation of flagrant violations of the law, by asking Jugoremedija workers every day to attend for investigation as citizens, despite the fact that after opening on August 3<sup>rd</sup>, investigation ought to require workers being interrogated as witnesses, in front of a judge. The police invitations for informational discussions indicate that the invitations are aimed at collecting evidence of criminal acts relating to abuse of power (a relic of the influence of Soviet jurisprudence on domestic law which remains part of Serbian criminal law, despite several comments from the European Commission). The Zrenjanin police and courts are simultaneously pursuing and overlapping two procedural phases: pre-trial and investigatory. The criminal process is thus brought to a close, replaced by institutional lawlessness, preceded by physical violence that continues – extrajudicial attacks on the workers of Jugoremedija.

Since August 1<sup>st</sup>, the business of Jugoremedija has been usurped by constant demands and orders from tax inspectors and corporate crime investigators who spend all their time at Jugoremedija and interfere with work. And while one group of workers is called for investigation, the remaining workers are "employed" for the purpose of producing "cases" from arbitrary suspicions and accusations.

Jugoremedija endures a heavy burden, unable to perform business as usual and to cope with already very difficult situation caused by the actions of state agencies, which the European Parliament addressed in Resolution B7-0000/2012 (issued March 29, 2012), calling on „the Serbian authorities to review immediately the controversial privatisation and sale of 24 companies, seeing that the European Commission found serious doubts concerning their legality, including [...] Jugoremedija“. The current actions of the Zrenjanin police and courts are revenge because the workers of Jugoremedija have succeeded in alerting the European Commission.

Such behavior by police and judicial authorities make it clear that they lack foundation for investigation and are simply randomly shaking down any aspect of Jugoremedija's work, hoping that evidence will be revealed. Yet all indications are that there is no case. Two people are unjustly detained, while the other Jugoremedija workers are terrorized daily by unceasing demands for unlawful interrogations, clearly with the goal of intimidation and fear. We urge that such state violence be stopped and that Milana Zlokas and Zdravko Deurić be released.

Board of directors  
„Jugoremedija“ Fabrika lekova  
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