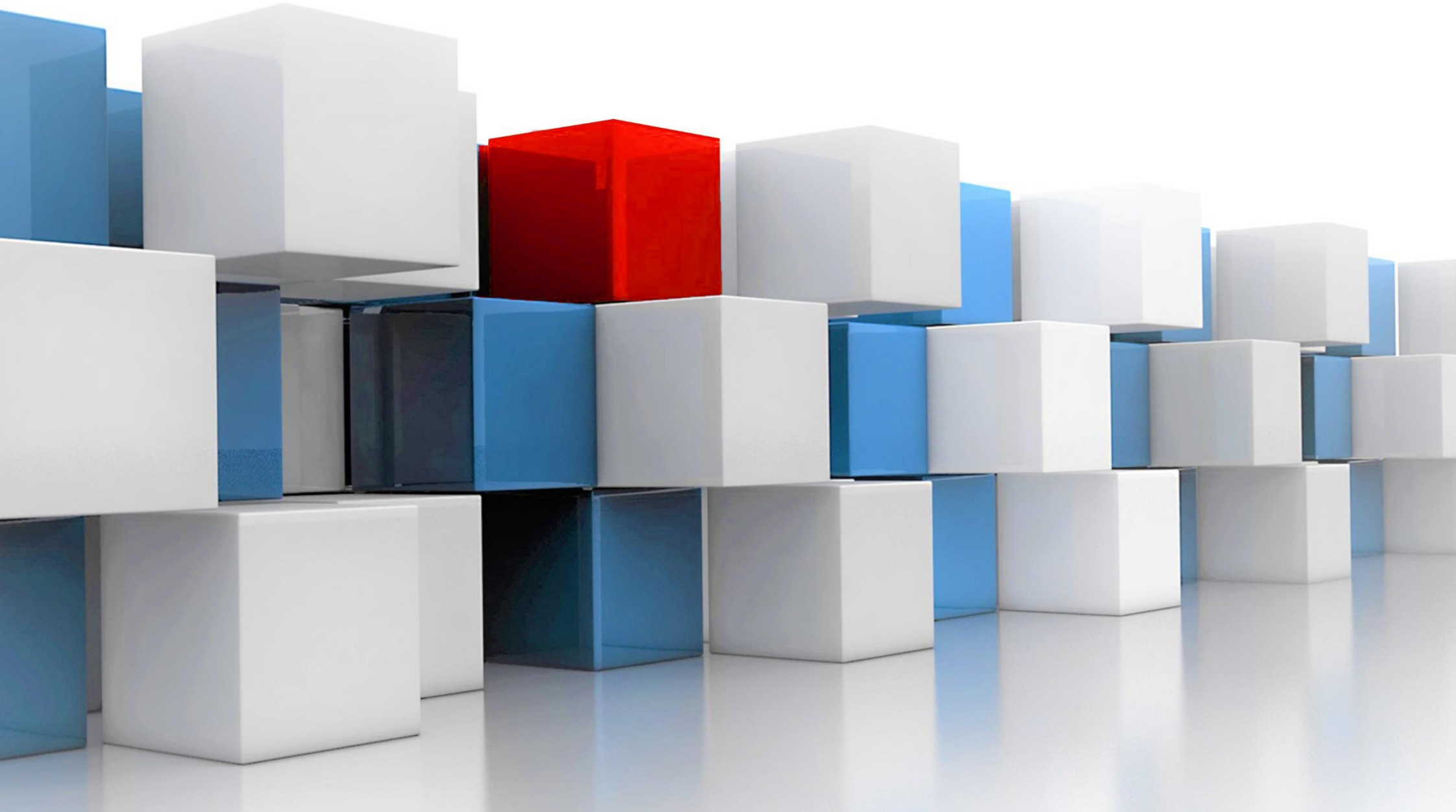
Security-Intelligence Agency
2017



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 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.

Contents

Introductory remarks	1	Cyber security	18
The Security-Intelligence Agency (SOA)	3	War crimes and missing persons	20
Security environment	6	Security vetting	22
Terrorism	8	SOA and international protection applicationson	24
Extremism	10	International cooperation	26
Foreign intelligence activities	12	Technology	28
Protection of economic system, corruption and org. crime	14	Budget	30
Energy security	16	Employement in SOA	32

Introductory remarks

Dear Readers,

it is with distinct pleasure that I present the fourth public report on the work of the Security-Intelligence Agency (SOA). While providing an overview of the security environment in the Republic of Croatia and its surroundings the report also contributes to the public consideration of the security issues that are before our society.

The public report before you deals with the period from June 2016 when the previous report was released, to date, including annual data for 2016.

In the context of our mission, 2017 is a milestone year. Our experts participated in the development of the new National Security Strategy which has been passed by the Croatian Parliament. The Strategy has reaffirmed the complexity of the security environment in the Republic of Croatia and our surroundings, but also the rapid and uncertain changes taking place. In this regard, the Strategy directs the attention of all competent authorities towards joint and coordinated activities and capacity building efforts in the protection of the national security. The Strategy lays out guidelines that will determine the course of action and capacity building of the Agency in the upcoming years.

We expect that SOA will be given a crucial role in the new Homeland Security System Act that is to be passed. The Homeland Security System will enable synergy and coordinated activities across competent authorities, while SOA will be able to contribute with intelligence and analysis to provide early warnings and preventive actions in order to mitigate security risks.

SOA has upheld its position as a factor of stability in a dynamic and ever-changing security environment. We have continued with our efforts to provide the state leadership with intelligence that is crucial for the protection of national interests. In 2016 we increased our output by 40% compared to 2015. For this trend to continue, and to make sure that our capabilities are multiplied, we have been continuously investing in information collection, strengthening our operative and analytical competences, developing technical capabilities and international cooperation.

It is with great pride that I can assert that SOA has developed an international reputation of a trustworthy, competent and reliable partner. We engage in extensive international cooperation, which enables us to gain a deeper insight into security threats and challenges. Together with selected partners we conduct joint operations and suppress various threats we face. The international stance that we hold and our reputation have contributed to a quintuple increase in the amount of intelligence that we obtain from international exchange, compared to 2013.

SOA is an active participant in relevant international associations and platforms, in particular those that operate within NATO and EU. As a member of the Counter Terrorist Group – CTG, SOA has been cooperating with agencies from EU member states, Norway

and Switzerland, in joint efforts to suppress terrorist threats across Europe.

In order to provide relevant and timely intelligence to the state leadership SOA will pursue ambitious development of human and technical resources. In the dynamic security environment it is essential to be aware of multiple factors that can impact various outcomes. We must understand the need for early threat identification and warning systems. A new modernization cycle that will allow us to maintain top security-intelligence competences is ahead of us.

National security is a common interest of all citizens, and with this notion in mind, SOA is dedicated to professional and responsible performance of daily tasks. Croatian citizens may rest assured knowing that the Republic of Croatia has an efficient security-intelligence agency and that we will keep a cool head in our efforts to collect and analyze information, strongly dedicated to the protection of the national interests and security of the country.

Director

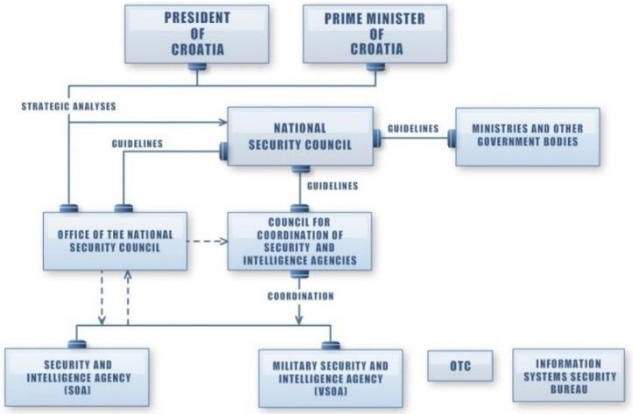
Daniel Markić

SOA

collects information and provides intelligence support to decision-makers in the protection of national security

The Security-Intelligence Agency (SOA) collects and analyzes information that pertains to national security and is relevant for informed decision making in the protection of national security. Using intelligence and analysis allows SOA to provide intelligence support to the state leadership and competent authorities in efficient and timely decision-making.

The work of the security-intelligence agencies (SOA and VSOA) is directed by the National Security Council, while the Council for the Coordination of Security-Intelligence Agencies provides operative coordination. The Office of the National Security Council (UVNS) provides both agencies with expert and administrative tasks.

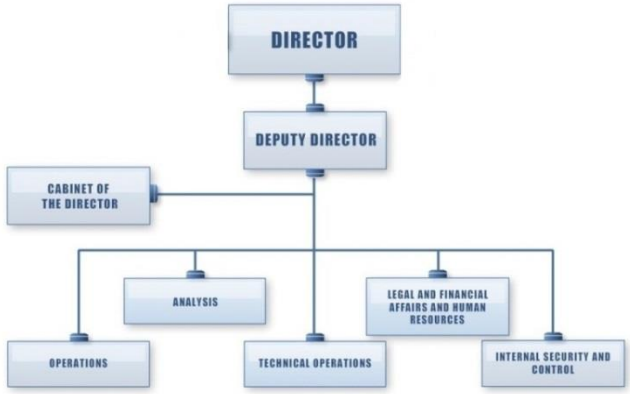


Organizational scheme of the security-intelligence system of the Republic of Croatia

SOA's objectives and guidelines are set forth in strategic and operational documents. They represent the basis for planning, task execution and reporting to the end users.

The National Security Council issues Annual Guidelines that regulate the operations of the security-intelligence agencies. SOA is also guided in its work by strategic policy documents such as the National Security Strategy, National Strategy for Prevention and Suppression of Terrorism and National Cyber Security Strategy.

SOA operates from the headquarters in Zagreb, with 10 regional centers across Croatia.

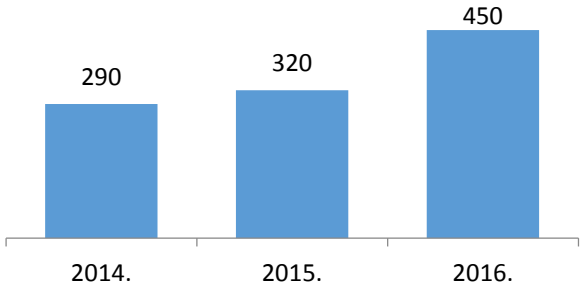


Organization scheme of the SOA headquarters

SOA reports the findings and assessments that pertain to national security to end users as stipulated by relevant legislation (state leadership, ministries and other state bodies).

Security-intelligence data and analysis constitute the principal "output" that SOA produces. They allow the Agency to continuously report the state leadership on topics of high importance for the national security.

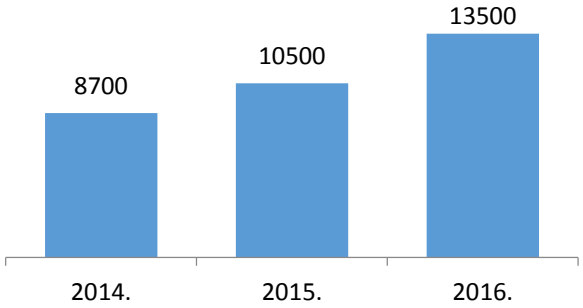
In 2016 SOA delivered around 450 analytical reports to the state leadership (the President of the Republic of Croatia, the Prime Minster), which represents a 40% increase compared to 2015.



Indicative number of security-intelligence delivered to the state leadership, by years

SOA, as an integral part of the national security system, cooperates and delivers intelligence and security assessments to other competent authorities (Ministry of the Interior, Ministry of Foreign and European Affairs, the State Attorney's Office, Croatian State Prosecutor's Office for the Suppression of Organized Crime, the Ministry of Defence and other bodies).

In 2016 SOA delivered approximately 13.500 different pieces of security intelligence to other state authorities.



Indicative number of security-intelligence delivered to end users, by years

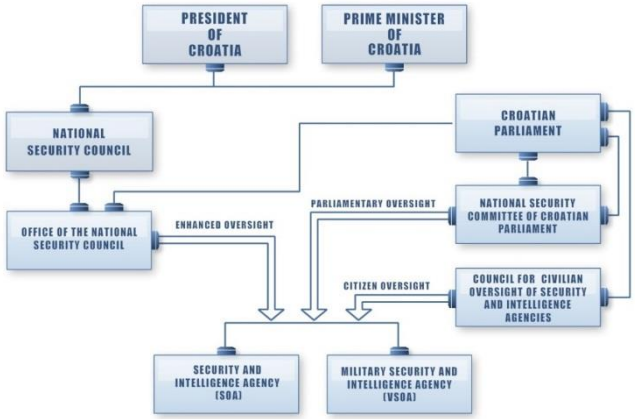
In order to carry out its tasks, and with the consent of the state leadership, SOA engages in adequate international cooperation.

SOA is authorized to collect information in a number of ways: in direct communication with citizens, by requesting access to official data, using covert measures and procedures, using public sources and international exchange. Any measures of covert intelligence collection that infringe the constitutional rights and freedoms of the individuals and citizens must be authorized by the Supreme Court or SOA Director, depending on the type of the measure implemented.

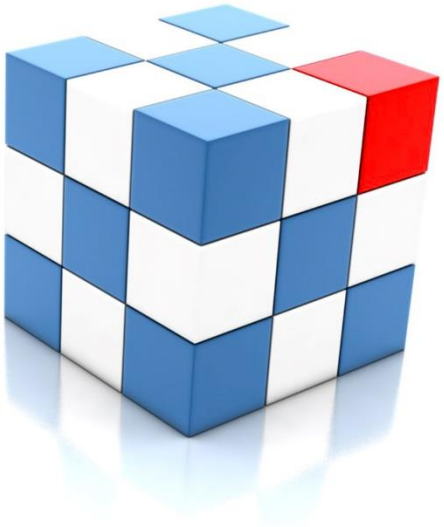
Besides information collection and analysis, SOA carries out other counterintelligence activities with the purpose of enhancing the security framework of the Republic of Croatia; such as security vetting and assessment, protection and security of protected individuals, strengthening of the information security and promoting security awareness and culture.

SOA is under three tiered external oversight: the parliamentary oversight is carried out by the Croatian Parliament through the National Security Committee, the expert oversight is carried out by the Office of the National Security Council, and the civilian oversight that is carried out by the Council for the Civilian Oversight of the Security-Intelligence Agencies.

In addition to the external oversight, SOA has a system of internal oversight over the constitutionality and legality of the activities of all organizational units and employees, data protection and counterintelligence protection.



Scheme of the oversight system of SOA's activities



450

In 2016 SOA delivered around 450 analytical reports to the state leadership, which represents a 40% increase compared to 2015.

Security environment

affected by a belt of instability around Europe

A belt of instability around Europe continues to generate security challenges. The belt extends throughout North Africa and across Middle East to Central Asia, including numerous crisis hot spots. It is a source of many security challenges which spillover to Europe; such as mass migrations, terrorism, extremism, proliferation of the weapons of mass destruction and regional armed conflicts in Syria, Iraq, Libya, Yemen and Ukraine. At the same time, these crisis hot spots facilitate the rise of organized crime, human and weapon trafficking, hybrid warfare and radicalization via social media.

Security challenges affecting Croatia and Europe

The deteriorated relations between the Russian Federation and the West, aggravated by the outbreak of the Ukrainian crisis in 2013, have not improved. In some elements they are reminiscent of the Cold War relations. The tensions continue to impact other areas, including Croatia's environment.

Russia has continued exerting efforts to limit the influence and prevent the enlargement of NATO and the EU in Eastern Europe. In doing so it seeks to reinforce its influence on Europe. These tensions have led the West to impose sanctions on Russia and encouraged NATO to build up collective military defense.

Ukrainian crisis displays signs of a frozen conflict. Despite substantial international diplomatic efforts, a political resolution of the conflict is still pending.

The situation in the Middle East remains complex as further armed conflicts take place. The civil war in Syria continues, as the so-called Islamic state (ISIS) continues to suffer defeats with the advancement of Damascus government forces, backed by Russia, Iran and Lebanese Hezbollah along with the Kurdish-Arabic forces backed by the Anti-Terrorism Coalition spearheaded by the USA. Iraq has succeeded in liberating Mosul, the principal stronghold of ISIS. Despite numerous defeats, ISIS has continued exerting its influence on other areas, namely in Afghanistan and Southeast Asia. The year in Turkey, a NATO member, has been marked by a failed military coup and military intervention in Syria.

Global and regional rivalries in the Middle East are a source of additional tensions, deepening the Sunni-Shia chasm and dividing the countries in the region.

The situation in North Africa is characterized by instability and armed conflicts in Libya and counter-terrorism efforts in Egypt.

The region is consequently affected by migrations, economic downturn and terrorist attacks that reduce the chances of economic recovery of these countries.

The world is at risk of further proliferation of nuclear weapons and other weapons of mass destruction, leading to global tensions and disputes.

Terrorism continues to pose one of the most prominent threats to the security of citizens in Europe. Although ISIS has taken over the role of global jihadist movement leader, Al-Qaeda continues to be active, mostly in Africa, Yemen and Central Asia (Pakistan) with further plans to attack European and other Western targets.

In spite of the fact that a terrorist attack on Croatian territory is not highly probable, such a possibility cannot be entirely excluded. In Croatia's southeast (SE) neighborhood with extensive radical Islamic communities the probability of terrorist attacks is moderate, while the probability of terrorist attacks in Western Europe remains high.

The great migration wave towards Europe has continued, although the inflow on the so-called "Balkan route" has been significantly reduced. The migration pressures are expected to continue as the majority of migrants make their way to the developed Western and Northern European countries.

The long term challenges ahead of European societies lie in the integration capacity of these societies and their ability to prevent the emergence of closed and isolated immigrant communities that could accommodate extremism, crime, poverty and development of negative attitudes towards European values which would subsequently lead to terrorism.

The issues such as treatment of migrations, crisis hot spots, energy security and economic matters have presented challenges in the common European policy making. The EU has had to deal with the fall out of the Brexit referendum.

Transnational security challenges have been gaining prominence. A growing importance of contemporary information and communication technologies increases the vulnerability to cyber threats. There is a marked increase in activities associated with the so-called dark-web, which enables numerous criminal transactions with the use of cryptocurrencies.

Climate change has had an ever stronger impact on the environment, economy and security. Climate change has directly caused food and water shortages, natural disasters, economic difficulties, political and social unrest and migration.

Croatia's neighboring countries in the SE Europe continue to experience instability. These countries are characterized by weak institutions, domestic political unrest, numerous ethnic and national issues that remain open, poor economic growth, corruption and unemployment. There is a lack of significant domestic political consolidation in most neighboring countries in the SE Europe.

This region struggles with setbacks in implementation of reforms on their way to Euro-Atlantic integration. Montenegro's accession to NATO signals that Euro-Atlantic perspective for these countries is viable.

Although Euro-Atlantic associations remain to exert strongest influence, global rivalries continue to affect this area. The most obvious example is an attempted coup d'etat in Montenegro that took place on 16 October 2016, with the purpose of destabilizing the country on election day, on the eve of accession to NATO. A legal action against 14 Russian, Serbian and Montenegrin citizens is in progress.

Countries in the SE Europe are affected by the rise of religious and nationalist extremism, especially by radical Islamism. The rise of Great Serbian extremism continues. Some attempts to misrepresent the Republic of Croatia in the international community have been recorded. These include attempts to deny and misrepresent facts related to the Homeland war and its defensive and liberating character.

Terrorism

spreading from crisis hot spots to Europe

SOA monitors all types of terrorism, irrespective of ideological roots. As in other European countries, terrorism associated with ISIS and Al-Qaeda remains one of the most prominent threats to the security of Croatian citizens.

The Republic of Croatia is not considered a priority target of Islamist terrorist groups. However, as is the case in any other European country, the possibility of a terrorist attack cannot be entirely ruled out.

Terrorist cells continue to extend appeals to their supporters and members urging them to carry out terrorist attacks on European soil. In this, they rely heavily on many communication channels available nowadays. ISIS is particularly active on social media, broadcasting promotional video clips and using digital magazines to convey their messages. These channels enable them to gain a wide reach at low cost.

An image from a video released in June 2016, featuring Jasmin Keserović, a "jihadi" threatening terrorist attacks in the USA

There has been a noticeable change in the types of messages that ISIS had been broadcasting in 2016. Earlier messages had mostly contained invitations to their supporters to join the fights in Syria, whereas more recent messages contain direct invitations to engage in independent terrorist attacks in Europe.

Such communication gives rise to a wave of so-called "lone wolf" terrorist attacks in Europe. These individuals are not directly associated with terrorist cells and as such, it is considerably more difficult to identify them before they act. They are prompted by ISIS to carry out terrorist attacks by all means available; using firearms, motor vehicles, knives, poisons or any other means. They choose unprotected and "soft" targets with greater potential for casualties. Their targets mostly include facilities with a large density of people such as fairs, promenades, tourist resorts, shopping malls etc.

ISIS has issued detailed instructions for carrying out truck attacks such as those witnessed in Western Europe last year

It can be expected that this trend of individual attacks will be on the rise in the future and will eventually become the dominant modus operandi for terrorists. European experience indicates that such radicalized individuals tend to be of lower educational and social demographics, with a prior criminal history, record of violent behavior and addiction. Most of them are men, although a significant number of women subscribe to the radical Islamist ideology and terrorism as a way of addressing their grievances.

Additionally, we cannot neglect attacks carried out by mentally ill individuals which might not be directly inspired by extremist ideology, but terrorist organizations do on occasion claim responsibility for such attacks. Nearly a half of all attacks in Europe in 2016 were carried out by individuals afflicted with mental illness. Terrorist groups have been known to recruit individuals by appealing to their sense of religious oppression and frequently abuse Islam to justify their activities. In doing so, they tend to promote terrorism as a means of revenge in the "war against the enemies of Islam".

Radical Islamism has not gained wider appeal in the Republic of Croatia, due in part, to the good reputation, position and rights afforded to the Muslim community. The Salafi movement has few followers in Croatia, only several dozen individuals, and they do not advocate violent methods.

However, the presence of numerous radical Islamist in the neighboring SEE countries increases the risk of terrorist threats across the region.

Currently, there are over 10.000 Salafis in the neighboring countries in the SEE, organized in dozens so-called para-jamia and several enclaves. Supporters of the so-called political Salafi movement do not advocate violence, unlike the so-called Jihadi-Salafis and Salafi-Takfiris who condone terrorist act of violence. Additionally, they reject the official positions espoused by Islamic communities, laws and democratic government of the host country. There is a noticeable increase in the Salafi followers in the Western European countries. In Germany, for example, the number of Salafis increased from 8350 in 2015 to 9700 in 2016, according to the data released by the German security agency.

A newspaper article from 7 June 2017, published in the ISIS online magazine Rumiyah, containing threats of terrorist attacks in SE Europe.

In the recent years, several unsophisticated terrorist attacks in the neighboring countries have been registered, mostly carried out by "lone wolves". In 2016 and to date, there have been no successful terrorist attacks in the SE neighboring countries. However, the police and security agencies have successfully prevented various planned attacks in several countries.

Since the outbreak of the war in Syria and the emergence of ISIS, thousands of Europeans have left to conflict zones, including nearly 1000 individuals from the neighboring countries, mostly Jihadi-Salafis. Around 20% of individuals who have joined ISIS have lost their lives, while approximately 35% have returned to their domicile countries. It is expected that these figures will rise even further, following the defeats and the loss of territory that ISIS has suffered. This will additionally increase the risk of terrorism in these countries.

Seven individuals with Croatian citizenship have been located on the ISIS-controlled territory. Only one of those individuals holds just Croatian citizenship, while all others hold dual citizenship and have never permanently resided in Croatia. Six individuals are still in the territory controlled by ISIS, and one returned to their domicile country in Western Europe where they had resided prior to the radicalization.

SOA continues its investigation into the case of Tomislav Salopek, who was kidnapped and murdered in Egypt. The Egyptian ISIS cell claimed responsibility. SOA continues to carry out activities with the objective to determine all circumstances of the kidnapping.

Extremism

is still limited in scope and rejected by the general public

Extremism refers to activities and views espoused by individuals that oppose democratic principles and engage in or advocate violence, hatred, intimidation, discrimination and the overthrow of the constitutional state order. SOA monitors all types of extremism, irrespective of their ideological, political, religious or national roots.

Both right-wing and left-wing extremist groups in Croatia lack wider public support and have little disruptive potential. Due to the low membership and weak organization, the probability for extremist groups or individuals to engage in violence and instigate incidents on a larger scale remains limited. Their activities do not pose a significant threat to the national security.

Social networks and the Internet are powerful media that extremists use to espouse and disseminate extremist ideologies. This behavior is also registered with individuals with extremist attitudes in Croatia. In addition to espousing their extremist attitudes, extremists use social media to connect with like-minded individuals in the country and abroad.

The state of the economy, unemployment and general outlook of the society facilitate the rise of violence inspired by extremism.

One of the most significant influences on the growth of extremism in Europe has been the great influx of migrants and refugees from dominantly Muslim societies. Significant anti-immigrant or anti-Islamic extremism has not been recorded in the Republic of Croatia.

Further complexities arising from the extensive refugee and migration crisis increase the risk of extremism, serving as an extension of the rise of extremism in other European countries.

Extremism continues to be a feature of certain individuals who are active in sport support groups. They draw on the dissatisfaction with circumstances in the Croatian sporting environment and exploit it to instigate incidents and riots both during and outside sporting events. We have also witnessed incidents involving certain football supporters' groups from Serbia who display anti-Croatian, Chetnik and Great Serbian symbols at sporting events. Such incidents include participation of certain individuals who hold Croatian citizenship.

A smaller section of the younger Serbian demographics in Croatia has been identified as supporters of Great Serbian and Chetnik ideology and symbolism, active in particular on the social media. Their activities currently do not represent a threat to the national security, but they do undermine security situation in local communities.

13500

In 2016 SOA delivered approximately 13500 different pieces of security-intelligence to its end users (ministries, other state authorities), about 3000 more than in 2015.

Foreign intelligence activities

are focused on the regional environment

Foreign countries engage in intelligence activities and information collection in the Republic of Croatia in order to achieve their objectives. Following the accession to NATO and the EU, the Republic of Croatia has been exposed to intensive foreign intelligence activities. Increasingly complex geopolitical rivalries of global and regional forces reflect on the Republic of Croatia and the neighboring countries.

States that perceive the EU and NATO as political and security threats are exceptionally active in Croatia's SE neighbors which are still not admitted into NATO and EU membership. Such activities are focused on slowing down and forestalling further NATO and EU enlargement and they come in various forms, such as direct attempts to interfere into political processes and attempts to destabilize Croatia's neighbors.

Main points of interests for foreign intelligence in the Republic of Croatia include, among other things, processes taking place within NATO and the EU, Croatian positions related to NATO, EU and Euro-Atlantic integration, Croatian policies towards the SE neighborhood, energy security and issues pertaining to Croatian economy.

Foreign intelligence activities are also directed at decision-making in the Republic of Croatia. These activities bear elements of hybrid warfare, including broadcasting "fake news" into the public arena and attempts to undermine the international reputation of Croatia.

Occasionally, in order to realize their interests, foreign intelligence harness internal political processes related to the protection of minorities and their legal rights in the Republic of Croatia.

Some hybrid activities include attempts to infiltrate fake or misleading news into Croatian media and information environment. Such news misrepresent the Republic of Croatia, the EU and NATO. These attempts are directed at the stability of Croatian institutions, regional environment and European unity.

One of such operations gained extensive media coverage. The aim of the operation was to obstruct investigation and prosecution of war crimes committed during the occupation of parts of Croatian territory in the Homeland war. The methods of obstruction included arrests of witnesses and subsequent intimidation of other potential witnesses.

5x

Between 2013 and 2016 SOA experienced a quintuple increase in the security intelligence obtained through international cooperation. This is a result of concentrated efforts that SOA had invested into the development of international partnerships and active participation in international security and intelligence platforms.

Protection of the economic system and suppression of organized crime and corruption

represent crucial segments in the protection of the national security

One of the main tasks before SOA is the protection of the economic system. SOA acts to collect and analyze information relevant for business that could have an impact on the national security and economic interests of the Republic of Croatia.

According to the National Security Strategy, economic security is a crucial element of national security. It impacts sovereignty, protection of national resources and strategic sectors, standard of living, and political and social stability.

The protection of the economic system in industries and companies of strategic importance is of the highest priority. Therefore, SOA monitors the situation in these sectors and companies in order to protect Croatian economic interests.

SOA monitors processes related to security, business and finance which have the ability to affect the positioning and stability of Croatian economic entities abroad, with a particular focus on those operating in unstable regions.

Corruption is a great social challenge and a threat to the rule of law and public trust in democratic institutions of the Republic of Croatia. The EU recognizes that corruption is a challenge that leads to economic losses. It is estimated that losses incurred by corruptive practices amount to 120 billion Euros a year, i.e. 1% of the total GDP of the EU.

The abuse of power with the purpose of obtaining material benefits is widespread. Individuals who hold positions of power in public procurement procedures, direct contracting and are, by virtue of their position able to favor some tenders are particularly vulnerable to corruption.

Complex corruptive practices have an international dimension. Elaborate international transactions are devised to obscure the trail of money gained through criminal activities and corruption. Almost all forms of economic crime are tightly associated with corruption.

Illegally acquired money is frequently laundered through investments into domestic economy and infrastructure. These practices undermine the credibility and national security of the Republic of Croatia. Off shore companies abroad are used for money laundering, and other criminal acts such as tax and customs evasion. Although off shore companies are not necessary illegal, they are often used to conceal the true source and the actual owners of the funds. These methods of money laundering and tax evasion complicate attempts to trace the trail of money. Such attempts require intensive international cooperation.

Similarly, there are frequent cases of illegal extraction of money from legal entities.

Some funds that have been gained through criminal activities are invested into legal business in the Republic of Croatia. This constitutes money laundering, mostly in the forms of investment into facilities and businesses in tourism.

Organized crime poses a threat to the security of citizens, rule of law, legal business and state authorities. Croatia's transport connections and geopolitical position facilitate the emergence of organized crime. The Republic of Croatia is at the intersection of smuggling routes between Europe and Asia. Croatia edges the part of Europe that has not been admitted into European integration and where state institutions are still too weak to suppress such complex types of crime.

SOA and other state bodies, persistently act to suppress organized crime at the national level, working to identify members of crime groups and obstruct their activities.

Organized crime has developed irrespective of national borders. Effective approaches to the control of organized crime require intensive cross-border cooperation on the EU level.

Organized crime is continuously adapting and evolving, challenging state authorities to adapt as well.

The organizational and technological complexity of crime groups is greater than ever. Their level of cooperation is growing more sophisticated with a tendency to specialize in particular criminal activity.

For example, the so-called Balkan route serves as the main route for the supply of heroin and marijuana to Europe. One of the three branches of the route passes through Croatian territory. The extent of narcotics crime is underscored by EUROPOL's data on annual consumption in Europe which amounts to at least 24 billion Euros.

SOA participates in international efforts to suppress illicit economies associated with narcotics. Together with the Ministry of Interior, SOA has taken part in police operations such as intercepting international production chains and distribution of large amounts of narcotics. Dozens of hundreds of kilograms of narcotics have been seized and many have been arrested.

Organized crime groups originating from SE Europe are active across the continent. Organized crime groups and individuals from the criminal milieu in the Republic of Croatia are involved with similar groups in the SE neighborhood. Croatian nationals mostly act either as perpetrators or as accomplices in criminal acts. Croatian territory is occasionally used as a safe heaven or a hiding place from conflicts with rival crime groups. In some cases, these altercations spill over to Croatia.

Recently a trend has emerged whereby such crime groups take over a significant proportion of narcotics smuggling from South America to Europe. They maintain good relations with both South American crime groups and those operating in Western Europe.

Crime groups have been developing more complex operations in an attempt to cope with rapid changes in the market. For instance, new technologies enable crime groups to explore new way of smuggling narcotics into Europe.

Development of numerous crisis hot spots across the Middle East and Africa has led to an increase in the demand for illegally procured arms and military equipment. Given that illegal arms trade is highly lucrative, members of crime groups in the Republic of Croatia have been trying to position themselves as intermediaries in that type of trade. It is often the case that such illegally procured arms are sold off to areas under international embargo, using counterfeit export documentation.

Another security threat for the Republic of Croatia arises from the risk of smuggling weapons of mass destruction, hazardous substances and dual-use technologies. In September 2016, one foreign national was arrested at a border crossing for possession of radioactive substances. SOA participated in the investigation to determine the origin and the intended use of the radioactive substances and in the reconstruction of the case. Rapid response and good cross-agency cooperation demonstrated the level of readiness of Croatian authorities to detect suspected transit of radioactive and other prohibited substances.

Energy security

affects national and European security

Energy sources are of particular global economic, political and security significance. Every country strives to achieve a satisfactory level of energy security that would enable it to maintain regular supply at affordable prices. In their attempts to avoid dependence on a single source of energy or a single supplier, countries engage in attempts to diversify sources and routs of energy supply.

Such dependence on a single source of energy or a single supplier renders countries vulnerable to disruptions in supply chains. These disruptions might be caused by problems with infrastructure or accidents, but they might also be the result of deliberate activities stemming from particular political, security or economic motives. Monopolistic energy suppliers may take advantage of their monopoly and extract political and economic concessions from countries where they hold such positions.

One of the energy sources of great economic, political and security significance is natural gas. The share of natural gas in the structure of the energy needs of the EU is substantial. It accounts for about 25% of the total energy consumption in the EU, and it is expected that this significant share will be sustained in the long-term. At the same time, the natural gas market is affected by multiple factors; either political or technological and environmental. The security dimension of the natural gas trade stems from the fact that the EU imports two thirds of its natural gas supply. Roughly 33% of the total natural gas consumption in the EU is supplied by Russia. The Republic of Croatia imports around half of its gas supplies.

A map of operating and planned gas pipelines from Russia to Europe

It is expected that the EU and the Republic of Croatia will remain dependent on the import of natural gas, primarily because of the decrease in domestic production which is caused by the reservoir depletion, gradual reduction in coal consumption and prospective greater needs arising from bigger industrial production and greater use of gas in transport.

The EU is looking to advance the diversification of sources and supply routes, that is, to integrate the market and promote market principles in the natural gas trade. In this respect, Croatia will be able to capitalize on its geopolitical position and join European gas routes.

One of the alternative sources and routes of supply from Caspian gas is the Southern Gas Corridor. Several important pipeline sections of the Corridor are already in development. A favorable outcome for the Republic of Croatia would allow it to connect to this pipeline with the development of the proposed Ionian Adriatic Pipeline. Alternatively, the development of the LNG terminal on the island of Krk would contribute to broader efforts to strengthen energy security. Thus, the Republic of Croatia and the neighboring countries would be supplied with natural gas.

Baltic-Adriatic-Black Sea Initiative and gas interconnections

In order to promote European energy security and improve natural gas market, the EU fosters coordination of gas systems in the countries of Central and SE Europe. This is an area that is particularly exposed to the risks of energy insecurity because it lacks interconnections and is highly dependent on one supply source and route. These risks have been even more emphasized in the light of the complex geopolitical circumstances which include the Ukrainian crisis, suspension of the South Stream project, unclear perspective of the Turkish Stream project and Gazprom's intention to terminate supply of Russian gas through Ukraine after 2019. In such environment and in attempts to strengthen European energy security, the gas pipeline projects on Croatian territory continue to gain prominence.

In this context, the Republic of Croatia acts as an active participant in the Three Seas Initiative that includes EU member states in Central and Eastern Europe along the Baltic-Adriatic-Black Sea axis. The aim of the Initiative is to bring the members together and diversify supply sources in order to enhance the energy security in Central and SE Europe.

Cyber security

is essential for the protection of classified data

Hacker attacks on information systems and data networks represent one of the most effective ways of collecting large amounts of intelligence. This method is also one of the safest for the "attackers". Such attacks can be carried our remotely, disguised in many layers of protection of the location, identity and purposes of the "attackers".

For these reasons, and as part of the offensive intelligence activity, certain countries collect information on other countries by hacking into their protected information and communication systems in order to obtain information on decision-making processes in those countries.

Such state-sponsored cyber attacks bear the features of hacker processes. They require high level of covert agency over an extended period of time and the use of advanced offensive tools that are generally impossible to detect with traditional antivirus software.

The Republic of Croatia has been the target of cyber information collection. Cyber attackers are motivated by twofold interests; to collect information pertaining to Croatian security, political, economic and other processes and to collect information of the Euro-Atlantic integration of which the Republic of Croatia is a member.

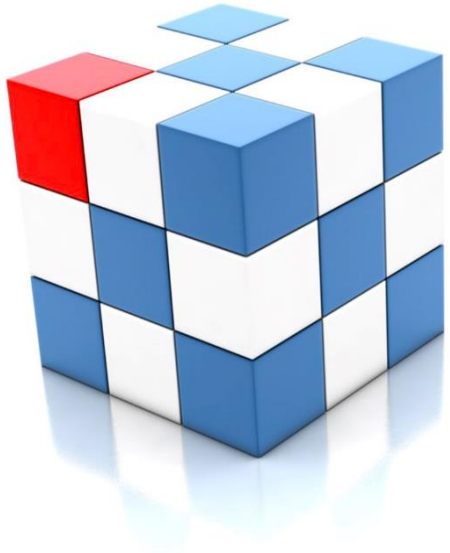
SOA has acted to detect and suppress state-sponsored cyber attacks. In 2016 the Agency detected at least 7 state-sponsored cyber attacks on the protected information and communication systems of the state bodies of the Republic of Croatia.

Globally, the incidence of cyber-security attacks is on the rise. Although most cyber attacks are related to cyber-crime, trends point to the increase in the incidence and severity of cyber attacks on the information systems of critical infrastructure.

Cyber attacks may have detrimental consequences on the physical world, threatening to the financial world and human lives. Some of the most recent incidents include the cyber attack on the Ukrainian electricity distribution network, the attacks on the British energy and health sectors, the attack on the SWIFT global banking system, the attack on the US company Dyn which was carried out exploiting the vulnerabilities of the Internet of Things devices.

The success of these attacks underlined the lack of proactive security policies and educational efforts that would increase the resilience of the systems, which is of the highest importance for the protection of the information and communications infrastructure.

SOA cooperates and with national authorities and international partners in prevention and suppression of cyber challenges. SOA has actively participated in the work of the National Council for the Cyber Security and the Operational-Technical Coordination for Cyber Security. These bodies are tasked with monitoring cyber security and initiating activities in cases of cyber crisis.



> 7

In 2016 the Agency detected at least 7 state-sponsored cyber attacks on the protected information and communication systems of the state bodies of the Republic of Croatia.

War crimes and missing persons

are still in SOA's focus

In cooperation with other competent authorities in the Republic of Croatia (the State Attorney's Office, Ministry of the Interior, Military Security-Intelligence Agency) SOA collects information and documentation in order to identify the perpetrators, victims and circumstances of war crimes committed during the Homeland war. Particular efforts are undertaken to identify the individuals suspected to have committed war crimes, either as direct perpetrators or as instigators.

The number of persons still reported missing in the Homeland war is 1952. SOA carries out activities to determine the fate of missing persons, locate individual and mass graves or burial sites of the victims of war crimes.

In cooperation with other competent authorities in the Republic of Croatia (the State Attorney's Office, Ministry of the Interior, Military Security-Intelligence Agency) SOA collects information about the locations and circumstances leading to the burial of remains of the persons who had gone missing during the Homeland war. SOA has focused on establishing the exact place of residence of persons who are on the run from the criminal persecution and are subject to arrest warrants, in order to bring them before judicial authorities.

In 2016 the Agency focused on identifying and locating individual and mass graves of missing persons from the Homeland war. Particular efforts were made to establish the location of mass graves in the Podunavlje region. In the process, close cooperation with citizens who can disclose information on the missing persons and possible burial sites plays a crucial role. SOA is obligated to guarantee anonymity and discretion is such cases.

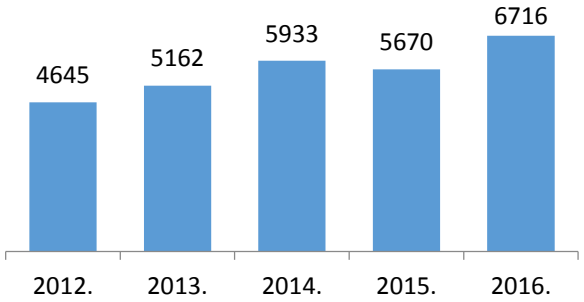
75%

75% of SOA's employees hold higher or advanced degrees.

Security vetting

growing significance

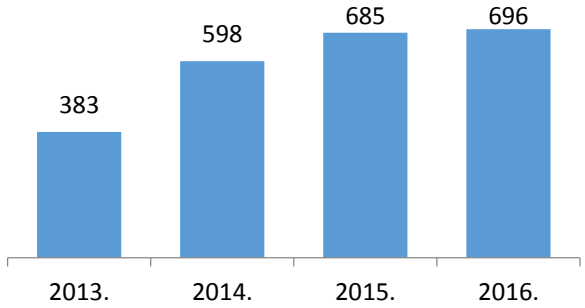
Security vetting is a type of preventive activity. The aim of such activities is to strengthen security of organizations, that is, to prevent individuals who are subjects of security concerns from accessing sensitive data or serving in such capacities that would allow them to undermine security and interests of the Republic of Croatia. SOA conducted a total of 6716 security vetting procedures in 2016. This marks the largest number of security vetting procedures carried out in the course of a single year.



Number of security vetting procedures, by years

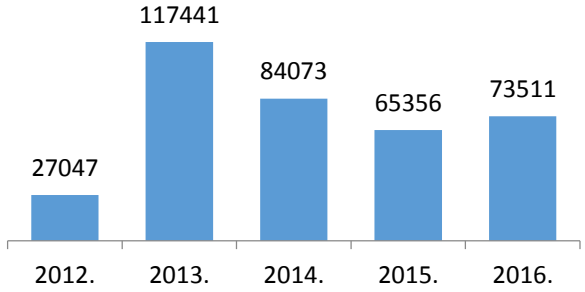
Out of this total number, 6131 security screening were carried out with the purpose of granting access to classified information (certificate) at the request of UVNS and VSOA. Other 585 accounted for basic security vetting procedures at the request of the Government, the Parliament, Ministry of Foreign and European Affairs, Ministry of the Interior, VSOA, the State Attorney's Office and other authorities. SOA issued 107 negative assessments in regard to existence of security obstacles. A total of 19 security screenings were carried out for legal entities, for the purpose of obtaining a business security certificate.

In 2016 there were 696 security assessments in regard to the movement and residence of protected individuals.

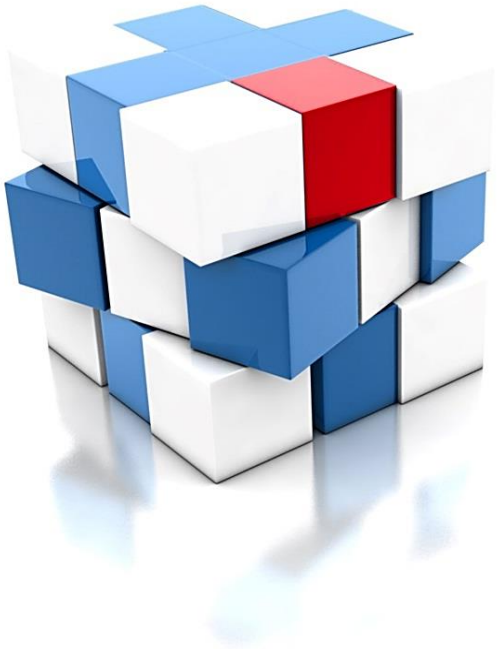


Number of security assessments, by years

In 2016, 73 511 individuals were screened in procedures related to regulating status issues of foreign nationals and citizenship procedures (entry and transit visas, residence permits, citizenship, international protection.



Number of security vetting procedures related to regulating status issues of foreign nationals and citizenship procedures, by years



6716

SOA conducted a total of 6716 security vetting procedures in 2016. This marks the largest number of security vetting procedures carried out in the course of a single year since 2008. Security vetting procedures account as preventive activities carried out by SOA. Security vetting procedures include management of personal data. Thus all procedures are structured in line with the EU and NATO standards and are regulated by the Security Vetting Act.

SOA plays a part in applications for international protection

Following the wave of migrations, an increase in the number of applications for international protection has been recorded (asylum and subsidiary protection).

Asylum/subsidiary protection is afforded to foreign nationals who are unable to seek protection in their country of citizenship or for fear of being persecuted or sustaining grave injustice upon return to their country. By obtaining asylum or subsidiary protection, a foreigner is granted the right to reside in the Republic of Croatia, obtain a passport and identification documents for a period of 5 years (3 for subsidiary protection), family reunion, housing, work, health care, education, legal aid, social welfare, ownership of property, citizenship and other rights.

At the request of the Ministry of Interior, SOA participates in the procedures for international protection, delivering opinion on the application. SOA approaches each case individually and conducts interviews with applicants for international protection.

Individuals applying for international protection are obliged to cooperate with competent authorities, submit all available documentation and provide true information. In addition, they are required to obey the provisions of the legal system in the Republic of Croatia and house rules at reception centers. Individuals applying for international protection are required to demonstrate credibility and to be persuasive in their claims. Credibility may, for example, be determined by establishing whether the application had been submitted at the initial entry into the Republic of Croatia.

Competent authorities assess the validity of the application and determine the possibility of repatriation of the applicant to the area where they would be safe from persecution and granted protection.

It is the duty of the applicant to provide a clear and convincing case that they would be exposed to persecution in their domicile country. Therefore, state authorities are not required to trust the applicant a priori, but the burden of proof and the burden of persuasion that particular propositions are in fact true are with the applicant for international protection.

SOA's engagement in the proceedings for international protection is regulated by several acts. Pursuant to the Security and Intelligence System Act, security vetting for foreign nationals whose residence in the country is relevant for the national security is mandatory. Aliens Act stipulates that security vetting for foreign nationals for the purpose of establishing the reasons of national security in carried out by SOA. The same Act sets forth that decisions which, for the reasons of national security, deny or terminate the residence or expel foreign nationals, are not required to explicate the reasons for such decision. Thus, the Aliens Act prohibits SOA from disclosing the reasons of such decisions.

The Security Vetting Act stipulates that for the purpose of security vetting procedures conducted for foreign nationals, the competent security-intelligence agency presents the applicant

with only the opinion on the existence or non-existence of a security obstacle.

In the vetting procedure, SOA mostly does not assess the individual as a threat to the national security. It establishes facts that indicate whether the individual in question is credible and honest in the application for protection in the Republic of Croatia. For example, such facts may include the failure to establish the identity of the individual (due to the absence of personal identification documents), perjury, abuse of the application for international protection (submitting the application without the real intention to reside in the Republic of Croatia or to gain time), arbitrary defection from reception centers, engaging in criminal acts or misdemeanors in Croatia or other countries and the like.

A large number of the applicants intend to leave Croatia in order to settle in more developed Western European countries. Certain applicants abuse the instrument of international protection until they are able to find a way to reach those countries, although most had previously been denied applications there.

The legality of SOA's proceedings and the foundation of the opinion issued for each individual case may be revised by the Administrative Court of the Republic of Croatia, which pursuant to the Information Security Act, may obtain access to opinions issued by SOA. This provides for legal protection of seekers of international protection. The legality of SOA's practices is subject to judicial, parliamentary, expert and civilian oversight.

73511

In 2016, 73 511 individuals were screened in procedures related to regulating status issues of foreign nationals and citizenship procedures (entry and transit visas, residence permits, admitting into and relinquishing citizenship, international protection). This represents an increase of 8000 cases compared to 2015.

International cooperation

as a prerequisite for successful protection of national security

Contemporary national security threats are complex and transnational in character. The traditional differentiation to internal and external threats is no longer applicable. Countries cannot anymore respond to these threats independently. Concentrated and close international cooperation is necessary. Even the largest security and intelligence agencies nowadays cannot respond to contemporary security threats in an adequate manner without international cooperation.

International security-intelligence cooperation is carried out through information exchange, analytical assessments, capacity-building and joint operative work.

SOA has been continuously developing close cooperation and building trust with other security and intelligence agencies. This cooperation takes place at various level with respect to common interests and mutual security challenges.

SOA has established bilateral cooperation and partnered up with selected agencies in order to build up strategic relations and close cooperation at the highest degree of trust - joint operative actions and exchange of classified information.

SOA is an active participant in multilateral forums and platforms, with particular emphasis on multilateral activities that are related to NATO and the EU. The Agency is a member of several multilateral initiatives and organizations, such as Counter Terrorist Group – CTG. SOA is a full member of CTG, along with security agencies of the EU member states, Norway and Switzerland. The CTG focuses its activities on prevention and suppression of terrorism in European countries.

In May 2017 and in close cooperation with VSOA, the Agency organized a large forum on counter-terrorism as part of NATO Civil Intelligence Committee – CIC.

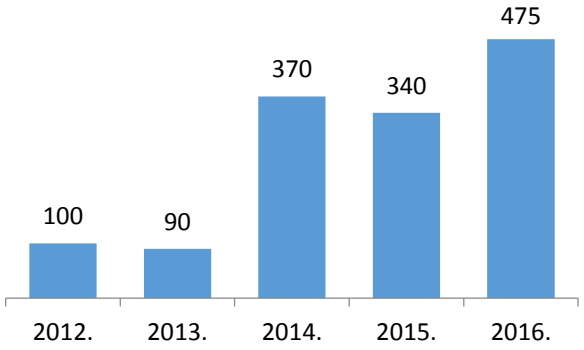
The forum was attended by the President of the Republic of Croatia Kolinda Grabar-Kitarović, who gave the opening address and the NATO Assistant Secretary General for Intelligence and Security Arndt Freytag von Loringhoven. The Prime Minister of the Republic of Croatia Andrej Plenković has met with NATO Assistant Secretary-General.

The President of The Republic of Croatia Kolinda Grabar-Kitarović at the opening of the international anti-terrorism forum organized by SOA, May 2017

The President and the Prime Minister of the Republic of Croatia meet with the NATO Assistant Secretary-General

In the interest of quality international cooperation, SOA has set up offices in certain foreign countries which are staffed with liaison officers. A certain number of officers is seconded to NATO and EU bodies. Certain foreign security-intelligence agencies have their also set up their offices and liaison officers in Zagreb.

The intensity of the international cooperation is best illustrated with data. SOA registered a quintuple increase in the security intelligence obtained through international cooperation in the period between 2013 and 2016.



Index of the number of intelligence obtained from international cooperation (2012=100)

SOA is active in broader international activities as part of Croatia's foreign policy efforts. On 4 August 2017 the Agency's Director met with a US Congress delegation led by Devin Nunes, the Chairman of the United States House Permanent Select Committee on Intelligence.

SOA Director and Congressman Devin Nunes

SOA Director and Congressman Eric Alan Crawford

Technology

enables development of new capabilities

Looking at the technical areas relevant to SOA, there is a noticeable shift from traditional methods of information collection and processing towards cyber areas which have been on the rise for the security-intelligence.

Cyber areas include Open Source Intelligence, information collection in cyber space using specialized tools (Active Intelligence), Data Science, digital forensics etc.

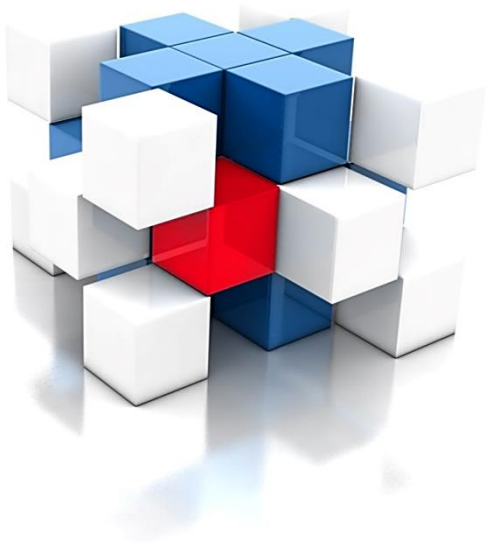
In order to ensure transformation of the security areas towards new technologies and contemporary trends, SOA has invested in recruitment of young candidates of specific profiles, who possess knowledge and skills that enable them to stay up to date with the latest developments in technology. SOA has developed a distinctive project of selection of exceptional final year students of electrical engineering, computer science and other related disciplines, in order to interest them in recruitment. Various activities and individual approach are devised to guarantee uninterrupted admission of young professionals in light of great demand for such talent on the labor market.

One of the areas that is on the rise and provides a growing amount of intelligence is Open Source Intelligence – OSINT.

OSINT is cyber area that deals with collection and processing of open source data, primarily the Internet. In this area, the common, publicly available communication channels can yield quality and reliable intelligence. Open sources vary from text, image and video clips generated on many widely available sources such as websites, blogs, social networks, open databases to deep web and many others. While in the past such open sources had been valuable, the development of the Internet has caused a revolution in information availability. The amount of available information is expected to grow further.

Proliferation of the publicly available information highlights the need for a well-designed, planned and systematic approach in collection, processing and storage. In order to separate relevant content from the vast amounts of data it is necessary to develop distinct technical knowledge and competences, and a demanding hardware infrastructure. These distinct areas include development of collection robots, machine learning and analyzer development in order to extract maximum value from all types of data collected. The areas of particular challenge include big data storage and predictive analytics.

Open sources, combined with other methods of information collection, allow SOA to gain a superior, rapid and more quality insight into the scope of security-intelligence work. The intelligence and analysis obtained in such a manner provide for more reliable and informed decision-making. SOA continues with investment efforts in this cybernetic area.



40%

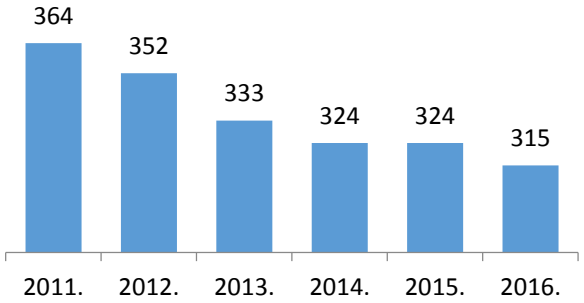
Women account for 40% of SOA's workforce. Women at SOA are equal in rights, duties and responsibilities to their male colleagues and peers.

Budget

as a source of modernization and development

SOA is funded through the state Budget of the Republic of Croatia. SOA's Budget is subject to regulations pertaining to public finance in the Republic of Croatia.

The Agency's Budget in 2016 amounted to 315 million Kuna, while the Budget in 2017 amounts to 327 million Kuna. This marks the first budgetary increase since 2011. From 2011 to 2016 the Budget had been reduced by nearly 15% (from 364 million down to 315 million Kuna).

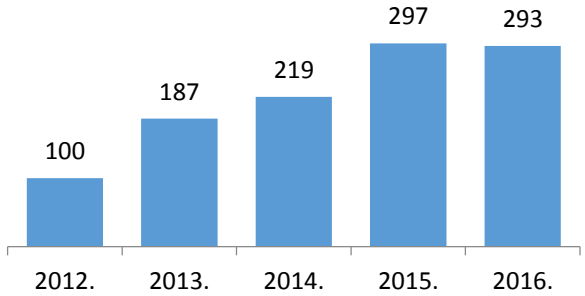


SOA budgetary trajectory 2011 - 2016 in mil HRK

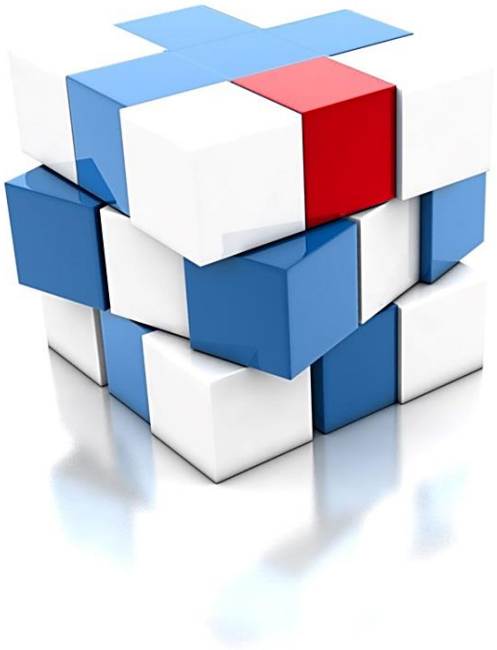
This increase in the Budget marks the beginning of substantial investment in capability-building which will contribute to the overall long-term security of the Republic of Croatia.

The budgetary increase for security-intelligence agencies corresponds to European trends, in the aftermath of recent terrorist attacks. Thus, investment in security-intelligence activities provides an opportunity to advance national security levels.

As per Security and Intelligence System Act, and in line with best practices of the EU and NATO member states, the budgetary structure of the Agency is classified. The largest share of the Budget is allocated for personnel expenditures, followed by operating and capital expenditures. In order to enhance capability-building, special attention is devoted to the allocation of funds for development and modernization.



Index of expenditures for development and modernization 2012-2016 (budget execution, 2012=100)



3x

The expenditure for development and modernization has grown in the recent years and tripled compared to 2012. Development expenditures in 2015 and 2016 are roughly the same. Investment in development and modernization enables SOA to keep up with the latest developments in modern technologies and to expand competences.

Employment in SOA

as a unique and challenging career opportunity

Working at SOA provides a unique career opportunity for specific, challenging and dynamic work in the interest of the general well-being.

Technological advancements and reliance on contemporary technologies have not reduced the importance of the human factor in the success of security and intelligence activities which still depends on the competences, knowledge and skills of operatives. Therefore, we recognize our employees as our most valuable resource.

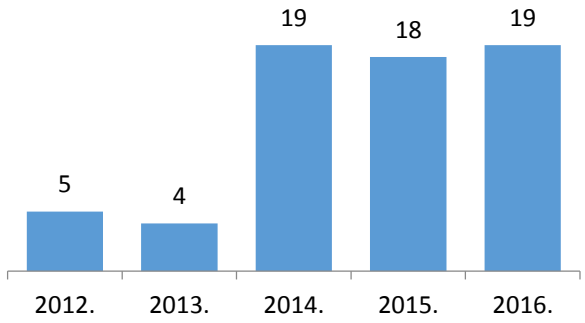
Most of the staff at the Agency are authorized officers, with a minor proportion of support staff.

Security-intelligence activities require experts in various professions such as economists, IT specialists, political scientists, legal professionals, forensic scientists, language teachers, electrical engineers and other professions. Such a wide range of professionals and experts allow the Agency to engage in a broad scope of activities.

Three-quarters of SOA's employees hold advanced and higher degrees. Women make up approximately 40% of the workforce and they are equal in performing all tasks in SOA's scope of work.

SOA's staff are categorized by job descriptions into operatives, analyst, IT specialists, human recourse specialists, legal and financial officers, and support staff (administrative secretaries, security staff, etc.).

SOA provides its employees with opportunities for professional development in a variety of fields, with particular focus on professional learning and skills training courses. In the process, particular emphasis was placed on the human resource development through professional training and specialized courses.



Increase of investment in professional training and specialized courses

SOA employs competent and educated individuals with appropriate knowledge, skills and motivation for contemporary security-intelligence work.

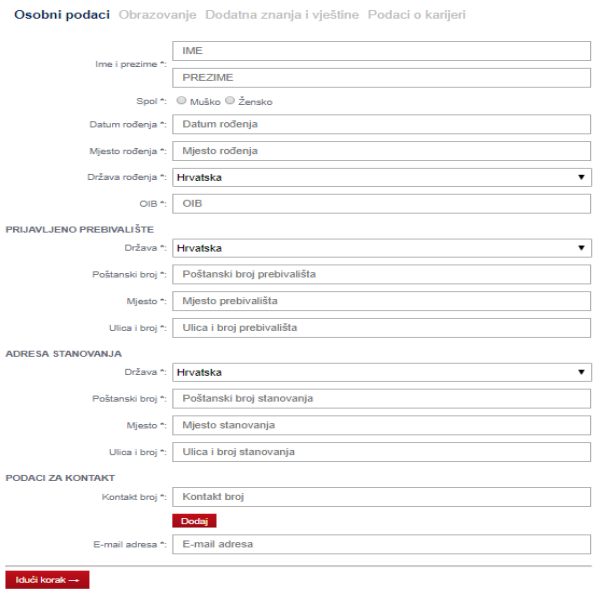
A thorough selection and recruitment procedure is carried out. In accordance with the relevant legislation, an administrative competition is not necessary for employment in the SOA. All interested candidates may fill out and submit their applications using the web forms at www.soa.hr/hr/posao/.

All candidates must meet general requirements for employment in public administration and specific requirements of security and intelligence work such as particular level of medical and psychological abilities, particular level of expert knowledge and skills and are required to meet security standards established in the security vetting procedure.

All submitted applications are considered. In line with the current needs, candidates that meet the qualification requirements are invited to participate in the selection process, on equal terms.

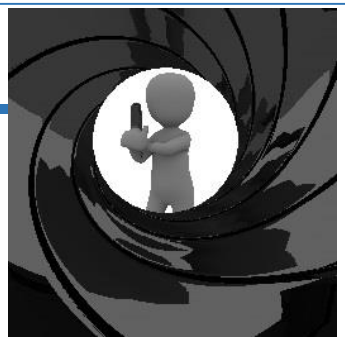
The selection process includes security vetting, various knowledge and skills test, psychological assessment and medical assessment. The selection procedure also includes polygraph testing. Those candidates whose test results correspond most with the employee profile will be selected.

A career at SOA is not just an ordinary job. SOA issues an open call to all perspective candidates to apply for the admission procedure. While previous working experience is not necessary, it is not a disadvantage for employment at the Agency. All candidates whose qualifications and competences correspond to the Agency's current needs will be considered in the recruitment process. The Agency mostly employs operatives in the regional centers. Analyst and IT specialist are usually based at the headquarters.



Application forms available at www.soa.hr

SOA is looking for experts of various profiles. If you recognize yourself in one of the descriptions, we encourage you to apply to the position:



OPERATIVE (m/f)

University graduate (secondary education for some positions)

Dynamic and curious

Highly developed communication and social skills

Resourceful in unpredictable situations

Willing to take on field work

Strong independent performer and a team player

Observant and detail oriented

Personally and professionally stable and resilient

Challenges do not intimidate you

Reliable and trustworthy

Keen to learn and develop

ANALYSTS (m/f)

University graduate in social sciences, humanities or technical sciences

Interested in social issues with a wide area of interests

Systematic and analytic

Developed skills of objective reasoning

Competent in analyzing and presenting complex subjects

Developed deducing skills

Open minded and competent in scenario planning

Highly developed written and oral communication skills with ability to express oneself clearly and concisely

Reliable and trustworthy

Keen to learn and develop

IT SPECIALIST (m/f)

University graduate in technical sciences (information technology, mechanical engineering, electrical engineering, computer science etc.)

Keen to take on challenging projects

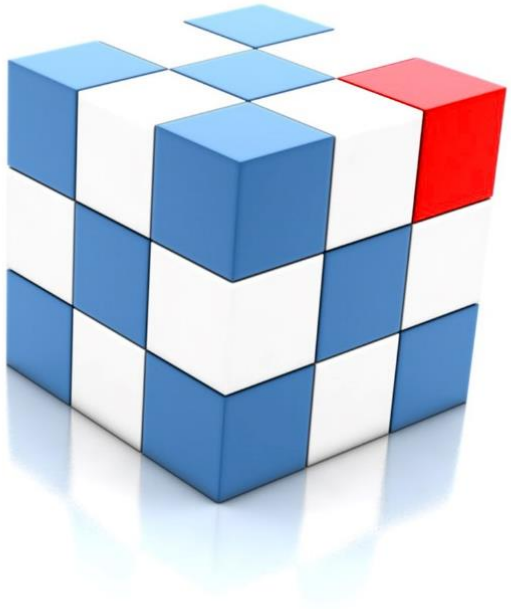
Results oriented

Focused on practical application of technical and information systems

Keen team player

Reliable and trustworthy

Keen to learn and develop



This document is the property of the Security and Intelligence Agency. It is released with the purpose of informing the general public of SOA's work, security challenges and threats. The Document is intended for public release, available electronically at www.soa.hr and may be used with mandatory reference to the source.

Photo: SOA, the Office of the President of the Republic of Croatia, the Government of the Republic of Croatia, the Ministry of Defence of the Republic of Croatia
Illustrations: Pixabay (PIRO4D, 3dman_eu, edited and adjusted)
Screenshots: SOA
Maps: SOA

Security-Intelligence Agency
Savska cesta 39/1
10000 Zagreb

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

www.soa.hr