## SERBIA: TWO INTERNET ENTREPRENEURS DETAINED FOR MONTHS WITHOUT TRIAL

LE 25 OCTOBRE 2010 DANICA RASIDIC

A great portion of the public feels the Serbian government, or parts of it, are looking for a way to get their piece of the Internet business cake, without having provided the necessary legal statutes for this in recent years

This article originally appeared on Global Voices Online,

and was written by Danica Rasidic.

Djordje Djokic and Dusan Jaglicic were both born in the mid-'70s in Serbia. They were pretty typical children in what was then Yugoslavia, with parents who taught them that hard work, a healthy family life and and education would bring them the merits they deserved. The two young men became close friends and, later, through the advantages and opportunities of the Internet, business partners.

Dusan and Djordje went on to register www.freebetting.net and www.kladionicar.com in 2005, two sites that provided betting quotes, advice and sports news, but also links and ads to legal betting sites run from abroad. The two young entrepreneurs made money through affiliate sales on their sites – and plenty of it: authorities claim some 550 thousand Euros were made in profits from these sites.



Dusan and Djordje are now in a Serbian county jail. And they have been there for the past eight months, with no possibility of bail, no trial and no legal conviction. On February 23, Dusan and Djordje were arrested for, as Serbian media first reported, suspicion of gaming fraud. Current official charges include unlicensed organization of gaming and money laundering.

**TechCrunch covered the story** [EN] back in March of this year and doubts as to the charges in question were brought up almost immediately:



Both sites are resources for sports fans who like to bet on various sporting events. They provide stats, news, tips and other information related to sports betting. But revenue is generated through banner ads with links to bookmakers outside of Serbia and via SMS services with related betting information not through actually taking bets.

In other words, the two sites only refer users to other betting sites and get paid for each referral. It therefore looks like Djokić and Jagličić have been arrested, perhaps mistakenly, for affiliate marketing.

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There has been an on-going debate as to what exactly the men have been indicted for and how these charges relate to the factual events that took place in regards to their online business. Recently, Predrag Supurovic, a blogger and Web developer, began a discussion on his blog, titled *Affiliat Marketing Is Not A Crime* [SR], looking to clear up the very dilemma at hand – the difference between providing affiliate marketing links and "organized gaming" on one's site:

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Djordje Djokic i Dusan Jaglicic, both from Kragujevac, owners of the sites www.freebeting.net and www.kladionicar.com, really made income from affiliate marketing. However, the indictment doesn't mention that, nor does it charge them with it. They are charged with unlicensed organized gaming (i.e. gambling) and laundering money that was gained through illegal business activities (i.e. purchasing legal goods and services with illegally attained assets).

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On several blogs and online public forums, attention is also drawn to the fact that, according to Serbian laws, a court must first prove that assets or money derived from criminal action before money laundering can even be considered as a charge. A popular Serbian online legal forum takes this and more statutory details from this case under consideration in a **discussion started on October 8** [SR]:



The accused ran this business legally since 2005, by establishing a company that maintained portals and employed some ten employees. All this time, they conducted business legally and paid all duties owed to the state and employees. The indictment does not mention any charges of tax evasion or anything similar.

Essentially... the accused owned and ran a gambling-related site, a version of which they made available in the Serbian language. The sites contained links that led to well-known global gambling portals, in other words bookmaking sites. For each visit and bet placed through those links, the company of the accused was paid an agreed commission. In the world of Web marketing, this is called an affiliate link or affiliate marketing – a specific form of advertising.

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The vast majority, including professionals from the legal branch on the above-mentioned forum, seems to agree that the charges in question simply do not reflect the real events that took place. Public opinion and indictments aside, the fact remains, and one that very much concerns all members of the online community in Serbia, that Djordje and Dusan have been detained for almost 8 months with no trial. Due to this, basic human rights concerns arise and cast a shadow on any case that may or may not exist against the two men.

At this point, and regardless of what is included in the charges and indictment, one must call attention to the fact that Serbia is a signatory of the European Convention on Human Rights, signed in 1950 and still valid today. Suffice it to mention **Article 6** [EN] of said Convention.

This case was concern enough for anyone trying to do any business online in Serbia at the time and, eight long months later, it presents an even greater concern. So great, in fact, that the community can't help but wonder if bloggers self-censor themselves in fear of repercussions, and arrests are reward for successful Internet entrepreneurship – who's next? what's next?

As **one contributor put it** on **kojesledeci.com** ("Who's Next") [SR], a joint blog that was recently started by activists in the Serbian Internet community, dedicated to following the case of Dusan and Djordje:

Could we all meet the fate of Josef K. from Franz Kafka's famous novel "The Trial", be proclaimed guilty overnight with no real guilt, instead of in our rooms, find ourselves waking up behind bars, have our right taken away to prepare our defense while out on bail and prove the non-existence of evidence against us?

...If Dusan and Djordje have done anything illegal, legal penalties exist, but we cannot accuse them for what they have not done, because there are no legal penalties for that, there is only freedom.

In all honesty, I am wondering if I'll be facing any repercussions for what I am about to write next, but it's an opinion shared by most in the online community in Serbia, especially Internet entrepreneurs, of which I am a part: Serbian authorities have noticed that many individuals and small businesses have succeeded in making a healthy amount of income from online businesses, including affiliate marketing and affiliate sales. A great portion of the public feels the government, or parts of it, are looking for a way to get their piece of the Internet business cake, without having provided the necessary legal statutes for this in recent years. This is an opinion, we may be mistaken, but we have been patient and have waited for due process to take its course. For 8 months, in this case.

Due to an out-of-date tax system still being implemented in Serbia, individuals are simply *not able* to report all income. Many of us have inquired with the tax department as to solutions and, aware of the outdated statutes and laws in the country, have sometimes bent over backwards to make sure we abide by them. Fully aware of all of this, many of us, like Djordje and Dusan, have decided to remain in Serbia and spend our earnings here, with firm belief that Serbia has great business potential and deserves the investment. Reforms are more than necessary. Jail time is not.

**Kojesledeci.com** is a place, created by several leaders of the online community, for conversation on the subject of the injustices at hand and a way for the community to begin ensuring that this does not happen again. The conversation was first started on Serbia's most active IT forum at **Devprotalk.com** [SR] and continues to this day on **kojesledeci.com** [SR], posing questions along the lines of "Is this how the country of Serbia rewards work and intelligence?" [SR]

As the trial is finally scheduled to begin on October 25, we will be following this story closely in the near future. What the Serbian online community asks of everyone at this point is to recognize the injustice of detaining these two young men, with no criminal record of any kind, for a period of 8 months in which they are able to see their loved ones for 30 minutes every two weeks. The story can also be followed on **the** *Ko je sledeći?* **fan page on Facebook** [SR] and on *kojesledeci.com*.

To quote Djordje's wife, who has become a regular contributor on kojesledeci.com in her latest message to the public:

you all again for giving us your support all these months. It will mean so much to Dusan and Djordje when they are released, as they say their greatest fear is that everyone on the outside has forgotten.

...I want us to go on living after this! To continue where we left off. I don't want to "lose" another second of our lives when all this is over. And it has to end. You, with your support and comments, have helped us immensely and this is how we know we are not alone.

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I don't think I've never read something like this before. So nice to see somebody with some authentic ideas on this subject. I really thank you for starting it. This website is one thing that is needed on the internet, somebody with a little bit originality.

**VOUS AIMEZ** 



O VOUS N'AIMEZ PAS



LUIRÉPONDRE