SECURITY-INTELLIGENCE AGENCY

Excellence
Accountability
Integrity
Teamwork

www.soa.hr
Zagreb, 2014

OUR MISSION

We detect, investigate and understand security threats and challenges by collecting and analyzing information significant for national security, thus providing the state leadership and other state bodies with reliable intelligence support in decision-making and acting to protect Croatia's national security, interests and the well-being of its citizens.

OUR VALUES

EXCELLENCE

- Striving to accomplish the highest standards in everything that we do
- Focusing on finding solutions and achieving results
- Dedication to constant improvement and learning through execution of tasks
- Encouraging creativity and innovative ideas
- Demonstrating leadership and professionalism by personal example
- Using modern techniques, methods and tools in our work

ACCOUNTABILITY

- We operate strictly within our legislative framework and with respect for ethical and professional standards
- We are accountable for our work to competent authorities
- Parliamentary, expert and civilian oversight additionally ensure lawful conduct of the Agency

INTEGRITY

- Responsibility, discretion, reliability and commitment to execution of tasks
- Expressing patriotism and pride through responsible work
- Showing optimism, moral and personal courage in difficult situations
- Being loyal to the Agency, our mission and values
- Respecting the norms of security culture
- We evaluate ourselves according to the values and results that we bring to the service on a daily basis

TEAMWORK

- Achieving success together, sharing risks and helping each other
- We value our colleagues and appreciate our differences
- Honest and open communication
- Sharing equal opportunities which depend on our qualities, skills and knowledge
- Respect for colleagues who worked in the Agency before us and transfer of knowledge and experience to those who will work here after us
- Committed to building strong and reliable relationships with other state bodies, institutions and international partners

CONTENTS

Introductory Remarks	1
About the Security-Intelligence Agency	4
The Areas of Security-Intelligence Activity	16
International Cooperation	32
Reporting and Cooperation	34
Oversight of SOA Activities	35
Public Accountability	38
Developing SOA Capabilities	40

INTRODUCTORY REMARKS

Dear readers,

It is a great honor to contribute to the protection of your country's citizens, the preservation of national interests and the democratic constitutional order. At the same time, it is also a great responsibility.

Members of the Security-Intelligence Agency have this honor and responsibility in their day to day activities. Therefore, with great pride and satisfaction I would like to present our first public report with the desire for it to become another step in promoting public awareness as to our work.

Explaining the nature of security-intelligence activities to the general public has two opposing stand points. On the one hand we value and understand public interest in our work, whilst on the other hand, in many cases activities we do require they remain unknown to the general public. There are many reasons for this, including protection of field operatives, methods and sources, as well as legal restraints. This does not mean, however, that we are any less responsible to our citizens who finance us. On the contrary, this fact obliges us to act even more professionally in complete harmony with legal provisions and in our role in the system of national security.

Similarly, the Security-Intelligence Agency (SOA) does not wish to remain outside of legitimate expectations of the Croatian public in regards to transparency of state bodies. Therefore, I expect this document will give the Croatian public better insight into the dedicated work we have performed in recent years and show its results.

Security-intelligence work takes place in a specific and changing environment. Aptly, in the words of our famous poet Petar Preradović "the only constant is change". Current security dynamics are most often rapid and difficult to predict and demand constant adaptation and new solutions. Accordingly, SOA has at its disposal resources and personnel, who through their knowledge and capabilities, must respond to new challenges. This requires our Agency to be dynamic and innovative, and to always maintain a high level of readiness and capability.

Investing in the skills and knowledge of our employees, together with modern technology, ensures that SOA will remain ready to answer modern security challenges and threats to national security, to our interests and citizens of the Republic of Croatia.

Globalization and technological advances are civilizational landmarks and positive processes which offer endless possibilities for development. However, parallel with these positive steps there are individuals, groups and even countries that wish to take advantage of this progress in order to attain illegal and illegitimate goals that threaten the security of the Republic of Croatia, its citizens, but also our international allies. Threats such as terrorism, cybercrime and proliferation of weapons for mass destruction do not know national boundaries and the lines that differentiate them are increasingly unclear. Response to them is two dimensional: new capabilities and strong international partnerships.

My role as SOA Director requires creating conditions that will allow the Agency to conduct its work at a high level of efficiency and rationality to respond to such threats. Therefore, in the coming period I wish to direct the Agency's further development towards achieving the following strategic goals:

1. Achieve excellence and strategic impact

SOA must have excellent capabilities that will guarantee intelligence results, providing the decision makers with the basis for actions and decisions on national security. Our intelligence results must be such that they lead other responsible institutions to concrete activities and allow them to make competent and informed decisions.

2. Achieve coherency

SOA in its work needs to achieve synergy of all of its components. At the same time it needs to strengthen connections with other state institutions and bodies in order to reach the same synergy at a national level.

3. Build strong international partnerships

Opposing transnational security challenges in today's world is unimaginable without international cooperation. The Republic of Croatia has taken part in international integrations and alliances where the line between national and international is all the less visible. SOA will continue developing strong international partnerships in order to increase protection of its national security and for further development of its own capabilities.

SOA has considerable legal recourse when conducting its tasks which occasionally raise the issue of human rights. I consider oversight over SOA work as the key in securing complete fulfillment of our legal role and that there is no misuse of powers outside the law. That is why our current multi-layered oversight system (parliamentary, expert and civilian) is a necessity. Together with foreseen legal oversight, I also consider important the continued professional and expert development of SOA members, resulting in their professional habitus providing the first guarantee for legal and purposeful work of our Agency. To that end it is necessary to continually insist on further development of professional ethics amongst our employees. I see this report as another part in SOA's social responsibility mosaic and in oversight of security-intelligence activities.

Whenever a threat appears towards Croatian security and interests, it must be thwarted in its early phase. The successes of the Security-Intelligence Agency are very often unknown to the public and there are no public acclamations or recognitions. Nevertheless, a feeling of satisfaction exists in the knowledge that Croatian citizens and their security are being protected. That is why I would like to end these opening remarks with a thanks to all those dedicated members of the Security Intelligence Agency who do great work every day, knowing that their efforts and successes will probably never attain public acclamation or thanks. Nevertheless, such is the job we do and the greatest reward we can attain is the knowledge that we have protected the security of the Republic of Croatia and its citizens.

Director

Dragan Lozančić, PhD

ABOUT THE SECURITY-INTELLIGENCE AGENCY

ABOUT THE SECURITY-INTELLIGENCE AGENCY

Development of the Intelligence Community

Since Croatian independence the central body for conducting affairs in national security had been the Bureau for the Protection of the Constitutional Order (UZUP) which was founded on 27 May 1991. UZUP was replaced on 21 March 1993 by the National Security Office (UNS). UNS authorities were regulated with the adoption of the Act on the National Security Office on 17 May 1995.

The objectives and tasks of the intelligence community were determined by the Joint National Security Committee (SONS) and the Intelligence Community Coordination Committee (KOOZ). The task for SONS was to direct and harmonize the work of state ministries in conducting national security affairs, whilst KOOZ was responsible for conducting tasks received from SONS.

The core of the intelligence community in Croatia comprised four services that conducted intelligence work:

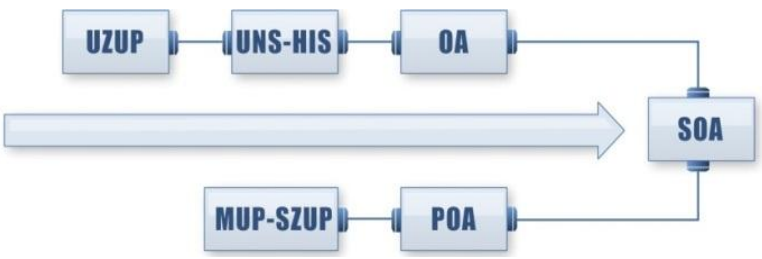
- Croatian Intelligence Service (HIS)
- Service for the Protection of the Constitutional Order of Croatia (SZUP)
- Security Service of the Ministry of Defense (SIS)
- Directorate of Intelligence Affairs of the Croatian Armed Forces General Staff (ObU GSOSRH)

The Croatian president provided the guidelines for the work of UNS and the Croatian intelligence community. The UNS chief and state ministers determined tasks set for services out of their areas of responsibility. Other than UNS and services, the wider circle of the intelligence apparatus also comprised anti-crime police, military police, customs service and financial police whose representatives could be called upon at KOOZ meetings.

The Security Services Act from 2002 provided the legislative basis for the forming of three security services:

- Intelligence Agency (OA)
- Counterintelligence Agency (POA)
- Military Security Agency (VSA)

The National Security Council (VNS) was formed for achieving cooperation of the Croatian president with the Government in directing work of security services. The Council for Coordinating Security Services was formed for coordinating the operative work of security services.



Security-Intelligence System of the Republic of Croatia

The Croatian security-intelligence system in today's form was defined in 2006 by adoption of the Act on the Security-Intelligence System of the Republic of Croatia.

There are two security-intelligence agencies in Croatia:

- Security-Intelligence Agency (SOA, the Agency),
- Military Security-Intelligence Agency (VSOA).

Their task is to collect, analyze, process and assess information significant for national security, i.e. information necessary for making decisions relevant for protection of national interests.

The functioning of security-intelligence agencies is directed by the President of Croatia and the Croatian Government.

The work of security intelligence agencies is guided by the Croatian president and the Government through the **National Security Council (VNS).**

Among other tasks, the National Security Council also performs the following:

- examines and evaluates intelligence and security threats and risks,
- examines matters relevant for national security and adopts guidelines and conclusions,
- examines matters from the scope of work of SOA and VSOA and authorizes their cooperation with counterpart services,
- defines Annual Guidelines for the Work of Security-Intelligence Agencies,
- defines measures to be undertaken following the results of oversight over SOA and VSOA,
- proposes resources required for the functioning of SOA and VSOA.

The National Security Council is composed of:

- The President of Croatia,
- The Prime Minister of Croatia,
- Member of the Government responsible for national security,
- Ministers of defense, internal affairs, foreign and European affairs and justice,
- Directors of SOA and VSOA,
- National Security Advisor to the President,
- The Chief of the Armed Forces General Staff,
- The Head of the UVNS

The Speaker of Croatian Parliament also takes part in the work of the VNS.

Along with VNS, an important role in the Croatian security-intelligence system belongs to the Council for Coordination of Security Intelligence Agencies (the Council). The Council provides operational coordination of the work of security-intelligence agencies.

The Council is also responsible for the following**:**

- Implementing the decisions of the President of the Republic and the Prime Minister on directing SOA's and VSOA's work,
- Elaborating the decisions of the VNS regarding the work of the security intelligence system,
- Operationally coordinating the work of state bodies of the security-intelligence system,
- Submitting proposals to the VNS.

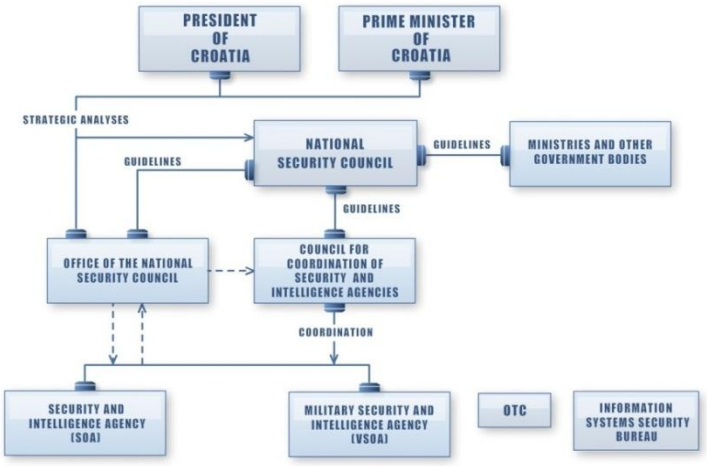
Council for the Coordination of Security Intelligence Agencies is composed of:

- Member of the Government responsible for national security (Chairman),
- The National Security Advisor to the President of the Republic (Deputy Chairman),
- Directors of SOA and VSOA
- The Head of the UVNS.

The Office of the National Security Council (UVNS) performs expert and administrative tasks for the National Security Council and the Council for the Coordination of Security Intelligence Agencies. UVNS performs functions that enable the National Security Council to evaluate the work and conduct oversight over the security-intelligence agencies.

The Information Systems Security Bureau (ZSIS) performs tasks in technical areas concerning information systems and network security in state bodies.

The Operational-Technical Centre for Telecommunications Surveillance (OTC) activates and manages the measures of covert surveillance of telecommunication services, activity and transmissions. In other words, OTC is a state body which on SOA's request or on request from other legally authorized state bodies, and with authorized warrant of the Supreme Court, activates the measure of telecommunications interception.



Organizational chart of the Croatian security-intelligence system

SOA Role

Our work consists of special forms of collecting information relevant to national security, followed by processing and analyzing such information for the purpose of providing intelligence support to policy makers and competent state bodies.

We collect and analyze information with the aim of detecting and preventing the activities of individuals or groups that are directed: against the independence, integrity and sovereignty of the Republic of Croatia or aimed at the violent overthrow of the constitutional order; threatening to violate human rights and basic freedoms or to endanger the fundaments of the economic system of the Republic of Croatia.

Data is a formalized representation of facts and findings, suitable for processing and interpretation. Collected data is assessed according to the reliability of data source and the credibility of data content.

SOA also collects and analyzes political, economic, scientific-technological and security-related information concerning foreign countries, organizations, political and economic alliances, groups and persons and other information relevant to national security.

Our work consists of:

- Collecting information in Croatia and abroad by using a wide range of measures, including human and open sources and technical devices,
- Processing and analyzing collected information and informing the competent bodies about our findings,
- Investigating and preventing foreign intelligence activity directed against Croatia's interests,
- Making security judgments and assessments,
- Conducting security vetting.

SOA collects, processes and analyzes information that is:

- Significant for national security
- Necessary to make decisions relevant for the accomplishment of national interests.

We collect and analyze information concerning:

- Security-political and economic processes and phenomena in surrounding countries and the world that might affect Croatia's interests and security,
- Terrorist threats, other forms of organized violent activities in Croatia and the world, proliferation of WMD,
- The activities of foreign intelligence services that might endanger Croatian national interests,
- Extremist activities that threaten the constitutional order, human rights and freedoms,
- Organized crime and corruption,
- War crimes, persons captured during the Homeland War that are considered missing, unrevealed mass graves,
- Unauthorized entry into the protected information and communication systems of state bodies, disclosure of classified data
- Threats to the safety of top state officials and protected facilities and areas.

We report our findings and assessments relevant to national security to legally authorized users of SOA information (the state leadership, ministries and other state bodies).

SOA is part of a wider system of national security and its functioning has a substantial inter-ministerial component. Therefore we regularly cooperate with and deliver information and assessments to authorized state bodies such as the Ministry of Internal Affairs (MUP), the Ministry of Foreign and European Affairs (MVEP), the State Attorney's Office, the Office for Combating Corruption and Organized Crime (USKOK), the Ministry of Defense (MORH), the Ministry of Finance, the Ministry of Economy and other bodies.

SOA reports its findings and assessments to:

- The President of Croatia,
- The Croatian Parliament Speaker,
- Prime Minister,
- President of the Council for the Coordination of Security-Intelligence Agencies
- Competent ministers when necessary,
- Head of the UVNS

In fulfilling our tasks we develop partnerships with a large number of security-intelligence services from other countries and participate in the work of several international security-intelligence forums and organizations. We consider these partnerships extremely important, as modern security challenges, like terrorism and organized crime, have a transnational character and no country can cope with them on its own, but only by way of international cooperation. In addition, through international cooperation we receive information and gain insight into certain phenomena and processes that could not be covered by our own resources, but might represent a threat to Croatia’s interests, such as piracy at sea, organized criminal groups from other continents and global terrorism.

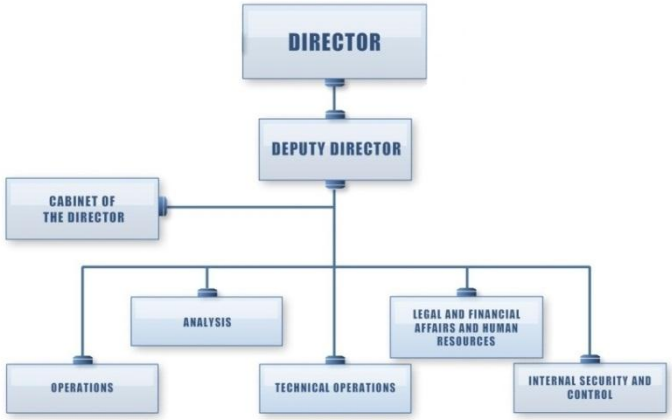
Structure

SOA is led by the Director who is appointed by joint consent of the President and the Prime Minister. SOA's work is led and directed from our headquarters in Zagreb. To ensure quality in fulfilling our legal obligations, we cover the territory of Croatia from 10 regional centers.

Work at the headquarters is divided between different organizational units responsible for:

- Information collection (Operations)
- Processing and analysis of information and documentation (Analysis),
- Special technology, IT and communications (Technical Operations),
- Counterintelligence protection and oversight (Internal Oversight) and
- Human resources, legal and administrative affairs

SOA also has a Situation Center that on a daily basis informs the Agency leadership about security-related occurrences and events, as well as the Operational-Communication Centre that operates 24hrs a day and provides communication support to users.



SOA organization chart

International cooperation is essential in today's world where countries share common security challenges. Therefore, SOA has accredited liaison officers in other countries, whose function is managing relations with partner services.

Authorities

SOA performs functions and tasks from its scope of work as stipulated in the Constitution of the Republic of Croatia and the Security and Intelligence System Act, but also based on other laws and bylaws that are relevant for our roles and functions. We are entrusted by the law with special authorities which enable us to collect information in several ways:

- Through communication and contacts with citizens,
- By requesting official data from state and local authorities and legal persons,
- By using covert measures and procedures,
- From open sources (electronic and printed media) and
- Through the exchange of information with partner security-intelligence services.

SOA is not a „repressive“ state body and does not have the means or authorities to exert legal coercion against citizens.

When gathering information from citizens, SOA officers are obliged to identify themselves by presenting an official identity card or badge. A citizen may be interviewed within the official SOA premises only with their consent. If the citizen does not consent to an interview by a SOA officer, but he or she has information significant to national security, SOA can ask the police to conduct an interview with the citizen. A SOA officer also participates in such an informative interview, conducted on police premises.

Heads and employees of state bodies and bodies of the local (regional) self-government are obliged to respond to the requests of SOA officers with regard to the data available to them.

SOA may gather information by using covert associates, i.e. persons who voluntarily operate according to SOA instructions. Furthermore, SOA gathers information by applying covert measures which include using technical means (telecommunications interception, listening devices etc.).

SOA may also implement measures of concealment: to conceal the ownership of objects or legal entities, to conceal the identity of its employees and other persons and to conceal the purpose of information gathering, and, when necessary, may use the services of legal entities and persons, and reward them for their services.

Covert measures and procedures are:

- Measures of covert information collection by using technical means,
- Measures of concealment,
- Covert collaborators.

Covert information collection

When collecting information, the gradual principle is applied. This means that, if SOA exhausts regular methods of information collection while dealing with a serious security threat, or the collection is linked with disproportionate difficulties, the measure of covert information collection shall be applied. Also, in cases where choice between several different measures of covert information gathering is possible, the one less invasive to constitutionally protected rights and freedoms shall be applied.

Measures of covert information collection are the following:

1. Covert surveillance of telecommunications content, activity and traffic:
   a) Covert surveillance of communication content (*wiretapping*),
   b) Covert surveillance of telecommunication traffic data (*list of calls*),
   c) Covert surveillance of the location of the user,
   d) Covert surveillance of international telecommunications,
2. Control of postal shipments,
3. Covert surveillance and technical recording of the interior of facilities, closed spaces and objects,
4. Covert surveillance and monitoring with recording of images and photos of persons in the open and in public spaces,
5. Covert surveillance and monitoring, with audio recording of the content of communication between persons in the open and in public spaces,
6. Covert purchase of documents and objects.

A Croatian citizen cannot be subject to telecommunications surveillance without the approval of the Supreme Court.

By authorizing the application of measures that limit the constitutionally protected citizens' rights, the Supreme Court conducts a judicial form of oversight of SOA's activities.

Application of measures of covert information collection that restrict constitutionally protected rights and freedoms is authorized by the Supreme Court or the SOA Director, depending on the type of measure.

The Supreme Court authorizes the application of the following measures*:*

- Covert surveillance of the communication content (wiretapping),
- Control of postal shipments,
- Covert surveillance and photographing of the interior of facilities, closed spaces and objects,
- Covert surveillance and monitoring, with audio recording of the content of communication between persons in the open and public spaces.

The SOA Director authorizes the application of the following measures*:*

- Covert surveillance of telecommunication traffic data (*list of calls*),
- Covert surveillance of the location of the user,
- Covert surveillance of international telecommunications,
- Covert surveillance and monitoring with recording of images and photos of persons in the open and in public spaces,
- Covert purchase of documents and objects.

In cases where choice between several different measures of covert information collection is possible, the one less invasive to constitutionally protected rights and freedoms shall be applied.

The measures of covert information gathering may last up to four months. In cases where the extension of the measure or the application of new measures against the same person is necessary, the decision on the approval of the warrant is made by a council composed of three authorized judges of the Supreme Court. Covert measures of information collection represent an important, but not the only source of information for SOA. Citizens are another important source, as they can provide us with valuable information on threats to national security. In addition, we may collect a lot of information from open sources. The technological development and the widespread use of Internet offer huge quantities of publicly available data and its sources.

Applying the measure of covert surveillance of communication content

SOA has obtained information indicating that a Croatian national A.B. is involved in the smuggling and distribution of heroin as a member of an international organized criminal group. Since A.B. carefully hides his criminal activities and connections, very soon all regular means of information collection are exhausted and a conclusion is made that a measure of covert surveillance of his mobile telecommunications content needs to be applied.

SOA submits a proposal for the application of measure of covert information collection against A.B. to the Supreme Court. The reasons for applying the measure as well as the duration of the measure are stated in the proposal. Based on that proposal, the authorized judge of the Supreme Court issues a written justified warrant for application of the measure, which is then activated by the Operational-Technical Centre for Telecommunications Surveillance (OTC).

The results obtained by applying the measure of covert information collection have confirmed the initial suspicion regarding the criminal activities of A.B., thus justifying the application of the measure. Thanks to the information collected through operational means and confirmed by the measure of covert information collection, SOA has revealed the activities and structure of an international criminal group. SOA's involvement in this particular case is finished after its findings are reported to the Ministry of Internal Affairs and the State Attorney's Office, providing them with a basis to take legal action against A.B.

Personnel

As with any other organization, it is the people who make our Agency. Technological advancements and relying on modern technologies have not reduced the importance of the human factor in the success of organizations, especially in the security-intelligence field of work. The quality of our work primarily depends on the abilities, knowledge and skills of our employees.

The actual number of SOA personnel is classified, but it is similar to that of security-intelligence agencies of comparable EU and NATO member countries. The majority of SOA employees are authorized officers, with a significantly lesser part being support staff.

SOA employees are prohibited from being members of political parties or to engage in their activities, nor can they perform any other public of professional duty.

Due to the specific nature of our work, but also risks and dangers that SOA officers might be exposed to, we are obliged to protect their identity.

Our scope of work requires having employees of different professional specialties and profiles, in order to fill posts of analysts, operatives, experts for human resources, legal and financial affairs, and support staff (administrative secretaries, security staff etc.).

The educational structure of our personnel is very diverse and depends on the requirements of a particular workplace. Thus at SOA we have people with degrees in economics, IT, political sciences, law, criminology, foreign languages, electrical engineering and various other fields of expertise. Three-quarters of SOA employees have some level of higher education.

Women make up around 40% of the overall workforce and they perform the same duties as their male colleagues. The age structure of SOA employees mostly ranges from 30 to 50 years of age, with less than 10% of the workforce being over 50.

Women make up 40% of the SOA workforce.

SOA provides its employees with possibilities for professional development in various fields. Particular attention is devoted to specialist education, training and improving the expertise of our officers. Besides in intelligence and counterintelligence techniques, additional training is recommended and available in fields such as IT, modern technologies, communications, finance and human resources. The professional development of our personnel is additionally stimulated through cooperation with education and research institutions. Furthermore, guest lecturers are invited from scientific, economic, financial and other expert fields to give presentations to SOA employees.

Admission procedure

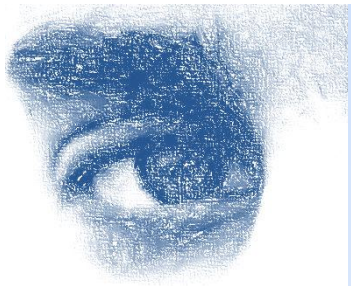
The procedure of admission to SOA is essential in selecting the right candidates for service in the Agency. SOA is seeking to attract young and educated individuals who possess the knowledge, skills, motivation and desire to engage in modern security-intelligence work, and who want to work on the protection of national security.

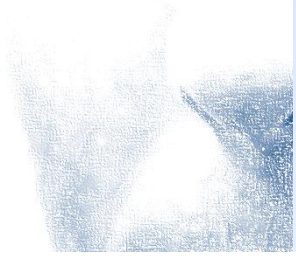
Those interested in employment at SOA may submit their applications online at zaposlenje@soa.hr.

An administrative tender is not necessary for employment at the Security-Intelligence Agency. The SOA website (www.soa.hr) has a section on employment where all interested candidates may submit their applications (zaposlenje@soa.hr).

In accordance with the current needs of the Agency, all job applications are being examined and possible candidates with suitable qualifications are invited to enter the admission procedure, in which everyone is subject to equal requirements. The admission procedure consists of several stages and involves taking in job applications and collecting information on potential candidates for employment.

Eligible applicants are invited to join the candidate procedure, which includes security vetting, various testing of knowledge and skills, interview with a psychologist, health checkups and other testing. The candidate procedure also includes taking a polygraph test. Candidates whose results match best with the necessary employee profile are being shortlisted throughout the entire process.





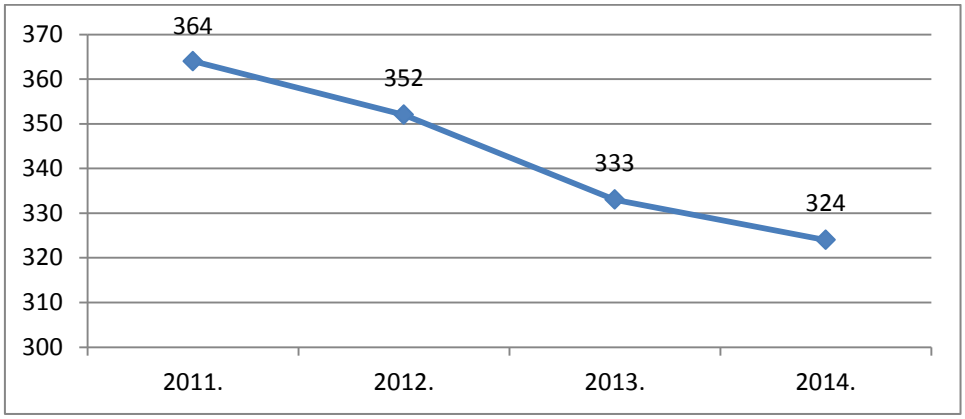
Josip (30)

I hold a degree in computer engineering and have spent six years working in that field. Since I felt a desire to continue my professional development, I decided to submit my CV at the Agency's e-mail address. Very soon I was called to take my first testing. After completing all further checks and testing, I was offered an employment at the Agency. Being employed here provides me with the opportunity to continue my education and further my professional skills and knowledge. The specific nature of my work gives me additional motivation. I am also grateful for having the opportunity to work on challenging projects with colleagues who are excellent at what they do.

Budget

SOA is financed from the state budget. As a part of the state budget, it is subject to regular development and execution procedures, the same as the budgets of all other state bodies, as stipulated in legal acts regulating public finances in the Republic of Croatia. In addition, the National Security Council adopts the proposal of resources for the work of security-intelligence agencies, while the parliamentary Domestic Policy and National Security Committee discusses and provides an opinion regarding the part of the state budget proposal that concerns the security-intelligence system.

In 2013 the Agency's budget amounted to 333 million HRK, but in 2014 it was reduced by 9 million HRK. Budget cuts are compensated by rationalizing the work process, while efforts are made to ensure that the rationalization does not leave a negative impact on the quality of everyday work and the development of the Agency's capabilities.



SOA budget from 2011 to 2014 shown in HRK million

Based on the Security and Intelligence System Act, the structure of SOA's budget is classified. The sensitivity of security-intelligence activity requires protecting all areas of our work. Hence it follows that the budget, as one segment of overall activity, is not exempt from the need for protection. Disclosing the budget structure might result in revealing our resources, capabilities, methods and priorities, and eventually expose our efforts to risk in some areas of security-intelligence work.

SOA's budget for 2014 has been reduced by 40 million HRK in comparison to 2011.

The detailed structure of the budget might reveal what kind of equipment is being procured, who are the suppliers, in what specific technical areas we are trying to develop our capabilities etc., altogether making our work more difficult. For instance, procurement of some technical device for surveillance might encourage criminal or terrorist groups to make certain adjustments in order to protect themselves from that particular device.

The largest portion of SOA's budget consists of personnel expenditures, followed by material and operational expenditures. In order to further develop our capabilities, special attention is paid to appropriate allocation of budget funds intended for technological development and modernization.

The legislation of other EU and NATO member states also protects the secrecy of their agencies' budgets. For some of them even the information on the total amount of the agency's budget is kept secret.

SOA's financial and material dealings are regulated by legal provisions that apply to the functioning of state authority bodies, with the addition of provisions from the area of data secrecy and information security.

For its budget expenditure, along with the regular oversight bodies (parliamentary, expert and civilian oversight), SOA is also accountable to the Ministry of Finance and other bodies responsible for budget oversight and ensuring lawfulness in public spending. In accordance with the Act on Internal Financial Audit in the Public Sector, we have established an Internal Audit Unit which is responsible for managing our budget expenditures.

THE AREAS OF SECURITY-INTELLIGENCE ACTIVITY

INTERNATIONAL COOPERATION

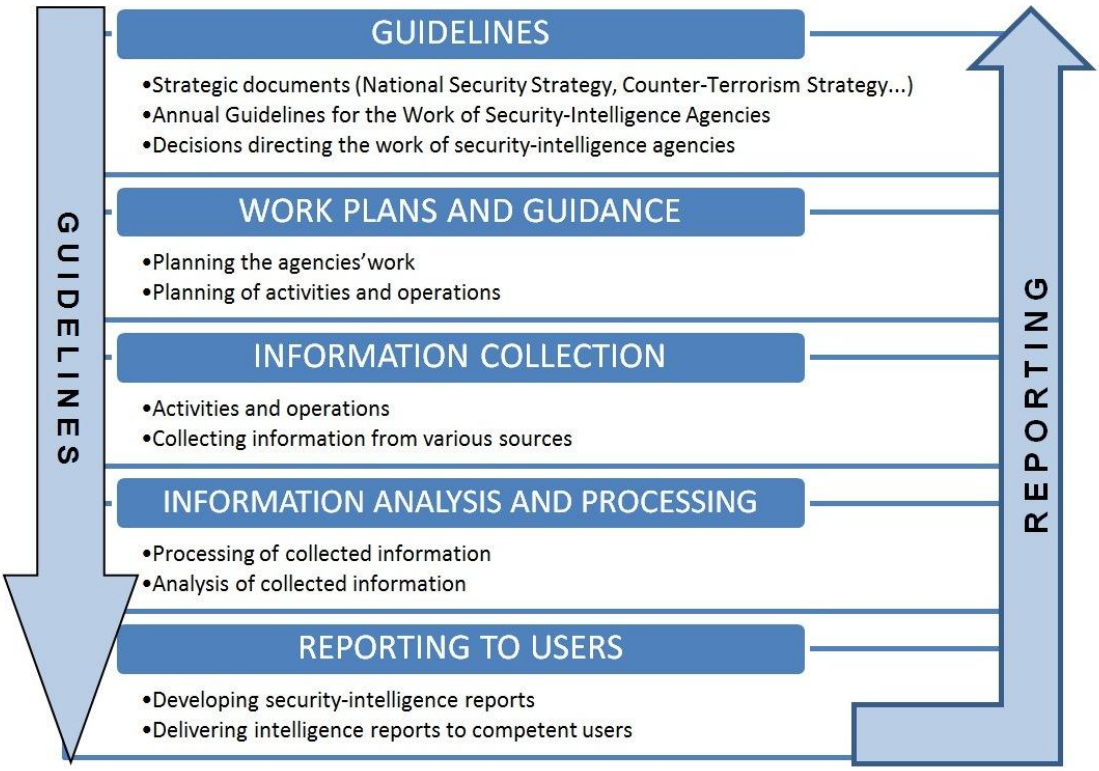
THE AREAS OF SECURITY- INTELLIGENCE ACTIVITY

SOA's security-intelligence activities involve different areas which might have an impact on the security and interests of Croatia and its citizens.

We direct our activities toward those areas that strategic and steering documents have identified as significant for national security and interests. The documents in question are ones like the National Security Strategy, National Counterterrorism Strategy and Annual Guidelines for the Work of Security-Intelligence Agencies.

In the implementation of received guidance, SOA collects and analyses information using the authorities it is entrusted with by law, and provides intelligence reports to end users.

Annual Guidelines for the Work of Security-Intelligence Agencies have the purpose of directing SOA's work in the following year. They are issued by the National Security Committee.



We collect and analyze relevant information necessary to make decisions on protecting national security and Croatia's interests, both within our state borders and beyond.

In that way we continuously work to reduce the risk of threat realization. A risk represents the probability of threat and the expected damage or loss it might cause. The key to reducing such risk lies in the timely possession of information and findings on security challenges and threats, in order to be able to respond adequately.

A threat has two components: the intention and the capability to bring it into reality. Threat assessment encompasses both components.

Risk assessments involve three factors: determining the likelihood that a specified threat might occur, its impact and the level of resilience to such a threat.

A threat is a possible dangerous or harmful event or circumstance whose occurrence might endanger national security. SOA has a central role in providing early warning and in prevention of threats i.e., serious consequences for national security. In order to protect national security, recognizing the threat on time is essential.

However, the experience of large security-intelligence services from the world may tell us that despite all efforts, some great threats have not been recognized and prevented on time.

For that reason, a continuous preventative action is very important. It involves a series of activities aimed at reducing the vulnerability to threats, such as information collection in all areas of security-intelligence activity, conducting security vetting, maintaining a high level of information and physical security and other forms of preventative action where SOA plays an important role.

SOA keeps track of various areas that include:

- terrorism and extremism,
- stability in SE Europe,
- activities of foreign intelligence services that might harm Croatia's interests,
- organized crime and corruption,
- economic security,
- global security and challenges,
- issues concerning war crimes, captured and missing persons,
- counterintelligence protection and safety of protected persons, facilities and premises,
- information security and
- security vetting.

Information collection is conducted in several different ways:
HUMINT (*Human Intelligence*) –intelligence collected by means of interpersonal contact with human sources (citizens);
SIGINT (*Signals Intelligence*) – intercepting and collecting data transmitted via communication and information systems (monitoring of Internet communication and radio signals).
OSINT *Open Source Intelligence*) – intelligence collected from open sources (Internet, TV, newspapers, publications).

Terrorism and Extremism

Protection from terrorism is one of the fundamental issues of Croatia's national security, but also the security of our allies and partners.

SOA is, together with other components of the Croatian security-intelligence system, responsible for the prevention and combating terrorism in Croatia. This includes preventing possible terrorist attacks aimed at Croatia and its citizens, but also activities aimed at preventing Croatian citizens from carrying out or assisting in a terrorist attack. Therefore, we investigate the activities of individuals or groups that finance, plan, support, prepare or conduct terrorist activities.

A "lone wolf" is a person who is ready and capable of committing independent terrorist attacks, outside of any terrorist organization.

In addition, SOA works on preventing Croatia's territory from being used as a base for recruitment, logistical support, financing or planning terrorist activities and attacks. For instance, Croatia and its neighboring countries might provoke interest of terrorist groups due to the weapons, explosives and military equipment left over from the Homeland War.

Preventing and combating terrorism is a very complex task. The fact that terrorist attacks happen even in the most developed countries, despite use of state-of-the art methods, speaks much about how demanding this challenge actually is. It is made additionally difficult by the phenomenon of the so-called „lone wolfs", i.e. individuals who are capable and ready to carry out terrorist attacks, while being very difficult to detect as they are not tied to terrorist groups, do not announce their plans, hold no criminal records etc. These cases highlight the importance of our cooperation with other state bodies on recognizing the individuals who are going through a radicalization process and might express the potential and intention to carry out a terrorist attack.

Today's terrorism is not limited by national borders, and in the global world counterterrorist activities have a prominent international dimension which includes cooperation with partner services on a daily basis.

The term **"extremism"** signifies extreme activities and views which oppose democratic order or are aimed at a violent overthrow of Croatia's democratic constitutional order. SOA monitors all types of extremism, regardless of its ideological, political, religious or national background.

Countering extremist activity involves protecting citizens from violence, threats of violence, intimidation, encouraging the violent overthrow of democratic constitutional order and endangering of their constitutional rights and liberties. We are responsible for monitoring persons involved in extremist activities insofar as they encourage or conduct activities that violate Croatian laws or express calls for violence and national, ideological, racial or religious hatred. SOA also makes assessments regarding the activities of extremist groups from neighboring countries which pose a threat to security environment in Croatia or to regional stability.

The global economic crisis has resulted in the rise of extremism throughout Europe. Inter-ethnic tensions have increased as well, while extremist organizations are striving to legalize their activities by founding political parties.

Although there has been a rise in violence, hooliganism and extremist rhetoric, extremist groups in Croatia are still few, non-homogenous and do not have a significant potential to act. In that context, their activities are mostly carried out by individuals who misuse legal political activity or gatherings to

promote their own views or violence. We have also observed a trend of extremist groups from Croatia and the region establishing contacts and cooperation with similar groups from Europe.

One specific trait of extremist movements is that regardless of their ideological background, they often attract unstable individuals whose behavior is unpredictable and difficult to detect on time. The case of Andreas Breivik from Norway who killed 77 people, mostly children, is a tragic example of such individuals.

Cyber space is very significant for extremist and similar types of activities as it allows individuals to exchange information and spread extremist views. Thus, the Internet has become one of the most important media tools for spreading extremist ideas.

Fighters from the region in the Syrian and Iraqi conflict

The trend of accepting the radical interpretation of Islam has been on the rise in the countries of SE Europe. It is additionally strengthened by the extremely difficult economic situation and the appearance of a certain number of clerics in surrounding countries who accept and spread extremist beliefs.

This trend is manifested through numerous “jihadists” from Europe who leave to join the fighting in Syria and Iraq, typically in the ranks of radical islamist groups.

One of the security challenges we have been facing over the last several years is the issue of “jihadists” originating from countries of SE Europe. Since 2012 several hundred fighters from neighboring countries have participated in conflicts in Syria, and later in Iraq, with some of them joining the most radical islamist groups fighting in that area.

So far no persons living in Croatia have been detected as fighting or having fought in “jihadist” units. However, “jihadists” use Croatian territory as a transit area when leaving or returning from jihadist destinations.

After a period marked by the dominant trend of fighters leaving to join “jihadist” groups, now we observe their return to home countries, where they represent a significant security risk. Those are persons who grew even more radical after participating in armed conflicts, are traumatized by war experiences and trained in armed combat.

In the recent period these conflicts have attracted a certain number of women who enter Sharia marriages with “jihadist” fighters and move to the area of conflict to provide support to their husbands.

Jihad supporters are active on the Internet and social networks where they spread extremist ideas and attract sympathizers.

Stability in SE Europe

Having an understanding of security processes and phenomena that happen in its surroundings is essential for every country.

By gaining full EU membership in 2013, along with several-years of NATO membership, Croatia has attained its most important foreign policy goals and secured a position on the Euro-Atlantic political scene, thus acquiring a wider framework of security-related activities and advancing a level of its own national security in the long term. Belonging to the Euro-Atlantic political framework brings many political, economic and security benefits, but also challenges in the form of participating in the political and security activities of EU and NATO.

SOA carefully monitors and analyzes significant political and security processes in SE Europe that might affect the stability of political-security circumstances in the region.

The process of Euro-Atlantic integration has expanded the area of security and stability in Europe. However, as Croatia's neighboring countries in SE Europe remain outside of Euro-Atlantic integration, some security challenges still persist.

Aside from the unresolved political issues in countries of the region, widespread corruption, the presence of organized crime, lack of economic prospects, spread of poverty and huge youth unemployment rate, the stability of the region is threatened also by other security trends such as the rise of various types of extremism.

SOA is tasked to timely identify and recognize events and phenomena in SE Europe that might have an impact on Croatia's national security. We carefully monitor and analyze significant political and security processes in SE Europe that might affect the stability of political and security circumstances, and in particular the following:

- processes and occurrences that might disrupt Croatia's interests and security,
- processes in neighboring countries that might destabilize the region,
- unilateral and multilateral regional activities and initiatives that are relevant to Croatia's national interests,
- activities of extremist and radical groups that might pose a significant threat to the security situation in the region,
- activities that might affect the security of Croatian citizens or the position of Croats in countries where they are a minority or a constituent nation.

Although the region of SE Europe is not sufficiently consolidated in the political, security and economic sense, it is still not a source of significant security threat for Croatia. Regardless of the challenges that countries in the region are faced with, they are not of such nature that might result in armed conflict in any of those countries or endanger Croatia's security. However, we cannot exclude the possibility of a certain public unrest due to ethnic and social issues that have an impact on Croatia’s economic, political and security interests.

The Activities of Foreign Intelligence Services That Might Harm Croatia's Interests

Countering the activities of foreign intelligence services is one of the tasks of every country when it comes to preservation of national interests and maintaining the capability for efficient making of decisions and their implementation.

SOA investigates and monitors intelligence activities of foreign services and their sources that might harm Croatia's interests both at home and abroad.

Croatia can be a target of intelligence interest of certain foreign countries due to political or economic reasons. Moreover, NATO and EU member status is an additional reason why Croatia might be the target of interest of certain countries that consider the mentioned organizations as their threat or an opponent. As a rule, the intelligence interest of foreign countries is long-term and systematic.

Foreign intelligence activity in Croatia and the resulting counterintelligence efforts of Croatian services were most intensive during the Homeland War, but are still present today.

One example of foreign intelligence activity in Croatia might be an attempt to obtain classified data which might endanger our national interests, for instance in areas such as the economy or international negotiations in which Croatia is involved. Foreign intelligence services might also attempt to influence the Croatian public by spreading dis(information) that serves their purposes.

Espionage is collecting secret information with the aim to make it available to a foreign state/organization/legal entity.

Officers/agents of foreign intelligence services usually work undercover by presenting themselves as diplomats, scientists, journalists or businessmen.

Intelligence officers present themselves to potential sources of information as diplomats, scientists, journalists or businesspeople.

In their work, foreign intelligence officers often use Croatian citizens in order to gain access to classified data or influence decision-making in state bodies but also in state and private companies. Foreign agents primarily strive to approach persons who have direct access to classified data or might influence the decision-making process or public opinion. The Croatian Penal Code defines the criminal act of espionage and stipulates appropriate legal sanctions for persons who commit such an act.

Along with this “traditional” intelligence work, espionage accompanied by the use of modern technologies, especially in cyber space, is becoming increasingly important.

Combating such foreign intelligence activities is significant for preserving Croatia's ability to make independent decisions in the political, financial and economic spheres. The consequences of foreign intelligence activity might be economic loss, increased costs or dependency of the country, inability to make independent political decisions, and even threat to the physical security of Croatian citizens.

We continuously work on the prevention and countering of foreign intelligence activity. These efforts include counterintelligence work, security vetting, constant protection of classified data, raising counterintelligence awareness with Croatian citizens who have access to such data, providing advice to other state bodies regarding information security etc.

Counterintelligence work

Foreign intelligence services having a subject of intelligence interest in Croatia strive to collect as much relevant information as possible on that subject. Therefore, foreign intelligence officers seek to find persons who can deliver the required information. This is called recruitment of collaborators (assets) and is one of the key tasks of every intelligence officer. To that end, intelligence officers go through special training in techniques of finding possible sources, establishing contact and recruitment.

The process of recruitment begins when a foreign intelligence officer in Croatia receives a task to collect information on a particular subject. After receiving the task, the intelligence officer strives to find persons who come into touch with that subject of interest. Insofar as the intelligence officer finds that the targeted person suits the required profile and that there exists a possibility for recruitment, they will begin to establish contact with that person. Contact can be made in various ways, but as a rule, the intelligence officer will make sure that the initial contact happens „spontaneously“. After the initial contact is made, the intelligence officer will continue to develop it further, aiming to build a trust-based relationship with the targeted person.

That relationship will culminate when the intelligence officer asks the targeted person to provide him/her with some sensitive or secret information. At this stage, the targeted person has already developed close relations with the officer and further cooperation might be difficult to refuse. The reason for that might be a feeling of friendship and a sense of owing a debt, but blackmailing can be involved as well. In addition, there are cases when a targeted person even after months of cooperating with a foreign intelligence officer is not aware of being a target of foreign intelligence interest.

If the targeted person agrees to further cooperation and delivers classified information to a foreign intelligence officer, they commit a criminal act of espionage which is punishable by a sentence of imprisonment from one to ten years. Persons who suspect they might be a subject of foreign intelligence interest can report their suspicion to SOA by e-mail at i*nformiranje@soa.hr* or by telephone at number 01/ 377 2222. They will be contacted by SOA officers in due course. We recommend memorizing as many details as possible about the suspicious contact so we might process it thoroughly.

Organized Crime and Corruption

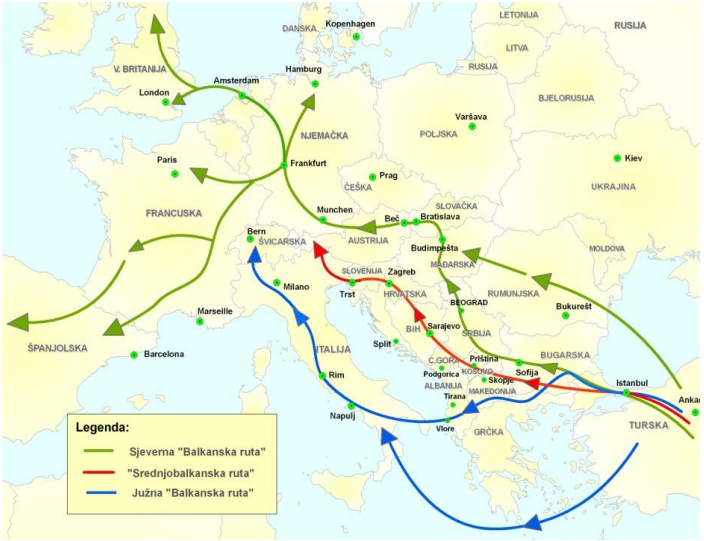
Organized crime and corruption are not areas that traditionally fall under the jurisdiction of security-intelligence agencies. They are primarily dealt with by the police and State Attorney's Office (DORH). Nevertheless, due to their negative influence on the economy, on citizens' trust of state institutions and on the process of political decision making, organized crime and corruption also threaten national security. Hence, SOA also plays a significant role in their prevention and suppression in cooperation with other responsible authorities (MUP, DORH, USKOK, the Ministry of Finance, the Tax Department).

SOA collects information on activities of local and foreign criminal groups, their members, organization and ties in Croatia and amongst each other. We have developed cooperation with partner services from the region for a more qualitative collection of information on organized crime.

Our Agency also participates in the prevention of international trafficking and financing of narcotics. Information is collected on transnational trafficking by narco-organizations involving Croatian citizens and on their activities in Croatia. Activities of groups that participate in narcotics trafficking in connection with South American cartels are also monitored. Furthermore, we are working on reconstructing the activities connected to "money laundering" of profits attained in criminal activities.

"Balkans route" represents trafficking routes across countries of SE Europe by which illegal trade is conducted between Europe and Asia.

The issue of illegal arms trade is also a subject of our interest. We collect information on persons who use their companies as a cover for illegal weapons trading and on weapons trafficking of criminal groups in the EU. In cooperation with our Ministry of Interior, we are active in severing international routes for human trafficking on Croatian territory. Illegal migrations are conducted along the same routes used for trafficking of drugs, weapons and other. Hence, human trafficking is connected with other illegal trafficking activities.



Balkan smuggling routes

In the field of fighting corruption, SOA collects information on illegal activities in privatization processes and in the management of organizations that are significant for economic stability. SOA provided intelligence support to the Ministry of Interior, USKOK and DORH in a series of anti-corruption actions.

Financial fraud harms the state budget and is a subject of interest for SOA, as is corruption in state departments and ties of state officials with organized crime representatives.

Corruption is the use of public, civic resources for private benefit. The term is mainly tied with misuse of function and powers.

Organized crime

The severing of several trafficking chains and arrests of significant regional crime leaders in the recent period have not resulted in a serious drop in this type of crime. Considering their great capacity for regeneration, such criminal activities further continue.

Strong ties of organized crime members further remain in the region in relation to cooperation, joint actions, logistical support and providing haven in order to avoid judicial process in their home countries, acquirement of forged documents, money laundering and similar.

SOA has registered attempts of cooperation in criminal activities between local criminal groups and those in the region, such as finding means for “money laundering” and suspicious investments in the Croatian economy.

Members of regional organized crime are striving to better position themselves in Croatia during preparations for entering the Schengen border regime.

Due to the high profitability in weapons trafficking there are increasing numbers of organized crime members getting involved. We have registered the activities of local and regional organized crime members that show interest in trafficking weapons. Business is conducted via offshore companies or those that have false owners without criminal records, and money transactions conducted through accounts opened in banks located in offshore zones.

Illegal migrant numbers had fallen in 2013. This resulted from increased activities of Croatian authorities and use of routes not passing through our territory. However, these routes change often and adapt, which presents a constant threat. Additional migration pressure is expected with the continued economic crisis and conflicts in crisis areas and with entry of Croatia into Schengen.

In neighboring countries there are frequent armed conflicts between criminal groups and the possibility exists they may spill over into Croatia, which was known to previously occur.

Economic Security

Economic security is an important component of national security as it reflects on sovereignty, protection of national resources and strategic sectors, quality of life for citizens and on political and social stability. SOA keeps track of national, regional and global economic processes and movements which may influence the economic position and interests of Croatia. It also collects information on activities of economic subjects which may negatively reflect on Croatian economic interests at home and abroad.

The economic strength of a country is one of the key factors in international relations, where economic, financial, energy and other instruments of power are used in realizing interests.

Energy security ties the energy issue with national security. It is defined as securing supply of sufficient quantities of energy at acceptable prices.

SOA follows economic and financial processes that may influence the positioning of Croatian economic subjects abroad, as well as processes and activities that may threaten the same, particularly in instable areas of the world. In this sense we are at service to the exporting activities of Croatian economic subjects.

We are also involved in following processes in the energy sector due to its importance for protecting national interests. Energy plays a particularly important role in the economy but also in politics. Energy security has become a primary issue which is discussed at a global level. In recent years in Europe and the world, various energy crises' causing a rise in their prices have increased the awareness level with Croatian citizens on the importance of this issue.

Most countries cannot be completely energy self-sufficient but they can become energy secure, by reducing transport risk or increasing the number of energy supply routes. Croatia has good geo-political preconditions for regional and global positioning and can capitalize on its geographic position by increasing its own energy security and becoming a key energy junction. SOA constantly collects and analyses information regarding energy security and follows issues involving large energy projects and their relation to Croatian energy security and interests. To that end we cooperate with other state bodies such as the Ministry of Economy or Finance.

In following economic processes and besides security concerns, SOA also endeavors to maintain oversight over the ecological and social aspects of various projects which may harm Croatian national interests.

Global Security Challenges

Modern security challenges and risks are characterized by great dynamics and global scope. Globalization processes mean that crisis areas in the world and new threats have global consequences, from political to economic or energy.

Changes to global divisions of power and interests cause destabilization of various regions together with outbreaks of conflicts and crisis areas. The global economic crisis, climate changes and developing technologies have further quickened this process and have spread their consequences throughout the world.

Croatia's membership in NATO and the EU gave it a wider scope of activity and interests which it must follow. Thus, the strengthening of its position in these integrations is very important in securing the protection of our vital national interests.

SOA is carefully monitoring significant political, security and economic processes in the world, especially those that may influence political-security stability in Croatia, its surroundings, but also integrations of which it is a member.

In order to anticipate possible threats towards Croatian citizens, national interests or the international position of Croatia, we collect and analyze information on processes in the world that may be of detriment to Croatia's political, economic, energy, trade, traffic and other activities, as well as processes relevant for Croatian participation in the EU and NATO.

Furthermore, we monitor and analyze relevant political events, initiatives and processes in countries that have significant influence on politics in the region, European politics and crisis areas, as well as processes in countries where Croatia participates in peace-keeping missions with its military and/or civilian components. Hence, in recent years we have given special attention to changes occurring in conjunction with the so-called Arab Spring and conflicts in the area of Northern Africa and the Middle East.

In order to gain a better view of global security processes, we maintain cooperation with foreign partners at bilateral and multilateral levels, as we do with other state bodies in Croatia.

One important issue for national security, which also presents a global security challenge, is preventing proliferation of weapons for mass destruction (WMD). Such spreading of WMD (chemical, biological, nuclear and other) threatens not only Croatian national security but that of its allies as well.

Preventing the spread of weapons for mass destruction is a global security challenge.

SOA is constantly active in conducting measures for prevention of proliferation of WMD, by which the greatest threat comes from the use of Croatian territory as a transit state.

SOA also monitors the area of dual-use goods, namely, goods having an ordinary civilian purpose which may also serve as components for creating weapons for mass destruction.

Addressing these security challenges involves close cooperation between countries of the international community and organizations. Croatia actively participates in global international legal instruments in the field of arms control and disarmament.

War Crimes, Detainees and Missing Persons

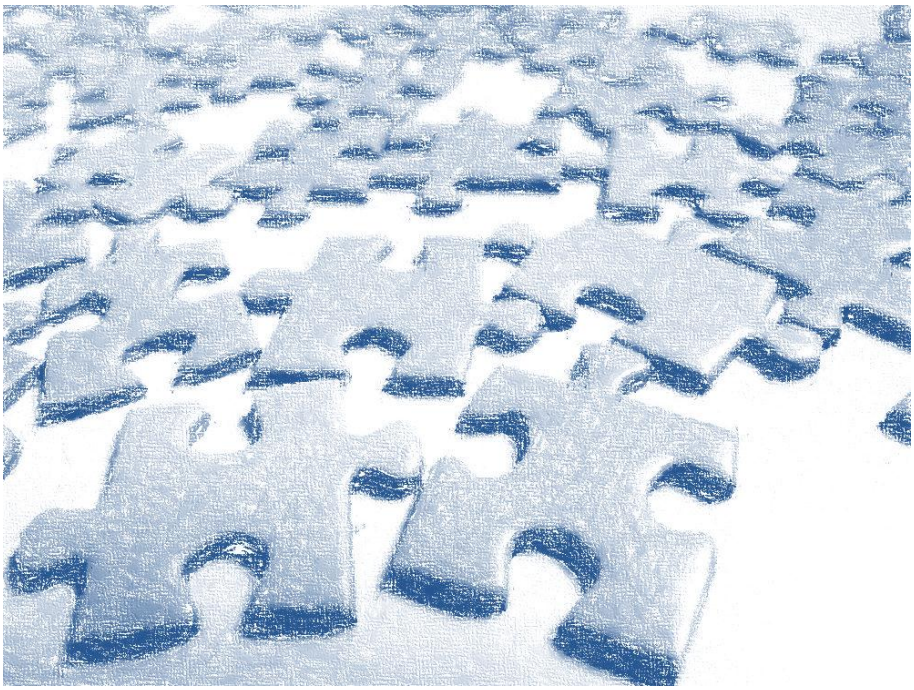
Independently or in coordination with other responsible bodies in Croatia (DORH, MUP, VSOA) SOA collects information and documentation for purposes of confirming circumstances of committed war crimes during the Homeland War. Special efforts are made in identifying perpetrators of war crimes, whether they be directly involved or indirectly throughout the chain of command. There are also efforts in identifying possible witnesses for investigative and judicial processes.

Of particular significance are SOA activities in confirming locations of individual and mass graves of war crime victims. SOA independently or in coordination with other Croatian bodies (the Veterans Ministry, MUP, VSOA) collects information on burial locations of missing persons from the Homeland War, information on persons that had participated in these burials/relocating as well as information on persons having knowledge of the same.

SOA is investigating the fate of missing persons and locations of individual and mass graves for war crimes victims during the Homeland War.

We have made a significant contribution in confirming the status of persons listed as missing by the Veterans Ministry and International Red Cross.

Our activities are also directed at confirming the locations of persons on Croatia's arrest warrant lists who are in hiding from judicial process for crimes committed.



Counterintelligence Protection and Security of Protected Persons, Facilities and Premises

SOA in cooperation with other responsible bodies participates in the security of protected persons, objects and premises by means of making security assessments on threats posed towards the same and providing security vetting for persons who have access. Security vetting is also performed for persons employed for their physical and technical protection, technical and computer maintenance and persons participating in works being conducted in protected objects and premises which have influence on security measures.

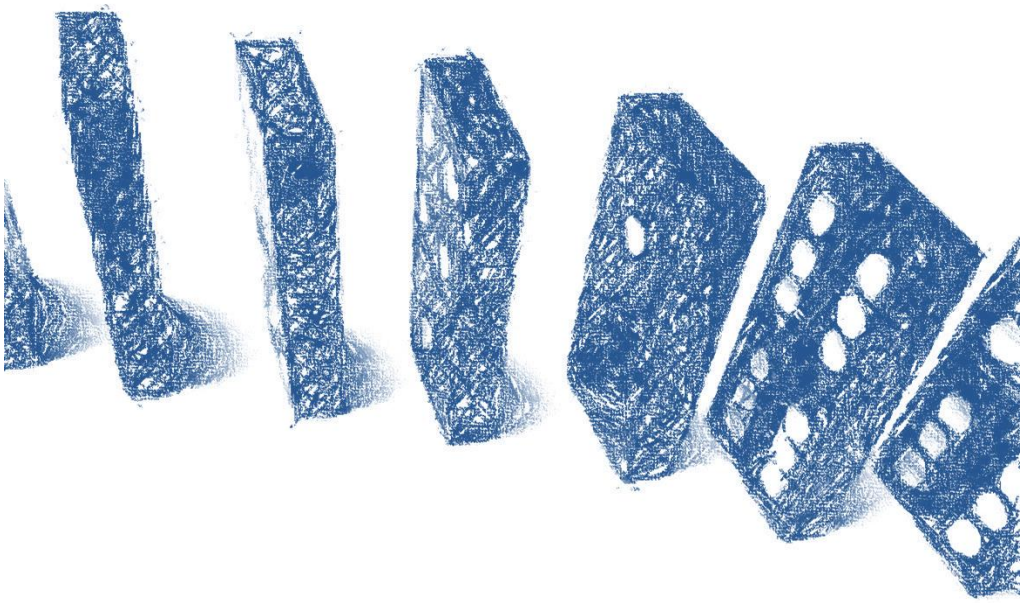
SOA is active in security aspects of public events which involve protected persons or where large numbers of public gather.

We are involved in the counterintelligence dimension of all significant public gatherings in which protected persons participate, such as public commemorations of national holidays, official state visits or international gatherings and conferences.

When conducting counterintelligence measures for protected persons, facilities and premises, counter-listening protection and checks of protected facilities and premises are made. We also participate in the planning, conducting and oversight of technical and physical security measures of those facilities.

SOA pays special attention to anonymous and public threats and insults made towards protected persons. We strive to identify their authors, reasons for their making and then adopt decisions on the potential threat posed.

In this field of activity we cooperate with the Ministry of Interior, the Croatian parliament, the Ministry of Foreign Affairs, the Ministry of Defense and other state bodies.



Information Security

State administration bodies have access to information that has a high level of confidential political, military, economic and other content, which may be subject of interest for foreign intelligence services, foreign economic subjects, but also for criminal and terrorist groups.

Information security encompasses five areas: security vetting, physical security, security of data, security of information systems and business cooperation. The UVNS is responsible for ascertaining and conducting measures and standards for information security.

The development of technology means that all the more data that is significant for national security is stored in information systems of state department bodies or is exchanged via information-communication channels. SOA is responsible for uncovering and preventing unauthorized entry into protected information and communication systems of state bodies and disclosure of classified information.

Electronic attacks and threats towards information systems are becoming all the more complex, and adequate response requires constant learning, monitoring of trends and innovativeness in solutions. The possible cyber threat towards Croatia is not negligible due to the high level of computer knowledge and experience possible cyber hackers have and the relatively wide circle of their like-thinkers capable of conducting such attacks.

Information security is also very important for economic subjects in Croatia, especially those using modern, high technology. Technological secrets may be a subject of interest for various individuals, organizations, but also certain countries. This field has a much expressed inter-departmental character and SOA is in cooperation with bodies of public authority, state and other institutions in all segments of conducting measures, procedures and standards of information security. Cooperation on these matters is especially intensive with the Croatian Government, UVNS, ZSIS, MUP, VSOA, Ministry of Justice, DORH and MVEP.

Preventing hacker attacks in conjunction with the framework of Operative Action Europe

Operative Action Europe was the name of a wide police undertaking in securing the celebration of Croatia's joining the EU in which SOA also participated.

At the start of June 2013 announcements appeared over social networks on the web that a hacker group would carry out an attack under the code name #OpCroBlackout against web pages of Croatian state institutions.

The cyber-attack was meant to begin on 1 July 2013, namely the day of Croatia's accession to the EU and would continue till 7 July 2013. The aim of the attack was to paralyze all state, media and financial internet pages in Croatia.

SOA had detected and identified the planners and potential perpetrators of the hacker group and had informed police on their planned activities.

Based on SOA information, on 30 June 2013 police arrested the leaders of the hacker group, searched their apartments and confiscated computer equipment. Later analysis confirmed that the potential perpetrators had technical means by which they could have inflicted considerable damage to state and private institutions.

Security Vetting

Security vetting is a part of SOA's preventative work aiming to strengthen security of organizations, namely prevent individuals with security impediments from coming into contact with confidential information or from gaining work positions where they could inflict damage towards Croatian security or interests.

The Security Vetting Act had made the procedure of vetting transparent towards citizens.

A security vetting is a procedure in which the competent authorities ascertain the existence of security impediments for natural and legal persons. The procedure is conducted by responsible security-intelligence agencies. SOA conducts all vetting of individuals in the civilian sector.

Security vetting is performed on a daily basis, in all regional centers and within SOA HQ itself.

Security vetting is conducted in accordance with NATO and EU standards regarding means of collection and type of data collected, and in their use and availability.

Considering that security vetting procedures also infringe on private data, a transparent data check procedure of citizens has been provided by the Security Vetting Act.

There are three types of security vetting:

- security vetting for access to classified information,
- basic security vetting,
- security vetting aimed at the security of protected persons and objects.

Basic security vetting can be conducted only with written permission of the person in question.

Security vetting for access to classified information is conducted for individuals who are required at their work places access to classified information above the „Restricted" secrecy level and for legal persons that enter classified contracts above the „Restricted" secrecy level with state and other bodies. Requests to carry out security vetting for access to classified information are submitted to SOA by UVNS. Furthermore, UVNS issues security clearance certificate to persons having access to classified information.

Basic security vetting is made for persons appointed to specific functions, persons appointed to leading state functions, persons being accepted for work or who are already working in bodies significant for national security and other. SOA performs basic security vetting at the request of a competent authority (for instance, the state body where the vetted person will be appointed to a function or employed).

Security vetting ascertains the facts regarding the confidentiality and trustworthiness of the vetted person, but it cannot guarantee the person would continue to be reliable in the future.

Security vetting of legal entities is conducted in order to gain certificates of business security, and amongst other, includes checks of ownership, its structure, checks of business dealings and financial obligations, security vetting of owners and entity employees and other information that may influence business security. A request to conduct a security vetting for a legal entity is submitted to SOA by the UVNS.

Security impediments

Security impediments appearing in security vetting for access to classified information include untruthful data entry in the vetting questionnaire, factors classified as obstacles for entry to state service, punitive sanctions and other factors which are basis for suspicion on the trustworthiness or reliability for a person's access to classified data.

Assessment of the existence of a security impediment is made by the body which requested the security vetting and is based on SOA's report.

In basic security vetting, security impediments are factors that indicate misuse or an existing risk of misuse of the work place or function, rights or authority to the detriment of Croatia's national security or interests.

Security impediments appearing in security vetting for protection of VIP's and objects are factors that indicate security risk.

Assessment of the existence of security impediments is made by the body which had requested the security vetting and is based on the results of the report that SOA submits upon completion of the procedure.

In 2013 SOA had completed a total of 5,162 security vetting reports, whilst in 2012 it had completed 4,645 reports. SOA has also completed 16 security vetting reports of legal entities.

INTERNATIONAL COOPERATION

As already emphasized, in consideration of the transnational character of security challenges and need to monitor and have insight into the security phenomena at a global level, we have developed bilateral cooperation with many security and intelligence services in the world and participate in multilateral intelligence organizations and forums. Croatia's foreign policy is a basis for our international cooperation.

A large part of security-intelligence work in the modern world depends on exchange of information through the network of partner services which takes years to create. SOA has bilateral cooperation with many security-intelligence services. They are primarily services of NATO and EU member countries and those from countries of SE Europe. Regular cooperation also exists with services of other countries with which working relations and mutual interest has been established.

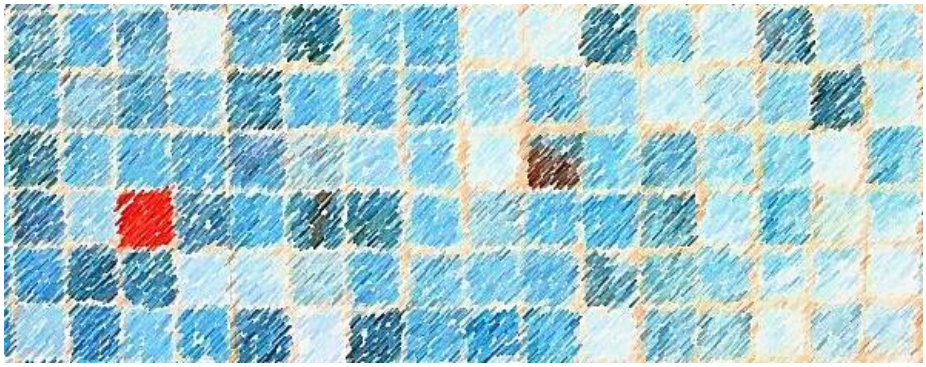
Liaison officers are responsible for maintaining quality and working relations with security and intelligence services in countries where they have accreditation.

Bilateral cooperation takes place through mutual meetings and agreements, information exchange, education and exchange of experiences, joint operative activities and other means of cooperation.

In order to maintain international cooperation and activities, we send liaison officers to several countries in the world, which is a standard practice in cooperation.

Multilateral cooperation is established within the framework of multilateral bodies of international organizations of which Croatia is a member (EU, NATO) and other European and regional associations and initiatives. SOA is a member of several large multilateral platforms where security challenges for its members are discussed. We establish daily cooperation with responsible NATO and EU bodies.

SOA also regularly participates in various types of international exercises which involve segments of security-intelligence activity.



REPORTING AND COOPERATION

OVERSIGHT OF SOA ACTIVITIES

PUBLIC ACCOUNTABILITY

REPORTING AND COOPERATION

All relevant information and SOA evaluations are reported to the Croatian president, Prime Minister and Parliament, and also to the president of the Council for the Coordination of Security-Intelligence Agencies. Depending on the content and significance of information, SOA may report to various ministers and other state officials, the State Attorney, Director of police and other.

Analytical information is an intelligence product created through collection, evaluation and interpretation of data. It can be of a general nature or specialized with tactical or strategic application.

SOA end users receive mainly written analytical reports. Exceptionally, end users may also be informed verbally when required. Information presented must be clear, concise and confirmed.

Analysis reports present information from specific fields of interest tied to concrete security challenges and on illegal activities of individuals and groups. Reports provide a complete analysis of concrete security challenges towards national security and interests. They also provide estimates in terms of current and longer term predictions. Information contained in SOA operative information is exchanged with responsible bodies (MUP, DORH, USKOK and others).

SOA submits an Annual Report on its activities for the preceding year. It is sent to the Croatian President, Prime Minister and Parliament Speaker, President of the parliamentary Committee for Domestic Policy and National Security and presiding Head of UVNS. At their request SOA can provide them with special reports.

In our analysis we do not suggest policy decision making, but strive to provide objective information on possible threats to national interests, indicate backgrounds to processes and foresee possible scenarios of developing security challenges.

Cooperation with other Croatian state bodies and institutions

The quality of SOA work directly depends on good inter-departmental cooperation. We cooperate with other responsible state bodies and institutions in Croatia by:

- providing collected information and estimates for further use (such as intelligence preparation for judicial processes against leaders of organized crime, terrorism and extremism),
- coordinating its activities with those institutions,
- exchange of information and estimates for mutual advantage and deepening of existing knowledge (such as in areas of regional or energy stability).

For instance, we support police efforts to regulate the status of foreigners (gaining of citizenship, issue of visas and work permits, issue of asylum and stay) and Croatian citizens (cessation of Croatian citizenship, issue of travel lists).

Cooperation with scientific and educational institutions

Security-intelligence activities are based on two elementary capabilities: human and technical capabilities. SOA is therefore obliged to closely cooperate with Croatian scientific and educational institutions. In our partnership with them we develop our Agency's capabilities by taking advantage of the best national research, innovative and educational potential.

OVERSIGHT OF SOA ACTIVITIES

Parliamentary, Expert, Civilian and Judicial Oversight

SOA is subject to constant oversight of its work in accordance with democratic practice. There are three levels of oversight in Croatia. Other than parliamentary and expert oversight, there is also civilian oversight of SOA activities which is not a common case in world practice.

Taking also into account that the Supreme Court must give permission on measures that temporarily limit some human rights and freedoms, a fourth, so-called judicial level of oversight of SOA can be spoken of and is carried out by the highest judicial instance in the country.

Civilian oversight is carried out over activities of security-intelligence agencies in Croatia, being a rare example in countries of the world.

Oversight of SOA is a component of accepted standards in day to day activities of which there are two dimensions. On the one hand, there is institutional and regulated oversight and on the other lawfulness and ethics of SOA activities are secured by constant promotion of professional integrity in employees, especially of its leaders. Such employees will in their everyday work accept legal and democratic measures and standards in their professional calling. Such professionalism is promoted at all levels by which we further strengthen our position as an institution which is in harmony with its role in democratic society.

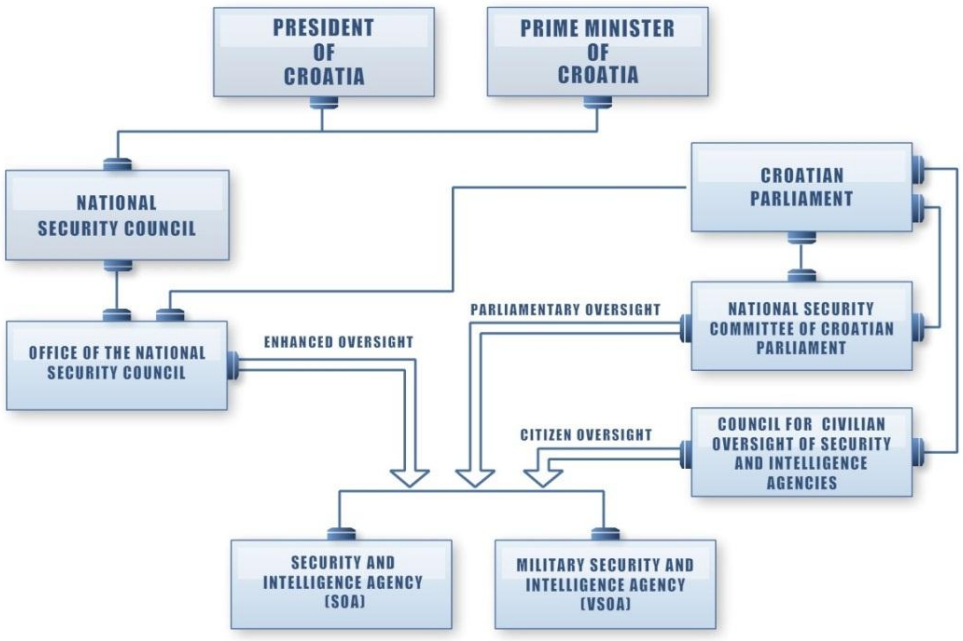


Illustration of oversight over SOA activities

At the expert level oversight is conducted by the UVNS, Croatia's Parliament at the parliamentary level either directly or indirectly via the parliament Committee for Internal Policy and National Security, and at the civic level by the Council for Civilian Oversight of Security-Intelligence Agencies.

In establishing **parliamentary oversight** the Croatian parliament may request:

- an SOA report on activities and measures being conducted,
- an SOA report on covert measures of information collection or on covert measures of information collection towards certain individuals,
- a Supreme Court president's report on covert measures of information collection or covert measures of information collection on certain individuals,
- a report on whether SOA collects information regarding parliament representatives or persons who are members of their family household.

Expert oversight over agency work is conducted by UVNS which in that light:

- monitors and supervises legality of work,
- monitors and supervises the attaining of written goals and scope,
- monitors and supervises effectiveness and purpose of work,
- monitors use of financial resources,
- monitors coordination and cooperation of security-intelligence agencies with responsible services of other countries.

In 2013 UVNS had conducted a total of 12 oversights at SOA without confirming any irregularities.

When conducting oversight, UVNS and the parliament committee have access to reports and other SOA documents. In order to confirm certain facts they may also conduct interviews with the director and employees. When violations of the Constitution or laws are confirmed during oversight, the UVNS head is required to immediately undertake measures to remove irregularities and inform the Croatian president and Prime Minister on the same, and also the Parliament Speaker if the oversight was performed at the request of Croatian Parliament.

UVNS continuously conducts regular oversight over all SOA organizational units at its central office and branches. UVNS had in 2013 conducted 11 regular direct oversights and one extraordinary during which no confirmed illegal procedures were found.

Civilian oversight over SOA activities is conducted by the Council for Civilian Oversight of Security-Intelligence Agencies which:

- monitors the legality of SOA work,
- monitors measures applied in covert collection of information which may limit human rights and basic freedoms defined in the constitution,
- sends collected findings and data to the National Security Council, Parliament Speaker, Committee president and to the SOA Director.

The Council for Civilian Oversight of Security-Intelligence Agencies had conducted five oversights in 2013.

The Council has access to SOA documents, conducts interviews with the SOA Director and employees when necessary for confirming certain facts which may determine legality of actions. The Council takes action according to the program brought by the Committee, based on civic request or from a state body or legal entity. The report on the conducted oversight is forwarded to the body which made the request and insofar as irregularities are confirmed they are reported to the Croatian President, PM and Parliament Speaker, and also to the State Attorney.

The Council for Civilian Oversight of Security-Intelligence Agencies had in 2013 conducted five oversights based on handling of petitions.

Internal Oversight

Other than the mentioned external oversight, within SOA itself there also exist a unit for internal oversight, responsible for monitoring the legality of activities conducted by organizational units and employees of SOA, for protecting document secrecy and counter-intelligence protection. Internal oversight cooperates with parliamentary and civic bodies responsible for the monitoring of its activities.

The purpose of internal oversight is prevention of irregular or illegal activities of employees and eliminating risks from potential misuse of powers, namely, misuse of collected information or material resources. Other than prevention, internal oversight conducts investigation after suspicion or after receiving information that a certain SOA employee has conducted an illegal activity. Internal oversight monitors and supervises the legality of activities of organizational units and employees.

Special attention is given to applying regulations regarding employee activities outside of work hours and which are not connected with professional tasks or if there is suspicion that such activities may present a conflict of interest or barrier in conducting their regular tasks and/or harm SOA's reputation.

Polygraph testing of SOA employees is also conducted within the framework of monitoring the legality of activities and for protection of information.

Illustration of the multi-layered oversight over SOA activities

PUBLIC ACCOUNTABILITY

The wider public has always expressed special interest on topics related to our field of work. Public relations present a challenge for SOA out of the requirement to maintain secrecy and at the same time satisfy public interest for reliable information. The public wants to know more about the activities of SOA, and we at the same time wish to raise public awareness on our responsibilities and powers. The fact that the work of our agency draws public attention is an indication of our importance in Croatian society.

The Right to Information Act does not apply to classified information as stipulated in the Croatian Security-Intelligence Services Act.

We have appointed an information officer in connection with the Right to Information Act. Due to the specific fields of activity of SOA, this Act does not apply to classified information as stipulated in the Croatian Security-Intelligence Services Act.

SOA has a public e-mail address (informiranje@soa.hr) on its web pages where the public can send information, requests and questions. A telephone number (01/ 377 22 22) has also been opened to the public by which they can provide information and remain anonymous, when it involves national security issues.

The public can also send their curriculum vitae and apply for employment at SOA at the following address: zaposlenje@soa.hr.

During 2013 SOA had organized several activities aiming to promote public awareness:

- Members of the Montenegrin parliament Committee for Security and Defense had visited SOA in conjunction with an educational visit to RH. They were informed on reforms in the security-intelligence apparatus and on parliamentary oversight over covert collection of information.
- At the symposium "Croatian Security-Intelligence System: Challenges and Perspectives" opinions were exchanged on challenges and perspectives for SOA's adaption to trends and future challenges.

SOA does not make public comment on its activities, employees or current events, and does not release information related to its operative activities.

- A round table was held on "Measures Involving Covert Collection of Information and the Proportionality Principle in Protection of Human Rights" at which representatives of civic organizations involved in issues of human security, rights and transparency were invited. Themes that were discussed included oversight of covert measures in collecting information, normative solutions, strengthening democratic standards and the concept of human security.
- Students from the Faculty of Political Science in Zagreb and from the Forensic University in Split had visited SOA where they were presented with the scope of SOA activities and its jurisdictions.

DEVELOPING SOA CAPABILITIES

DEVELOPING SOA CAPABILITIES

OUR VISION

A modern, efficient and responsible security-intelligence agency, suitable to requirements, focused on the accomplishment of its mission and achievement of top results, with a significant national influence and impact and a regional reach, recognized by its developed capabilities, excellent employees and strong partner ties.

Development Plan

In order to be capable to fulfill our role in the national security system, we have planned development which will improve our existing capabilities and prepare us for the future.

SOA's Development Plan has defined goals, projects and activities directed towards building a modern agency, capable of responding to the challenges of the future.

The creation of the Plan started with a situation analysis which identified transformation factors that influence the defining of strategic goals and SOA project planning.

Transformation Factors

Membership in the EU and NATO gives Croatia a high level of security from threats to its territorial integrity and independence. The system of collective security offers a stronger security framework in comparison to that which Croatia could have achieved through its own capabilities. Integration into the EU secures favorable conditions for economic and social development, and further strengthens our international position.

Croatia is party to the Treaty on the Functioning of the European Union (Lisbon Agreement). Its Solidarity clause obliges EU members on joint action in the spirit of solidarity if one of its members is target for terrorist attacks. In this way Croatian intelligence interests become far wider.

In joining Euro-Atlantic integrations, Croatia has become an active participant in the promotion and protection of mutual values and participates in joint activities throughout the world. At the same time, it has become more vulnerable to security risks such as terrorism and activities of certain foreign intelligence services. Hence, the international dimension of SOA activities has become more significant.

Parts of Southeast Europe further remain zones of security risk on the European continent. Inter-ethnic tensions, certain non-functioning states, poor economic trends together with territorial disputes may generate instability and crisis situations. Furthermore, crises at a global level may negatively reflect on the region as well.

The current availability of information is expressed as never before in history. Due to the immense amount of available information, search for data has been replaced by challenges in their management, selection and processing.

The consequences of globalization have changed the nature of security challenges. Transnational security challenges are all the more prevalent, with borders disappearing between national and international challenges. Issues such as cyber security or internet protocol oversight are becoming dominant.

Terrorism represents a significant challenge for national security systems, as well as systems at supranational levels. Considering the challenges brought by the technological development and the high mobility of the world's population, the threat of transnational terrorism becomes even more significant.

THE LISBON TREATY
THE SOLIDARITY CLAUSE
ARTICLE 222

The Union and its Member States shall act jointly in a spirit of solidarity if a Member State is the object of a terrorist attack or the victim of a natural or man-made disaster. The Union shall mobilize all the instruments at its disposal, including the military resources made available by the Member States, to:

a)

- prevent the terrorist threat in the territory of the Member States;
- protect democratic institutions and the civilian population from any terrorist attack;
- assist a Member State in its territory, at the request of its political authorities, in the event of a terrorist attack;

(...)

Organized crime and widespread corruption are factors which undermine security of individuals and society bringing into question a state's credibility. In a large number of cases organized crime in Croatia is part of transnational crime. In its efforts to suppress organized crime Croatia is strengthening the capabilities of investigative and judicial bodies such as USKOK and PNUSKOK, which also requires the adequate adaptation on SOA's role in the suppression of organized crime and corruption.

The economic dimension of security is all the more significant at the global level, especially in areas of new technology, with greater involvement expected on the part of SOA. In protection of national economic interests, security-intelligence systems are at the same time cooperating, but also competing.

Technological development has advanced to the point where impersonal encrypted communication is available to everyone, surveillance cameras cover cities, while smaller dimensions of technical devices allows civilians to conduct jobs that used to be reserved for specialized state services. All this indicates the need for continued adoption of new technologies in intelligence affairs, as with developing techniques to confront them in security and counterintelligence affairs. Along with collecting information, conducting measures for their protection is also required. Information vulnerability in conditions of widespread computerization becomes strategically important. Hacker attacks will in the future become more numerous and more destructive. That is why SOA must possess adequate responses to these challenges.

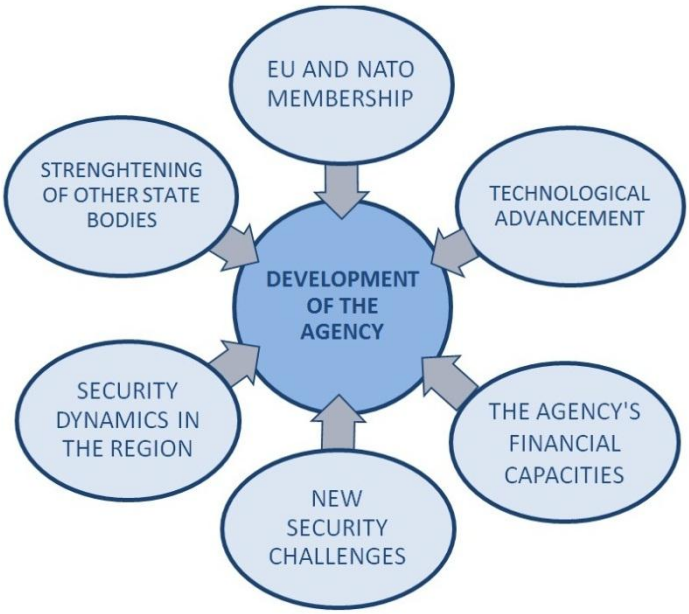
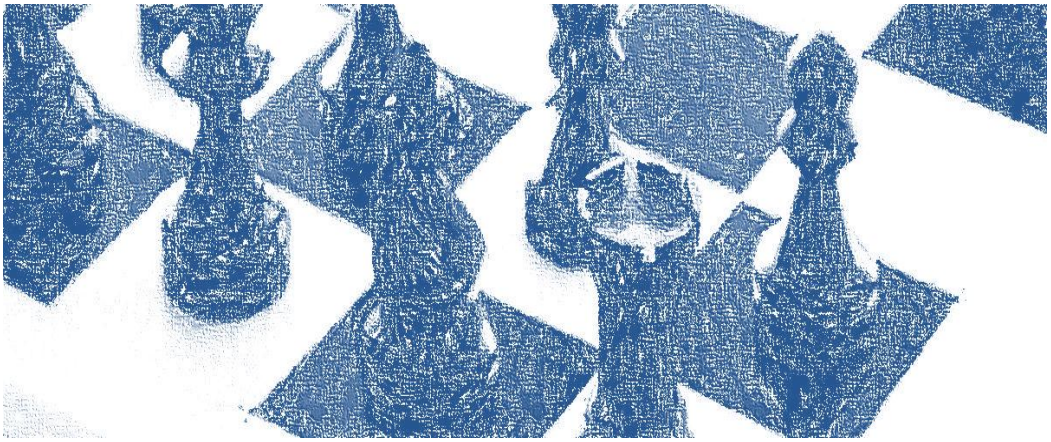


Illustration of the most important factors having influence on SOA development

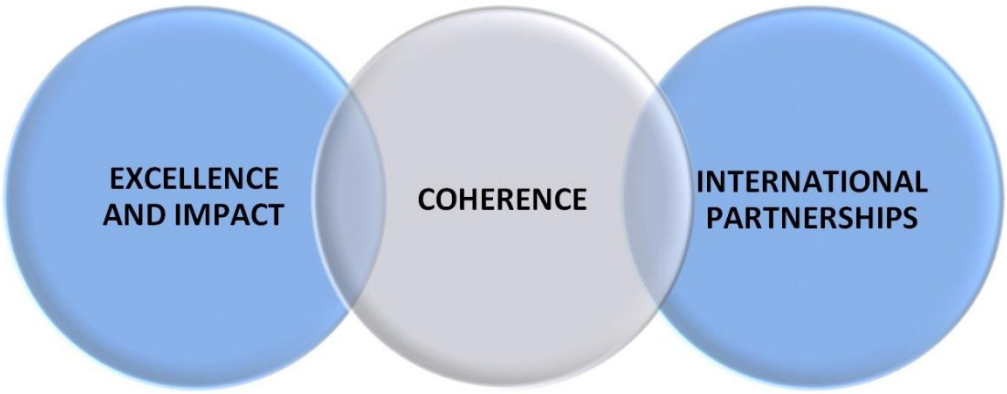
Developing capabilities demands significant financial resources. In the coming mid-term period the SOA budget is not likely to increase. At the same time it is necessary within existing limitations to continue providing significant resources for development and modernization, which requires appropriate rationalization of work.

The role of SOA will also have to adapt according to future requirements, even though intelligence and counter-intelligence activities together with security vetting and evaluations will remain our fundamental functions. Classic threats such as terrorism, extremism or foreign intelligence activities will further remain subjects of our attention. SOA will have an increasing role in the realm of cyber space as it will in protecting Croatian economic interests and monitoring national security fields of interest such as energy and demographics. Developing capabilities of other state bodies to fight corruption and organized crime will allow us to focus more on transnational organized crime.



Strategic Development Goals

In order for SOA to realize its vision and also taking into consideration tasks derived from its mission, surroundings and situation analysis conducted; three strategic development goals have been identified by which efforts will be directed. Our strategic development goals mutually complement each other and form one entity.



- **ACHIEVING EXCELLENCE AND STRATEGIC IMPACT**

SOA intelligence results must have impact and result in concrete activities with competent and informed decisions of other state institutions.

- **AGENCY COHERENCY**

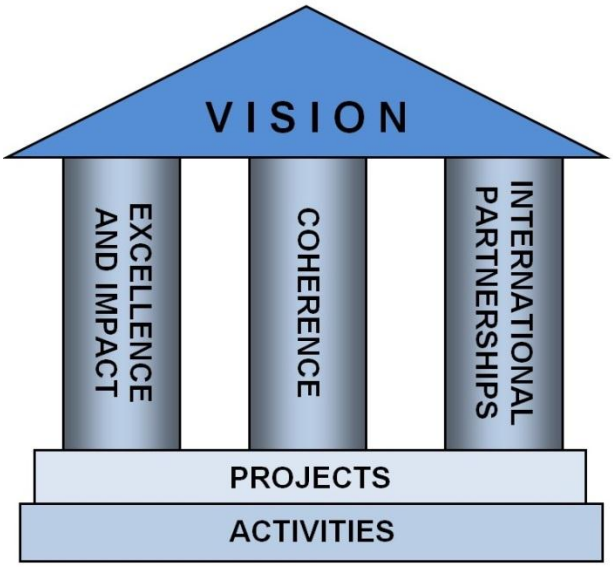
In its activities SOA needs to achieve synergy of all its components. At the same time, we need to connect more strongly with state institutions and bodies so that this synergy can be achieved at the national level as well.

- **BUILDING STRONG INTERNATIONAL PARTNERSHIPS**

SOA will continue to develop strong international partnerships for greater national security protection and more effective development of capabilities.

Planned Projects and Activities

Our strategic development goals will be realized through numerous intertwined projects and activities. Development Plan projects and activities are grouped in five areas of implementation: Agency capability, management and organization, human resources, technological development and international cooperation.



Structure of goals, projects and activities

Projects from our Plan which will significantly influence the development and structure of SOA are:

- Strengthening capabilities in collection and analysis of information and counterintelligence capabilities through a larger number of projects and activities. This development is based on investing in technology and employees' capabilities. In addition, the “system of lessons learned” ensures continuous improvement of procedures, methods and techniques of security-intelligence work.

- Adapting structure and employee numbers to new security challenges and required work processes.

- Significant investment in technological development and modernization, and implementation of selected technological projects, such as development of a new, modern and integrated information system.

- Continued development of human resources management system which ensures selection of the best candidates, constant improvement and advancement together with the most effective use of their capabilities. This system is based on modern methods of management and continuous monitoring and evaluation of SOA employee performance.

- Development of partner relations with selected foreign services in conjunction with national foreign policy and security-intelligence requirements, with active participation in international bodies and forums, especially those tied with the EU and NATO.

LIST OF ACRONYMS

DORH – State Attorney's Office

EU – European Union

HIS – Croatian Intelligence Service

KOOZ – Intelligence Community Coordination Committee

MFIN – Ministry of Finance

MORH – Ministry of Defense

MUP – Ministry of Interior

MVEP – Ministry of Foreign and European Affairs

NATO – North Atlantic Treaty Organization

OA – Intelligence Agency

ObU GSOSRH – Directorate of Intelligence Affairs of the Croatian Armed Forces General Staff

OSRH – Armed Forces of the Republic of Croatia

OTC – Operation-Technical Centre for Telecommunication Surveillance

PNUSKOK – National Police Office for Suppression of Corruption and Organized Crime

POA – Counterintelligence Agency

RH – Republic of Croatia

SIS – Security Service of the Ministry of Defense

SOA – Security and Intelligence Agency

SONS – Joint National Security Committee

SZUP – Service for the Protection of Constitutional Order

UNS – National Security Office

USKOK – Office for Combating Corruption and Organized Crime

UVNS – Office of the National Security Council

UZUP – Bureau for the Protection of the Constitutional Order

VNS – National Security Council

VSA – Military Security Agency

VSOA – Military Security and Intelligence Agency

ZSIS – Information Systems Security Bureau

This document is the property of Security-Intelligence Agency. The document is intended for public release and everyone can use it, but only in its original form with mandatory reference to the source. Any distribution of this document in its electronic or paper form without consent of the owner is forbidden.

Images used in this document are for illustration purposes only.

Security-Intelligence Agency
Savska cesta 39/1
10000 Zagreb

CONTACT:
Phone: 01/ 377 22 22
E-mail: informiranje@soa.hr

www.soa.hr