



CORRUPTION PREVENTION AND COMBATING BUREAU

We take action against corruption for the good of society and the national interest with the full force of law and public support, in order to achieve integrity in the exercise of power vested in officials of State.

PROGRESS AND RESULTS IN PREVENTING AND COMBATING CORRUPTION IN LATVIA

Periodical update

2016

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In order to address corruption in an effective and comprehensive manner a single institution was set up in Latvia through the Law on Corruption Prevention and Combating Bureau (the Bureau) adopted on 18 April 2002. The Bureau was established in October 2002 and it plays a central role in the fight against corruption in Latvia by performing following functions:

- To develop and implement Latvia's anti-corruption policy as well as to screen draft legislation in order to identify any risk of corruption;
- To monitor compliance of public officials with the law on prevention of conflicts of interest;
- To control political party and pre-election campaign financing;
- To investigate corruption-related offences in the public sector, such as bribery, the trading of influence and exceeding public authority in bad faith.

International cooperation

On 11 May 2016 the Organization for Economic Cooperation and Development (OECD) took a final decision on the accession of Latvia extending OECD's membership to 35 countries. During nearly three years of accession discussions Latvia has been reviewed by 21 OECD Committees. In order to receive an invitation to become a member one of pre-requests is to ratify and successfully implement OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Anti-corruption Convention) and here an important contribution was given by experts of the Bureau. Intense work of Bureau's experts together with representatives from other state authorities assured Latvia's compliance with the OECD Anti-corruption Convention. In second half of 2016 the Bureau's officials participated in OECD Working Group on Bribery where Oral Follow-Up to Phase 2 Report was presented to all OECD members. During Latvia's accession process the Bureau has demonstrated clear commitment to implement Anti-corruption Convention's requirements at the highest level.

In September 2016 the compliance report was developed and sent to the Group of States against Corruption (GRECO) informing about the progress made regarding implementation of recommendations given by GRECO in the IV evaluation round. Additionally Latvia was nominated to be one of the first countries to enter the V evaluation round of GRECO. During the V evaluation round following themes will be examined: Preventing corruption and promoting integrity in central governments (top executive functions) and law enforcement agencies.

In November 2016 the Bureau organized an international conference for anti-corruption institutions – the yearly Professional conference and general assembly of European Partners against Corruption/ European contact-point network against corruption (EPAC/EACN). At the closure of the conference participants signed a declaration inviting to adopt a comprehensive policy on national and international level in order to fight corruption in healthcare system. During the conference the Bureau signed two memorandums of understanding – one of with the European Investment Bank on exchange of information between both institutions and the other with the National Anti-Corruption Bureau of Ukraine creating a platform for a closer cooperation in order to disclose, prevent and combat corruption.

In 2016 the Bureau welcomed visits from such countries as Czech Republic, Macedonia, Morocco, Moldova, Kosovo, Ukraine, Uzbekistan and other sharing its experience and expertise on anti-corruption and control of political party financing issues.

Implementation of anti-corruption policy

In order to improve the implementation of the internal control mechanisms the Bureau developed and on 29 January 2016 submitted to the government (Cabinet of Ministers) an informative report *Assessment of Internal Anti-corruption Control System in Public Institutions*. Later the Bureau elaborated and initiated inter-institutional evaluation of the draft regulations setting essential requirements for the internal control system in order to prevent corruption and conflict of interest in public institutions.

On 5 April 2016 the amendments to the Law on the Corruption Prevention and Combating Bureau entered into force. The said amendments stipulate the functional independence of the Bureau thus ensuring that the government do not have possibilities to exercise the supervision over the core functions of the Bureau and do not create possibilities for political interference in Bureau's work, clarify the statutory grounds for dismissal of Bureau's Director, specify the composition of the committee on dismissal and permit dismissal only where the committee finds grounds.

The Bureau considers the current verification of the conflict of interest as an effective mechanism, however there is place for perfection and particular improvements are made constantly. The Bureau experts proactively prepare proposals for its improvement and draft pertinent amendments. For example in 2016 the Bureau initiated to review several proposals concerning restrictions and prohibitions by the relevant working group of Parliament's Commission (*Saeima State and Municipal Affairs Commission*) in order to ensure more effective application of the law *On Prevention of Conflict of Interest in Activities of Public Officials* (conflict of interest law). In the working group both public institutions and nongovernmental organizations are represented. Additionally the Bureau elaborated and initiated inter-institutional coordination concerning draft amendments of the conflict of interest law.

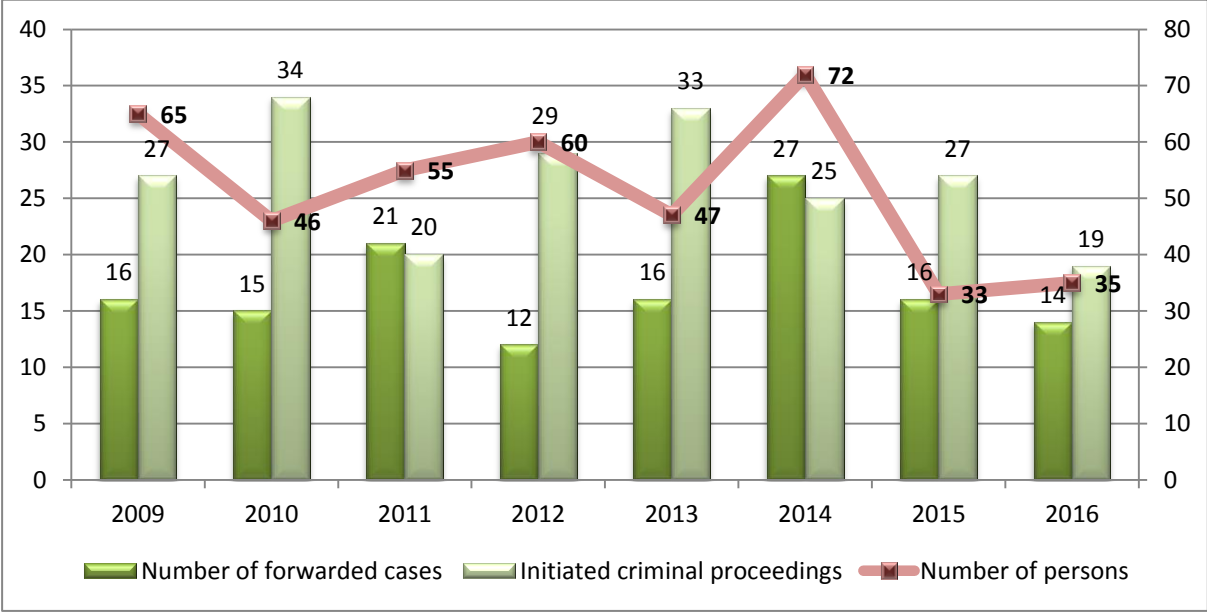
Tackling corruption related offenses

In 2016 investigators of the Bureau initiated 19 criminal proceedings – eight of these criminal cases were opened on the basis of operational information received from the Criminal Intelligence Division of the Bureau. In total 14 cases against 35 persons were sent for criminal prosecution. The Bureau is involved in complex corruption investigations which go beyond the borders of Latvia. In order to investigate these cases in 2016 the Bureau executed 30 mutual legal assistance requests from such countries as USA, Germany, Italy, Ukraine, Estonia, Lithuania and other. In 2016 the Bureau prepared 10 mutual legal assistance requests.

In 2016 most significant initiated criminal proceedings are in relation to alleged corruptive activities of public officials in municipality owned company (Riga Central Market), alleged bribery of foreign public official in Lithuania, alleged illegal financing of political party on a large scale and alleged bribery of court chairman.

In 2016 most significant cases forwarded for prosecution are in relation to acceptance of bribe (in amount of 500 000 EUR) by former head of state owned company *Latvijas Dzelzceļš*, acceptance of bribe (more than 45 000 EUR) by Riga Regional Court judge, acceptance of undue advantage by seven employees of hospital in Riga, abuse of functions by prosecutor and police official in relation to illegal usage personal data, abuse of function by two public officials of State Police in relation to forgery of 99 documents.

Number of criminal cases (and number of persons involved) forwarded for the prosecution as well as number of initiated criminal proceedings in 2009 – 2016



Prevention of conflict of interest

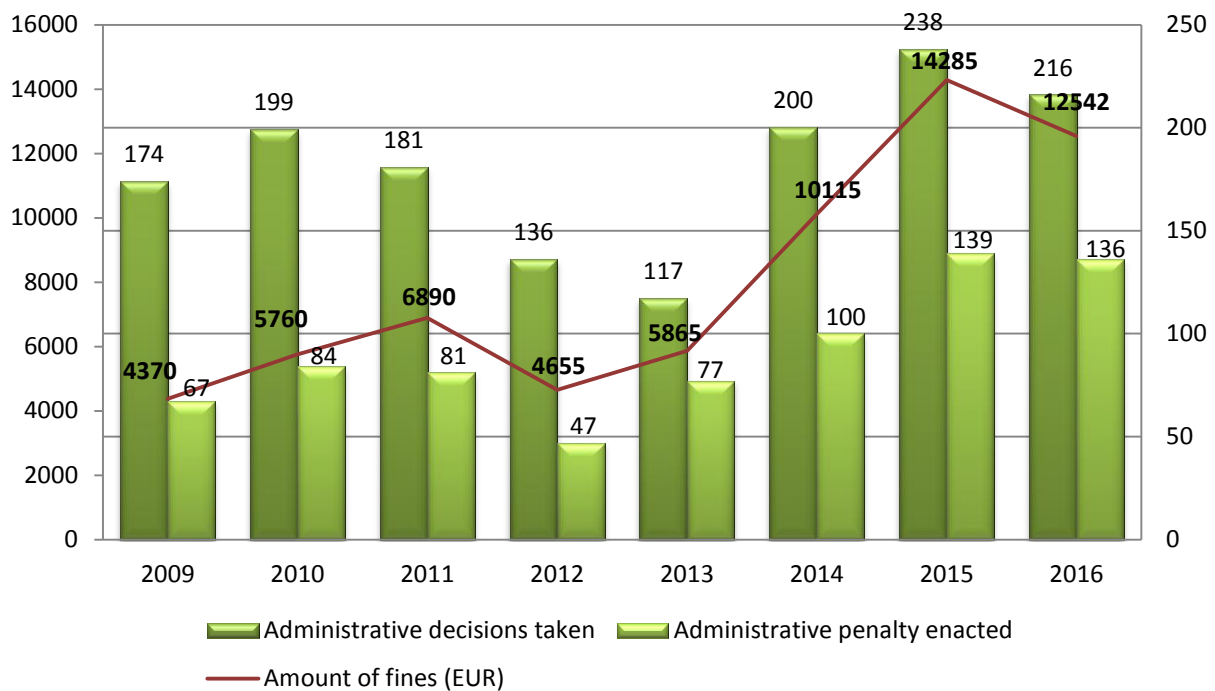
The control over activities of public officials and the prevention of conflict of interests is one of the Bureau’s main functions. The Bureau has power to examine whether public officials have followed provisions of the law “On Prevention of Conflict of Interest in Activities of Public Officials” (the conflict of interest law) and to enact charges in cases when breaches of the conflict of interest law are detected.

In 2016 the Bureau has reviewed activities of 872 public officials by inspecting information provided in 1346 declarations of public officials. Controlling activities of public officials in prevention of conflict of interests in 216 cases the decision of violation of the conflict of interest law was taken. 136 public officials were fined in total amount of 12 542 EUR, but in 66 cases public officials were verbally reproached.

In most of the detected violations public officials have failed to observe restrictions concerning additional employment thus gaining unauthorized income. During the reporting period 166 written explanations were given regarding application of the conflict of interest law.

Information on 48 persons was sent to the State Revenue Service due to possible failure to comply with the order to fill in declarations of public officials, additionally in relation to 10 persons it was detected that income of public officials or their relative is not compliant with expenses, thus this information also was sent to the State Revenue Service.

Number of administrative decisions taken regarding the violation of the law “On Prevention of Interest in Activities of Public Officials” as well as number of penalties enacted and amount of fines (EUR) in 2009 – 2016



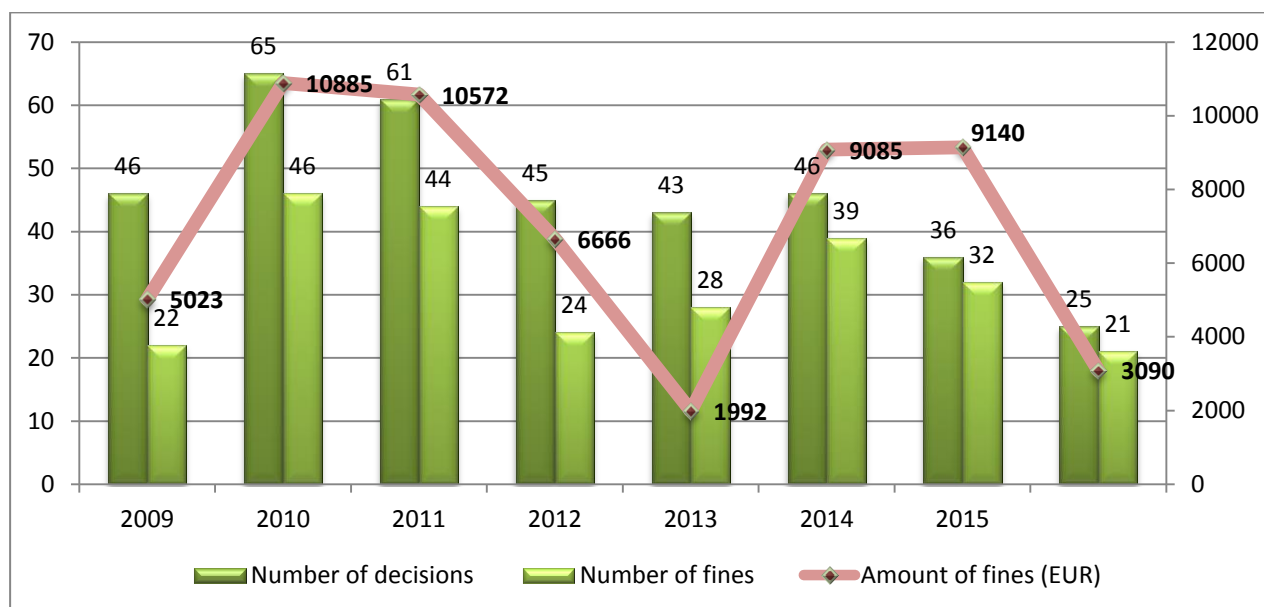
Control of political parties financing

The Bureau is the authority in charge of monitoring political parties’ compliance with party financing rules and pre-election campaign violations of which are subject to sanctions. In 2016 for breaches of the *Law on Financing of Political Parties* and *Pre-Election Campaign Law* the Bureau has initiated 47 administrative cases. In total 25 decisions in administrative cases were made where in 21 case a fine was applied for failure to submit a yearly overview or failure to comply with the order determined for membership fees and donation reports in total amount of 3090 EUR. In one case a natural person was fined in of 250 EUR for intermediation in party financing and in one case verbal reprimand was applied.

In 2016 the Bureau published 467 announcements on received donations and membership fees to political parties. In relation to received donations and memberships fees received by political parties the Bureau officials took nine decisions and applied reimbursement of donations for almost 40 000 EUR. In relation to pre-election campaigning one decision was made concerning ruling party for exceeding the legal amount of pre-electing campaigning expenditures thus reimbursement to the state budget in amount of 41 779,42 EUR was applied.

In line with state funding policy for political powers in 2016 six political parties received funding in amount of 576 980, 25 EUR from the state budget.

Number of administrative decisions taken regarding violations of the Law on Financing of Political Organisations (Parties) and Pre-Election Campaign Law as well as number of fines imposed and amount of fines (EUR) in 2009–2016



Awareness raising and education

In 2016 awareness raising and training on issues of the prevention of conflict of interests, ethics and internal control was provided to 6424 persons in 115 events. In cooperation with Prisons’ Administration four events were arranged in the Riga Central Prison thus with this venue emphasizing the inevitability of punishment and invaluable value of freedom. Most of participants in these events are public officials and employees of public institutions. Special trainings are arranged for students as well as pupils. In 2016 an active cooperation was launched with the National Centre for Education in order to ensure wider inclusion of anti-corruption issues in school programs for secondary schools.

In 2016 the Bureau carried out a social campaign *There is no Future With Corruption!* Within the campaign the Bureau urged not to tolerate any corruptive actions. During this campaign in various public institutions posters were placed as well as out door advertising on public transport and taxis. Special video placed in social media was created in cooperation with young students – future camera operators of the Ogre Professional School.

In October 2016 annual social survey *Attitude towards corruption in Latvia* was carried out by a research center *SKDS*. The results reveal that the number of persons that have used unofficial payments during the last two years has decreased from 30% in year 2012 to 9% in 2016. Important result is that the number of respondents who are ready to report about corruption has increased from 10% in 2014 to 14% in 2016. The trend of statistics shows that the society is more educated on reporting corruptive activities and less likely to bribe a public official.

Number of awareness raising / training events and number of participants in 2009 – 2019

